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PROCEEDINGS AND DEBATES

OF THE

FIRST SESSION OF THE
SEVENTY-FOURTH CONGRESS

OF

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VOLUME 79—PART 7

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UNITED STATES SENATE

PROCEEDINGS AND DEBATES

OF THE

FIRST SESSION OF THE
SEVENTY-FOURTH CONGRESS

ON

THIRTY-THIRD DAY
OF MARCH

VOLUME 73—PART 7

MADE AT THE SENATE
(HALL OF THE SENATE)



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SEVENTY-FOURTH CONGRESS, FIRST SESSION

SENATE

MONDAY, MAY 6, 1935

(Legislative day of Wednesday, May 1, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

DEATH OF SENATOR BRONSON CUTTING, OF NEW MEXICO

Mr. HATCH. Mr. President, I rise to announce, with extreme regret, that a terrible accident has occurred this morning in which my colleague the senior Senator from New Mexico [Mr. CUTTING] has lost his life. I am informed he had been in New Mexico, called there by important business, and was returning by airplane in order that he might be at his post of duty this afternoon. He was tremendously interested in matters which were to come before the Senate today, and I know he was exerting every effort to be here, in order to participate in the proceedings which were to have been had. In his loyalty to duty he lost his life.

Later I shall ask permission to make extended remarks concerning the life and character of Senator CUTTING. For the present, I will content myself with saying that he has carved for himself a conspicuous and honored place in the affairs of the Nation, as well as of my State, and his untimely and tragic death is a loss to America, as well as to New Mexico.

I send to the desk a resolution which I ask to have read and to have considered at this time.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 130) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. Bronson CUTTING, late a Senator from the State of New Mexico.

Resolved, That a committee of 10 Senators be appointed by the Vice President to take order for superintending the funeral of the deceased Senator.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The VICE PRESIDENT appointed as the committee provided for under the second resolution the Senator from New Mexico [Mr. HATCH], the senior Senator from Arkansas [Mr. ROBINSON], the senior Senator from Oregon [Mr. McNARY], the senior Senator from Idaho [Mr. BORAH], the senior Senator from Nebraska [Mr. NORRIS], the senior Senator from California [Mr. JOHNSON], the senior Senator from Montana [Mr. WHEELER], the senior Senator from Wisconsin [Mr. LA FOLLETTE], the junior Senator from New York [Mr. WAGNER], and the senior Senator from Colorado [Mr. COSTIGAN].

Mr. HATCH. Mr. President, as a further mark of respect to the memory of the deceased Senator, I move that the Senate do now stand adjourned.

The motion was unanimously agreed to; and (at 12 o'clock and 3 minutes p. m.) the Senate adjourned until tomorrow, Tuesday, May 7, 1935, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 6, 1935

The House met at 12 o'clock noon.

The Reverend Simpson B. Daugherty, D. D., of the National Memorial United Brethren Church, of Washington, D. C., offered the following prayer:

O God, our Father, we thank Thee that in the time of our deepest need and in the time when we seek to rise to triumph and success in the realm of statesmanship and legislation Thou dost point the way; Thou dost give us the consciousness of Thy presence in all that we undertake to do, and we pray that this session shall be to Thy glory and each one of us shall be found in the way of Thy choosing. Bless him who presides and all who have a part in the affairs of our Nation. And in His name we ask it. Amen.

The Journal of the proceedings of Saturday, May 4, 1935, was read and approved.

COTTON PROCESSING TAX

Mr. WARREN. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WARREN. Mr. Speaker, on April 10, 1935, the General Assembly of North Carolina memorialized Congress to repeal the processing tax on cotton.

On May 3, 1935, this action was reconsidered by the North Carolina Legislature, and they have now sent us another memorial, which I ask the Clerk to read.

The SPEAKER. Without objection, the Clerk will read the memorial.

There being no objection, the Clerk read as follows:

A joint resolution repealing, rescinding, and vacating Resolution No. 37, House Resolution No. 1040, ratified April 10, 1935, entitled "A joint resolution memorializing Congress to eliminate the cotton-processing tax"

Be it resolved by the house of representatives (the senate concurring):

SECTION 1. That House Resolution No. 1040, ratified April 10, 1935, be, and the same is hereby, in all respects repealed, rescinded, and vacated as fully to all intents and purposes as if said resolution had never been introduced, passed, and/or ratified.

SEC. 2. That copies of this resolution be transmitted by the secretary of state of North Carolina to the President of the United States, the Secretary of Agriculture, and the Senators and Representatives in Congress from the State of North Carolina.

SEC. 3. That this resolution shall be in full force and effect from and after its ratification.

ELIMINATION OF GRADE CROSSINGS

Mr. RUDD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the elimination of grade crossings and to include therein letters which I have written to the Governor of the State of New York, the mayor of the city of New York, the State highway department and the transit commission, and their replies thereto.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. RUDD. Mr. Speaker, I ask unanimous consent to extend my remarks on the elimination of grade crossings, with particular reference to those of the Long Island Railroad on Atlantic Avenue in Brooklyn and Queens, and to include therein letters which I have sent to Governor Lehman and Mayor La Guardia, the State highway department, and the Transit Commission of New York, and their replies thereto.

The following letter was sent to the Honorable Herbert H. Lehman, Governor, Albany, New York; Hon. Fiorello H. LaGuardia, mayor, Manhattan, New York City; State highway department, Albany, N. Y., transit commission, 270 Madison Avenue, New York City:

APRIL 15, 1935.

I respectfully ask that application be made to the Secretary of Agriculture (Bureau of Roads, Mr. Thomas MacDonald), Washington, D. C., for allocation of funds to meet the cost of the Atlantic Avenue grade crossings elimination on the Long Island Railroad in the Boroughs of Brooklyn and Queens and Long Island. This application, in my opinion, should be made for a grant of money outright. My reasons for this are as follows:

For years the people of Brooklyn and Queens and Long Island, realizing the existing hazards to life at railroad grade crossings, have advocated their elimination.

Under the existing law the expense would have to be borne by the State of New York, the city of New York, and the Long Island and Nassau Railroads. Because of complications involved, a long-drawn-out court litigation would probably ensue.

In January 1935 a questionnaire was sent out, by direction of the Public Works Administration at Washington, by Mr. Arthur S. Tuttle, State engineer of the Public Works Administration in New York City, to the State of New York and its municipalities for contemplated and tentative improvements. The Atlantic Avenue improvement was among those contemplated. No formal, definite, and specific application for money for the Atlantic Avenue improvement was made, however.

Now that the Emergency Relief Appropriation Act of 1935, approved April 8, 1935, is law, formal application must be made for the necessary funds to be allocated for this much-needed improvement.

Everything that has been done so far is purely tentative in its nature. I therefore again ask the Governor of the State of New York, the State highway department, the mayor of the city of New York, and the transit commission to join hands in making this application for the grant of funds by the Federal Government.

As the Long Island Railroad is routed for a great distance on Atlantic Avenue in the Boroughs of Brooklyn and Queens, in my congressional district, you can readily understand my great interest in this matter.

I hope this application is speedily made so that I may do all that I can with the authorities in Washington for the allocation of this money.

I am making this request to the Governor of the State of New York, the State highway department, the mayor of the city of New York, and the transit commission.

Sincerely yours,

STEPHEN A. RUDD.

STATE OF NEW YORK, EXECUTIVE CHAMBER,
Albany, April 23, 1935.

Hon. STEPHEN A. RUDD,

House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN RUDD: This is in reply to your letter of April 15 to Governor Lehman.

I am advised by the department of public service that the State of New York is preparing promptly to utilize all the funds which the Federal Government will place at the disposal of the State for grade-crossing eliminations. It is understood that the President will soon announce the rules regarding the apportionment and utilization of funds and the bureau or department at Washington which will have charge of the matter. As soon as these points have been determined, the State of New York will be in a position to act promptly and your suggestion will be carefully considered in connection therewith.

Very sincerely yours,

WALTER T. BROWN.

CITY OF NEW YORK, OFFICE OF THE MAYOR,
April 16, 1935.

Hon. STEPHEN A. RUDD,

House Office Building, Washington, D. C.

MY DEAR COLLEAGUE: I have yours of the 15th. As you know, I have already taken first steps to see that New York City gets some of the grade-crossing funds and that all doesn't go to the rural districts, as has been the custom heretofore. I have assurance that we will get our share.

When you are next in the city I will be glad to talk the matter over with you. If you have anything in mind specifically, I would suggest that you submit the location to Col. Frederick S. Greene, State superintendent of public works.

Kindest regards, sincerely yours,

F. H. LA GUARDIA, Mayor.

STATE OF NEW YORK,
DEPARTMENT OF PUBLIC WORKS,
Albany, N. Y., April 17, 1935.

Hon. STEPHEN A. RUDD,

House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I have your letter of April 15 relative to the elimination of the Atlantic Avenue grade crossing in the Boroughs of Brooklyn and Queens.

The President has made no allocation for either highway or grade-crossing elimination work under section 5 of the Unemployment Relief Act. When this allocation is made I have no doubt that a certain sum of money will be allocated to the city of New York for grade-crossing eliminations. I don't know whether that work will be handled by this department or by the transit commission. Until such time, however, as the President does make an allocation to this State no allocation can be made to the city of New York.

I have no idea how much the Atlantic Avenue elimination will cost, but I imagine that the cost will be much greater than the amount that can possibly be allocated to New York City, if not greater than the amount that may be allocated to the State as a whole.

It is not our understanding that there will be 100-percent grants outside of those made under section 5 for non-Federal projects, although I believe the President has the authority to make such grants if he sees fit. This department, however, can't borrow money except through a vote of the people. I believe that municipalities can and it is suggested that you get in touch with the transit commission, which has State funds available for elimination of grade crossings, and see whether or not State funds and Federal funds may be used jointly to take care of Atlantic Avenue.

Very truly yours,

A. W. BRANDT, Commissioner.

TRANSIT COMMISSION,
New York, April 16, 1935.

Hon. STEPHEN A. RUDD,

House of Representatives, Washington, D. C.

DEAR SIR: This will acknowledge the receipt of your letter of April 15, 1935, in reference to the possibility of an allocation of Federal funds to meet the cost of the Atlantic Avenue grade crossing elimination on the Long Island Railroad in the Boroughs of Brooklyn and Queens.

The possibility of securing Federal aid for this project has had the consideration of this commission for some time and conferences have been held with the president of the Borough of Brooklyn and counsel for the railroad company looking to the solution of the problems attendant upon so intricate a matter.

The Atlantic Avenue improvement was listed by the commission among other projects on the questionnaire filled out and filed with the Public Works Administration. Whether this project can be carried on with moneys allocated under the Emergency Appropriation Act of 1935 depends on whether the sum awarded to New York City for grade crossing elimination purposes will be sufficiently large and whether the city will be able to finance the related municipal improvements out of Federal funds or otherwise. Until regulations have been formulated by the Federal agencies delegated to carry out the provisions of the act and until the exact amount of the grade crossing allotment for New York City is decided, no determination can be reached as to whether the Atlantic Avenue improvement can be progressed with Federal financing.

Very truly yours,

MACK NOMBERG, Secretary.

In pursuance of the above reply from Mayor LaGuardia, on April 23 I had an interview with Messrs. Mack Nomberg and William C. Lancaster, secretary and chief engineer, respectively, of the transit commission, at 270 Madison Avenue, Manhattan; and on April 24 I had an interview with Mayor LaGuardia at the City Hall, New York City; all of the above gentlemen assured me that they would do everything they could to bring about the desired result.

THE PLIGHT OF THE COTTON-TEXTILE INDUSTRY

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks by including therein a radio address which I delivered on Saturday evening over the Columbia Broadcasting System.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio last Saturday evening:

I want to have a heart-to-heart talk tonight with all of you who are American citizens. Whether you live in my own New England, in the boundless prairies of the great West, in the sunny South, or in the realm of the great empire that is to be—beyond the Rockies on the slopes of the Pacific Ocean. We are all Americans, of one country and of one purpose. No section can prosper without that prosperity being reflected in every other section of the land. No section can be adversely affected without affecting every other section of the country.

I come tonight to plead the cause of a distressed people. I come to ask simple justice for a people whose only request of their Government is to be permitted an opportunity to earn their livelihood in the American way through honest toil. These people for whom I speak do not want to live on a Government dole; they do not want to be an anchor on the good ship Recovery. They want to bring back happier and better days by creating rather than destroying wealth.

Three injustices have recently been inflicted by the administration upon the people for whom I speak, all of whom depend for their livelihood upon King Cotton, which for years has contributed to the wealth of the Nation.

The cotton-spinning industry is one of the oldest industries in the world. It is the second largest in the United States. When

you strangle the second greatest industry in the country, that is a matter of great concern not only for the 10,000,000 who live directly or indirectly on cotton, but for everyone else as well.

The cotton industry is being choked with the cotton-processing tax, and unless relief is promptly forthcoming, drab days are ahead for the 500,000 men and women who work in these mills, both in the North and the South. No industry can permanently stand a 50-percent tax on pay rolls, which is about what this tax means to the cotton-spinning industry. Inevitably one of two things must happen: The mill closes and thousands are thrown out of work and join the great army of unemployed, who become dependent upon Government alms; or else there comes a readjustment downward of working conditions. Either would be deplorable, and I cannot believe will meet with the approval of the American people.

Now, I want it squarely understood I recognize there is a cotton crisis in the South that must be met. If the grower needs relief, give it to him. No one is going to interpose objections to this. But I believe we have a right to insist that this relief be given in a way that will not be destructive and disastrous to millions of other folks. You are never going to bring prosperity to this land by severely penalizing five people for every one you aid.

I repeat—give the southern cotton farmer a helping hand. But do not put what should be a national burden on the shoulders of an industry which has been struggling under difficulties for years and which can ill afford to bear additional burdens. Do not give this aid at the cost of throwing out of work hundreds of thousands of men and women who gain their livelihood by handling cotton in one way or another.

Do not give this aid to a part of the cotton-growing section and then make more pitiable and desperate the always pathetic life of the tenant crop farmer. Do not give this aid in a way that will put hundreds of thousands of people on the Federal-aid rolls. Lastly, do not give this help in a way which will cause other nations, notably Egypt, Brazil, and India, to increase their acreage; which will eventually mean the stabilization of the South on a 6,000,000-bale production, secured only through the aid of a protective tariff.

These are only facts, my countrymen, and in the consideration of the cotton tax it must always be remembered that cotton presents an entirely different situation than other crops. Cotton needs an export market almost as large as the home consumption if it is to be really prosperous. Other commodities will do fairly well if we give to the farmer the American market.

This Roosevelt experiment has failed; failed dismally. It has brought destitution and distress to a large part of our population. Fairness would demand a readjustment of the administration of this relief so that it will not block the return to better days.

The second grievance of the textile industry—and it is the grievance of a hundred other industries as well—is in the failure to give adequate protection against Japanese imports.

Within 40 days this year there were more textile goods imported into this country from Japan than came in during the whole 12 months of 1934. When the workers cried for protection, the President answered the imports were less than 1 percent of the output of the industry and other administration chiefs branded them as inconsequential.

It is true the total was less than 1 percent, but the President might have added that in one item, the imports embraced more than 20 percent of the volume; it might further have been said the Japanese price in every instance, regardless of the volume sold, establishes in a measure the price the American manufacturer can obtain. No seller can pass along his increased costs when he is already being undersold by a competitor, as resourceful and energetic as the Japanese.

Let us glance for a moment at the wages paid skilled workmen in Japan, the wages of the men and women who make the goods our working people are in competition with. We find for a 10-hour day the average textile worker gets 23½ cents; the worker in the metal trade, \$1.45; the glass worker, 75 cents; the worker in the match industry, 23 cents; the paper maker, 40 cents; the shoe worker, 65 cents; the tailor, 60 cents; the carpenter, 65 cents; plasterer, 73 cents; masons, 87 cents; bricklayers, 80 cents; painters, 70 cents; bookbinders, 69 cents; printers, 89 cents; male domestics, 24 cents; female domestics, 23 cents. Bear in mind these figures are for daily wages, not hourly.

These figures eloquently tell the story of why we cannot expect to live if the Japanese imports are allowed to come in as they are at the present time.

The question is fairly presented to the country. There is no dodging the issue. Do we want to compel the workers in America to compete in the American market with Japanese labor which is paid from 20 to 25 cents a day? Do we want to see industry thrive in Japan while it languishes in this country?

We talk about spending billions to defend this country from a foreign foe. If we do not have the good sense to protect our own industries and to give our own people a chance to work, there need be no worry about national defense. There won't be anything here to excite the envy or the cupidity of a foreign foe.

The processing tax and the Japanese imports are not all the textile industry is obliged to worry about. We once had profitable markets in South America, Central America, and the Philippines. In 1932 we sold in South America 66,207,000 square yards of cotton goods, while last year the sales totaled 35,310,000; almost a 50-percent drop. In 1933 we sold in Central America 44,382,000 square

yards, and last year only 33,499,000. The Department of Commerce reports: "The drop is mainly owing to competition from low-priced Japanese goods." Now, we could overlook this loss, even in an administration which has loud-trumpeted what it was doing to recover foreign markets. Let us turn to the Philippine Islands. In 1932 we sold to the Philippines 116,655,000 square yards of cotton piece goods; in 1933 the sales aggregated 88,087,000 square yards, and last year hit a new low of many years at 47,873,000. In this same period Japanese cotton piece goods exports rose from 24,661,520 yards in 1932 to 67,601,776 yards last year. You will not fail to note how badly we have been pushed into second place, and in a few months our trade will be negligible.

This slump in the Philippines' trade meant the loss of good jobs here for thousands of American workers, and it must be charged directly to the administration. No one else is to blame.

The Philippines were concerned at the vanishing of the American trade and they wanted to arrest the shift. They did not care to be too dependent upon Japan, and they further realized if they were to continue to sell goods in the United States they must buy some of our manufactured products. Legislation was proposed by the islanders last December which would have stopped the flood of Japanese imports. That legislation never was permitted to become a law. A message suggesting delay came from the State Department at Washington and the Philippine Legislature acquiesced. Think of that, an American official actually refusing to permit the enactment of legislation which would have increased American trade.

Months have passed. The Japanese enjoy the rich markets of the Philippines and, as the islanders become accustomed to the cheaper Japanese goods, it is going to be increasingly difficult for us to regain the markets.

These three grievances have been submitted to President Roosevelt. He has all the power necessary to give protection and justice to this great industry. One stroke of his pen and all could be adjusted. Will he aid these distressed millions? The responsibility is his. He can allow the millions engaged in the textile industry to enjoy a more abundant life if he so wishes.

Oh, my countrymen, I wish you could go with me into the homes of these mill workers, who have seen their mills closed for all time. Gloom and despair everywhere. Hope eternally vanished. Their jobs gone and no chance for new employment. They apparently face a future that means only the meager livelihood from the Government dole.

Cities and towns once prosperous are faced with mounting relief costs and decreasing revenues. Tax rates soar and the thrifty lose the homes they acquired only after years of toil. And in all this distress these municipalities struggle gamely on. They have asked very little of the Federal Government. My own State of Massachusetts has been obliged to put up more for relief than any other State in the Union.

Every Massachusetts city and town has contributed liberally for relief. One of the Federal officials has commended the Massachusetts spirit to do its part. But I sound this warning. We cannot continue. Our resources are not limitless. If these destructive policies continue, then we must unwillingly turn over the load. And, after all, if the Federal Government through its own folly and unwise experiments brings about a situation it must expect to pay.

You of the West are deeply interested in our plight. Your best customers are in these industrial cities. They consume your wheat, corn, and other agricultural products. Destroy the purchasing power in the great industrial centers and you will find your own situation will be seriously worse off. So, I repeat, this is a Nation-wide problem, and everybody is deeply concerned in having it solved right.

I cannot believe the spirit of fair play, the spirit of humane-ness, which has ever been in evidence in America, will permit these destructive policies to continue. It is because I have an unbounded faith in the people I am making this appeal to the country. Help these people or they perish.

IMPERIAL COUNCIL OF THE MYSTIC SHRINE

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 272) to enable the Commissioners of the District of Columbia to defray certain expenses incident to the convention of the Imperial Council of the Mystic Shrine, June 8 to June 17, 1935, both inclusive.

The Clerk read the title of the resolution.

There being no objection, the Clerk read the joint resolution, as follows:

House Joint Resolution 272

Resolved, etc., That for carrying out the provisions of Public Resolution No. 14, Seventy-fourth Congress, approved April 24, 1935, within the limitations and for the several purposes therein expressed, there is hereby appropriated out of any money in the Treasury not otherwise appropriated, \$54,000, to be payable from the revenues of the District of Columbia.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESOLUTIONS OF THE UNITED STATES CHAMBER OF COMMERCE

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Colorado asks unanimous consent for the present consideration of a House resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 212

Resolved, That the President be, and he is hereby, respectfully requested, if agreeable to him and available, to transmit to the Speaker of the House of Representatives the full text or transcript of his press conference of Friday, May 3, 1935, on the resolutions of the United States Chamber of Commerce on his legislative program.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The resolution was agreed to.

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the resolution just adopted at this point.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, in presenting this resolution it is with no thought that its adoption imposes any obligation upon the part of the President to comply with it. The resolution itself asks for the text or transcript of his press conference on the resolutions of the United States Chamber of Commerce "if agreeable to him and available." It is wholly at his pleasure. If for any reason, or no reason, the text of the interview referred to is not transmitted to the Speaker of the House, it is entirely satisfactory to the author of the resolution.

My object in presenting the resolution is solely that the President may be invited, if he sees fit, to send up for the record his comment on the resolutions adopted by the United States Chamber of Commerce in convention at Washington last week, which constituted the first major offensive by the representatives of big business on his program as a whole. His comment is, of course, matter of great interest and importance.

Obviously big business thinks the zero hour has arrived for an open and general assault on the recovery and reform program. For several months now we have been treated to sporadic attacks on different features of the program, but this is the first time the big boys have gone into action all along the line.

Not only the resolutions adopted by the United States Chamber of Commerce, but the outstanding speeches of its spokesmen and leaders voice opposition to practically the whole program now pending before Congress and were evidently inspired by the belief that the time has come to go after Roosevelt in the hope of defeating him for reelection and returning to power another reactionary administration at Washington.

To show the reaction to these speeches on the part of the newspapers reporting the proceedings, I quote a few convention headlines from the Washington Post, a conservative newspaper:

United States Chamber of Commerce flays new deal on many fronts.

United States Chamber flays new deal on all fronts.

Bill by Wagner means strife, Chamber told.

Social-security measure assailed as wrong, dangerous.

Fight on new deal pressed by United States Chamber speakers.

"A. A. A. scuttling farm exports", Chamber told.

Government's meddling held bar to business.

United States Chamber spurs battle on banking bill.

Silas Strawn sees ignominious retreat in N. R. A. test cases.

Silas Strawn was formerly president of the chamber—

"Nation rejects N. R. A. and N. I. R. A." C. D. A. says.

Mr. Speaker, a column could be filled with these headings. The foregoing suffice. The text of the speeches as reported live up to the headlines, and the resolutions adopted show

that the speeches truly reflect the views and sentiments of the organization.

A few brief quotations from the resolutions indicate their trend.

On the National Industrial Recovery Act:

We believe that the present law should be allowed to expire in June of this year.

The collective-bargaining provisions of the present law have definitely disproved their worth.

Labor Relations: On the 30-hour-week bill and the National Labor Relations Board, the resolutions say:

To each of these proposals the chamber is definitely opposed.

Federal Reserve System:

We urge that no change be made in the Federal Reserve Act, except such as will provide further strength and usefulness to the present plan.

Social-security legislation:

We question the propriety as well as the constitutionality of any effort by the Federal Government designed to take jurisdiction over the subject matter of this proposed legislation.

Agricultural Adjustment Act:

We oppose any further extension of governmental authority over the freedom of action of the producers, processors, or distributors of basic agricultural commodities, as provided in the proposed amendments to the A. A. A.

Enumerating all the bills.

Utility bill of 1935:

All attempts to superimpose Federal regulations of operating companies upon State regulation should be abandoned.

Examination of this resolution in its entirety shows that in order to meet the objections to the holding-company bill, there will be nothing left.

Self-regulation of industry: This resolution enumerates the benefits and blessings of the self-regulation of industry and says:

Such conditions should be continued.

Little weight will attach to what I have to say about this action upon the part of a supposed nonpartisan gathering of business men, but whose speeches and resolutions sound more like a national convention of Republican politicians, but some weight should attach to the reaction on the part of newspapers none too friendly to the President's program.

The Washington Post, which so liberally reported the chamber's convention, was not so liberal in its comment on its action. Its editorial in its issue of May 4 is headed "A Bungling Attack", and the editorial is fully up to the heading. It ought to be taken to heart by these purblind leaders of big business who appear to be laboring under the delusion that the time is at hand for the resumption of its partnership with Government which was terminated on March 4, 1933, that is, if one can call the relationship of master and servant a partnership.

The newspaper, referring to the paragraph above quoted from the resolutions on social security, says:

The result is that the chamber's general endorsement of social security legislation appears to be mere lip service, if not actually insincere.

This, mind you, is not a Democratic Member of Congress speaking.

The editorial, after noting—

the significant silence of the chamber of commerce on the subject of the works-relief program, its advocacy of subsidies to merchant vessels, and its plea for Federal regulation of all forms of interstate commerce, showing that the business men of the country are far from averse to benefit from certain forms of Government aid—

Caustically adds:

They cannot expect to get away with an attitude which condemns all government intervention that offers no direct, tangible benefits to business.

The editorial carries equally caustic comment on the recommendation that the National Recovery Act be permitted to expire in June, but asking for emergency substitute legislation which would "greatly increase the privileges of or-

ganized industries operating under voluntary codes", while, "at the same time it condemns collective-bargaining arrangements which would give similar preferential position to organized labor."

It is small wonder—

The newspaper adds—

that the disposition to ask for more power and at the same time expressing disapproval of all policies that entail sacrifices for business, creates a most unfavorable impression.

The editorial also comments on the London reaction to the resolutions as follows:

The hostile attitude of the delegates toward administration policies is reported to have "shocked" the head of the United States Chamber of Commerce in London. He pointed out that British business had cooperated with the Government and had willingly undertaken sacrifices to speed recovery. He predicted that if American business fails to do likewise, it would get something worse.

The reaction of the head of the United States Chamber of Commerce in England is strikingly in accord with the warning voiced by United States District Judge John C. Knox, of New York, before the Harvard Club in New York on April 24.

Judge Knox is quoted by the press agencies as having stated that capitalism would best serve the interests of the Nation and its own if it revised its own program and came out for decent social legislation.

As decent social legislation the jurist stressed bank-deposit insurance, old-age pensions, and unemployment insurance; and he is quoted as stating that unless capitalism agrees to these and other needed reforms, it would be "scattered to the wrathful winds." I quote Judge Knox further:

The public has not forgotten the events of the recent past which came about as the result of capitalism indulgence in an orgy of unrestrained license * * *. It remembers enormous bond issues that were authorized by dishonest and impecunious governments and sold to the public by the best known bankers and brokers in America.

It bears in recollection that individuals whose names are supposed to be synonymous with honored integrity used their power to rape the investors of the United States, and it doesn't hesitate to assess the blame.

And he concluded his remarkable arraignment of the system which has made a program of reform imperative with the following admonition:

If capitalism persists much longer in the belief that it is superior to the rest of humanity, and if it continues to exhibit the selfishness which has heretofore animated its being and which still stirs in its heart, the citadel of concentrated wealth is in danger of serious impairment.

Mr. Speaker, if the warning of Judge Knox had been uttered after the chamber of commerce convention, instead of before, it could not have been more applicable to the spirit and action of that assemblage. The speeches and resolutions were in defiance of the President and in defiance of the Congress. They were unquestionably based upon the belief that the tide has definitely turned and envisions a "return to normalcy" in 1936.

Mr. Speaker, I want to report to the President, from a small and distant outpost, that if there is a tide running it is not in that direction. If there is a danger to the administration it was not represented at the United States Chamber of Commerce in Washington. For what my judgment may be worth. I have never felt that the "new dealers" could sit down across the table from the "old dealers" and get a new deal out of it. I would welcome their open opposition rather than the alternative of having them pretend to string along with the administration only with the end in view of hamstringing it. There is no earthly way in which the President or the Democratic Party can get the support of the United States Chamber of Commerce and what it represents. The President and the party could only lose the support of millions of progressives, both Democrats and Republicans, in the attempt. The program should go through, every major measure on it, even if it takes all summer. Every measure considered vital to the completion of the program should be put on the books at this session of

Congress and be given a measure of time to work out. It is useless to think of coming back to Washington next winter and getting our case ready for submission to the people. This should be the answer of the President and Congress to the United States Chamber of Commerce.

CONSENT CALENDAR

The SPEAKER. The Clerk will call the first bill on the Consent Calendar.

AMENDMENT OF WAR MINERALS RELIEF STATUTES

The Clerk called the first bill on the Consent Calendar, H. R. 2077, to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes."

Mr. JENKINS of Ohio and Mr. ZIONCHECK rose.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I may say I intend to object to this bill. This is a measure that provides for an expenditure of \$1,200,000. To save time I shall enter a formal objection at this time, because I understand this bill is to be brought up under suspension of the rules.

The SPEAKER. This bill requires three objections.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object—

Mr. VINSON of Georgia. Regular order, Mr. Speaker.

Mr. ZIONCHECK, Mr. McLEAN, and Mr. BACON objected.

PACIFIC EXPOSITION OF 1938 AT LOS ANGELES, CALIF.

The Clerk called the next resolution, House Joint Resolution 164, authorizing the President to invite foreign countries to participate in the Pacific Exposition of 1938 at Los Angeles, Calif.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I understand there is some conflict between the thriving cities on the western coast. They are all crowding us for world fairs at this time. We have already voted to do our part by San Diego and, personally, I think San Diego ought to have the first chance, and I am advised that these other cities are more or less infringing upon the rights of San Diego, and perhaps, somewhat retarding its chances for making their exposition a great success, and for this reason I object.

The SPEAKER. This bill requires three objections.

Mr. McLEAN and Mr. BLANTON also objected.

TO REPATRIATE NATIVE-BORN WOMEN WHO LOST NATIONALITY BY MARRIAGE TO AN ALIEN

The Clerk called the next bill on the Consent Calendar, H. R. 4354, to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes.

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

POWERS AND DUTIES OF UNITED STATES MARSHALS

The Clerk called the next bill on the Consent Calendar H. R. 5456, relating to the powers and duties of United States marshals.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 787 of the Revised Statutes (U. S. C., title 28, sec. 503), be, and the same is hereby, amended to read as follows:

"Sec. 787. It shall be the duty of the marshal of each district to attend the district courts when sitting therein and to execute all lawful precepts issued under the authority of the United States; and he shall have power to command all necessary assistance in the execution of his duty."

SEC. 2. That, in addition to all other powers, United States marshals and their deputies shall have the power to make arrests without warrant for any offense against the laws of the United States committed in their presence or for any felony cognizable under the laws of the United States in cases where there is reasonable ground to believe that such felony has been or is being committed and that the person to be arrested has committed or is committing it. The marshals and their deputies shall also have the power to carry firearms.

With the following committee amendments:

Page 2, line 6, strike out the words "there is reasonable ground to believe that", and in line 7, after the word "has", insert the words "in fact"; line 8, before the word "that", insert the words "they have reasonable grounds to believe."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO ASSIST LATIN AMERICAN REPUBLICS IN MILITARY AND NAVAL MATTERS

The Clerk called the next bill on the Consent Calendar, H. R. 3482, to amend the act of May 19, 1926, an act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin American Republics in military and naval matters.

The SPEAKER. Is there objection?

Mr. O'MALLEY. Reserving the right to object, do I understand that under this bill the United States will assign enlisted men and officers to assist South American Republics in military preparations?

Mr. GUEVARA. No; the purpose of the bill is to amend the law of May 19, 1926, by including therein the Philippine Islands.

Mr. O'MALLEY. I have no objection.

Mr. McLEAN. Perhaps I can enlighten the gentleman. It has been the practice in the past for the United States to assign officers and enlisted men to the South American Republics to assist those republics in making their plans for national defense. All the expense is borne by those countries. This matter came before the Committee on Military Affairs on a proposal to amend the law so that the officers and enlisted men of the Army and the Navy of the United States could assist people of the Philippine Islands, in anticipation of their independence, to plan for their national defense. It was thought that it would be a friendly act on the part of the United States toward the Philippine Islands to enable them to have the same advantages in their study of this problem which we have given South American Republics.

Mr. O'MALLEY. Mr. Speaker, I withdraw my objection, because it adds to Santo Domingo the Philippine Islands. I think the original bill was wrong.

Mr. SNELL. Let me ask the gentleman: We have officers and enlisted men in the Philippine Islands now?

Mr. McLEAN. Yes; it will not involve any expense to the Government.

Mr. RANKIN. You do not intend to send the fleet there, that is to have the maneuvers in the Pacific?

Mr. McLEAN. No; I think that has more relation to San Diego and the success of the exposition this summer.

There being no objection, the Senate bill was substituted for the House bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the act of May 19, 1926 (Public, No. 247), be, and the same is hereby, amended by striking out the word "and" preceding the words "Santo Domingo" and inserting after the words "Santo Domingo" the words "and the Commonwealth of the Philippine Islands."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAWNEE TRIBE OF INDIANS OF OKLAHOMA

The Clerk called the bill (H. R. 4376) for the relief of the Pawnee Tribe of Indians of Oklahoma.

The SPEAKER. Is there objection? This bill requires three objections.

Mr. BACON, Mr. JENKINS of Ohio, and Mr. TRUAX objected.

SAN FRANCISCO EXPOSITION OF 1938

The Clerk called House Joint Resolution 151, authorizing and requesting the President to invite the countries of the world to participate in the San Francisco Exposition of 1938 at San Francisco, Calif.

Mr. SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I reserve the right to object. This bill is almost identical with the bill objected to sometime ago concerning a world's fair at Los Angeles. I object.

The SPEAKER. The bill requires three objectors.

Mr. McLEAN and Mr. BACON objected.

TO REPATRIATE NATIVE-BORN PERSONS

The Clerk called the bill (H. R. 3023) to provide for citizenship to persons born in the United States who have not acquired any other nationality by personal affirmative act, but who heretofore lost their United States citizenship through the naturalization of a parent under the laws of a foreign country, and for other purposes.

Mr. JENKINS of Ohio. Mr. Speaker, I object.

PRELIMINARY EXAMINATION OF NEHALEM, MIAMI, AND OTHER RIVERS, OREG.

The Clerk called the bill (H. R. 4077) authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Willson, Trask, and Tillamook Rivers in Tillamook County, Oreg., with a view to the controlling of floods.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I reserve the right to object, and submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JENKINS of Ohio. There are five or six bills following in succession to this one, all of the same import. They are not identically the same, but they are all flood bills. My inquiry is to know whether, if we decide to pass the first one, we can pass all the rest of them without going through the formality of reading them all?

The SPEAKER. The Chair cannot answer that question, but the Chair thinks action better be taken with reference to each individual bill.

Mr. JENKINS of Ohio. Mr. Speaker, there are six or eight bills all in the same section of the United States. I shall not take the responsibility of objecting to the bill, but here is what these bills do. About a week or 10 days ago we passed a river and harbor bill. In that bill were many amendments which provided for the same thing exactly as this bill provides. In other words, for surveys by Army engineers of flood and river projects. We have had the matter up here repeatedly. We on this side used to object to these bills upon the ground that it is an invasion of the prerogatives of one committee by another. In other words, if the Committee on Rivers and Harbors has authority over these bills, the Flood Relief Committee ought not to have authority; but I am speaking more or less for the minority. We do not have the responsibility for legislation and I shall not object. I call attention of the leaders on the other side, however, to the fact that we are embarking on a policy that is unnecessary, if not dangerous. Here we are providing for surveys of a lot of projects, while the same officials who come in and say they have no objection to this—and I refer to the Army engineers. They say that they have no objection when the river and harbor projects are under consideration. I am not unfriendly to either of these plans, but there should be something done to fix the jurisdiction of these committees, so that their jurisdictions would not conflict. I shall say no more, but leave the responsibility where it belongs.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. MOTT. Will the gentleman withhold his request until I can make a very brief explanation?

Mr. TRUAX. Mr. Speaker, I concur in the position taken by the gentleman from Ohio [Mr. JENKINS]. In view of the fact that we have already passed the rivers and harbors bill, and in view of the fact that we have appropriated millions of dollars in the \$4,800,000,000 Federal works bill, to be on this same kind of project, I think it unwise and unfair to single out any particular State and pass these bills at this time. I hope the gentleman from Oregon will agree to let them all be passed over without prejudice so

that we may have further opportunity to enlighten ourselves on what the administration proposes to do in this regard.

Mr. MOTT. Mr. Speaker, I asked the gentleman to withhold his request until I can make a very brief statement. Then if he insists upon it, the bills may go over until the next Consent Calendar day. These are not river and harbor bills, as the gentleman seems to think. These are bills over which the Flood Control Committee has exclusive jurisdiction. The bills simply give authority for the making of a preliminary examination, not a flood-control survey, but a preliminary examination to determine whether or not a flood-control survey should be made.

They are made by the district engineers who are permanently stationed in Oregon, where these rivers are.

Mr. TRUAX. I think that is the very question that should be decided by the Department of the Interior and other departments that are now considering those projects for the entire country. There are other States which have the same right and the same claim upon these preliminary surveys as the gentleman's State.

Mr. MOTT. That is correct. Now, if the gentleman will permit me, there is no reason why any Member from any State should not introduce such a bill. If this were a bill for a preliminary survey of a river and harbor project, the gentleman understands it would not have to come into Congress at all. A resolution from the committee is sufficient; but that is not the case with a preliminary examination of a river with a view to determining whether or not a flood-control survey should be made. That must be done by introducing a bill for that purpose. The bill must be sent to the committee, the committee must report it out, and the House must pass it.

A bill of this kind does not necessitate the expenditure of additional money. The resident engineers, not only in Oregon but in every State, already have nearly all of the data in regard to the report that we are asking them to make, but they cannot make the report unless by a bill of this kind they are authorized to do so. They go through the district continuously. They have accumulated data on the flood conditions of each one of these rivers. All this bill really provides is the authority to officially compile those data and report it, so that it will be officially available when P. W. A. is ready to consider flood-control projects.

Mr. SCHULTE. Mr. Speaker, regular order.

The SPEAKER. Regular order is demanded. Is there objection to the request of the gentleman from Ohio [Mr. TRUAX]?

Mr. MOTT. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. I object to the consideration of the bill.

PRELIMINARY EXAMINATION OF THE UMPQUA RIVER, OREG.

The Clerk called the next bill, H. R. 5651, authorizing a preliminary examination of the Umpqua River, Ore.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object.

PRELIMINARY EXAMINATION OF COQUILLE RIVER, OREG.

The Clerk called the next bill, H. R. 5773, to authorize a preliminary examination of Coquille River and its tributaries in the State of Oregon with a view to the control of its floods.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

PRELIMINARY EXAMINATION OF ROGUE RIVER, OREG.

The Clerk called the next bill, H. R. 5774, to authorize a preliminary examination of Rogue River and its tributaries in the State of Oregon with a view to the control of its floods.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PRELIMINARY EXAMINATION OF SIUSLAW RIVER, OREG.

The Clerk called the next bill, H. R. 5775, to authorize a preliminary examination of Siuslaw River and its tributaries in the State of Oregon with a view to the control of its floods.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

PRELIMINARY EXAMINATION OF YAQUINA RIVER, OREG.

The Clerk called the next bill, H. R. 5776, to authorize a preliminary examination of Yaquina River and its tributaries in the State of Oregon with a view to the control of its floods.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. MOTT. Mr. Speaker, reserving the right to object, since the first two of this group of bills were objected to, I have not objected to the following bills in this group going over until the next time without prejudice. I desire at this time to withdraw my objection to the request of the gentleman from Ohio with reference to Calendar Nos. 49 and 50, and I now ask unanimous consent that they may go over without prejudice until the next Consent Calendar day.

Mr. TRUAX. That will be agreeable to me.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. TRUAX] that this bill be passed over without prejudice?

There was no objection.

The SPEAKER. The gentleman from Oregon [Mr. MOTT] asks unanimous consent that Calendar No. 49, H. R. 4077, and Calendar No. 50, H. R. 5651, be passed over without prejudice. Is there objection?

There was no objection.

Mr. MOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MOTT. Calendar Nos. 50, 51, 52, 53, 54, and 55 have all been passed over without prejudice?

The SPEAKER. Calendar No. 55 has not yet been reached.

The Clerk will call the next bill.

PRELIMINARY EXAMINATION OF SILETZ RIVER, OREG.

The Clerk called the next bill, H. R. 5777, to authorize a preliminary examination of Siletz River and its tributaries in the State of Oregon with a view to the control of its floods.

Mr. MOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

APPROPRIATION FOR BOOKS FOR ADULT BLIND

The Clerk called the next bill, H. R. 6371, to authorize an increase in the annual appropriation for books for the adult blind.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. Reserving the right to object—and I shall not object—I make this reservation to say that we on the Republican side feel this is a very fine bill, and I am in favor of it. I favor any reasonable effort to do something for the most unfortunate group of our people—the poor blind.

Mr. WOLCOTT. Reserving the right to object, I heartily agree with what the gentleman from Ohio [Mr. JENKINS] says, but I notice that this bill comes from the Committee on the Library and it appropriates \$175,000. For the purpose of protecting the Committee on Appropriations in respect to appropriations, I wish the gentleman from Illinois [Mr. KELLER] would explain why an appropriation is made and not authorized, as is customary in these bills.

Mr. KELLER. The fact is, it is an authorization rather than an appropriation. That was the intention of the bill. The bill is an authorization and not an appropriation. The reason for the increase is simply this: This Congress has

for a number of years prior appropriated under regular law \$100,000 a year for the printing of what is called the "Braille" system of raised letters for the blind of the country. During the past year there has been developed a very excellent system of sound-producing records so that blind people may hear books read. The fact is that about one-fourth of the blind people of the United States can use the Braille system. The other three-quarters, becoming blind later in life, did not learn to use the Braille system. Therefore it has been the effort on the part of those interested in that matter to develop some system by which those who have not developed the sensibility at the end of their fingers could get some way of reading books. That has been worked out finally. For the purpose of trying that out and giving effect to three-quarters of the blind of this country, this authorization of \$75,000 is asked for.

Mr. WOLCOTT. Mr. Speaker, I want to say to the gentleman from Illinois that I am heartily in accord with the bill. I think it is a splendid movement and that the fund should be increased. If the gentleman is certain this bill merely authorizes the expenditure instead of appropriating the money, then, of course, I shall have no objection to the bill.

Mr. KELLER. It makes the authorization only.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. KELLER. I yield.

Mr. TRUAX. Personally, I feel that this is a worthy project, but I would like to ask the gentleman if the American School Book Trust has anything to do with it?

Mr. KELLER. No; of course not.

Mr. TRUAX. I am glad to hear the gentleman say that. Mr. Speaker, I have no objection.

Mr. KELLER. I may say further that the machines for using these records are not to cost the Government a penny. They are provided for the blind people of the country by liberal-minded people who are interested in them. There is no cost to the Government outside of the cost of making the records.

Mr. ZIONCHECK. And, if the gentleman will yield, these records are made by a nonprofit corporation, are they not?

Mr. KELLER. Yes, sir.

Mr. DUNN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. KELLER. I yield.

Mr. DUNN of Pennsylvania. I wish to confirm the statement made by the gentleman from Illinois. It is absolutely correct. About 30 percent only of the blind people are able to read by the Braille system; 70 percent are unable to because most of them lost their sight after age 45. I want the gentleman to know I appreciate his interest in this bill.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield?

Mr. KELLER. I yield.

Mr. TREADWAY. I wish to supplement what the Chairman of the Committee on the Library has said. This committee has gone into the merits of this increased appropriation with a great deal of care. The bill has the active support and cooperation of those in the Library in charge of the interests of the blind. I think we should be governed largely by their suggestions and recommendations. I heartily agree with the chairman of the committee as to the merits of the bill.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. KELLER. I yield.

Mr. JENKINS of Ohio. One reason I feel so strongly for this bill is that a few days ago I had the opportunity of observing a demonstration of the wonderful improvements in sound machinery for the benefit of the blind. Furthermore, this is directly in line with the fight I made at the time the social-security bill was under consideration, to provide more relief for the poor blind people.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1, as amended, of the act entitled "An act to provide books for the adult blind", approved March 3, 1931 (U. S. C., Supp. VII, title 2, sec. 135a), is amended (1) by striking out "\$100,000" and inserting in lieu thereof "\$175,000", and (2) by inserting before the period at the end thereof a colon and the following: "Provided, That of said annual appropriation

of \$175,000, not exceeding \$100,000 thereof shall be expended for books in raised characters, and not exceeding \$75,000 thereof shall be expended for sound-reproduction records."

Sec. 2. This act shall be applicable with respect to the fiscal year ending June 30, 1936, and for each fiscal year thereafter.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

NOME, ALASKA

The Clerk called the next bill, H. R. 5707, to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding \$100,000.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the corporate existence and present boundaries of the city of Nome, Alaska, a municipal corporation of the Territory of Alaska, second judicial division, are hereby recognized, ratified, and confirmed; and the same shall not be open to question in any court of law on the ground of destruction of records or otherwise.

Sec. 2. That the incorporated city of Nome, Territory of Alaska, is hereby authorized and empowered to undertake the municipal public works hereinafter specified or any one or more thereof, and for such purposes to issue bonds in any amount not exceeding in the aggregate the sum of \$100,000. Said city of Nome, Alaska, is hereby authorized and empowered (a) to construct, reconstruct, enlarge, extend, and improve its sewers and drains, and for such purpose to issue bonds in any sum not exceeding \$15,000; (b) to construct, reconstruct, enlarge, extend, and improve its fire-fighting system, and for such purpose to issue bonds not exceeding \$35,000; (c) to construct, reconstruct, enlarge, extend, and improve its streets and alleys, and for such purpose to issue bonds not exceeding \$12,000; (d) to construct, reconstruct, enlarge, extend, and improve its sidewalks, curbs, and gutters, and for such purpose to issue bonds not exceeding \$20,770; (e) to construct a municipal building, and for such purpose to issue bonds not exceeding \$17,230.

Sec. 3. Before said bonds shall be issued a special election shall be ordered by the common council of the said city of Nome, Alaska, at which election the question of whether such bonds shall be issued in the amount specified for any or all of the purposes hereinbefore set forth shall be submitted to the qualified electors of said city of Nome, Territory of Alaska, whose names appear on the last assessment roll of said city for purposes of municipal taxation. The form of the ballot shall be such that the electors may vote for or against the issuance of bonds for each of the purposes herein specified in the amounts herein authorized. Not less than 20 days' notice of such election shall be given to the public by posting notices of the same in three conspicuous places within the corporate limits of the city of Nome, Territory of Alaska, one of which shall be at the front door of the United States post office at Nome, Alaska. The election notice shall specifically state the amount of bonds proposed to be issued for each of the purposes herein specified. The registration for such election, the manner of conducting the same, and the canvass of the returns of said election shall be, as nearly as practicable, in accordance with the requirements of law in general for special elections in said municipality; and said bonds shall be issued for any or all of the purposes herein authorized only upon condition that not less than a majority of the votes cast at such election in said municipality shall be in favor of the issuance of said bonds for such purpose or purposes.

Sec. 4. The bonds herein authorized to be issued shall be coupon in form and shall mature in not to exceed 30 years from the date thereof. Such bonds may bear such date or dates, may be in such denomination or denominations, may mature in such amounts and at such time or times, not exceeding 30 years from the date thereof, may be payable in such medium of payment and at such place or places, may be sold at either public or private sale, may be nonredeemable or redeemable (either with or without premium), may carry such registration privileges as to either principal and interest, principal only, or both, as shall be prescribed by the common council of said city of Nome. The bonds shall bear the signature of the mayor and of the clerk of the city of Nome, and shall have impressed thereon the official seal of said municipality. The coupons to be annexed to such bonds shall bear the facsimile signatures of the mayor and of the clerk of said municipality. In case any of the officers whose signatures or countersignatures appear on the bonds shall cease to be such officers before delivery of such bonds, such signatures or countersignatures, whether manual or facsimile, shall nevertheless be valid and sufficient for all purposes, the same as if said officers had remained in office until such delivery. Said bonds shall bear interest at a rate to be fixed by the common council of the city of Nome, not to exceed, however, 6 percent per annum, payable semiannually, and said bonds shall be sold at not less than the principal amount thereof plus accrued interest.

Sec. 5. The bonds herein authorized to be issued shall be general obligations of the city of Nome, Territory of Alaska, payable

as to both interest and principal from ad valorem taxes which shall be levied upon all of the taxable property within the corporate limits of such municipality in an amount sufficient to pay the interest on and the principal of such bonds as and when the same become due and payable.

SEC. 6. No part of the funds arising from the sale of said bonds shall be used for any purpose or purposes other than those specified in this act. Said bonds shall be sold only when and in such amounts as the common council of the city of Nome shall direct; and the proceeds thereof shall be distributed only for the purposes hereinbefore mentioned and under the orders and directions of said common council from time to time as such proceeds may be required for said purposes.

SEC. 7. The city of Nome is hereby authorized to enter into contracts with the United States of America or any agency or instrumentality thereof under the provisions of the National Industrial Recovery Act and acts amendatory thereof and acts supplemental thereto, and revisions thereof, and the regulations made in pursuance thereof, and under any further acts of the Congress of the United States to encourage public works, for the sale of bonds issued in accordance with the provisions of this act or for the acceptance of a grant of money to aid said municipality in financing any public works herein authorized; or to enter into contracts with any persons or corporations, public or private, for the sale of such bonds; and such contracts may contain such terms and conditions as may be agreed upon by and between the common council of said city of Nome and the United States of America or any agency or instrumentality thereof or any such purchaser.

SEC. 8. This act shall take effect immediately.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

H. R. 3482

Mr. GUEVARA. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the bill (H. R. 3482) just passed.

The SPEAKER. Is there objection to the request of the Commissioner from the Philippine Islands?

There was no objection.

Mr. GUEVARA. Mr. Speaker, the bill now under consideration is founded upon the principle that national security is the first and most important responsibility of a self-governing commonwealth. This is also true as to a sovereign and independent government.

This axiom which constitutes the whole philosophy of a national life is clearly understood by the leaders of the Filipino people, who are already turning their attention toward the solution of the many problems that will arise in the Philippine Islands coincidentally with the inauguration of its commonwealth. They realize fully that when that moment arrives there must be in effective operation a system of defense faithfully adjusted to the requirements of the Philippine Islands and capable of sustaining the integrity of the new commonwealth. Development of such a system will constitute one of the most difficult tasks to be undertaken by the future Philippine government upon its inauguration during the late summer of the current year. The Congress of the United States, in passing Public Act 127, Seventy-third Congress, commonly known as the "Tydings-McDuffie law", had for its aim and purpose the enfranchisement of the people of the Philippine Islands with the right to govern themselves and to assume certain obligations and responsibilities inherent to a self-governing country and compatible with the sovereignty of the United States. One of these obligations and responsibilities that arises from the right of self-government is to provide means for stability and security in cooperation with the United States as a sovereign power.

The Filipino people are prepared and willing to take the share that in this respect belongs to them. Even though that complete responsibility for determining the form, the size, the function, and the composition of the defensive force that is permanently to endure must rest upon the Filipino people, nevertheless, the cooperation and advice of the United States is essential. The devising and setting up of the requisite machinery for the purpose of obtaining an effective defense of the commonwealth of the Philippine Islands should be the result of a common accord between the United States and the Philippine Islands. Upon the accuracy of these decisions and the promptness and effectiveness with which they must be executed may depend the future welfare of the Filipino people.

Passage of the bill now under consideration will assure the commonwealth government of the Philippines of a vitally necessary type of assistance in approaching this difficult and important problem. The kind of assistance to which I refer comprises technical knowledge and professional skill, the need for which will be urgent.

It is no reflection upon the capacity of my people if I say at the outset that we have had no experience in dealing with fundamental questions pertaining to national security. The responsibility for defense and major policies connected with our national security have at all times devolved upon the country to which we owe allegiance.

We have produced good soldiers and we are proud of them. However, we have produced no General Staff. We number among our people many splendid combat officers, but not a sufficient number of profound students of the military art. But if the Congress of the United States will authorize us to utilize the services of qualified experts from the Army of this Nation until the time arrives when we can develop among our own people an efficient General Staff which can proceed promptly and confidently to the solution of problems whose urgency permits of no delay, I am certain that the stability and security of the Commonwealth of the Philippines will be assured.

Adoption of the bill now under consideration will not only authorize the professional assistance we seek but will give assurance that it will be rendered in such fashion as to accord full recognition to our own inescapable responsibility. It should be our common aim and purpose to establish in the Philippines a self-sufficient and self-reliant defense. If this is not done it will be fatal.

While it may be presumed that this kind of assistance could be rendered by the United States under informal agreement between the Philippines and the American defense department, such an arrangement would not be as satisfactory as would one bearing the positive sanction of Congress. Without this sanction there would be no assurance as to the continuity and permanency of the arrangement. This consideration is extremely important to the Philippines, as the new government will naturally want to be assured that the professional assistance rendered will be available as long as it may prove necessary, and that it will be available from the same source.

In view of the political relationship existing between the United States and the Philippine Islands, our people would, without question, prefer that the source of help be from this great Nation. We have an undying faith in the friendly intentions of the United States toward our people and in her altruistic attitude toward our domestic problems. It would be a great disappointment to us were we compelled to look to some other nation for the assistance and encouragement which the Filipino people are sure the American Congress will be glad to grant, for it understands the urgency of our need and the importance of our problem.

I would be recreant to my duty if I did not say to the world that the military establishment of the Philippines will, both by the determined desire of the Filipino people and by the requirements of their situation, be purely and passively defensive. Entirely aside from our pacific and nonaggressive intentions, important considerations of geography, finances, and comparative size preclude any possibility of building up any military machine that could be utilized for aggressive purposes. I can assure this House that the sole purpose of the future government of the Philippine Commonwealth will be to organize a defensive system that can assure domestic tranquillity and safety from attack.

An efficient defense, established and maintained with this single objective, cannot, by any stretch of the imagination, be considered as a menace to the peace or security of any other nation. To the contrary, it will be a stabilizing influence in that part of the world and will promote the free flow of commerce and protect the concept of liberty and justice upon which our government will be founded. It will stand as a bulwark between my people and any attempted interference with their inalienable rights. These objectives and these ideals have been duly represented to the

executive departments of the Government of the United States.

Permit me to say in closing that the element of time is important. The process of establishing the broad lines of our defensive system should be undertaken immediately upon the inauguration of the government of the Philippine Commonwealth, which, it is anticipated, will take place within a few months. This explains our anxiety that the authorization sought in the bill now under consideration be accorded promptly, so that no moment may be wasted in approaching a task which will require our devoted efforts throughout every minute of the time available. Permit me, Mr. Speaker, to assure the American people that the adoption of the bill now under consideration will be gratefully appreciated by the Filipinos. It will be regarded as additional and significant evidence of the sympathetic, cooperative attitude and friendly understanding that has habitually characterized the American Government in all its dealings with the Philippine Islands.

CONSENT CALENDAR

DISPOSAL OF CERTAIN SURPLUS PERSONAL PROPERTY

The Clerk called the next bill on the Consent Calendar, H. R. 60, to authorize the disposal of surplus personal property, including buildings, of the Emergency Conservation Work.

Mr. NICHOLS. Mr. Speaker, reserving the right to object, I would like to ask the author of the bill, the gentleman from Georgia [Mr. TARVER], the purpose of the bill.

Mr. TARVER. In the Emergency Conservation Work there is oftentimes a situation under which a great deal of property which might be useful for some purpose, but which is of no use to the Government, must be junked and sold for practically nothing, since the Government authorities having it in charge do not have authority to transfer it to others who could make good public use of it. For example, there are many C. C. C. camps which, having served their purpose, are being abandoned. They are equipped with temporary wooden buildings which would be worth nothing if junked, but which could well be used as camps for 4-H clubs, Boy Scout camps, camps for tubercular patients, camps for undernourished children, and they could be put to other similar uses.

The bill proposes to authorize the authorities of the Government—that is, the Director of Procurement of the Treasury Department—under the recommendation of the department of the Government having jurisdiction over the camp which is abandoned, to transfer such surplus property for which the Government has no use to State, county, or municipal authorities for use by 4-H clubs, or for public health, recreational, educational, or similar uses.

Mr. NICHOLS. The bill does not provide, then, for the sale of these wooden buildings for some small cash consideration to private individuals?

Mr. TARVER. Oh, no. It authorizes the donation to local authorities of these buildings and of other property of this character where it may be used locally, and where the Federal Government has no use for it.

Mr. NICHOLS. The bill states "surplus personal property." Will the gentleman tell me what agent determines whether it is surplus or not; is it Admiral Peoples?

Mr. TARVER. The Director of the Emergency Conservation Works. However, the companion Senate bill, S. 82, has been amended to require the recommendation of the head of the department which has under its jurisdiction the C. C. C. camp which has been abandoned.

Mr. NICHOLS. The gentleman is sure that there is nothing in the bill which will cripple the program of establishing C. C. C. camps and E. C. W. camps over the United States? That is the thing I am interested in primarily.

Mr. TARVER. Absolutely not. The bill has been favorably recommended by every department of the Government which has anything to do with its provisions.

Mr. McLEAN. Mr. Speaker, reserving the right to object, and I feel I shall have to object, because this Congress has

made a signal reputation in the matter of the use of language.

There has grown up in the legal profession the abortive phrase "and/or" which no one understands. So far as further legislation of the Congress is concerned, those of us who believe in preserving the dignity and importance of our jurisprudence and the proper use of language in legal parlance ought not to permit the use of the abortive phrase "and/or" to further enter into legislation which is to be passed by this Congress. There are other reasons which constrain me to object; therefore, Mr. Speaker, I object.

Mr. TARVER. Will the gentleman reserve his objection? Does the gentleman's objection relate only to the words "and/or"?

Mr. McLEAN. No; I have grave fears as to the principal. Mr. TURNER demanded the regular order.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McLEAN. Mr. Speaker, I object.

ADDITIONAL CIRCUIT JUDGE FOR THE NINTH JUDICIAL DISTRICT

The Clerk called the next bill, H. R. 5917, to appoint an additional circuit judge for the ninth judicial district.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, reserving the right to object, in reference to this bill providing for the appointment of an additional judge, I wonder if the gentleman would agree to pass it over without prejudice?

Mr. LLOYD. I would rather not. This is a bill about which I spoke to the gentleman from Ohio [Mr. TRUAX] and his colleague the gentleman from Ohio [Mr. YOUNG], when it was reached the other day, and I thought we had an agreement that the bill was meritorious.

Mr. TRUAX. I intended to make the same request in reference to another bill that is farther down the calendar.

Mr. LLOYD. There really exists an emergency, may I say to the gentleman.

Mr. TRUAX. What is the emergency?

Mr. LLOYD. The emergency is that the court is away behind with its docket. The gentleman will notice the letter from the Attorney General, in which he has gone further, I believe, than I have ever known him to go in connection with the recommendation of this important legislation.

Mr. YOUNG. Mr. Speaker, I may say to my colleague the gentleman from Ohio that I am opposed to inferior Federal judges as a class. I think as a class the inferior Federal judiciary of our country has been arbitrary and tyrannical, but in this instance I have investigated the matter personally and in comparison with the other districts in the country I feel there is a real need for the additional circuit judge called for in this bill. Some of these other bills calling for additional district and circuit judges I feel are not meritorious, but, personally, I feel this is a meritorious bill.

Mr. TRUAX. I have great respect for the judgment of the gentleman from Ohio [Mr. Young], but I would like to ask him if he feels our mutual constituents back home, the farmers, the small business men, and the laboring men favor an appropriation for the appointment of additional judges? I have heard the gentleman say that if the present judges devoted more time to their duties and did not take so many vacations there would be no need for additional judges.

Mr. YOUNG. I may say to the gentleman that I personally look forward with hope to the day when all of the inferior Federal judges and the inferior Federal judiciary of our country is done away with and we have only the Supreme Court of the United States.

Mr. TRUAX. Is this not a good time to start now with that policy?

Mr. YOUNG. I think it would be time to start soon.

Mr. TRUAX. Mr. Speaker, I renew my request that this bill be passed over without prejudice.

Mr. ZIONCHECK. Will the gentleman reserve his request at this time?

Mr. TRUAX. I withhold my request.

Mr. ZIONCHECK. Does the gentleman realize that in the ninth circuit they have cases coming to them from China, Hawaii, and Alaska, not alone the other States which they take in, and that they have a more crowded calendar than any other circuit in the United States?

Mr. TRUAX. I may say to the gentleman that would be one case which has come to my attention where they might really be earning their money. I cannot say that is true as to the group, however.

Mr. LLOYD. I hope the gentleman will not object.

Mr. TRUAX. Mr. Speaker, I renew my request that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

OBSERVANCE AND CELEBRATION OF THE ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE ORDINANCE OF 1787 AND THE SETTLEMENT OF THE NORTHWEST TERRITORY

The Clerk called the next resolution, House Joint Resolution 208, to provide for the observance and celebration of the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, reserving the right to object, may I ask my colleague the gentleman from Ohio [Mr. SECREST] if this bill is not known to some of us as the bill for the relief of George White, ex-Governor of Ohio?

Mr. SECREST. I may say to the gentleman that ex-Governor White has no official connection with this matter.

Mr. TRUAX. He will have if the bill becomes law.

Mr. SECREST. If he does, it can only be by appointment by the President of the United States; and, of course, I am not in position to speak for the President. I may say that this celebration is planned in connection with the six States formed from the old Northwest Territory.

Mr. TRUAX. Mr. Speaker, this resolution authorizes an appropriation of \$100,000 for the celebration of the one hundred and fiftieth anniversary of the purchase of the Northwest Territory. The first settlement in that territory was at Marietta, Ohio. I am informed that this bill has been called by some "a bill for the relief of George White, ex-Governor of Ohio", a citizen of Marietta. I have a tentative budget submitted by the gentleman who, I understand, is to be the director-manager, in which he estimates some of the expenditures for which this \$100,000 is being appropriated.

Mr. KELLER. Who is that?

Mr. TRUAX. His name is Hawes.

Mr. SECREST. May I say to the gentleman that Mr. Hawes has no official connection with this celebration, except through the commission.

Mr. TRUAX. I understand that matter.

Mr. SECREST. This is merely a budget which is set up in his opinion. It is simply one man's idea.

Mr. TRUAX. But, as I understand it, Mr. Hawes is to be made the manager-director, and this is to be a 3-year job.

Mr. SECREST. There is no such understanding with him on anybody's part.

Mr. TRUAX. The tentative budget submitted to me under date of April 25, 1935, says, "This is a 3-year job." Furthermore, Mr. Speaker, they propose to spend from \$30,000 to \$40,000 of the \$100,000 in the preparation of maps of the Northwest Territory. They are going to send out about three or four million copies of this map, at a probable cost of \$30,000 to \$40,000.

Mr. KELLER. Mr. Speaker, will the gentleman yield for a question?

Mr. TRUAX. Yes.

Mr. KELLER. Where did the gentleman get all that stuff?

Mr. TRUAX. I get this from the budget submitted by the gentleman who expects to run the show.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice, so that the matter may be settled on the outside; otherwise I am going to object at this time.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I appreciate the work the gentleman from Washington is doing over there, and I appreciate the fact that two Ohio gentlemen are in a little wrangle, but they are going to agree.

Mr. TRUAX. No; we are not agreeing.

Mr. JENKINS of Ohio. If the gentleman from Ohio [Mr. TRUAX] insists on objecting, I withdraw my reservation.

Mr. TARVER. Regular order, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. ZIONCHECK] that the bill be passed over without prejudice?

There was no objection.

AMENDMENT OF NATIONAL BANKRUPTCY ACT

The Clerk called the next bill, H. R. 5797, to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory and supplementary thereto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (b), as amended and supplemented, of section 4 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, is amended by inserting after the word "wage earner" a comma and the following: "a raiser of livestock".

Sec. 2. That subsection (r) of section 75 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented, is amended by inserting after the words "the term 'farmer' means" the words "any raiser of livestock or."

Mr. GASSAWAY. Mr. Speaker, I ask unanimous consent that the Senate bill (S. 1616) be substituted for the House bill (H. R. 5797) and that the Senate bill be amended by striking out all after the enacting clause of the Senate bill and substituting therefor the House bill.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent that the Senate bill (S. 1616) be substituted for the House bill. Is there objection?

Mr. HEALEY and Mr. WOLCOTT reserved the right to object.

Mr. HEALEY. Will the gentleman state whether this takes in the poultry farmers?

Mr. GASSAWAY. Yes. This takes in every person who is engaged in any occupation that uses any material that is raised by a farmer.

Mr. HEALEY. That is all I want to know.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, may I ask the gentleman from Oklahoma if the Senate bill is identical with the House bill.

Mr. GASSAWAY. I do not think so, because the Senate bill specifically sets up the word "farmer", and this bill will take care of every person who is engaged in the raising of livestock or poultry or engaged in dairying or any other branch of labor, the profits from which are derived from the products of the soil.

Mr. WOLCOTT. I still do not understand the gentleman's distinction. The bankruptcy law at the present time exempts the farmers from the operation of the bankruptcy law in that a farmer cannot be declared an involuntary bankrupt.

Mr. GASSAWAY. Yes.

Mr. WOLCOTT. I understand the purpose of this act is to clarify a doubt which has been raised in the minds of some of the courts as to whether a stock raiser or a cattle raiser is a farmer. I had no objection to the House bill, because I felt that was about all that it did. Wherein does the Senate bill differ from the House bill?

Mr. GASSAWAY. The only difference will be that it will save us about 2 weeks' time by amending the Senate bill and sending it back to the Senate.

Mr. WOLCOTT. What difference is there in the substitution of the Senate bill for the House bill?

Mr. DEMPSEY. If the gentleman from Oklahoma will permit, the Senate bill provides for stock raisers and the House went further than that and included poultry raisers and dairymen.

Mr. WOLCOTT. Is not the House bill a better bill than the Senate bill?

Mr. DEMPSEY. Yes; and the gentleman from Oklahoma is asking unanimous consent to substitute the Senate bill, striking out all after the enacting clause and substituting the House bill.

Mr. WOLCOTT. It seems to me that destroys that feature of the House bill by which poultry raisers, and so forth, are brought in.

Mr. DEMPSEY. No; that will bring them in.

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. HEALEY. Does the Senate bill provide for the dairymen and the poultry raisers?

Mr. DEMPSEY. We are proposing to amend the Senate bill by doing that now.

Mr. HEALEY. You are amending the Senate bill to do that?

Mr. DEMPSEY. Yes.

Mr. HEALEY. Is the gentleman sure about that?

Mr. DEMPSEY. Yes.

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOLCOTT. As I understand the unanimous-consent request, it is to strike out all after the enacting clause of the House bill and substitute the Senate bill?

The SPEAKER. The gentleman stated his purpose to be to strike out all after the enacting clause of the Senate bill and substitute the House bill.

Mr. WOLCOTT. Mr. Speaker, is not the parliamentary situation such that we would have to call up the Senate bill to do that?

The SPEAKER. The gentleman is asking that that be done, and as the Chair understands it, if the gentleman's unanimous-consent request is granted, the gentleman proposes to offer an amendment striking out all after the enacting clause of the Senate bill and substituting therefor the House bill.

Mr. WOLCOTT. That clarifies the situation and I have no objection.

The SPEAKER. Is there objection to the substitution asked by the gentleman from Oklahoma [Mr. GASSAWAY]?

Mr. HEALEY. Reserving the right to object, I see nothing in the Senate bill that provides for the dairymen or the poultrymen.

Mr. DEMPSEY. The gentleman from Oklahoma is going to move to strike out all after the enacting clause in the Senate bill and substitute the House bill.

Mr. HEALEY. Then I have no objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate bill (S. 1616), as follows:

Be it enacted, etc., That subsection (b), as amended and supplemented, of section 4 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, is amended by inserting after the word "wage-earner" a comma and the following: "a raiser of livestock."

Sec. 2. That subsection (r) of section 75 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented, is amended by inserting after the words "the term 'farmer' means any raiser of livestock or."

Mr. GASSAWAY. Mr. Speaker, I move to strike out all after the enacting clause and insert the provisions of H. R. 5797 as amended.

The Clerk read as follows:

Strike out all after the enacting clause and insert the following: "That subsection (b), as amended and supplemented, of section 4 of the act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, is amended to read as follows:

"(b) Any natural person, except a wage earner or a farmer, any unincorporated company, and any moneyed business, or commercial corporation (except a municipal, railroad, insurance, or banking corporation, or a building and loan association) owing debts to the amount of \$1,000 or over, may be adjudged an involuntary bankrupt upon default or an impartial trial, and shall be subject to the provisions and entitled to the benefits of this act.

"The bankruptcy of a corporation or association shall not release its officers, directors, or stockholders, as such, from any liability under the laws of a State of Territory or of the United States."

Sec. 2. That subsection (l) of section 74 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented, is amended to read as follows:

"(l) If (1) the debtor shall fail to comply with any of the terms required of him for the protection of and indemnity against loss by the estate; or (2) the debtor has failed to make the required deposit in case of a composition; or (3) the debtor's proposal has not been accepted by the creditors; or (4) confirmation has been denied; or (5) without sufficient reason the debtor defaults in any payment required to be made under the terms of an extension proposal when the court has retained jurisdiction of the debtor or his property, the court may appoint the trustee nominated by the creditors at the first meeting, and if the creditors shall have failed to so nominate, may appoint any other qualified person as trustee to liquidate the estate. The court shall in addition adjudge the debtor a bankrupt if satisfied that he commenced or prolonged the proceeding for the purpose of delaying creditors and avoiding an adjudication in bankruptcy, or if the confirmation of his proposal has been denied. No order of liquidation or adjudication shall be entered in any proceeding under this section instituted by or against a wage earner or a farmer unless the wage earner or farmer consents."

Sec. 3. That subsection (r) of section 75 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented, is amended to read as follows:

"(r) For the purposes of this section, section 4 (b), and section 74, the term "farmer" includes not only an individual who is primarily bona fide personally engaged in producing products of the soil but also any individual who is primarily bona fide personally engaged in dairy farming, the production of poultry or livestock, or the production of poultry products or livestock products in their unmanufactured state, or the principal part of whose income is derived from any one or more of the foregoing operations, and includes the personal representative of a deceased farmer; and a farmer shall be deemed a resident of any county in which such operations occur."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The bill H. R. 5797 was laid on the table.

APPEALS IN CRIMINAL CASES FROM THE DISTRICT COURT OF ALASKA

The Clerk called the next bill on the Consent Calendar, H. R. 6114, to amend section 128 of the Judicial Code, as amended.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Reserving the right to object, may I ask the chairman of the committee why there is an apparent inconsistency between the amount that is involved in a case of an appeal from the District Court of Alaska to the ninth judicial district and the amount in the original act for appeal in the other district courts? Is there a special act creating the District Court of Alaska requiring a different amount for an appeal from other district courts?

Mr. SUMNERS of Texas. I yield to the gentleman from Alaska to answer the gentleman's question.

Mr. DIMOND. In answer to the inquiry of the gentleman from Michigan, let me say that when the Judicial Code was passed Alaska and the Virgin Islands were put in a separate category so far as the bill is concerned. Appeals from any other district court of the United States could be had in a criminal case, whereas in Alaska you could only take an appeal in a criminal case if the amount of the fine involved a thousand dollars or imprisonment in jail for more than a year. The object of the amendment is to put Alaska in the same class as other district courts. This has been approved by the Attorney General and is in the interest of uniformity.

Mr. WOLCOTT. It does not change in any respect the Code as to other district courts or the amount involved?

Mr. DIMOND. Not at all; it does not change the law with reference to district courts in the United States. It only puts the District Court of Alaska in harmony with the others.

Mr. JENKINS of Ohio. Is it not possible that there will be extra expense for the litigants to come to the United States?

Mr. DIMOND. No; there will be no objection, because it applies mostly to criminal cases. There is no objection to it from any source.

Mr. JENKINS of Ohio. The litigants will have to pay the expense.

Mr. DIMOND. Yes.

Mr. SUMNERS of Texas. In the Territory of Alaska there is no court of appeals. This is the best thing that can be done under the situation.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That paragraph "Third" of subsection (a) of section 128 of the Judicial Code, as amended (43 Stat. 936 U. S. C. title 28, sec. 225 (a)), be, and it is hereby, amended to read as follows:

"Third. In the district courts for Alaska or any division thereof, and for the Virgin Islands, in all civil cases, wherein the Constitution or a statute or treaty of the United States or any authority exercised thereunder is involved; in all other civil cases wherein the value in controversy, exclusive of interest and costs, exceeds \$1,000; in all criminal cases and in all habeas corpus proceedings; and in the District Court for the Canal Zone in the cases and mode prescribed in the act approved September 21, 1922, amending prior laws relating to the Canal Zone."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF CERTAIN LANDS IN HOPKINS COUNTY, KY.

The Clerk called the bill (H. R. 3012) to authorize the transfer of certain lands in Hopkins County, Ky., to the Commonwealth of Kentucky.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I reserve the right to object. I notice that the report does not state anywhere why the Government is giving up these 5,000 acres.

Mr. CARY. Mr. Speaker, the Government is not giving up 5,000. It is giving up only 447½ acres. Immediately after the World War a veterans' hospital was established out of some territory carved out of the two counties, Hopkins and Christian, in Kentucky. The citizens of that locality donated to the Government 5,000 acres. There are 447½ acres of land that the Veterans' Bureau cannot use. It is cut off by a stream. It is now desired to donate that land to the State of Kentucky to make a park.

Mr. JENKINS of Ohio. The report does not show where the land came from. With that explanation, I have no objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is authorized and directed to convey to the Commonwealth of Kentucky, for State park purposes, without expense to the United States, all the right, title, and interest of the United States in and to certain lands in Hopkins County, Ky., described as follows:

Beginning at an iron-pipe corner marked "H. L. & I. Co.-G. W. Beshear-Alexander Estate-C. T. Kirkwood-No. '1'", in a fence line, on the southerly side of a road, about 30 feet southerly from a culvert at a right-angle turn in a road, willow pointer;

Thence north 73°33'30" west 1,979.86 feet to a square stone marked "No. '2'", on a flat, at a large leaning sweetgum, sweetgum and poplar pointers;

Thence north 73°32'40" west 1,365.12 feet to a square-stone corner marked "No. '3'", on a flat at a fence corner, large spanish-oak and hackberry pointers; said corner no. 3 being also a corner to the property of L. B. Lamson;

Thence north 17°32'50" east 987.19 feet to an iron-pipe corner marked "H. L. & I. Co.-L. B. Lamson-No. '4'", on a southerly slope, near the northwesterly edge of a flat, about 200 feet southerly from a road, large beech and forked beech pointers;

Thence north 58°6'30" east 841.08 feet to a square-stone corner marked "No. '5'", on top of a sandstone cliff, sweetgum and white-oak pointers, both small;

Thence north 3°25'30" east 334.62 feet to a square-stone corner marked "No. '6'", on a steep southerly hillside, below a sandstone cliff, two hickory, black-oak, white-oak, and sugar-tree pointers;

Thence north 75°7'40" west 716.12 feet to a square-stone corner marked "No. '7'", on a southerly slope, about 50 feet northerly

from a sandstone canyon, two hickory, black-oak, and black-walnut pointers;

Thence south 73°19'50" west 1,608.30 feet to a square-stone marked "No. '8'", on the easterly side of a drain, about 50 feet southerly from a spring, two sweetgum, black-gum, and elm pointers;

Thence north 27°42'10" west 1,072.50 feet to a square-stone corner marked "No. '9'", on the westerly side of a road, at a large white-oak stump, said corner no. 9 being also a corner to the properties of — Purdy and G. W. Beshear;

Thence north 9°28'20" east 703.20 feet to a square-stone corner marked "No. '10'", on an easterly hillside, in a steep hollow, 2 sweetgum, 2 white-oak, and elm pointers;

Thence north 75°30'40" east 284.06 feet to an iron-pipe corner marked "H. L. & I. Co.-G. W. Beshear-Ira Beshear-No. '1'", on a westerly hillside, about 50 feet easterly from a deep drain, black-oak and large white-oak pointers;

Thence north 74°47'30" east 343.46 feet to an iron-pipe corner marked "H. L. & I. Co.-Ira Beshear-Isaac Beshear-No. '12'", at a stone on an easterly hillside, about 15 feet southerly from a fence corner, two white-oak and hickory pointers;

Thence north 74°27'50" east 1,142.07 feet to an iron-pipe corner marked "H. L. & I. Co.-Isaac Beshear-Emit Beshear-No. '13'", at a stone on a northwesterly ridge near the head of a hollow, small sugar-tree, hickory, and large spanish-oak pointers;

Thence north 73°56'20" east 1,179.74 feet to an iron-pipe corner marked "H. L. & I. Co.-Emit Beshear-No. '14'", where a square-stone corner was located in the Bellford Road 10 feet westerly from a culvert and 10 feet southerly from a fence-corner post;

Thence north 4°47'10" east 928.01 feet to a square-stone corner marked "No. '15'", on a northwesterly slope, on the southerly side of a field, five black-oak and hickory pointers;

Thence north 48°52' east 373.68 feet to a square-stone corner marked "No. '16'", on the northerly side of a field, beech, sugar tree, and double black-walnut pointers, said corner no. 16 is also corner to the property of James J. Hamby;

Thence north 63°48'10" east 217.28 feet to a square-stone corner marked "No. '17'", on the southerly hillside, at the corner of a field, large white-oak and two sugar-tree pointers;

Thence south 28°55'10" east 652.61 feet to a square-stone corner marked "No. '18'", on a westerly hillside above a drain with a sandstone bottom, two white-oak and black-oak pointers;

Thence north 73°55'10" east 1,127.10 feet to a square-stone corner marked "No. '19'", in the head of a hollow, southwesterly from a house, about 75 feet northwesterly from the Bellford Road, large white-oak, hickory, and small white-oak pointers, said corner no. 19 is also corner to the property of J. D. Eli (now M. P. Buntin);

Then south 1°43'50" east 284.12 feet to a square stone marked "No. '20'", on a southerly slope, large white-oak, hickory, and three small white-oak pointers;

Thence south 35°37'20" east 2,465 feet to a square-stone corner marked "No. '21'", on an easterly hillside at the northerly side of a field, hickory, dogwood, red-oak, and sassafras pointers;

Thence south 61°43'40" seconds west 1,263.24 feet to an iron-pipe corner marked "H. L. & I. Co.-W. R. Ligon-Pest House-No. '22'", on the northerly side of a large ridge, near the southerly side of an old field, three hickory and elm pointers;

Thence south 61°43'40" west 208.76 feet to a square-stone corner marked "No. '23'", on top of a broad ridge about 135 feet northerly from the pesthouse, black-oak, white-oak, cedar, and two hickory pointers;

Thence south 1°6'10" west 677.03 feet to an iron-pipe corner marked "H. L. & I. Co.-Alexander Estate-Pest House-No. '24'", on a northerly slope about 20 feet westerly from a drain, black-oak, black-walnut, and two hickory pointers;

Thence south 1°51' west 453.68 feet to an iron-pipe corner marked "H. L. & I. Co.-Alexander Estate No. '25'", on the easterly side of a drain, beech pointer;

Thence 0°4'30" west 308.85 feet to an iron-pipe corner marked "H. L. & I. Co.-Alexander Estate-No. '26'", about 25 feet westerly from a drain, large sycamore and black-walnut pointers;

Thence south 30°41'30" east 497.76 feet to an iron-pipe corner marked "H. L. & I. Co.-Alexander Estate-No. '27'", on the easterly side of a flat on the westerly side of a drain, two sweetgum pointers;

Thence south 9°5' east 184.77 feet to an iron-pipe corner marked "H. L. & I. Co.-Alexander Estate-No. '28'", in the westerly side of a drain, at the foot of a bank, sycamore, elm, and persimmon pointers;

Thence south 24°24'30" west 235.34 feet to an iron-pipe corner marked "H. L. & I. Co.-Alexander Estate-No. '29'", on a flat on the westerly side of a drain, honeylocust pointer;

Thence south 47°24'30" west 233.31 feet to an iron-pipe corner marked "H. L. & I. Co.-Alexander Estate-No. '30'", on a flat on the westerly side of a branch, on the easterly side of a road, sycamore, elm, and willow pointers;

Thence south 15°55'30" west 437.25 feet to the place of beginning, containing 447.51 acres more or less; being the same tract or parcel of land conveyed to the Government of the United States by the Hillman Land Co., on the 30th day of March 1921, and recorded in Deed Book No. 109, page 537, in the Hopkins County court clerk's office.

Such conveyance shall contain the express condition that if the Commonwealth of Kentucky shall at any time cease to use such lands for State park purposes, or shall alienate or attempt to alienate such lands, title thereto shall revert to the United States.

With the following committee amendments:

Page 1, line 5, after the word "purposes", insert the word "exclusively."

Page 8, line 10, strike out "twenty-four" and insert "twenty-five."

Page 9, line 7, after the word "purposes", insert the word "exclusively."

The committee amendments were agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

DISCHARGE FROM IMPRISONMENT FOR NONPAYMENT OF FINES IN ALASKA

The Clerk called the bill (H. R. 157) to amend section 5296 of the Revised Statutes of the United States.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object. If I understand this bill correctly, it merely puts the district courts of Alaska on the same plane with respect to the release of those who are unable to pay their fines by filing proper affidavits as they do in the district courts at the present time.

Mr. DIMOND. The statement of the gentleman is correct. That is all it does.

Mr. WOLCOTT. I withdraw my reservation of objection. There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5296 of the United States Revised Statutes (U. S. C., title 18, sec. 641) is amended by adding thereto the following sentence: "The District Court of the Territory of Alaska shall be deemed a court of the United States, and the commissioners appointed by the judges of the said District Court of the Territory of Alaska under the provisions of title I, chapter 1, section 6, of the act of June 6, 1900 (31 Stat. L., 323, 324), shall be deemed commissioners of a United States court, within the intent and meaning of this section."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

LEAVE OF ABSENCE TO HOMESTEADERS ON PUBLIC DOMAIN

The Clerk called the bill (H. R. 5538) granting a leave of absence to settlers of homestead lands during the year 1935.

The SPEAKER. Is there objection?

Mr. McLEAN. Mr. Speaker, I reserve the right to object. I would like to have an explanation of what is meant in line 7, page 1, by the words "and/or family."

Mr. GREEVER. That is copied from the bill of last year.

Mr. McLEAN. If the gentleman will strike out the character and the word "or", I shall not object to it.

Mr. GREEVER. That is agreeable to me.

The SPEAKER. The Clerk will report the bill.

The Clerk reported the title of the bill.

The SPEAKER. Does the gentleman wish to substitute a similar Senate bill (S. 1776) for the House bill?

Mr. GREEVER. Mr. Speaker, I ask unanimous consent to substitute the bill S. 1776 for the House bill, with the amendment that will be offered by the committee.

The SPEAKER. Without objection, the Senate bill will be substituted for the House bill.

There was no objection.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That any homestead settler or entryman who, during the calendar year 1935, should find it necessary, because of economic conditions, to leave his homestead to seek employment in order to obtain the necessities of life for himself and/or family or to provide for the education of his children may, upon filing with the register of the district, his affidavit, supported by corroborating affidavits of two disinterested persons showing the necessity of such absence, be excused from compliance with the requirements of the homestead laws as to residence, cultivation, improvements, expenditures, or payment of purchase money, as the case may be, during all or any part of the calendar year 1935, and said entries shall not be open to contest or protest because of failure to comply with such requirements during such absence; except that the time of such absence shall not be deducted from the actual residence required by law, but a period equal to such absence shall be added to the statutory life of the entry: *Provided,* That any entryman holding an unperfected entry on ceded Indian lands may be excused from the requirements of residence upon the conditions provided herein, but shall not be entitled to extension of time for the payment of any installment of the purchase price of the land except upon payment of inter-

est, in advance, at the rate of 4 percent per annum on the principal of any unpaid purchase price from the date when such payment or payments became due to and inclusive of the date of the expiration of the period of relief granted hereunder.

Mr. DEROUEN. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DEROUEN: Page 2, line 14, after the word "except", insert the following: "Upon proof satisfactory to the Secretary of the Interior that the entryman is acting in good faith and is financially unable to make payments due then."

The amendment was agreed to.

Mr. GREEVER. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. GREEVER: Page 1, line 7, after the word "and", strike out the sign and the word "or."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill was laid on the table.

WHITE HOUSE POLICE FORCE

The Clerk called the next bill, H. R. 6654, to increase the White House police force, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

Mr. LANHAM. Will the gentleman reserve his objection?

Mr. WOLCOTT. I will reserve the objection.

Mr. LANHAM. I should like to hear the reasons which the gentleman has for objecting to the bill.

Mr. WOLCOTT. I may say that I have never objected to a bill yet unless I had some reason for objecting to it on the merits.

Mr. LANHAM. I am sure of that, but I wondered if I could not make some explanation that would be satisfactory to the gentleman?

Mr. WOLCOTT. At the present time I understand the law provides for 43 privates.

Mr. LANHAM. That is correct.

Mr. WOLCOTT. This bill, without putting any limitation upon the number of privates that may be appointed, authorizes the appointment of additional privates. It seems to me that, because of the openness of the law, the White House, if it saw fit, could, with the appropriation being the only limitation upon it, appoint 40 or 50 privates to the White House police force and assign them to special duty, and in that manner augment their force wholly out of keeping with what we appropriate annually for the White House force. I do not have any objection to the White House having all of the protection which it really needs. My objection is to building up a colossal force down there and using it for every possible purpose without some check by the Congress as to what they are doing. As I understand, they borrow certain policemen from the Metropolitan Police force.

Mr. ZIONCHECK. Seven in number.

Mr. WOLCOTT. I am heartily in favor of giving those seven men back to the Metropolitan Police department. I would be in favor of giving them back to the police department for no other reason than that the traffic in the District of Columbia might be regulated. I do not have any hesitancy in saying that all of us recognize the fact that the traffic in the Capital City is the most unregulated traffic of any city I have ever driven in. When the proper time comes, and I hope it will, I will not object to increasing the Metropolitan Police force for the purpose of regulating traffic, if for no other reason. If the gentleman will limit the number of policemen that the White House is authorized to put on, then I may consider the withdrawal of my objection.

I might say that that, in substance, is my objection.

Mr. LANHAM. May I say to the gentleman that I raised exactly the same question in the committee. This law has been amended several times. In view of the fact that the Appropriations Committee would have to pass upon any number of men in making the appropriation for them, and

in order that it may not be necessary for the White House force to be coming for an amendment each time it is necessary to put on a man or two it was urged that the number be left indefinite. The Metropolitan Police force is very anxious to have the seven men back. There are 12 men who are necessary in addition to the 43 at present in the White House force on account of the fact that additional posts have been assigned because of the extensions that have been made to the Executive offices. If the gentleman would not object to the bill if those 12 men were added, I should not object to putting in an amendment "not exceeding 55", which is the present need, as was shown very clearly before the committee.

Mr. WOLCOTT. I think that would remove the principal objection which I have to the bill.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JENKINS of Ohio. I would like to make one observation. I am afraid the President will veto this bill because of the very serious oversight whereby no provision is made that these shall be outside of the civil service.

Mr. LANHAM. As a matter of fact, this bill was drawn by the Secretary of the Treasury and sent to the Speaker and by him referred to the committee.

Mr. JENKINS of Ohio. But you know the President has not been in favor of any bills at all unless he has the right to appoint everybody outside the civil service.

Mr. LANHAM. The bill was introduced as sent up by the Secretary of the Treasury.

Mr. ZIONCHECK. I have that amendment prepared if it is satisfactory to the gentleman from Michigan.

Mr. WOLCOTT. Mr. Speaker, I understand it is contemplated that an amendment will be offered limiting the number of privates to 55. With that understanding, I withdraw my objection.

Mr. LANHAM. Mr. Speaker, the gentleman from Washington [Mr. ZIONCHECK] has an amendment prepared which will meet the objection of the gentleman from Michigan.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That section 2 (a) of the act entitled "An act to create the White House police force, and for other purposes", approved September 14, 1922 (42 Stat. 841), as amended by section 2 of the act entitled "An act to authorize a necessary increase in the White House police force", approved May 14, 1930 (46 Stat. 328), is hereby further amended to read as follows:

"Sec. 2. (a) That the White House police force shall consist of 1 captain with grade corresponding to that of captain (Metropolitan Police), 1 lieutenant with grade corresponding to that of lieutenant (Metropolitan Police), 3 sergeants with grade corresponding to that of sergeant (Metropolitan Police); and of such number of privates, with grade corresponding to that of private, class 3 (Metropolitan Police), as may be necessary. Members of the White House police shall be appointed from the members of the Metropolitan Police force and the United States Park Police force from lists furnished by the officers in charge of such forces. Vacancies shall be filled in the same manner."

With the following committee amendment:

On page 2, line 4, strike out the comma and "class 3", and insert in lieu thereof, "of the highest grade."

The amendment was agreed to.

Mr. ZIONCHECK. Mr. Speaker, I offer a committee amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ZIONCHECK: Page 2, line 5, after the word "necessary", strike out the period, insert a comma, and add the following: "but not exceeding 55 in number."

Mr. WOLCOTT. May I ask the gentleman if that would not come better after the word "privates", in line 3?

Mr. ZIONCHECK. The present law has that proviso in there at the very same place. It is shown in the report.

The SPEAKER. The question is on the amendment offered by the gentleman from Washington [Mr. ZIONCHECK].

The amendment was agreed to.

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The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL ARCHIVES ESTABLISHMENT

The Clerk called the next bill, H. R. 6836, to provide for the printing and distribution of Government publications to the National Archives Establishment.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, and I shall not object, I want to take this time to say that I think we have made better progress on the Consent Calendar today than we have at any time since I have been looking after this work on the Republican side. I want to ask the gentleman from Illinois [Mr. KELLER] whether the right language has been used in the title of this new branch of Government when it is called "National Archives Establishment"?

Mr. KELLER. I presume that would be the correct designation; yes. The bill was well written and well considered both by the Committee on the Library and the Archives department, and it was not reported until they agreed on the language.

Mr. JENKINS of Ohio. I would like the gentleman's opinion on the jurisdiction of the Archives department as compared with the Library so we may know what subjects are appropriate to be referred to the one and what should be referred to the other.

Mr. KELLER. The gentleman appreciates, of course, that whenever a new bureau or department is established there is always difficulty in establishing the dividing line between its activities and those of bureaus or departments already existing; but I shall endeavor to state the difference as best I can. The purpose of establishing archives is to keep intact all official documents that are governmental in nature. The Library does this, of course, but the copies in the Library are withdrawn, used, and worked over, whereas the documents filed in the archives are supposed to be absolutely permanent.

Mr. JENKINS of Ohio. I wonder if the gentleman, with his usual thoroughness and clarity, would not go into the question further to see whether or not this designation in the title is proper, because so far as I know this is the first bill that has come up for consideration, for sometime at least, that related exclusively to the National Archives.

Mr. KELLER. I think that is correct. Officials of the Library and of the Archives Department have conferred on the whole bill very carefully, because as the bill was first written, as I suggested to the gentleman, the distinguishing line between the two was not exact. For this reason they got together and discussed the matter, and they agree on the bill.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. KELLER. I yield.

Mr. McFARLANE. I understand the whole Archives Department is filled with Republicans. I would like to see a few Democrats get some jobs in the outfit down there. Will the gentleman kindly tell us, if we enact this legislation, how we can get some jobs down there for Democrats?

Mr. KELLER. I am not running a job department. I presume, of course, that appointments are made by the archivists as the law provides. I know the people are employed on merit. If a Democrat is the best man, he stands the best chance; if he is not the best man, he does not.

Mr. TRUAX. Who says so?

Mr. KELLER. KELLER, of Illinois.

Mr. McFARLANE. What is the method they use to determine whether a man is well qualified. As you know, they are filling up this Department with Republicans and following the same procedure as they have in the Congressional Library. I submit there are just as many qualified Democrats—and Democrats should get the jobs—and would if we Democrats stood together and demanded it.

Mr. KELLER. I do not know of any at all.

Mr. McFARLANE. The Republicans are the ones who get the jobs down there, as well as all other departments.

Mr. KELLER. The gentleman is entirely mistaken, as I happen to know.

Mr. McFARLANE. The gentleman has one man down there; I do not have any.

Mr. KELLER. That may be the gentleman's own fault.

Mr. McFARLANE. No; it is not. I have tried hard enough.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Illinois if there is not some way or some method by which the service that is to be provided under the terms of this bill can be taken care of without an appropriation of \$4,000?

Mr. KELLER. No.

Mr. TRUAX. I do not want to criticize the gentleman, but it does seem to me that whenever a bill appears on the Consent Calendar from the gentleman's committee it means the expenditure of more Federal money. I wonder if we could not get one of his bills through, the purposes of which could be taken care of without the expenditure of further money?

Mr. KELLER. That will be true of the next bill to be called.

Mr. TRUAX. That is all right; but I would like some more immediate action.

Mr. KELLER. The reason the pending bill contains an authorization for printing is to pay for the cost of the paper and running it through the presses. The type is already set up in forms. This is merely to provide for the additional cost of running the paper through the presses.

Mr. TRUAX. How much money is spent for Government printing in a year?

Mr. KELLER. It is up into the millions.

Mr. TRUAX. I have read the bill carefully, and I fail to see wherein the very services proposed by the bill are not already available. Surely we can get these extra few copies for the Archives Department without a new printing.

I am glad to hear they have made some appointments down there, even if the gentleman did happen to get one.

Mr. KELLER. The gentleman is wrong about the cost of these copies. If this \$4,000 is not authorized, these copies will not be furnished the Archives, for the reason that Government printing is figured very closely, and this simply covers the cost of printing and paper; that is all.

Mr. TRUAX. Mr. Speaker, I am going to make the request that this bill be passed over without prejudice, so that the gentleman can look into the matter further and ascertain whether this service cannot be furnished without an additional appropriation.

I think it is time that we should draw a line somewhere and call a halt to these tremendous expenditures for more bureaus and more bureaucrats.

Mr. KELLER. The gentleman understands that this has to go through the Appropriations Committee?

Mr. TRUAX. I understand all that.

Mr. KELLER. It is just a question whether, having established the Archives Department of the United States for this very purpose, the gentleman is going to object to carrying out the law and the intent of the law that has been in the minds of the American people for nearly 100 years before this time.

Mr. TRUAX. When we established that Department and authorized an appropriation of \$10,000 for the annual salary of an expert, I opposed the measure. Now the gentleman wants \$4,000 more.

Mr. KELLER. Certainly; and I may say there is an appropriation coming in for more than that amount to provide for the regular work of that Department.

Mr. TRUAX. This is a new department?

Mr. KELLER. Yes.

Mr. TRUAX. More bureaucracy. Mr. Speaker, I renew my request.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EMPLOYMENT OFFICES AFFILIATED WITH UNITED STATES EMPLOYMENT SERVICE

The Clerk called the next bill, S. 147, to alter the amount apportioned to certain States for public employment offices affiliated with the United States Employment Service.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, may I say that the gentleman from Massachusetts [Mr. CONNERY] is so affable in everything that he does that it is with regret that I call his attention to a mistake in this report, which is susceptible to a point of order. The gentleman has not complied with the rules; but, because he is so gracious to everybody, I am not going to raise the point.

Mr. CONNERY. May I ask the gentleman where?

Mr. JENKINS of Ohio. The gentleman failed to observe the Ramseyer rule. Of course, this bill comes from the other body and it does not stand us in good stead to criticize them. I have had this matter up with the drafting service, and they say it is in bad form.

Mr. CONNERY. It came from the other body. It would not be in bad form if it came from the House.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5 (a) of the so-called "Wagner-Peyser Act" (Act of June 6, 1933, ch. 49; 48 Stat. 113, 114; U. S. Code, title 30, sec. 49 (d)) be amended by adding at the end of the second sentence thereof the following clause: "Provided, however, That in apportioning said 75 percent of amounts appropriated after January 1, 1935, under this act, the Director shall apportion not less than \$10,000 to each State."

so that, as amended, section 5 (a) shall read as follows:

"For the purpose of carrying out the provisions of this act there is hereby authorized to be appropriated (1) the sum of \$1,500,000 for the fiscal year ending June 30, 1934, (2) \$4,000,000 for each fiscal year thereafter up to and including the fiscal year ending June 30, 1938, (3) and thereafter such sums annually as the Congress may deem necessary. Seventy-five percent of the amounts appropriated under this act shall be apportioned by the director among the several States in the proportion which their population bears to the total population of the States of the United States according to the next preceding United States census, to be available for the purpose of establishing and maintaining systems of public employment offices in the several States and the political subdivisions thereof in accordance with the provisions of this act: *Provided, however,* That in apportioning said 75 percent of amounts appropriated after January 1, 1935, under this act, the director shall apportion not less than \$10,000 to each State. No payment shall be made in any year out of the amount of such appropriations apportioned to any State until an equal sum has been appropriated or otherwise made available for that year by the State, or by any agency thereof, including appropriations made by local subdivisions, for the purpose of maintaining public employment offices as a part of a State-controlled system of public employment offices; except that the amounts so appropriated by the State shall not be less than 25 percent of the apportionment according to population made by the director for each State for the current year, and in no event less than \$5,000. The balance of the amounts appropriated under this act shall be available for all the purposes of this act other than for apportionment among the several States as herein provided."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MEMORIAL TO JEAN JULES JUSSERAND

The Clerk called the next resolution, House Joint Resolution 204, authorizing the erection of a memorial to the late Jean Jules Jusserand.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. TRUAX. Mr. Speaker, reserving the right to object, may I ask the gentleman from Illinois [Mr. KELLER] how much money this is going to cost?

Mr. KELLER. Not a cent.

Mr. TRUAX. Then I have no objection to the bill.

There being no objection, the Clerk read the bill, as follows:

Resolved, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to grant permission for the erection on public grounds of the United States in the city of Washington, other than those of the Capitol, the Library of Congress, and the White House, of a memorial of simple and artistic form to the late Jean Jules Jusserand, by his friends in America in memory and esteem of his fine friendship for the United States and its people during the 22 years of his service in Washington: *Provided,* That the site chosen and the design of the memorial shall have the approval of the National Commission of Fine Arts, and that the United States shall be put to no expense in or by the erection of the said memorial.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WASHINGTON-LINCOLN MEMORIAL GETTYSBURG BOULEVARD

The Clerk called the next resolution, Senate Joint Resolution 43, for the establishment of a commission for the construction of a Washington-Lincoln Memorial Gettysburg Boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield of Gettysburg, in the State of Pennsylvania.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object—and I am not going to object—the Roads Committee has put itself in position to give us another great thoroughfare in this country which will probably cost many thousand dollars per mile. The Roads Committee has not seen fit in this session of Congress to do anything to relieve the people who live out in the country on the rural bus routes and the rural mail routes. I should like to see the Roads Committee take up that fight, which is a real fight and a meritorious fight. I for one have become tired of appropriating money for these main thoroughfares and leaving the poor man out in the highways and byways without an opportunity to get out. I am not blaming that committee altogether. I do hope that committee wakes up and demands its rights. I have had occasion on the floor to speak about this matter a number of times. I blame the State authorities and the Federal highway director for their refusal to appreciate the situation in which these poor people find themselves.

Mr. WOLCOTT. I may say that the Roads Committee reported out a very fine bill previous to the enactment of the relief bill which would have accomplished just what the gentleman desires in respect to secondary roads, but it was not given consideration. As I understand the matter, this was due to the fact that the Senate in its wisdom wrote a highway provision into the relief bill, which, in the absence of an opportunity to pass any road bill, we had to accept.

Mr. VINSON of Kentucky. Is there any allocation of Federal money for secondary roads under existing law?

Mr. JENKINS of Ohio. I do not understand there is, but under the bill reported by the Roads Committee there would have been a goodly portion for secondary roads.

Mr. VINSON of Kentucky. I recall that in a bill reported in the last Congress there was a definite allocation of at least 25 percent to secondary roads. I recall also the interest of the gentleman from Ohio [Mr. JENKINS] in the amendment which was adopted at that time.

Mr. JENKINS of Ohio. I thank my friend from Kentucky. He is quite right. He and many other leaders on the Democratic side helped me in that fight. We won easily, for the sentiment of Congress is overwhelmingly in favor of keeping the country people out of the mud. The trouble in Ohio has been that the State director of highways did not seem to want to heed the expressed wish of Congress. The Federal Highway Director must have been in sympathy with him, for instead of spending this 25 percent on rural roads, as they should have done, they ordered that it should be spent on a small piece of road in each county, this piece to be about 5 miles long and constructed with about the same specifications as a main road. They utterly refused to go out into the country and arrange for the stopping up of mudholes. The Roads Committee has before them now a bill which will cure this whole thing. If they would take it up and pass this bill, it would amend the organic law, and henceforth 25 percent of all money appropriated for public roads would go to these country highways. This bill was introduced by me. It has the approval of the best roadmen of the country. I think it is the solution of this road problem. If it would pass, it would provide that 25 percent of all Federal money must be spent on rural roads. It would take the matter out of the hands of these bureaucrats who want to do nothing except provide for main thoroughfares so that they can get their names on the big beautiful cement bridges. I commend this bill to the

Roads Committee. I am perfectly willing to relinquish authorship to it in favor of any member of the committee.

Mr. VINSON of Kentucky. When the gentleman refers to country roads, he is referring to feeder roads or home-to-market roads.

Mr. JENKINS of Ohio. Yes, sir; that is exactly what I mean. The gentleman has plenty of them in his district and I have plenty in mine.

Mr. ENGEL. I took this matter up with a certain official here in the Department. I have forgotten his name.

Mr. JENKINS of Ohio. McDonald, I presume.

Mr. ENGEL. I spoke to some captain over there, and he informed me that they were setting aside 25 percent of the money appropriated for the public-works program for secondary roads, defining secondary roads as being non-Federal-aid roads, and also excluding from secondary roads such roads as were primary State trunk-line roads.

Mr. JENKINS of Ohio. I do not like to take the words out of the gentleman's mouth, but here is the way they interpret that. They put upon that the requirement that none of the money shall be applied to less expensive construction than \$3,000 or \$4,000 per mile.

Mr. ENGEL. All I know about it is just what they told me.

Mr. KELLER. Is it not a fact that at the very present moment the various road authorities of the various States are at work on this matter and have worked out a plan along the line the gentleman speaks of which will use Federal relief money for this very purpose on a very large scale?

Mr. JENKINS of Ohio. I hope the gentleman is right about it, but I will have to know more than that about it before I put much dependence in it.

Mr. KELLER. I am entirely right about it.

Mr. JENKINS of Ohio. Heretofore the enactments of Congress have not been worth a thing. They have ignored us just as if we were nothing. If the Republican Party was in power I would straighten them out or know the reason why.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. As one member of the House Committee on Roads at this time I want to pay my tribute to the gentleman from Ohio [Mr. SECREST], a colleague of the gentleman who now has the floor. The gentleman from Ohio [Mr. SECREST] forced through the Committee on Roads an amendment which would make it mandatory to apply this money to the feeder roads or the farm-to-market roads and for this reason I believe the gentleman from Ohio [Mr. SECREST] ought to be mentioned in this connection.

Mr. JENKINS of Ohio. I may say that the gentleman referred to followed the old Jenkins amendment which we passed here a year or two ago. His amendment was right in line with the amendment we passed at that time and the gentleman from Ohio [Mr. SECREST] deserves the credit which the gentleman seeks to give him. His district adjoins mine and he knows our needs thoroughly.

Mr. LORD. Mr. Speaker, if the gentleman from Ohio will permit, the Committee on Roads, at their sessions, did provide in the bill they reported \$300,000,000 for real farm-to-market roads. When this bill came out, the superintendents of highways and the heads of departments of public works in the different States heard of it and they came rushing to Washington and succeeded in taking this up with one or more of the Senators and getting this portion of the bill eliminated. So the bill as it is today has no appropriation for real farm-to-market roads.

Mr. JENKINS of Ohio. The gentleman is quite right.

Mr. LORD. It does save the first- and second-class roads, but it does not apply at all to the real farm-to-market roads. The gentleman from Ohio [Mr. SECREST] had an amendment providing for bus lines and for rural mail-delivery roads, and this was put in the bill, but it was later on cut out and we have no such provision now, and the farmer is still in the mud.

Mr. MEAD. Mr. Speaker, I am in entire accord with the remarks made by the gentleman from Ohio. I simply want to add that we are appropriating a large sum of money for the Rural Mail Delivery Service to the people in the country sections of every State in the Union, and in view of the fact that we are losing money on this Service, and for the reason that we are appropriating a large sum of money for the improvement of roads, we ought to receive preferential consideration from the State highway commissioners in connection with the improvement of post roads and rural-delivery roads. This has not been done in the past. I am pleased that this discussion has been made on the floor of the House, because it is a matter that should be brought to the attention of the State and Federal commissioners of highways and other authorities throughout the country.

Mr. JENKINS of Ohio. Mr. Speaker, I may say to the gentleman that while I do not want to take any credit to myself, yet in my district we organized along this line 2 years ago, and we went to see our Governor with a delegation of 250 people, and we thought we had the matter all worked out, but the C. W. A. came along and took it away from us.

The gentleman has hit the nail on the head. The trouble has been that regardless of what we do here these high road officers do not pay much attention to us. We have had no trouble in passing these amendments referred to. The Jenkins amendment was passed in a Democratic House overwhelmingly. There is no question about it but that these authorities are sold on this one proposition of having main thoroughfares. They want these three- or four-lane highways, and these Government men will tell you that they ought not to spend any money on improving a road where the specifications do not call for an expenditure of at least \$4,000 a mile. This is not what we want; we want some plan that will make the country roads passable in the winter.

Mr. MEAD. The gentleman is quite correct.

Mr. TARVER. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That there is hereby established a commission to be known as the United States Commission for the construction of a Washington-Lincoln-Memorial Gettysburg Boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield of Gettysburg in the State of Pennsylvania (hereinafter referred to as the Commission), and to be composed of 10 commissioners, as follows: The President of the United States; Presiding Officer of the Senate, the Speaker of the House of Representatives, and the president of the Commissioners of the District of Columbia, ex officio; 2 persons to be appointed by the President of the United States; 1 Senator from the State of Maryland and 1 Senator from the State of Pennsylvania, to be appointed by the President pro tempore of the Senate; and 1 Representative from the State of Maryland and 1 from the State of Pennsylvania, to be appointed by the Speaker of the House of Representatives. The commissioners shall serve without compensation and shall select a chairman from among their number.

SEC. 2. That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000 to be expended by the Commission in accordance with the provisions of this resolution.

SEC. 3. That it shall be the duty of the commission to prepare a plan or plans to further commemorate the public services of George Washington and Abraham Lincoln by the construction of a boulevard or highway connecting the present Lincoln Memorial and the Washington Monument in the city of Washington with the Gettysburg battlefield in the State of Pennsylvania; and to give due and proper consideration to any plan or plans which may be submitted to it.

SEC. 4. That the commission, after selecting a chairman and a vice chairman from among its members, may employ a secretary and such other assistants as may be needed for clerical work connected with the duties of the commission and may also engage the services of expert advisers, and may fix their respective compensations within the amount appropriated for such purposes.

SEC. 5. That the commissioners shall be paid their actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties out of the amount appropriated.

SEC. 6. That the commission shall on or before 1 year after the date of enactment of this resolution, make a report to the Congress, in order that enabling legislation may be enacted.

SEC. 7. That the term of commission hereby created shall expire within 1 year after the completion of the proposed boulevard or highway.

SEC. 8. This joint resolution shall take effect immediately.

With the following committee amendments:

Page 2, line 1, after the word "of", strike out the word "ten" and insert in lieu thereof the word "thirteen."

Page 2, line 8, after the word "Senate", insert the words "The Chief of the Bureau of Public Roads, Department of Agriculture; the Director, National Park Service, Department of the Interior; Engineer Commissioner of the District of Columbia."

Page 2, line 23, after the word "plans", insert the words "In cooperation with the Bureau of Public Roads, Department of Agriculture; the Highway Departments of Pennsylvania, Maryland, and District of Columbia."

Page 3, line 22, after the word "enacted", insert the words "Provided, Such enabling legislation stipulates that the said highway or boulevard shall be constructed by the Highway Departments of Pennsylvania, Maryland, and District of Columbia, under the supervision of the Chief of the Bureau of Public Roads, Department of Agriculture, from funds provided by the said State of Pennsylvania, the said State of Maryland, and the District of Columbia, including any future allocation of Federal-aid highway funds or grants to the said States of Pennsylvania, Maryland, and to the District of Columbia. The passage of this act does not commit the United States to build the said highway or boulevard at Federal expense, and, if authorized, the Federal funds for the construction of the said highway or boulevard will be the allocations that may accrue to the said States and the District of Columbia in future appropriations of Federal-aid highway and grant funds. Any appropriations under the authority of this act shall be deducted from the next regular apportionment or allocation of Federal-aid highway funds or Federal-grant highway funds, under existing or future authorizations as determined by the Secretary of Agriculture to Pennsylvania, Maryland, and the District of Columbia."

The committee amendments were agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BUILDING FOR DIPLOMATIC AND CONSULAR ESTABLISHMENT AT HELSINGFORS, FINLAND

The Clerk called the next bill on the Consent Calendar, H. R. 4448, to provide funds for the acquisition of a site, erection of buildings and furnishing thereof for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland.

The SPEAKER. Is there objection?

Mr. TRUAX. Reserving the right to object, this bill proposes to expend \$300,000 to acquire a site to erect buildings for the American Legation in Finland. I realize that Finland was practically the only foreign nation that paid her war debt in full. But that is no good reason why this country should immediately expend \$300,000 as a return for that payment. The report says that the Government is now paying \$11,000 per year rent for quarters that they now use. If we spend \$300,000 at 4 percent, that will be \$12,000 per year for bankers who buy tax-exempt bonds. That would represent \$12,000 a year, and so it is cheaper to rent at \$11,000 a year. I ask unanimous consent that the bill be passed over without prejudice.

Mr. McREYNOLDS. Mr. Speaker, what the gentleman from Ohio says about 4 percent is all bunk. The gentleman's statement that it would cost more is not borne out by the facts. I am going to object to this bill being passed over without prejudice. If the gentleman wants to object, let him object.

Mr. TRUAX. Mr. Speaker, I object. The taxpayers do not think a \$300,000 unwarranted appropriation is "bunk." They ultimately foot the bill for all the tax-exempt bonds issued by the Government.

Mr. KNUTSON. Will the gentleman reserve his objection?

Mr. TRUAX. Yes.

Mr. McREYNOLDS. Mr. Speaker, I call for the regular order.

The SPEAKER. Is there objection?

Mr. TRUAX. I object.

WHITE SWAN SCHOOL DISTRICT NO. 88, YAKIMA COUNTY, WASH.

The Clerk called the next bill on the Consent Calendar, H. R. 4297, to provide funds for cooperation with White Swan School District No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Reserving the right to object, there are on the calendar several bills to provide for school-district aid. The calendar numbers are 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 85, 86, 87, and 92.

The amounts authorized under these bills aggregate \$761,000. They are along the same lines. I have had several conversations with Members who are interested in these bills and, although I am somewhat, not wholly, convinced as to the merit of the legislation, I feel that it should be presented to us in an entirely different manner.

I am going to ask unanimous consent that these bills, the calendar numbers of which I have read, be passed over without prejudice.

I have in mind that the committee should bring these bills in in an omnibus bill, with a rule allowing some time for debate, in order that we have the question settled once and for all definitely concerning the policy of Congress with respect to aid in these districts. I think that perhaps the aid should be given, but I think a great deal of time and consideration should be given to it.

For the purpose of giving the committee time to bring in an omnibus bill, together with a rule for the consideration, I ask unanimous consent that the bills, Calendar Nos. 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 85, 86, 87, 92, and 113 be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. JENKINS of Ohio. Reserving the right to object, I want to bring out another thought. The gentleman from Michigan recommends that the committee bring them out in an omnibus bill. Has the gentleman given any consideration to the fact that it might be that the Committee on Appropriations dealing with Indian Affairs, that is the subcommittee of the Committee on Appropriations in charge of the Department of the Interior, should be consulted with reference to these matters, because this is establishing a new policy, and we ought to start on it right so that both committees may consider it, and when it does come in as an omnibus bill then there will be no objection and we will have a definite program. With this idea of every individual Congressman coming here for a new schoolhouse for sections in his own district one can see how expensive it will be before we get through. This should be considered carefully with the idea of formulating a statesmanlike policy that we can all be proud of.

Mr. AYERS. Mr. Speaker, I reserve the right to object to the request of the gentleman from Michigan [Mr. Wolcott] that this bill go over, and I desire to discuss this bill and the companion bills for a few minutes. The gentleman is entirely right in his figures on these bills. They seek an authorization of \$751,000 in the aggregate. The Committee on Indian Affairs has had a special subcommittee that investigated every one of these bills. That subcommittee had hearings at the last session and at this session. The allocation of this \$751,000 has to do today with 2,889 Indian children, and here is how it has to do with them: Some years ago the Indian Department adopted a policy to abandon and suspend Indian schools and send the Indian children to State schools. This policy has been consistently followed. For instance, the Indian school which was abandoned at Rapid City, S. Dak., last year sent back to three reservations in my district 89 Indian children of high-school age; all must now go to the State high schools or be deprived of any further education.

This policy of the Indian Department has forced the Indian children into State schools if they are to gain any education, and it has prevailed whether the State schools be located within the boundaries of Indian reservations or on adjoining land. This policy has proved eminently satisfactory for the education of the Indian children, and it has led to the abandonment of additional Indian schools.

In Montana, where I am most familiar with the schools affected, a commendable spirit of cooperation with the Indian Department on the part of the local school boards has always taken place. However, the burden assumed by the local school districts has become greater than their carrying

capacities, and additions to the present buildings or new buildings must be constructed if the districts are to carry on under this policy.

Naturally, by reason of Indian-owned lands, the schools, utilized to the greatest extent by Indian children, find themselves without available funds and without security to raise additional funds to build additions to present buildings or to construct new buildings. You are all aware that Indian lands are not assessable.

These school districts had previously provided buildings and equipment sufficient for accommodation of the white patrons; and now, by reason of the increased attendance brought about by their cooperation with the Indian Department, they are totally inadequate to pursue this policy further without help. Additions and new buildings must be had. In many instances basements, sheds, and other nondescript buildings are being used for school purposes when, in fact, they are unfit for such purposes.

In all instances the feeling between the white people, who are the taxpayers and who have borne the burden with reference to buildings, furniture, laboratories, books, and other equipment, on the one hand and the Indian children and the Indian population on the other hand has been very amicable. Indeed, there has never been any evidence of racial prejudice. The Indian children have been accepted and retained in these schools upon exactly the same basis as white children.

Because of the importance of this bill and other similar bills now on this Consent Calendar, a subcommittee was appointed to consider all of these Indian educational bills. I had the honor to be chairman of that subcommittee. We made an extended investigation of the situation. We found that the Government is paying a tuition averaging 40 cents per capita per school day for the Indian children attending these State schools. Assuming that a school year is 9 months of 20 days each, the Government is paying \$72 per capita per year. We found that this average tuition is less than the average per capita cost for overhead, leaving a condition where the district is compelled to bear the burden of the overhead shortage in addition to bearing all the burden for buildings, furniture, laboratories, and upkeep.

We found that the average per capita cost for elementary and secondary education in the United States is \$87.67 per annum. This is the average; it varies in different States. This makes an average daily per capita cost throughout the Nation of 48 $\frac{3}{4}$ cents per day for overhead as against an average of 40 cents per day paid by the Government for Indian children attending these public schools. The per capita cost per annum in Montana is \$102.62, or 57 cents per day. Hence the average annual Government tuition paid in that State is \$32.62 or 17 cents per day less than the actual per capita cost.

In the State of Washington, the average per capita cost is \$98.64 per annum. The White Swan School District in the State of Washington, which is involved in the instant bill, embraces 442,986 acres of Indian-owned land which is nonassessable, as against 46,974 acres of white-owned land which is on the assessment rolls. A majority of the attendants at the White Swan School are Indian children and this vast amount of Indian land bears none of the burden of the building or maintenance charges whatever—the small amount of white-owned land has to carry the entire burden. The school is now overcrowded to such an extent that new buildings will have to be built or additions constructed to the present buildings. Certainly, no one can contend that this small percentage of white-owned land should bear that entire burden.

The same condition exists, only on different ratios, in all of the schools involved in these bills.

At Poplar, Mont., a substantial majority of the school attendance is Indian and a large percentage of the lands within the district is Indian owned and nonassessable.

At Wolf Point, Mont., which is the county seat of a county made up largely of the Fort Peck Indian Reservation and where the district is bonded practically to its constitutional limitation, the Indian Department advises us that there are

now about 150 Indian children in attendance at the school and that some 25 to 50 additional Indian children would attend if there were building facilities.

At Lodge Grass, Mont., where two-thirds of the land in the district is Indian owned and nonassessable, 133 Indian children are in attendance as against 243 white children, according to the department reports. The district is bonded to its full constitutional limit and the reports show that the school buildings are in bad condition and are all overcrowded; that two dark and poorly ventilated basement rooms are used. Like reports disclose similar conditions at the Frazer, Mont., school, and, as a matter of fact, similar conditions exist at all of the schools which these bills seek to assist.

Mr. Speaker, present reports disclose that there are 2,889 Indian children now attending the public schools mentioned in these bills. Now the time will soon arrive when these Indian children will have to be excluded from these schools unless some action in the way of relief is taken on the part of Congress. By the use of the funds sought for these school districts, additional buildings can be provided not only to accommodate these present 2,889 Indian children but to accommodate an increased Indian attendance at a cost of approximately \$265 per Indian child. This is much less than the Government could undertake to build Indian schoolhouses, which it will ultimately have to do unless these bills are passed.

Our committee has held extensive hearings and gone into the facts concerning all of these bills, and I am certain that they are meritorious.

The enactment of this legislation, in addition to assisting the Indian Department in its policy of giving the Indian pupils the benefit of the environment of attending school with white children, is in effect and from a money point of view an economy move. The Federal Government, by closing the Indian schools it formerly maintained and assigning the Indian children to State schools, has already effected economies much greater than the expenditures proposed by these bills. And please bear in mind that the expenditures proposed by these bills would not be a recurring item, but in the nature of a capital investment. It would give the Department an interest in the buildings constructed or the buildings upon which additions were made, and according to all the bills, the State schools must continue to take Indian children on the same basis as white children, with the exception of tuition to defray overhead expense, and expenditures under these bills must be made subject to conditions prescribed by the Secretary of the Interior; hence, all necessary safeguards are thrown around the Government's investment in each instance, and please continue to bear in mind it is a capital investment.

If this legislation is not enacted, it will undoubtedly be necessary for the Indian Department to establish an Indian school program. This will be necessary because it is becoming impossible for the public schools to accommodate the increasing Indian attendance and it is now impossible for the public schools to construct the necessary additional improvements because of their limited taxable values in the respective districts. Surely it is not believed that the public schools of the States should be asked to carry this additional burden, belonging entirely to the Government in the education of their wards living and residing upon nonassessable lands.

Unless the relief proposed by these bills is brought about, the Indian Department will be compelled to reestablish and maintain Indian schools. And let me add that the per capita cost, now paid by the Government for overhead in these State schools in the way of tuition, will be more than trebled should it build Indian schools and attempt to run them on a departmental basis; hence this is economy legislation from any and all points of view.

Mr. WOLCOTT. Mr. Speaker, I am in accord with what the gentleman says, and I am sympathetic concerning its program, and, without committing myself as to what I would do, I think perhaps I might be able to give the gentleman some help, but it is with a great deal of sincerity that I think the committee should give consideration to putting these bills

in an omnibus bill and presenting them to the House so that the gentleman will have time and we will all have time to bring out the thoughts that we have. For that reason, I ask that these bills go over without prejudice.

Mr. ROGERS of Oklahoma. Mr. Speaker, I reserve the right to object. It has been suggested that perhaps the Committee on Appropriations might make appropriations for these proposals, but these bills are merely an authorization for an appropriation. It was clearly within the rights of the committee to consider these bills, and, for the benefit of the gentleman, I will say that most of these bills have already passed the Senate. The first bill called here, H. R. 4297, passed the Senate on April 15, and every one of these bills which have been introduced in the Senate has passed the Senate. Two or three have not been introduced.

Mr. WOLCOTT. Then, if we do bring in an omnibus bill and establish a policy which we could follow, I do not anticipate we would have any trouble in the Senate with respect to the passage of an omnibus bill which included bills already passed by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan that these bills be passed over without prejudice?

Mr. ROGERS of Oklahoma. Mr. Speaker, I do not like to object to the unanimous-consent request, but we would like to pass these bills at the first opportunity. I realize that when I object to the unanimous-consent request of the gentleman I am probably compelling the gentleman to object to the bill.

Mr. WOLCOTT. Of course I shall, although I do not want to object to it. I have no objection to the merits of the bill, and I do not like to object to these bills unless I have some objection to their merits. It is merely the manner in which it is brought up. I am asking that they go over without prejudice so that we can give some consideration to bringing them in in an omnibus bill.

Mr. ROGERS of Oklahoma. These bills have been considered in the same manner that all other bills of the same nature are considered.

Mr. KNUTE HILL. And they have been considered for over a year.

Mr. WOLCOTT. They were on the calendar this last year, and the same question arose as to what the policy of the Congress would be with respect to them.

I am not going to take the responsibility and I do not think the gentleman wants to take the responsibility, under unanimous consent, of establishing a policy for this House to follow in the future with reference to these bills.

Mr. KNUTE HILL. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. KNUTE HILL. It passed the Senate last year. It has passed the Senate this year. It has been passed by the Senate Committee on Indian Affairs. The Indian Department is in favor of it. It has been here a year now, and if we keep on objecting to this, there will have to be a special bill—

Mr. WOLCOTT. I am not objecting. I hope the gentleman will appreciate the fact that I am not objecting. I am simply giving his committee an opportunity to consider bringing these bills in in an omnibus bill.

Mr. ROGERS of Oklahoma. It will not be necessary to do that, these bills are on the Union Calendar—

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. Wolcott]?

Mr. ROGERS of Oklahoma. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

PUBLIC-SCHOOL BUILDING AT POPLAR, MONT.

The Clerk called the next bill, H. R. 5207, for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. ROGERS of Oklahoma. Mr. Speaker, reserving the right to object—

Mr. WOLCOTT. Mr. Speaker, regular order.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. ROGERS of Oklahoma. I object, Mr. Speaker. If the gentleman from Michigan wants to play politics on these bills—

Mr. WOLCOTT. I hope the gentleman will not consider that I am trying to play politics.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

PUBLIC-SCHOOL BUILDING AT BROCKTON, MONT.

The Clerk called the next bill, H. R. 5209, to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. ROGERS of Oklahoma. Mr. Speaker, I object.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

PUBLIC-SCHOOL BUILDING, BIG HORN COUNTY, MONT.

The Clerk called the next bill, H. R. 5210, to provide funds for cooperation with school district no. 17-H, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. ROGERS of Oklahoma. Mr. Speaker, I object.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

PUBLIC SCHOOL AT FRAZER, MONT.

The Clerk called the next bill, H. R. 5212, to authorize appropriation for the completion of the public high school at Frazer, Mont.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. ROGERS of Oklahoma. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

SCHOOL DISTRICT NO. 27, BIG HORN COUNTY, MONT.

The Clerk called the next bill, H. R. 5213, to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. ROGERS of Oklahoma. Mr. Speaker, I object.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

PUBLIC SCHOOL AT WOLF POINT, MONT.

The Clerk called the next bill, H. R. 5214, to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. ROGERS of Oklahoma. Mr. Speaker, I object.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

HARLEM SCHOOL DISTRICT NO. 12, BLAINE COUNTY, MONT.

The Clerk called the next bill, H. R. 5216, to provide funds for cooperation with Harlem School District No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. ROGERS of Oklahoma. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

SCHOOL DISTRICT NO. 28, LAKE AND MISSOULA COUNTIES, MONT.

The Clerk called the next bill, H. R. 5500, to provide funds for cooperation with joint school district no. 28, Lake and Missoula Counties, Mont., for extension of public-school buildings to be available to Indian children of the Flathead Indian Reservation.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. ROGERS of Oklahoma. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

PUBLIC-SCHOOL BUILDING AT MEDICINE LAKE, SHERIDAN COUNTY, MONT.

The Clerk called the next bill, H. R. 6315, to provide funds for cooperation with the school board at Medicine Lake, Mont., in construction of a public-school building to be available to Indian children of the village of Medicine Lake, Sheridan County, Mont.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. McFARLANE. Reserving the right to object—

Mr. WERNER. Mr. Speaker, regular order.

Mr. McFARLANE. Is it going to be the attitude of the gentleman from Michigan to object to all these bills or to ask that they be passed over?

The SPEAKER. Regular order is demanded. Is there objection to the request of the gentleman from Michigan?

Mr. ROGERS of Oklahoma. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

ROCKY BOY INDIAN RESERVATION

The Clerk called the next bill, H. R. 3811, to add certain public-domain land in Montana to the Rocky Boy Indian Reservation.

Mr. AYERS. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 613) be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The SPEAKER. Is there objection to the immediate consideration of the Senate bill?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That approximately 557 acres of public-domain land in the State of Montana, described as lots 2, 4, 6, and 8, section 25; lots 2, 4, 6, and 8, section 26; lots 2, 4, 6, and 8, section 27; lots 2, 3, and 4, section 28; lot 5, section 29, township 28 north, range 15 east; lots 2, 4, 6, and 8, section 27; lots 2, 4, 6, and 8, section 28; lots 2, 4, 6, and 8, section 29; lots 5, 7, 9, and 11, section 30, township 28 north, range 16 east, of the Montana meridian, in Montana, be, and the same are hereby, withdrawn from the public domain and added to the Rocky Boy Indian Reservation: *Provided,* That the rights and claims of bona fide settlers initiated under the public-land laws prior to January 6, 1934, shall not be affected by this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

MARYSVILLE SCHOOL DISTRICT, SNOHOMISH COUNTY, WASH.

The Clerk called the next bill, H. R. 3999, to provide funds for cooperation with Marysville School District, No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. ROGERS of Oklahoma. Mr. Speaker, I object.

The SPEAKER. Is there objection to the immediate consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

SCHOOL DISTRICT NO. 23, POLSON, MONT.

The Clerk called the next bill, H. R. 5499, to provide funds for cooperation with school district no. 23, Polson, Mont., in the improvement and extension of school buildings to be available to both Indian and white children.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. ROGERS of Oklahoma. Mr. Speaker, I object.

The SPEAKER. Is there objection to the immediate consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

PUBLIC-SCHOOL DISTRICTS IN GLACIER COUNTY, MONT.

The Clerk called the next bill, H. R. 5215, to provide funds for cooperation with public-school districts in Glacier County, Mont., in the improvement and extension of school buildings to be available to both Indian and white children.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. ROGERS of Oklahoma. Mr. Speaker, I object.

The SPEAKER. Is there objection to the immediate consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

CROW INDIANS

The Clerk called the next bill, H. R. 6365, extending the time for repayment of the revolving fund for the benefit of the Crow Indians.

Mr. AYERS. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 2145) may be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the time for repayment to the tribe of \$50,000 revolving fund for the benefit of the Crow Indians created by the act of June 4, 1920 (41 Stat. 755), for the purchase of seed, animals, machinery, tools, implements, and other equipment is hereby extended from June 30, 1935, to June 30, 1945, and said fund is hereby made available for such purposes for the further period of 10 years from and after June 30, 1935.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill were laid on the table.

PETERSBURG, ALASKA

The Clerk called the next bill, H. R. 6085, to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding \$40,000.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the incorporated town of Petersburg, Territory of Alaska, is hereby authorized and empowered to undertake the municipal works hereinabove specified, to wit: The filling, regrading, and paving of streets and sidewalks, and the construction of bridges and viaducts, and for such purposes to issue bonds in any amount not exceeding in the aggregate the sum of \$40,000.

Sec. 2. Before said bonds shall be issued a special election shall be ordered by the common council of the said town of Petersburg, Alaska, at which election the question of whether such bonds shall be issued in the amount above specified for any or all of the purposes hereinbefore set forth, shall be submitted to the qualified electors of said town of Petersburg, Alaska, whose names appear on the last assessment roll of said town for purposes of municipal taxation. The form of the ballot shall be such that the electors may vote for or against the issuance of bonds for the purposes therein specified in the maximum amount herein authorized or any lesser amount. Not less than 20 days' notice of such election shall be given to the public by posting notices of the same in three conspicuous places within the corporate limits of the town of Petersburg, Alaska, one of which shall be at the front door of the United States post office at Petersburg, Alaska. The election notice shall specifically state the amount of bonds proposed to be issued for the purposes herein specified. The registration of such election, the manner of conducting the same, and the canvass of the returns of said election shall be, as nearly as practicable, in accordance with the requirements of law in general or special elections in said municipality; and said bonds shall be issued for the purposes herein authorized only upon condition that not less than 50 percent of votes cast at such election in said municipality shall be in favor of the issuance of said bonds for such purpose.

Sec. 3. The bonds herein authorized to be issued shall be coupon in form and shall mature in not to exceed 30 years from the date thereof. Such bonds may bear such date or dates, may be in such denomination or denominations, may mature in such amounts and at such time or times, not exceeding 30 years from the date thereof, may be payable in such medium of payment and at such place or places, may be sold at either public or private sale, and may be nonredeemable or redeemable (either with or without premium), may carry such registration privileges as to principal and interest, principal only, or interest only, as shall be prescribed by the common council of said town of Petersburg. The bonds shall bear the signatures of the mayor and of the clerk of the town of Petersburg and shall have impressed thereon the official seal of said municipality. The coupons to be annexed to such bonds shall bear the facsimile signatures of the mayor and the town clerk of said municipality. In case any of the officers whose signatures or countersignatures appear on the bonds shall cease to be such officers before delivery of such bonds, such signatures or countersignatures, whether manual or facsimile, shall nevertheless be valid and sufficient for all purposes, the same as if said officers had remained in office until such delivery. Said bonds shall bear interest at a rate to be fixed by the common council of the town of Petersburg, not to exceed, however, 6 percent per annum, payable semiannually, and said bonds shall be sold at not less than the principal amount thereof plus accrued interest.

Sec. 4. The bonds herein authorized to be issued shall be general obligations of the town of Petersburg, Territory of Alaska, payable as to both principal and interest from ad valorem taxes which shall be levied upon all of the taxable property within the corporate limits of such municipality in an amount sufficient to pay the interest on and the principal of such bonds as and when the same become due and payable.

Sec. 5. No part of the funds arising from the sale of said bonds shall be used for any purpose or purposes other than those specified in this act. Said bonds shall be sold only when and in such amounts as the common council of the town of Petersburg shall direct; and the proceeds thereof shall be disbursed only for the purposes hereinbefore mentioned and under the orders and directions of said common council from time to time as such proceeds may be required for such purposes.

Sec. 6. The incorporated town of Petersburg is hereby authorized to enter into contracts with the United States of America or any agency or instrumentality thereof under the provisions of the National Industrial Recovery Act and acts amendatory thereof and acts supplemental thereto, and revisions thereof, and the regulations made in pursuance thereof, and under any further acts of the Congress of the United States to encourage public works or relieve unemployment, for the sale of bonds issued in accordance with the provisions of this act or for the acceptance of a grant of money to aid said municipality in financing any public works herein authorized; or to enter into contracts with any persons or corporations, public or private, for the sale of such bonds; and such contracts may contain such terms and conditions as may be agreed upon by and between the common council of said town of Petersburg and the United States of America, or any agency or instrumentality thereof or any such purchaser.

Sec. 7. This act shall take effect immediately.

With the following committee amendments:

Page 1, line 6, after the word "sidewalks", add the following: "The construction and improvements of sewers."

Page 5, line 9, after the word "unemployment", insert the following: "including the Emergency Relief Appropriation Act of 1935."

The committee amendments were agreed to.

Mr. DIMOND. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIMOND: Page 1, amend the title of the bill to read as follows:

"A bill to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers, and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding \$40,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VALDEZ, ALASKA

The Clerk called the next bill, H. R. 6723, to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding \$50,000; and to authorize said town to accept grants of money to aid it in financing any public works.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the incorporated town of Valdez, Territory of Alaska, is hereby authorized and empowered to construct a public-school building, and for such purpose to issue bonds in any amount not exceeding the sum of \$50,000.

Sec. 2. Before said bonds shall be issued a special election shall be ordered by the common council of the said town of Valdez, Alaska, at which election the question of whether such bonds shall be issued in the amount above specified for the purpose hereinbefore set forth shall be submitted to the qualified electors of said town of Valdez, Alaska, whose names appear on the last assessment roll of said town for purposes of municipal taxation. The form of the ballot shall be such that the electors may vote for or against the issuance of bonds for the purpose herein specified in the amount herein authorized. Not less than 20 days' notice of such election shall be given to the public by posting notices of the same in three conspicuous places within the corporate limits of the town of Valdez, Alaska, one of which shall be at the front door of the United States post office at Valdez, Alaska. The election notice shall specifically state the amount of bonds proposed to be issued for the purpose herein specified. The registration for such election, the manner of conducting the same, and the canvass of the returns of said election shall be, as nearly as practicable, in accordance with the requirements of law in general or special elections in said municipality; and said bonds shall be issued for the purpose herein authorized only upon condition that not less than a majority of the votes cast at such election in said municipality shall be in favor of the issuance of said bonds for such purpose.

Sec. 3. The bonds herein authorized shall be coupon in form and shall mature in not to exceed 30 years from the date thereof. Such bonds may bear such date or dates, may be in such denomination or denominations, may mature in such amounts and at such time or times, not exceeding 30 years from the date thereof, may be payable in such medium of payment and at such place or places, may be sold at either public or private sale, may be non-redeemable or redeemable (either with or without premium), and may carry such registration privileges as to either principal and interest, principal only, or both, as shall be prescribed by the common council of said town of Valdez. The bonds shall bear the signatures of the mayor and of the clerk of the town of Valdez, and shall have impressed thereon the official seal of said municipality. The coupons to be annexed to such bonds shall bear the facsimile signatures of the mayor and of the clerk of said municipality. In case any of the officers whose signatures or countersignatures appear on the bonds shall cease to be such officers before delivery of such bonds, said signatures or countersignatures, whether manual or facsimile, shall, nevertheless, be valid and sufficient for all purposes, the same as if said officers had remained in office until such delivery. Said bonds shall bear interest at a rate to be fixed by the common council of the town of Valdez, not to exceed, however, 6 percent per annum, payable semiannually, and said bonds shall be sold at not less than the principal amount plus accrued interest.

Sec. 4. The bonds herein authorized to be issued shall be general obligations of the town of Valdez, Territory of Alaska, payable as to both interest and principal from ad valorem taxes which shall be levied upon all of the taxable property within the corporate limits of such municipality in an amount sufficient to pay the interest on and the principal of such bonds as and when the same become due and payable.

Sec. 5. No part of the funds arising from the sale of said bonds shall be used for any purpose or purposes other than that specified in this act. Said bonds shall be sold only when and in such amounts as the common council of the town of Valdez shall direct; and the proceeds thereof shall be distributed only for the purpose hereinbefore mentioned and under the orders and direction of said common council from time to time as such proceeds may be required for said purpose.

Sec. 6. The town of Valdez is hereby authorized to enter into contracts with the United States of America or any agency or instrumentality thereof under the provisions of the National Industrial Recovery Act and acts amendatory thereof and acts supplemental thereto, and revisions thereof, and the regulations made in pursuance thereof, and under any further acts of the Congress of the United States to encourage public works, for the relief of unemployment, or for any other public purpose, for the sale of bonds issued in accordance with the provisions of this act, or for the acceptance of a grant of money to aid said municipality in financing any public works; or to enter into contracts with any persons or corporations, public or private, for the sale of such bonds; and such contracts may contain such terms and conditions as may be agreed upon by and between the common council of said town of Valdez and the United States of America or any agency or instrumentality thereof, or any such purchaser.

Sec. 7. This act shall take effect immediately.

With the following committee amendment:

Page 5, line 3, after the word "purposes" insert: "including the Emergency Relief Appropriation Act of 1935."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROUND VALLEY RESERVATION, CALIF.

The Clerk called the next bill, H. R. 1395, to provide funds for cooperation with the public-school board at Covelo, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. ROGERS of Oklahoma. Mr. Speaker, in order to keep the record clear, I object to the unanimous-consent request.

The SPEAKER. Is there objection to the immediate consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

LEIF ERIKSON

The Clerk called the next resolution, House Joint Resolution 26, requesting the President to proclaim October 9 as Leif Ericson Day.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, may I call the attention of the Members to the fact that this is similar to a bill which was vetoed by the President and which established a Pulaski Day, the only difference being this sets aside a particular day in 1935 and that bill, as I understand it, set aside a certain day for each year. I have no objection to this bill, because I think we should give consideration and proper recognition to this outstanding Norwegian, Leif Erikson; but I wonder if the Members have given consideration to the fact it is useless for us to pass this measure in view of the President's attitude toward setting aside a specific day for this purpose?

Mr. SAUTHOFF. Mr. Speaker, the committee has two amendments, which specifically provide that this day will only be set aside this year. There is a correction in the spelling of the name also. We have a statute to this effect already in the States of Minnesota, Wisconsin, and South Dakota, where it is a yearly observance. We are asking in this joint resolution that there be an observance to this effect only this year.

Mr. WOLCOTT. Mr. Speaker, I have no objection to the bill and withdraw my reservation of objection in the hope that the President will take a different attitude toward this bill than he did to the bill to commemorate an outstanding Polish general, General Pulaski.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the President of the United States is hereby authorized and requested to issue a proclamation designating October 9 of each year as Leif Ericson Day and calling upon officials of the Government to display the flag of the United States on all Government buildings on said date and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies.

With the following committee amendment:

On page 1, line 4, after the word "designating", strike out "October 9 of each year as Leif Ericson" and insert in lieu thereof "October 9, 1935, as Leif Erikson."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The title was amended to read as follows: "Joint resolution requesting the President to proclaim October 9 as Leif Erikson Day."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mrs. O'DAY for the balance of the week, on account of important business.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had adopted the following resolution:

Senate Resolution 130

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. BRONSON CUTTING, late a Senator from the State of New Mexico.

Resolved, That a committee of 10 Senators be appointed by the Vice President to take order for superintending the funeral of the deceased Senator.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

BRONSON M. CUTTING

Mr. DEMPSEY. Mr. Speaker, it is my sad duty to announce to the House the tragic death of the late distinguished Senator from my State of New Mexico, the Honorable BRONSON M. CUTTING. Senator BRONSON M. CUTTING has been an outstanding national figure. He has rendered a distinguished service to the State of New Mexico and its people, as well as to the Nation. He will be mourned by every man, woman, and child in our State; and I am sure every Member of this House joins me in the expression of deepest sympathy to the members of his family.

Mr. Speaker, I offer the following resolution.

The Clerk read as follows:

House Resolution 213

Resolved, That the House has heard with profound sorrow of the death of Hon. BRONSON CUTTING, a Senator of the United States from the State of New Mexico.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased Senator.

Resolved, That a committee of four members be appointed on the part of the House to join the committee appointed on the part of the Senate to attend the funeral.

The resolution was agreed to.

The SPEAKER appointed as members on the part of the House to attend the funeral of Hon. BRONSON M. CUTTING, a Senator of the United States from the State of New Mexico, Mr. BLANTON, Mr. DEMPSEY, Mr. PLUMLEY, and Mr. MAAS.

The SPEAKER. The Clerk will report the further resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect to the memory of the deceased the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 2 o'clock and 13 minutes p. m.) the House adjourned until tomorrow, Tuesday, May 7, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

319. Under clause 2 of rule XXIV a communication from the President of the United States, transmitting two supplemental estimates of appropriations for the fiscal year 1935, one for the Civil Service Commission and one for the George

Washington Bicentennial Commission, amounting to \$114,500 (H. Doc. No. 170), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DOXEY: Committee on Agriculture. H. R. 6914. A bill to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes; without amendment (Rept. No. 830). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCHANAN: Committee on Appropriations. House Joint Resolution 272. Joint resolution to enable the Commissioners of the District of Columbia to defray certain expenses incident to the convention of the Imperial Council of the Mystic Shrine, June 8 to June 17, 1935, both inclusive; without amendment (Rept. No. 829). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LLOYD: A bill (H. R. 7909) to amend the act creating a United States Court for China and prescribing the title thereof, as amended; to the Committee on Foreign Affairs.

By Mr. RUDD (by request): A bill (H. R. 7910) amending the provisions of an act entitled "United States marshals of the Department of Justice, an act of power to appoint additional deputy marshals thereto"; to the Committee on the Judiciary.

By Mr. SUMNERS of Texas: A bill (H. R. 7911) to provide for retirement of Justices of the Supreme Court; to the Committee on the Judiciary.

By Mr. SAMUEL B. HILL: A bill (H. R. 7912) to amend section 206 of the National Industrial Recovery Act with relation to preference to residents of the political subdivision and/or county in which work is to be performed on construction projects; to the Committee on Ways and Means.

Also, a bill (H. R. 7913) to raise revenue by taxing imported chemical wood pulp; to the Committee on Ways and Means.

By Mr. THOM: A bill (H. R. 7914) to amend the act entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes"; to the Committee on the Judiciary.

By Mr. WEST: A bill (H. R. 7915) to authorize the Secretary of War to sell to the Eagle Pass & Piedras Negras Bridge Co. a portion of the Eagle Pass Military Reservation, Tex., and for other purposes; to the Committee on Military Affairs.

By Mr. GEHRMANN: A bill (H. R. 7916) to amend section 6 of the act of Congress approved April 7, 1934, entitled "An act to amend the Agricultural Adjustment Act so as to include cattle and other products as basic agricultural commodities, and for other purposes"; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOCKWEILER: A bill (H. R. 7917) for the relief of Hackett M. Ross; to the Committee on World War Veterans' Legislation.

By Mr. GWYNNE: A bill (H. R. 7918) for the relief of Melville B. Elliott; to the Committee on Military Affairs.

By Mr. LUDLOW: A bill (H. R. 7919) granting pensions to E. D. Howe, W. C. Harris, and Elwood Kirkwood; to the Committee on Pensions.

Also, a bill (H. R. 7920) authorizing the President to order Maj. Harold R. Richards, Auxiliary Reserve Corps, before a retiring board for a hearing of his case, and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his resignation; to the Committee on Military Affairs.

By Mr. COLDEN: A bill (H. R. 7921) for the relief of Fred C. Wasserman; to the Committee on Military Affairs.

By Mr. WALLGREN: A bill (H. R. 7922) to provide for a survey of the Nooksack River and its tributaries, in the State of Washington, with a view to the control of its floods and to conservation of soil from erosion; to the Committee on Flood Control.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8275. By Mr. BELL: Petition of Lieutenant Jules G. Ord Camp of Spanish War Veterans, as submitted by B. S. Holloway, of Kansas City, Mo., urging the passage of House bill 6995; to the Committee on Pensions.

8276. By Mr. DOUGHTON: Memorial of the Legislature of the State of North Carolina, repealing, rescinding, and vacating resolutions ratified April 10, 1935, memorializing Congress to eliminate the cotton-processing tax; to the Committee on Agriculture.

8277. By Mr. GWYNNE: Petition of sundry citizens of College Hill and Cedar Falls, Iowa, favoring House bill 6472, to outlaw block selling of motion pictures; to the Committee on Interstate and Foreign Commerce.

8278. Also, petition of sundry citizens of Readlyn, opposing passage of the bill to give the Federal Trade Commission supervision of all types of business, whether incorporated or not; to the Committee on Interstate and Foreign Commerce.

8279. Also, petition of business men of Readlyn, Iowa, protesting against enactment of the holding-company bill (H. R. 5423); to the Committee on Interstate and Foreign Commerce.

8280. By Mr. JOHNSON of Texas: Petition of Missouri Pacific Lines, by R. V. Dunbar, agent, Malone; T. E. Ellison, agent, Penelope; R. D. Elliott, agent, Irene; J. S. Renlet, agent, Italy; and J. L. Morris, agent, Maypearl, all of the State of Texas, favoring House bill 3263, regulating interstate truck and bus service; to the Committee on Interstate and Foreign Commerce.

8281. By Mr. MERRITT of New York: Petition of the Central Civic Association of Hollis, N. Y., urging Congress to enact into law the bill known as S. 2220, introduced by Senator ROYAL S. COPELAND, for the purpose of consolidating the post offices in the county of Queens, N. Y., etc.; to the Committee on the Post Office and Post Roads.

8282. Also, petition signed by the officers and 64 other employees of the Permatex Co., manufacturers of automotive chemical products, Sheepshead Bay, Brooklyn, N. Y., protesting against the Wagner labor-disputes bill as "being unnecessary legislation that will inevitably lead to trouble in many forms, etc."; to the Committee on Labor.

8283. By Mr. REED of Illinois: Petition signed by Clarence D. Averill and 64 others, favoring adoption of Senate bill 1629 and House bill 5262, providing for regulation of interstate highway transportation; to the Committee on Interstate and Foreign Commerce.

8284. Also, resolution adopted by Du Page County Consul Veterans of Foreign Wars, Department of Illinois, approving and endorsing House bill 5224; to the Committee on the Civil Service.

8285. Also, petition signed by F. J. Thomas and 21 others, urging passage of House bill 6995, to restore to Spanish War veterans and dependents their pension status of March 19, 1933; to the Committee on Pensions.

8286. By Mrs. ROGERS of Massachusetts: Petition of Roosevelt Council, No. 45, Sons and Daughters of Liberty, of

Lowell, Mass., urging upon Congress the favorable consideration and immediate passage of House bill 5921; to the Committee on Immigration and Naturalization.

8287. By Mr. RUDD: Petition of Arbeiter Kranken & Sterbekasse, Branch 166, twenty-eighth ward, Brooklyn, N. Y., concerning the Lundeen bill (H. R. 2827); to the Committee on Labor.

8288. By Mr. TRUAX: Petition of the Methodist Federation for Social Service of New York City, opposing alien bills broadening the powers of the Department of Labor to deport and exclude aliens for mere economic beliefs or association in organizations advocating change, of which House bills 7120, by Mr. DIES; 5839, by Mr. DICKSTEIN; and 6795, by Mr. KERR, are typical, because such measures tend to create spies and secret police of a nature inimical to the fundamental concepts of a free people; to the Committee on Immigration.

8289. Also, petition of the Methodist Federation for Social Service of New York City, opposing House bill 5845, by Mr. McCORMACK, punishing the spreading of propaganda in the Army and Navy, because such measures are potent menaces to freedom of speech and press, being easily perverted to reach persons unpopular with the authorities or opposed to the interests of powerful employers; to the Committee on Military Affairs.

8290. Also, petition of the Methodist Federation for Social Service of New York City, opposing all bills commonly known as "sedition bills" making mere belief a crime, of which House bills 6427 and 2866 are typical, because new laws of this nature are wholly unnecessary, since any acts against good order or existing Government are already punishable under present laws; to the Committee on the Judiciary.

8291. Also, petition of Retail Clerks, Local 128, of Toledo, Ohio, requesting support in the retention of approved Code No. 60, Retail Trade; to the Committee on Labor.

8292. Also, petition of the Lucas County Democratic central and executive committees and county officials, by County Auditor Hale T. Shenefield, asking support of the President by his party and requesting favorable action on the extension and strengthening of the National Recovery Act and the further definition and revision of the labor provisions of that act, the abolition of utility holding companies, the enactment of needed revision of the Federal Reserve Act, and transportation legislation; to the Committee on Labor.

8293. By Mr. COSTELLO: Resolution of Arizona State Chamber of Commerce, urging continuance of present excise tax on copper; to the Committee on Ways and Means.

SENATE

TUESDAY, MAY 7, 1935

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Father of mercies, whose never-failing love alone can heal our wounds, be with us now; be very near, dear Lord, in this sad hour wherein we pause in loving tribute to the memory of him our friend, so late our gallant comrade. Vouchsafe him peace and joy in the paradise of God, and may he go from strength to strength in that life of perfect service. Deal tenderly with her whose love hath ever been to him the earnest of Thy love, that through the shadows of the valley Thy staff may be her stay, Thine everlasting arms her sure refuge. Grant unto us who are still in our pilgrimage that purity of intention which sets the seal of a supernatural distinction upon the humblest life; gird us with prudence and restraint, the holy armour of knights dedicated to a divine adventure, in which discretion shall reveal itself as the high wisdom of that love which cares not for the dangers of the way but only for the face of the Beloved.

When on my day of life the night is falling
And, in the winds from unseen spaces blown,
I hear far voices out of darkness calling
My feet to paths unknown.

Thou, who hast made my house of life so pleasant,
 Leave not its tenant, when its walls decay;
 O Love Divine, O Helper ever present,
 Be Thou my strength and stay.

I have but Thee, my Father, let Thy Spirit
 Be with me then, to comfort and uphold;
 No gate of pearl, no branch of palm I merit,
 No street of shining gold.

Suffice it if, my good and ill unreckoned,
 And both forgiven through Thy abounding grace,
 I find myself by hands familiar beckoned
 Unto my fitting place.

Amen.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, May 3, and of Monday, May 6, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On April 29, 1935:

S. 1209. An act to authorize the Secretary of the Navy to relinquish the easement for a water main at Pearl Harbor, Hawaii; and

S. 1610. An act authorizing the Secretary of the Navy to accept on behalf of the United States a certain strip of land from the State of South Carolina.

On May 3, 1935:

S. 408. An act to promote safety on the public highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act; and for other purposes.

On May 6, 1935:

S. 2035. An act to amend an act approved June 25, 1934, authorizing loans from the Federal Emergency Administration of Public Works, for the construction of certain municipal buildings in the District of Columbia, and for other purposes.

ORDER FOR CONSIDERATION OF UNFINISHED BUSINESS

Mr. ROBINSON. Mr. President, I ask unanimous consent that at the conclusion of morning business the Senate proceed to the consideration of the unfinished business.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

DECISION OF SUPREME COURT IN RAILWAY EMPLOYEES RETIREMENT CASE (S. DOC. NO. 55)

Mr. WAGNER. Mr. President, yesterday the Supreme Court handed down an opinion declaring unconstitutional the Railroad Retirement Act passed by Congress last June. It is always a serious matter when an act of Congress is thus voided, especially when the question is of great social import and is resolved by a 5-to-4 decision. Of course, the word of the Court is the law, and as such is entitled to respect and obedience. But the United States Senate has never regarded it improper to inspect and comment upon the intrinsic validity of the decisions of the Supreme Court, whether they are consonant with a living law responsive to social needs, and whether they are forced upon the Court by the weight of existing precedent. I am sure there are some Members of the Senate, familiar with the divisions of the Court in other cases of great social significance, who will at the outset be inclined to agree with the reasoning of Chief Justice Hughes and Justices Brandeis, Stone, and Cardozo, the dissenters in this pension case, rather than with the majority opinion of Justice Roberts, concurred in by Justices Van Devanter, McReynolds, Sutherland, and Butler. And I am sure that this inclination will be confirmed by careful reading of the powerful opinion of the Chief Justice. I venture the prophecy that before many years shall

pass this dissenting view will be the law of the land. Let me merely recall to the Senate that when by a 5-to-4 vote the Supreme Court in 1922 struck down the minimum-wage law for women in the District of Columbia, thus provoking the criticism from the Senate and the country, Mr. Justices Van Devanter, McReynolds, Sutherland, and Butler were in the majority.

Obviously the several States could not pass compulsory retirement-pension legislation covering railway employees in interstate commerce. From the practical point of view interstate transportation is too independent of State lines and too national in character to justify other than national regulation. This fact has long been recognized by Congress and by the Supreme Court in a long history of legislation dealing with the subject of railway employees.

Thus if the majority opinion means that the Federal Government cannot act in any way to set up safeguards to protect the superannuated railway worker, it means that we are as a nation powerless to accomplish this end. I cannot believe that our Constitution or the majority of the present Court intend such an impasse.

As I read the majority opinion, it holds merely that under the interstate-commerce clause Congress has not the power to provide pensions for railway employees, the theory being that the retirement of superannuated workers has no effect upon the efficiency and flow of interstate commerce.

My own view is in accord with the finding of fact by Congress as expressed in its declaration of policy—namely, that retiring the superannuated worker, besides serving a significant social purpose, affects the efficiency and flow of interstate commerce.

But there is another theory upon which such legislation can be sustained. That is the theory embraced in the pending economic-security bill, which might well be amended to include railway employees. The pension plan under that bill does not rest upon the commerce power at all but upon the power of the Federal Government to tax for a public purpose and to expend money for the general welfare. The Court has never indicated that a tax for old-age pensions does not fall within the category of a public purpose; in fact, cases involving State systems have held the contrary. And no substantial limitations have ever been placed upon the spending power of Congress. Thus it seems clear that the old-age-pension plan contemplated by the economic-security bill is constitutional. Certainly no showing can be made that it is affected in any way by the recent decision of the Court. And the unemployment-insurance features of the economic-security bill, which are based upon Federal subsidies, are clearly in line with past acts of Congress that have not been subjected to challenge.

Mr. President, I ask unanimous consent that the prevailing and dissenting opinions of the Court in the so-called "retirement-pension case" be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. FLETCHER. Mr. President, will not the Senator also ask that the majority and minority opinions be printed as a Senate document?

Mr. WAGNER. I accept the suggestion of the senior Senator from Florida, and also ask that the prevailing and dissenting opinions be printed as a Senate document.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The prevailing and dissenting opinions of the Supreme Court of the United States in the case referred to are as follows:

[Supreme Court of the United States. No. 566. October term, 1934. *Railroad Retirement Board et al., petitioners, v. The Alton Railroad Co. et al.* On writ of certiorari to the United States Court of Appeals for the District of Columbia.]

[May 6, 1935]

Mr. Justice Roberts delivered the opinion of the Court.

The respondents, comprising 134 class I railroads, 2 express companies, and the Pullman Co., brought this suit in the Supreme Court of the District of Columbia, asserting the unconstitutionality of the Railroad Retirement Act¹ and praying an injunction against

¹ Act of June 27, 1934, c. 868, 48 Stat. 1283.

its enforcement. From a decree granting the relief sought an appeal was perfected to the Court of Appeals. Before hearing in that tribunal the petitioners applied for a writ of certiorari, representing that no serious or difficult questions of fact were involved, and urging the importance of an early and final decision of the controversy. In the exercise of power conferred by statute² we issued the writ.³

The act establishes a compulsory retirement and pension system for all carriers subject to the Interstate Commerce Act. There is provision for the creation of a fund to be deposited in the United States Treasury (secs. 5, 8) and administered by a Board denominated an independent agency in the executive branch of the Government (sec. 9). The retirement fund for payment of these pensions and for the expenses of administration of the system will arise from compulsory contribution from present and future employees and the carriers. The sums payable by the employees are to be percentages of their current compensation, and those by each carrier double the total payment by its employees. The Board is to determine from time to time what percentage is required to provide the necessary funds, but until that body otherwise determines the employee contribution is to be 2 percent of compensation (sec. 5). Out of this fund annuities are to be paid to beneficiaries.

The classes of persons eligible for such annuities are (1) employees of any carrier on the date of passage of the act; (2) those who subsequently become employees of any carrier; (3) those who within 1 year prior to the date of enactment were in the service of any carrier (sec. 1b).

To every person in any of the three categories an annuity becomes payable: (a) When he reaches the age of 65 years, whether then in carrier service or not (sec. 3); if still in such service he and his employer may agree that he shall remain for successive periods of 1 year until he attains 70, at which time he must retire (sec. 4); (b) at the option of the employee, at any time between the ages of 51 and 65, if he has served a total of 30 years in the employ of one or more carriers, whether continuously or not (secs. 3, 1f). The compulsory-retirement provision is not applicable to those in official positions until 5 years after the effective date of the act (sec. 4).

The annuity is payable monthly (sec. 1d). The amount is ascertained by multiplying the number of years of service, not exceeding 30, before as well as subsequent to the date the act was adopted, whether for a single carrier or a number of carriers, and whether continuous or not, by graduated percentages of the employees' average monthly compensation (excluding all over \$300). If one who has completed 30 years of service elects to retire before attaining the age of 65 years, the annuity is reduced by one-fifteenth for each year he lacks of that age, unless the retirement is due to physical or mental disability (sec. 3).

Upon the death of an employee, before or after retirement, his estate is to be repaid all that he has contributed to the fund, with 3-percent interest compounded annually, less any annuity payments received by him (sec. 3).

The Supreme Court of the District of Columbia declared the establishment of such a system within the competence of Congress; but thought several inseparable features of the act transcended the legislative power to regulate interstate commerce, and required a holding that the law is unconstitutional in its entirety. Our duty, like that of the court below, is fairly to construe the powers of Congress, and to ascertain whether or not the enactment falls within them, uninfluenced by predilection for or against the policy disclosed in the legislation. The fact that the compulsory scheme is novel is, of course, no evidence of unconstitutionality. Even should we consider the act unwise and prejudicial to both public and private interest, if it be fairly within delegated power our obligation is to sustain it. On the other hand though we should think the measure embodies a valuable social plan and be in entire sympathy with its purpose and intended results, if the provisions go beyond the boundaries of constitutional power we must so declare.

The admitted fact that many railroads have voluntarily adopted pension plans does not aid materially in determining the authority of Congress to compel conformance to the one embodied in the Railroad Retirement Act; nor does the establishment of compulsory retirement plans in European countries, to which petitioners refer, for in many of these railroads are operated under government ownership, and none has a constitutional system comparable to ours.

The Federal Government is one of enumerated powers; those not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States or to the people. The Constitution is not a statute, but the supreme law of the land to which all statutes must conform, and the powers conferred upon the Federal Government are to be reasonably and fairly construed, with a view to effectuating their purposes. But recognition of this principle cannot justify attempted exercise of a power clearly beyond the true purpose of the grant. All agree that the pertinent provision of the Constitution is article I, section 8, clause 3, which confers power on the Congress "To regulate commerce . . . among the several States . . ."; and that this power must be exercised in subjection to the guarantee of due process of law found in the fifth amendment.⁴

The petitioners assert that the questioned act, fairly considered, is a proper and necessary regulation of interstate commerce; its various provisions have reasonable relation to the main and controlling purposes of the enactment, the promotion of efficiency, economy and safety; consequently it falls within the power conferred by the commerce clause and does not offend the principle of due process. The respondents insist that numerous features of the contravene the due-process guaranty and further that the requirement of pensions for employees of railroads is not a regulation of interstate commerce within the meaning of the Constitution. These conflicting views open two fields of inquiry which to some extent overlap.⁵ If we assume that under the power to regulate commerce between the States Congress may require the carriers to make some provision for retiring and pensioning their employees, then the contention that various provisions of the act are arbitrary and unreasonable and bear no proper relation to that end must be considered. If any are found which deprive the railroads of their property without due process, we must determine whether the remainder may nevertheless stand. Broadly the record presents the question whether a statutory requirement that retired employees shall be paid pensions is regulation of commerce between the States within article I, section 8.

1. We first consider the provisions affecting former employees. The act makes eligible for pensions all who were in carrier service within 1 year prior to its passage, irrespective of any future reemployment. About 146,000 persons fall within this class, which, as found below, includes those who have been discharged for cause, who have been retired, who have resigned to take other gainful employment, who have been discharged because their positions were abolished, who were temporarily employed, or who left the service for other reasons. These persons were not in carrier service at the date of the act, and it is certain thousands of them never again will be. The petitioners say the provision was inserted to assure those on furlough or temporarily relieved from duty subject to call the benefit of past years of service in the event of reemployment, and to prevent the carriers from escaping their just obligations by omitting to recall these persons to service. And it is said that to attempt nicely to adjust the provisions of the act to furloughed men would involve difficulties of interpretation and inequalities of operation which the blanket provision avoids. We cannot accept this view. It is arbitrary in the last degree to place upon the carriers the burden of gratuities to thousands who have been unfaithful and for that cause have been separated from the service, or who have elected to pursue some other calling, or who have retired from the business, or have been for other reasons lawfully dismissed. And the claim that such largess will promote efficiency or safety in the future operation of the railroads is without support in reason or common sense.

In addition to the 146,000 who left the service during the year preceding the passage of the act, over 1,000,000 persons have been but are not now in the employ of the carriers. The statute provides that if any of them is reemployed at any time, for any period, however brief, and in any capacity, his prior service with any carrier shall be reckoned in computing the annuity payable upon his attaining 65 years of age. Such a person may have been out of railroad work for years; his employment may have been terminated for cause; he may have elected to enter some other industry and may have devoted the best years of his life to it; yet if, perchance, some carrier in a distant part of the country should accept him for work of any description, even temporarily, the act throws the burden of his pension on all the railroads, including, it may be, the very one which for just cause dismissed him. Plainly this requirement alters contractual rights; plainly it imposes for the future a burden never contemplated by either party when the earlier relation existed or when it was terminated. The statute would take from the railroads' future earnings amounts to be paid for services fully compensated when rendered in accordance with contract, with no thought on the part of either employer or employee that further sums must be provided by the carrier. The provision is not only retroactive in that it resurrects for new burdens transactions long since past and closed; but as to some of the railroad companies it constitutes a naked appropriation of private property upon the basis of transactions with which the owners of the property were never connected. Thus the act denies due process of law by taking the property of one and bestowing it upon another. This onerous financial burden cannot be justified upon the plea that it is in the interest of economy, or will promote efficiency or safety. The petitioners say that one who is taken back into service will no doubt render more loyal service since he will know he is to receive a bonus for earlier work. But he will not attribute this benefaction to his employer. The argument comes merely to the contentment and satisfaction theory discussed elsewhere. The petitioners also argue that if the provision in question threatens an unreasonable burden, the car-

² U. S. C., title 28, sec. 347 (a).

³ 293 U. S. 552.

⁴ See *Gibbons v. Ogden*, 9 Wheat. 1, 196-7; *Monongahela Navigation Co. v. United States*, 148 U. S. 312, 336; *Lottery Case*, 188 U. S. 321, 362-3; *United States v. Chicago, M., St. P. & P. R. R. Co.*, 282 U. S. 311, 327.

⁵ When the question is whether the Congress has properly exercised a granted power the inquiry is whether the means adopted bear any reasonable relation to the ostensible exertion of the power (*Mugler v. Kansas*, 123 U. S. 623, 661; *Hammer v. Dagenhart*, 247 U. S. 251, 276; *Bailey v. Drexel Furniture Co.*, 259 U. S. 20, 37). When the question is whether legislative action transcends the limits of due process guaranteed by the fifth amendment, decision is guided by the principle that the law shall not be unreasonable, arbitrary or capricious, and that the means selected shall have a real and substantial relation to the object sought to be attained (*Nebbia v. New York*, 291 U. S. 502, 525).

riers have in their own control the means of avoidance, since no carrier need employ any person who has heretofore been in the railroad business. The position is untenable for several reasons. A carrier may wish to employ one having experience, who has been in another's service. Must it forego the opportunity because to choose the servant will impose a financial obligation arising out of an earlier employment with some other railroad? Would that promote efficiency and safety? The testimony shows that 22 percent of all railway employees have had prior service on some railroad. Must a carrier at its peril exercise, through dozens of employment agencies scattered over a vast territory, an unheard-of degree of care to exclude all former railroad workers at the risk of incurring the penalty of paying a pension for work long since performed for some other employer? So to hold would be highly unreasonable and arbitrary.

2. Several features of the act, touching those now or hereafter in railroad employment, are especially challenged by the respondents.

No specified length of service is required for eligibility to pension, though the amount of the annuity is proportionately reduced if the total term of employment be less than 30 years. One may take a position with a carrier at 20, remain until he is 30, resign after gaining valuable skill and aptitude for his work enter a more lucrative profession, and, though never thereafter in carrier employ, at 65 receive a pension calculated on his 10 years of service. Or after 10 years he may be discharged for peculation, and still be entitled to the gratuity. Or he may be relieved of duty for gross negligence, entailing loss of life or property, and yet collect his pension at 65. May these results be fairly denominated the indicia of reasonable regulation of commerce? May they be cited in favor of this pension system as an aid to economy, efficiency, or safety? We cannot so hold. The petitioners' explanation of this feature of the act is that no "real assurance" of "old-age security" is possible "when pension rights may be lost at any time by loss of employment"; that such a provision is reasonable "because it improves the morale of the employees while they are in the service." Assurance of security it truly gives, but, quite as truly, if "morale" is intended to connote efficiency, loyalty and continuity of service, the surest way to destroy it in any privately owned business is to substitute legislative largess for private bounty and thus transfer the drive for pensions to the halls of Congress and transmute loyalty to employer into gratitude to the legislature.

The act assumes that, in fairness, both employer and employee should contribute in fixed proportions to a liberal pension. But we find that in contradiction of this recognized principle, thousands of those in the service at the date of the act will at once become entitled to annuities, though they will have contributed nothing to the fund. The burden thus cast on the carriers is found to be for the first year of administration over \$9,000,000, and until the termination of payments to these annuitants not less than \$78,000,000. All that has been said of the irrelevance of the requirement of payments based upon services heretofore terminated to any consideration of efficiency or safety applies here with equal force. The petitioners say that the retention of these men will be injurious and costly to the service. This view assumes they will be retained for years and are incompetent to do what they are now doing. Evidence is lacking to support either supposition. Next it is said "that they will receive from the fund more than they will have contributed is not significant for all retired employees receive more than they contribute." This attempted but futile justification is significant of the fault in the feature sought to be supported.

One who has served a total of 30 years is entitled to retire on pension, at his election, at whatever his then attained age. Thus, many who are experienced and reliable may, at their own election, deprive a carrier of their services, enter another gainful occupation, cease to contribute to the fund, and go upon the pension roll years before the fixed retirement age of 65. The finding is that there are not less than 100,000 in the service of the carriers between 51 and 65 years of age who have had 30 or more years of service. The option is not extended to them to retire on pension in order to improve transportation, for the choice is the employee's, to be exercised solely on grounds personal to himself; and the provisions cannot promote economy, for the retiring worker's place will be filled by another who will receive the same wage. The court below properly found that "it is to the interest of the service of plaintiffs and is to the interest of the public that those of such employees who are competent and efficient be retained in carrier service for the benefit of their skill and experience." The petitioners say "clearly the provision in question is not arbitrary and unreasonable so as to be unlawful"; but in support of this statement they adduce only the following considerations: As the pension is reduced one-fifteenth for each year the annuitant lacks of 65 at the date of retirement, his separation, it is said, will impose no greater burden on the fund than if he had waited until 65; the reduction in the amount payable will discourage early retirement, and so tend to counteract the loss of skilled workers; and, finally, "the justification for this provision is that employees who have completed 30 years of service may find it necessary, and it may be in the interest of the industry, for them to retire before age 65." We search in vain for any assertion that the feature under discussion will promote economy, efficiency, or safety, and the absence of any such claim is not surprising. The best that can be said, it seems, is that the burden incident to the privilege of early retirement will not be as heavy as others imposed by the statute.

On June 27, 1934, when the act was approved, there were 1,164,707 people in carrier employ. The act, by conferring a statutory right to a pension, based in part on past service, gave the work

theretofore performed by these persons a new quality. Although completed and compensated in full in conformity with the agreement of the parties that work done over a period of 30 years past is to be the basis for further compulsory payment. While, as petitioners point out, the bounties are payable only in the future, any continuance of the relations, however brief, subsequent to the passage of the act matures a right which reaches back to the date of original employment. And to the amount payable in virtue of all these prior years' service the employees contribute nothing. It is no answer to say that from the effective date of the law they will have to contribute from their wages half as much as do their employers. The future accrues its own annuities. The finding accepted by the petitioners as veracious is that the annuities payable for service performed prior to June 27, 1934, would in the year 1935 amount to \$68,749,000, and would increase yearly until 1953, in which year the portion of the aggregate pension payments attributable to work antedating the passage of the act would be \$137,435,000. These figures apply only to pensions to those now employed and exclude payments to those who left the service during the year prior to the adoption of the act and to those former employees who may hereafter be reemployed.

This clearly arbitrary imposition of liability to pay again for services long since rendered and fully compensated is not permissible legislation. The court below held the provision deprived the railroads of their property without due process, and we agree with that conclusion. Here again the petitioners insist that the requirement is appropriate because, they say, it does not demand additional pay for past services but expenditure "for a present and future benefit through improvement of the personnel of the carriers." But the argument ends with mere statement. Moreover, if it were correct in its assumption, which we shall presently show it is not, nevertheless there can be no constitutional justification for arbitrarily imposing millions of dollars of additional liabilities upon the carriers in respect of transactions long closed on a basis of cost with reference to which their rates were made and their fiscal affairs adjusted.

The act defines as an employee entitled to its benefits an official or representative of an employee organization who, during or following employment by a carrier, acts for such an organization in behalf of employees. Such an one may retire and receive a pension provided in future he pays an amount equal to the sum of the contributions of an employee and of an employer. The petitioners say the burden thus imposed is not great; but the provision exhibits the same arbitrary and unreasonable features as those heretofore discussed, and seems irrelevant to any enhancement of safety or efficiency in transportation.

3. Certain general features of the system violate the fifth amendment. Under the statutory plan the draft upon the pension fund will be at a given rate, while the contributions of individual carriers to build up the fund will be at a disparate rate. This results from the underlying theory of the act, which is that all the railroads shall be treated as a single employer. The report of the Senate subcommittee announced.

"It is agreed that all railroads which have been subjected to the jurisdiction of Congress are to be treated together as one employer. All persons in the service of the railroads are to be regarded as employees of the one employer. * * * The old-age pension or annuity is to be based upon the wages and the length of service upon all railroads, with specified maximum limits."

The petitioners themselves showed at the trial that the probable age of entry into service of typical carriers differs materially; for one it is 28.4, for another 32.4, for a third 29.3, and for a fourth 34.2. Naturally the age of a pensioner at date of employment will affect the resultant burden upon the contributors to the fund. The statute requires that all employees of age 70 must retire immediately. It is found that 56 of the respondents have no employees in that class. Nevertheless they must contribute toward the pensions of such employees of other respondents nearly \$4,000,000 the first year and nearly \$33,000,000 in the total. The petitioners admit that these are the facts, but attempt to avoid their force by the assertion that "the cost differentials which are involved are negligible as compared with the total cost." This can only mean that in view of the enormous total cost to all the railroads, the group thus discriminated against should not complain of the disregard of their ownership of their own assets, because in comparison with gross cost the additional payments due to the inequality mentioned are small.

The evidence shows that some respondents are solvent and others not, a situation which often may recur. The petitioners concede that the plan is intended to furnish assurance of payment of pensions to employees of all the carriers, with the result that solvent railroads must furnish the money necessary to meet the demands of the system upon insolvent carriers, since the very purpose of the act is that the pension fund itself shall be kept solvent and able to answer all the obligations placed upon it.

In recent years many carriers subject to the Interstate Commerce Act have gone out of existence. The petitioners admit that the employees of these defunct carriers are treated upon exactly the same basis as the servants of existing carriers. In other words, past service for a carrier no longer existing is to be added to any service hereafter rendered to an operating carrier, in computing a pension the whole burden of payment of which falls on those carriers still functioning. And all the future employees of any railroad which discontinues operation must be paid their pensions by the surviving roads. Again the answer of the petitioners is that

⁶ CONGRESSIONAL RECORD, vol. 78, p. 5699.

the amount will be negligible. The fact that millions of dollars are involved in other features of the act will not serve to obscure this violation of due process.

All the carriers must make good the contributions of all employees, for section 3 directs that upon the death of an employee the board shall pay him from the fund what he has contributed to it with 3 percent interest compounded annually, less any payments he has received. The railroads are not only liable for their own contributions but are, in a measure, made insurers of those of the employees. This appears to be an unnecessarily harsh and arbitrary imposition, if the plan is to be what on its face it imports, a joint adventure with mutuality of obligation and benefit.

This Court has repeatedly had occasion to say that the railroads, though their property be dedicated to the public use, remain the private property of their owners, and that their assets may not be taken without just compensation.¹ The carriers have not ceased to be privately operated and privately owned, however much subject to regulation in the interest of interstate commerce. There is no warrant for taking the property or money of one and transferring it to another without compensation, whether the object of the transfer be to build up the equipment of the transferee or to pension its employees.

The petitioners insist that since the adoption of the Transportation Act, 1920, and as the logical consequence of decisions of this court, we must recognize that Congress may deal with railroad transportation as a whole and regulate the carriers generally and in classes, with an eye to improvement and development of railway service as a whole; that the interstate carriers use common facilities, make through rates, and interact amongst themselves in various ways, with the result that where any link in the chain lacks efficiency the system as a whole is affected. The argument is that since the railroads and the public have a common interest in the efficient performance of the whole transportation chain, it is proper and necessary to require all carriers to contribute to the cost of a plan designed to serve this end. It is said that the pooling principle is desirable because there are many small carriers whose employees are too few to justify maintenance of a separate retirement plan for each. And, finally, the claim is that in fixing carrier contributions, any attempt to give consideration to difference in age, classification, and service periods of employees would involve grave administrative difficulties and unduly increase the cost of administration. With these considerations in view the petitioners urge that our decisions sanction the exercise of the power involved in the pooling feature of the statute. They rely upon the *New England Divisions case* (261 U. S. 184). That case, however, dealt purely with rates; and while the policy of awarding a larger share of the division of a joint rate to the weaker carrier, in consideration of its need for revenue, was approved, the approval was definitely conditioned upon the circumstance that the share or division of the joint rate awarded to the stronger carrier was not so low as to require it to serve for an unreasonable rate. Thus the principle that Congress has no power to confiscate the property of one carrier for the benefit of another was fully recognized.

Dayton-Goose Creek Ry. Co. v. United States (263 U. S. 456) approved the provision of the Transportation Act, 1920, which required the carriers to contribute "one-half of their excess earnings" to a revolving fund to be used by the Interstate Commerce Commission for making loans to carriers to meet capital expenditures and to refund maturing obligations, or to purchase equipment and facilities which might be leased to carriers. This case is relied upon as sustaining the principle underlying the pension act, but we think improperly. The provision was sustained upon the ground that it must be so administered as to leave to each carrier a reasonable return upon its property devoted to transportation, and the holding is clear that if this principle were not observed in administration, the act would invade constitutional rights.

Atlantic Coast Line Railroad Co. v. Riverside Mills (219 U. S. 186), which the petitioners cite, is even wider of the mark. There this Court upheld the Carmack amendment, which made the initial carrier liable to the consignor for loss of goods contracted to be delivered over connecting lines. The legislation merely attached certain consequences to a given form of contract. It was recognized that initial carriers in fact enter into contracts for delivery of goods beyond their own lines and make through or joint rates over independent lines. This being so, it was held a proper exercise of the power of regulation to require one so contracting to be liable in the first instance to the shipper. So to regulate a recognized form of contract is not offensive to the fifth amendment.

It is claimed that several other decisions confirm the legality of the pooling principle, when reasonably applied. For this position petitioners cite *Mountain Timber Co. v. Washington* (243 U. S. 219); *Noble State Bank v. Haskell* (219 U. S. 104), and *Thornton v. Duffy* (254 U. S. 361). In the first of these the Washington workmen's compensation act, which required employers in extrahazardous employment to pay into a State fund certain premiums based upon the percentage of estimated pay roll of the workmen employed, was under attack. For the purpose of payments into the fund accounts were to be kept with each industry in accordance with a statutory classification, and it was definitely provided that no class should be liable for the depletion of the accident fund by reason of accidents happening in any other class. The act, therefore, clearly recognized the difference in drain or burden on the fund arising from different industries and

sought to equate the burden in accordance with the risk. The challenge of the employers was that the statute failed of equitable apportionment as between the constituted classes. But no proof was furnished to that effect, and this court assumed that the classification was made in an effort at fairness and equity as between classes. The Railroad Retirement Act, on the contrary, makes no classification, but, as above said, treats all the carriers as a single employer, irrespective of their several conditions.

In the second case this Court upheld a statute which required State banks to contribute a uniform percentage of their deposits to a State guaranty fund established for the purpose of making good losses to the depositors of banks which might become insolvent. The act was sustained upon the principle that an ulterior public advantage may justify the taking of a comparatively insignificant amount of private property for what in its immediate purpose is a private use. It was further said that there may be cases other than those of taxation in which the share of each party in the benefit of a scheme of mutual protection is sufficient compensation for the correlative burden which it is compelled to assume. These considerations clearly distinguish that case from the one now under discussion.

In the case last cited it was asserted that the workmen's compensation act of Ohio unfairly discriminated because it allowed employers in certain cases to pay directly to workmen or their dependents the compensation provided by law, in lieu of contributing to the State fund established to secure such payments. This Court held that the classification did not amount to a denial of due process.

We conclude that the provisions of the act which disregard the private and separate ownership of the several respondents, treat them all as a single employer, and pool all their assets regardless of their individual obligations and the varying conditions found in their respective enterprises, cannot be justified as consistent with due process.

The act is said to be unconstitutional because unreasonably and unconscionably burdensome and oppressive upon the respondents, and we are referred to a finding of the court below to which petitioners do not assign error. The facts as found are: based upon present pay rolls, the carriers' contributions for the first year will aggregate not less than \$60,000,000; at the rates fixed in the act, total employee and carrier contributions will, on the basis of present pay rolls, be approximately \$90,000,000 per year; unless the amount of the contributions is increased by the Board, the drain on the fund for payment of pensions will result in a deficit of over \$11,000,000 by the year 1942. To keep the fund in operation it will be necessary for the Board to increase the percentages of contributions named in the act. The petitioners' actuary testified that in the tenth year of operation the payments from the fund will be upwards of \$137,000,000. The railroads' total contribution to pensions on account of prior service of employees in service at the date of the act may amount to \$2,943,966,000. We are not prepared to hold that if the law were in other respects within the legislative competence, the enormous cost involved in its administration would invalidate it; but the recited facts at least emphasize the burdensome and perhaps destructive effect of the contraventions of the due process of law clause which we find exist. Moreover they exhibit the inconsistency of the petitioners' position that the law is necessary because in times of depression the voluntary systems of the carriers are threatened by loss of revenue. It is difficult to perceive how the vast increase in pension expense entailed by the statute will, without provision of additional revenue, relieve the difficulty experienced by some railroads in meeting the demands of the plans now in force.

4. What has been said sufficiently indicates our agreement with the holding of the trial court respecting the disregard of due process exhibited by a number of the provisions of the act. We also concur in that court's views concerning the inseparability of certain of them. The statute contains a section broadly declaring the intent that invalid provisions shall not operate to destroy the law as a whole.² Such a declaration provides a rule which may aid in determining the legislative intent, but is not an inexorable command (*Dorcy v. Kansas*, 264 U. S. 286). It has the effect of reversing the presumption which would otherwise be indulged, of an intent that unless the act operates as an entirety it shall be wholly ineffective (*Williams v. Standard Oil Co.*, 278 U. S. 235, 242; *Utah Power & Light Co. v. Pjost*, 286 U. S. 165, 184). But notwithstanding the presumption in favor of divisibility which arises from the legislative declaration, we cannot rewrite a statute and give it an effect altogether different from that sought by the measure viewed as a whole. Compare *Hill v. Wallace* (259 U. S. 44, 70). In this view we are confirmed by the petitioners' argument that as to some of the features we hold unenforceable, it is "unthinkable" and "impossible" that the Congress would have created the compulsory pension system without them. They so affect the dominant aim of the whole statute as to carry it down with them.

5. It results from what has now been said that the act is invalid because several of its inseparable provisions contravene the due process of law clause of the fifth amendment. We are of opinion that it is also bad for another reason which goes to the heart of the law, even if it could survive the loss of the unconstitutional features which we have discussed. The act is not in purpose or effect a regulation of interstate commerce within the meaning of the Constitution.

¹ *Interstate Commerce Commission v. Oregon-Washington R. Co.* (288 U. S. 14, 40) and cases cited.

² SEC. 14. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act or application of such provision to other persons or circumstances shall not be affected thereby.

Several purposes are expressed in section 2 (a), amongst them: To provide "adequately for the satisfactory retirement of aged employees"; "to make possible greater employment opportunity and more rapid advancement"; to provide by the administration and construction of the act "the greatest practicable amount of relief from unemployment and the greatest possible use of resources available for said purpose and for the payment of annuities for the relief of superannuated employees." The respondents assert and the petitioners admit that though these may in and of themselves be laudable objects, they have no reasonable relation to the business of interstate transportation. The clause, however, states a further purpose, the promotion of "efficiency and safety in interstate transportation", and the respondents concede that an act, the provisions of which show that it actually is directed to the attainment of such a purpose, falls within the regulatory power conferred upon the Congress; but they contend that here the provisions of the statute emphasize the necessary conclusion that the plan is conceived solely for the promotion of the stated purposes other than efficient and safe operation of the railroads. The petitioners' view is that this is the true and only purpose of the enactment, and the other objects stated are collateral to it and may be disregarded if the law is found apt for the promotion of this legitimate purpose.

From what has already been said with respect to sundry features of the statutory scheme, it must be evident that petitioners' view is that safety and efficiency are promoted by two claimed results of the plan: The abolition of excessive superannuation and the improvement of morale.

The parties are at odds respecting the existing superannuation of railway employees. Petitioners say it is much greater than that found in the heavy industries. Respondents assert it is less, and the court below so found. The finding is challenged as being contrary to the evidence. We may, for present purposes, assume that "superannuation" as petitioners use the term, i. e., the attainment of 65 years, is as great or greater in the railroad industry than in comparable employments. It does not follow, as contended, that the man of that age is inefficient or incompetent. The facts indicate a contrary conclusion. Petitioners say the seniority rules and the laying off of younger men first in reducing forces necessarily tend to keep an undue proportion of older men in the service. They say this tendency has long been marked in the railroad industry and has been most noticeable in recent years of depression when forces have been greatly reduced. But what are the uncontradicted facts as to efficiency and safety of operation? Incontrovertible statistics obtained from the records of the Interstate Commerce Commission show a steady increase in safety of operation during this period of alleged increasing superannuation.⁹ Indeed, one of the petitioners, and one of their most important witnesses, has written, referring to railroads:

⁹ Tables included in the record are as follows:

Year:	
1905, 1 passenger killed for each	1,376,000 carried.
1910, 1 passenger killed for each	3,000,000 carried.
1915, 1 passenger killed for each	4,954,000 carried.
1920, 1 passenger killed for each	5,673,000 carried.
1925, 1 passenger killed for each	5,237,000 carried.
1930, 1 passenger killed for each	11,658,000 carried.
1932, 1 passenger killed for each	17,921,000 carried.
Decrease in frequency, 77 percent.	

Year	Total freight, passenger, and motor train-miles (thousands)	Total train accidents	Frequency per million train-miles
1923	1,207,714	27,497	22.77
1924	1,171,812	22,368	19.09
1925	1,187,731	20,785	17.50
1926	1,211,617	21,077	17.39
1927	1,184,455	18,976	16.02
1928	1,169,442	16,949	14.49
1929	1,178,585	17,185	14.58
1930	1,082,306	12,313	11.38
1931	951,220	8,052	8.46
1932	813,091	6,770	7.09

Decrease in frequency, 69 percent.

Year	Total man-hours worked by all employees (thousands)	Total employees killed and injured			Total casualty rate all employees per million man-hours
		Killed	Injured	Total	
1923	4,856,964	1,866	148,146	150,012	30.89
1924	4,473,186	1,403	120,912	122,315	27.34
1925	4,448,377	1,460	114,639	116,099	26.10
1926	4,557,537	1,528	107,218	108,746	23.86
1927	4,406,627	1,427	83,883	85,310	19.36
1928	4,191,065	1,187	66,744	67,931	16.21
1929	4,225,292	1,302	57,164	58,466	13.84
1930	3,641,412	898	33,184	34,082	9.36
1931	2,930,657	621	21,417	22,038	7.52
1932	2,286,561	532	16,359	16,891	7.39

Decrease in frequency, 76 percent.

"Experience seems to have proved, moreover, that older workers cause fewer accidents than do younger; hence there is little necessity for removing them on that ground."¹⁰

There is overwhelming evidence in the record to the same effect. All that petitioners offer on the subject in their brief is, "In an industry having as many hazardous occupations as the railway industry, improvement in personnel conditions is likely to mean increased safety." We think it not unfair to say that the claim for promotion of safety is virtually abandoned.

How stands the case for efficiency? Here again the record without contradiction demonstrates that in step with the alleged progressive superannuation on the railroads their operations have increased in efficiency.¹¹ The trial court found, and its finding is not assigned as error: "Railroads were, when the act was enacted, and are now, operated efficiently and safely and more efficiently and much more safely than at any time in history."

Lastly, the petitioners suggest that diminution of superannuation promotes economy, because younger and lower paid men will replace the retired older men. But the argument is based upon inadvertent disregard of the wage structure of the carriers, especially in the train and engine service, whereby contract compensation is based not on age but upon the nature of the duties performed. The replacement of one by another who is to do the same work will therefore beget no saving in wages.

When to these considerations is added that, as heretofore said, the act disregards fitness to work, pensions the worker who retires at his option before any suggested superannuation, irrespective of skill or ability, pensions those who are presently compelled by the law to retire, irrespective of their fitness to labor, and grants annuities to those who are discharged for dishonesty or gross carelessness, it becomes perfectly clear that, though the plan may bring about the social benefits mentioned in section 2 (a), it has and can have no relation to the promotion of efficiency, economy, or safety by separating the unfit from the industry. If these ends demand the elimination of aged employees, their retirement from the service would suffice to accomplish the object. For these purposes, the prescription of a pension for those dropped from service is wholly irrelevant. The petitioners, conscious of the truth of this statement, endeavor to avoid its force by the argument that social and humanitarian considerations demand the support of the retired employee. They assert that it would be unthinkable to retire a man without pension, and add that attempted separation of retirement and pensions is unreal in any practical sense, since it would be impossible to require carriers to cast old workers aside without means of support. The supposed impossibility arises from a failure to distinguish constitutional power from social desirability. The relation of retirement to safety and efficiency is distinct from the relation of a pension to the same ends, and the two relationships are not to be confused.

In the final analysis, the petitioners' sole reliance is the thesis that efficiency depends upon morale and morale, in turn, upon assurance of security for the worker's old age. Thus, pensions are sought to be related to efficiency of transportation and brought within the commerce power. In supporting the act the petitioners constantly recur to such phrases as "old-age security", "assurance of old-age security", "improvement of employee morale and efficiency through providing definite assurance of old-age security", "assurance of old-age support", "mind at ease", and "fear of old-age dependency." These expressions are frequently connected with assertions that the removal of the fear of old-age dependency will tend to create a better morale throughout the ranks of employees. The theory is that one who has an assurance against future dependency will do his work more cheerfully and therefore more efficiently. The question at once presents itself whether the fostering of a contented mind on the part of an employee by legislation of this type is in any just sense a regulation of interstate transportation. If that question be answered in the affirmative, obvi-

¹⁰ Tables included in the record are as follows—Continued.

Year	Man-hours worked by trainmen (thousands)	Trainmen			Total casualty rate per million man-hours
		Killed	Injured	Total	
1923	915,084	896	35,342	36,238	39.60
1924	829,533	628	28,438	29,066	35.04
1925	831,682	691	28,297	28,989	34.86
1926	858,598	691	29,864	30,555	35.59
1927	812,853	639	24,492	25,131	30.88
1928	776,184	501	20,943	21,444	27.63
1929	785,504	587	19,116	19,703	24.96
1930	673,208	423	11,771	12,194	18.11
1931	546,277	292	8,259	8,551	15.65
1932	431,083	265	6,318	6,583	15.27

Decrease in frequency, 61 percent.

¹¹ Latimer, Industrial Pension Systems, Vol. II, 724.

¹² Thus it appears that the average speed of freight trains between terminals in 1928 was 10.9 miles per hour, in 1929 was 13.2 miles per hour, and in 1933 was 15.7 miles per hour. Excluding weight of locomotive and tender, each freight-train hour in 1923 produced 16,764 gross ton-miles, in 1929 produced 24,539 gross ton-miles, and in 1933 produced 27,343 gross ton-miles; and net ton-miles per freight-train hour increased 41.2 percent from 1923 to 1933 and 3.7 percent from 1929 to 1933. Cost of transportation is also shown to have decreased in the same periods.

ously there is no limit to the field of so-called "regulation." The catalog of means and actions which might be imposed upon an employer in any business tending to the satisfaction and comfort of his employees seems endless. Provision for free medical attendance and nursing, for clothing, for food, for housing, for the education of children, and a hundred other matters might with equal propriety be proposed as tending to relieve the employee of mental strain and worry. Can it fairly be said that the power of Congress to regulate interstate commerce extends to the prescription of any or all of these things? Is it not apparent that they are really and essentially related solely to the social welfare of the worker and, therefore, remote from any regulation of commerce as such? We think the answer is plain. These matters obviously lie outside the orbit of congressional power. The answer of the petitioners is that not all such means of promoting contentment have such a close relation to interstate commerce as pensions. This is, in truth, no answer; for we must deal with the principle involved and not the means adopted. If contentment of the employee were an object for the attainment of which the regulatory power could be exerted, the courts could not question the wisdom of methods adopted for its advancement.

No support for a plan which pensions those who have retired from the service of the railroads can be drawn from the decisions of this Court sustaining measures touching the relations of employer and employee in the carrier field in the interest of a more efficient system of transportation. The safety appliance acts, the employers' liability acts, hours-of-service laws, and others of analogous character, cited in support of this act, have a direct and intimate connection with the actual operation of the railroads. No less inapposite are the statutes which deal with exchange of facilities, joint facilities, joint rates, etc. For these have an obvious and direct bearing on the obligations of public service incident to the calling of the railroads. The Railway Labor Act was upheld by this Court upon the express ground that to facilitate the amicable settlement of disputes which threatened the service of the necessary agencies of interstate transportation tended to prevent interruptions of service and was therefore within the delegated power of regulation. It was pointed out that the act did not interfere with the normal right of the carrier to select its employees or discharge them (*Texas & New Orleans R. R. Co. v. Railway Clerks*, 281 U. S. 548, 570-571). The legislation considered in *Wilson v. New* (243 U. S. 332) was drafted to meet a particular exigency, and its validity depended upon circumstances so unusual that this Court's decision respecting it cannot be considered a precedent here.

Stress is laid upon the supposed analogy between workmen's compensation laws and the challenged statute. It is said that while Congress has not adopted a compulsory and exclusive system of workmen's compensation applicable to interstate carriers no one doubts the power so to do; and the Retirement Act cannot in principle be distinguished. The contention overlooks fundamental differences. Every carrier owes to its employees certain duties the disregard of which renders it liable at common law in an action sounding in tort. Each State has developed or adopted as part of its jurisprudence rules as to the employer's liability in particular circumstances. These are not the same in all the States. In the absence of a rule applicable to all engaged in interstate transportation the right of recovery for injury or death of an employee may vary depending upon the applicable State law. That Congress may under the commerce power prescribe a uniform rule of liability, and a remedy uniformly available to all those so engaged is not open to doubt. The considerations upon which we have sustained compulsory workmen's compensation laws passed by the States in the sphere where their jurisdiction is exclusive apply with equal force in any sphere wherein Congress has been granted paramount authority. Such authority it may assert whenever its exercise is appropriate to the purpose of the grant. A case in point is the Longshoremen's and Harbor Workers' Compensation Act passed pursuant to the delegation of admiralty jurisdiction to the United States. Modern industry and this is particularly true of railroads involves instrumentalities, tasks, and dangers unknown when the doctrines of the common law as to negligence were developing. The resultant injuries to employees, impossible of prevention by the utmost care, may well demand new and different redress than that afforded in the past. In dealing with the situation it is permissible to substitute a new remedy for the common-law right of action; to deprive the employer of common-law defenses and substitute a fixed and reasonable compensation commuted to the degree of injury; to replace uncertainty and protracted litigation with certainty and celerity of payment; to eliminate waste; and to make the rule of compensation uniform throughout the field of interstate transportation, in contrast with inconsistent local systems. By the very certainty that compensation must be paid for every injury such legislation promotes and encourages precaution on the part of the employer against accident and tends to make transportation safer and more efficient. The power to prescribe a uniform rule for the transportation industry throughout the country justifies the modification of common-law rules by the Safety Appliance Acts and the Employers' Liability Acts applicable to interstate carriers, and would serve to sustain compensation acts of a broader scope, like those in force in many States. The collateral fact that such a law may produce contentment among employees—an object which as a separate and independent matter is wholly beyond the power of Congress—would not, of course, render the legislation unconstitutional. It is beside the point that compensation would have to be paid despite the fact that the carrier has performed its contract

with its employee and has paid the agreed wages. Liability in tort is imposed without regard to such considerations; and in view of the risks of modern industry the substituted liability for compensation likewise disregards them. Workmen's compensation laws deal with existing rights and liabilities by readjusting old benefits and burdens incident to the relation of employer and employee. Before their adoption the employer was bound to provide a fund to answer the lawful claims of his employees; the change is merely in the required disbursement of that fund in consequence of the recognition that the industry should compensate for injuries occurring with or without fault. The act with which we are concerned seeks to attach to the relation of employer and employee a new incident, without reference to any existing obligation or legal liability, solely in the interest of the employee, with no regard to the conduct of the business, or its safety or efficiency, but purely for social ends.

The petitioners, in support of their argument as to morale, rely upon the voluntary systems adopted in past years by almost all the carriers, and now in operation. The argument runs that these voluntary plans were adopted in the industry for two principal reasons—the creation of loyalty and the encouragement of continuity in service. The petitioners quote from a statement by the National Industrial Conference Board the following:

"More specifically, the efficiency of the individual workers is stimulated by the feeling of security and hopefulness that results when the individual is relieved of the fear of destitution and dependency in old age and by the sentiment of loyalty and good will fostered by the pension plan, which thus operates as a spur to the ambition of the worker and incites him to more intensive and sustained effort. Similarly the efficiency of the organization as a whole is increased by the improvement of industrial relations, the development of a cooperative spirit, and the promotion of constancy and continuity of employment."

They assert that the Railroad Retirement Act, "although it embodies the first compulsory retirement and pension plan enacted in this country, is but the development of voluntary plans which have been in use in this country, particularly among the railroads, for more than a third of a century." The argument is self-contradictory. If, as is conceded, the purpose of the voluntary establishment of pensions is to create loyalty to the employer who establishes them, and continuity in his service, it seems axiomatic that the removal of the voluntary character of the pension and the imposition of it in such form as Congress may determine, upon all employers, and irrespective of length of service, or of service for the same employer, will eliminate all sense of loyalty or gratitude to the employer, and remove every incentive to continuance in the service of a single carrier. In fact, the petitioners so admit, for they say in their brief:

"That the benefits which respondents expected to derive from their voluntary pension plans (said to be (1) greater continuity of service and (2) improved employee loyalty) differ from those emphasized in the Retirement Act does not affect the act's validity, so long as it is calculated in other ways to promote efficiency and safety."

We are left to surmise what these "other ways" may be unless they are the contentment and assurance of security so much stressed in the argument. The petitioners, in effect, say: the carriers with certain objects and purposes have adopted voluntary systems; this proves that pensions are germane to the railroad business; Congress may legislate on any subject germane to interstate transportation; therefore Congress may for any reason or with any motive impose any type of pension plan. The contention comes very near to this—that whatever some carriers choose to do voluntarily in the management of their business at once invests Congress with the power to compel all carriers to do. The fallacy is obvious. The meaning of the commerce and due-process clauses of the Constitution is not so easily enlarged by the voluntary acts of individuals or corporations.

Counsel for the petitioners admit that "it may well be" voluntary plans are intended to promote efficiency and safety by "inducing loyalty and continuity", and "it could also be true that these means were ignored in the Retirement Act." They add:

"Congress has deliberately chosen the means of providing old-age security for all railroad employees, measured by years of service, but not dependent upon continuity of service with any particular carrier, as is required under the existing railway-pension systems. If it were true, as claimed, that the act will not encourage continuity of service and will remove the incentives for employee loyalty to employer, it has other virtues, as has been indicated; for example, it provides greater assurance to employees of old-age security than has been the case under the carriers' pension plans, and is likely to be productive of efficiency through improvement of employee morale."

Certainly the argument is inconsistent with any thought that a plan imposed by statute, requiring the payment of a pension, will promote the same loyalty and continuity of service which were the ends and objects of the voluntary plans. It is going far to say, as petitioners do, that Congress chose the more progressive method "already tried in the laboratory of industrial experience", which they claim has been approved and recommended by those qualified to speak. In support of the assertion, however, they cite general works dealing with voluntary pension plans, and not with any such compulsory system as that with which we are concerned. We think it cannot be denied, and, indeed, is in effect admitted, that the sole reliance of the petitioners is upon the theory that contentment and assurance of security are the major purposes of the act. We cannot agree that these ends, if dictated by statute,

and not voluntarily extended by the employer, encourage loyalty and continuity of service. We feel bound to hold that a pension plan thus imposed is in no proper sense a regulation of the activity of interstate transportation. It is an attempt for social ends to impose by sheer fiat noncontractual incidents upon the relation of employer and employee, not as a rule or regulation of commerce and transportation between the States, but as a means of assuring a particular class of employees against old-age dependency. This is neither a necessary nor an appropriate rule or regulation affecting the due fulfillment of the railroads' duty to serve the public in interstate transportation.

The judgment of the Supreme Court of the District of Columbia is affirmed.

The Chief Justice, dissenting:

I am unable to concur in the decision of this case. The gravest aspect of the decision is that it does not rest simply upon a condemnation of particular features of the Railroad Retirement Act, but denies to Congress the power to pass any compulsory pension act for railroad employees. If the opinion were limited to the particular provisions of the act, which the majority find to be objectionable and not severable, the Congress would be free to overcome the objections by a new statute. Classes of persons held to be improperly brought within the range of the act could be eliminated. Criticisms of the basis of payments, of the conditions prescribed for the receipt of benefits, and of the requirements of contributions could be met. Even in a place of unitary retirement system another sort of plan could be worked out. What was thus found to be inconsistent with the requirements of due process could be excised and other provisions substituted. But after discussing these matters the majority finally raise a barrier against all legislative action of this nature by declaring that the subject matter itself lies beyond the reach of the congressional authority to regulate interstate commerce. In that view, no matter how suitably limited a pension act for railroad employees might be with respect to the persons to be benefited, or how appropriate the measure of retirement allowances, or how sound actually the plan, or how well adjusted the burden, still under this decision Congress would not be at liberty to enact such a measure. That is a conclusion of such serious and far-reaching importance that it overshadows all other questions raised by the act. Indeed, it makes their discussion superfluous. The final objection goes, as the opinion states, "to the heart of the law, even if it could survive the loss of the unconstitutional features" which the opinion perceives. I think that the conclusion thus reached is a departure from sound principles and places an unwarranted limitation upon the commerce clause of the Constitution.

First, in defining the power vested in Congress to regulate interstate commerce, we invariably refer to the classic statement of Chief Justice Marshall. It is the power "to prescribe the rule by which commerce is to be governed." The power "is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations, other than are prescribed in the Constitution" (*Gibbons v. Ogden*, 9 Wheat. 1, 196). It is a power to enact "all appropriate legislation for the protection and advancement" of interstate commerce (*The Daniel Ball*, 10 Wall. 557, 564). "To regulate", we said in the *Second Employers Liability cases* (223 U. S. 1, 47), "in the sense intended, is to foster, protect, control and restrain, with appropriate regard for the welfare of those who are immediately concerned and of the public at large." And the exercise of the power, thus broadly defined, has had the widest range in dealing with railroads, which are engaged as common carriers in interstate transportation. As their service is vital to the Nation, nothing which has a real or substantial relation to the suitable maintenance of that service, or to the discharge of the responsibilities which inhere in it, can be regarded as beyond the power of regulation (*The Shreveport case*, 234 U. S. 342, 351; *Dayton-Goose Creek Railway Co. v. United States*, 263 U. S. 456, 478; *Colorado v. United States*, 271 U. S. 153, 163, 164; *N. Y. Central Securities Co. v. United States*, 287 U. S. 12, 24, 25).

It was inevitable that, with the development of the transportation system of the country, requiring a vast number of employees, there should have been a growing appreciation of the importance of conditions of employment. It could not be denied that the sovereign power to govern interstate carriers extends to the regulation of their relations with their employees who likewise are engaged in interstate commerce. The scope of this sort of regulation has been extensive. There has been not only the paramount consideration of safety, but also the recognition of the fact that fair treatment in other respects aids in conserving the peace and good order which are essential to the maintenance of the service without disastrous interruptions, and in promoting the efficiency which inevitably suffers from a failure to meet the reasonable demands of justice. An absolute duty to furnish safety appliances has been imposed, restrictions of hours of continuous service have been prescribed, standards of a day's work have been established for work and wages, the liability of carriers for injuries to employees has been regulated by the abrogation of the fellow-servant rule and the limitation of defenses as to contributory negligence and assumption of risk, and provisions have been enacted to facilitate the amicable settlement of disputes and to protect employees in their freedom to organize for the purpose of safeguarding their interests (*St. Louis & Iron Mountain Railway Co. v. Taylor*, 210 U. S. 281; *Baltimore & Ohio R. R. Co. v. Interstate Commerce Commission*, 221 U. S. 612; *Wilson v. New*, 243 U. S. 332; *Texas & New Orleans R. R. Co. v. Railway Clerks*, 281 U. S. 548).

The argument that a pension measure, however sound and reasonable as such, is per se outside the pale of the regulation of interstate carriers, because such a plan could not possibly have a reasonable relation to the ends which Congress is entitled to serve, is largely answered by the practice of the carriers themselves. Following precedents long established in Europe, certain railroad companies in the United States set up voluntary pension systems many years ago. It appears that the first of these was established in 1884; another was adopted in 1900. By 1910 formal pension plans covered 50 percent of all railroad employees, and by 1927 over 82 percent. In establishing these plans the carriers were not contemplating the payment of a largess unrelated to legitimate transportation ends. Their witnesses say the carriers aimed at loyalty and continuity of service. However limited their motives, they acted upon business principles. Pension plans were not deemed to be essentially foreign to the proper conduct of their enterprises. But if retirement or pension plans are not per se unrelated to the government of transportation operations, Congress could consider such plans, examine their utility, and reach its own conclusions. If the subject matter was open to consideration, Congress was not limited to the particular motives which inspired the plans of the carriers.

The Government stresses the importance of facilitating the retirement of superannuated employees. The argument points to the conclusions of expert students as given in the testimony below, and to the reports of investigating committees and boards of leading business organizations. Employees' Retirement Annuities, Chamber of Commerce of the United States, 1932, pages 7, 8; Elements of Industrial Pension Plans, National Industrial Conference Board, 1931, pages 8, 10. Mr. Eastman, the Federal Coordinator of Transportation, in his affidavit on the hearing below, expressed the view that there was excessive superannuation among railroad employees. He says: "This excessive superannuation is detrimental to railroad service in several ways. Men who have grown old in the service decline in efficiency. The carrier pays in wages an amount out of proportion to the service rendered. These conditions exist upon the railroads at the present time. There is now a large body of superannuated employees in the railroad service who, for the good of the service, ought to be retired. Pension systems, of one sort or another, have been in existence in the railroad industry for as long as 50 years. The need for them was recognized by the more progressive carriers at an early date. In late years, particularly, with the voluntary systems in danger, the matter of retirement and pensions has been a crucial issue in railroad employment. Withdrawal or extensive curtailment of existing pensions in the railroad industry would impair the morale of railroad employees and play havoc with railroad labor relations. It would, in addition, increase the existing excessive superannuation among railroad employees and block the employment and promotion of younger men."

The carriers deny that there is excessive superannuation. They assert that the removal of older employees has no reasonable relation to either safety or efficiency. The opinion of the Court enters this field of controversy, reviews statistics as to the increase of safety and efficiency in operation during the period of the alleged increasing superannuation, and supports the finding that railroads are now operated more efficiently and safely than at any time in history. But that gratifying fact does not establish that further improvement is not needed or obtainable, or that a sound pension plan would not be of considerable benefit to the carriers' operations. At best, the question as to the extent of superannuation, and its effect, is a debatable one, and hence one upon which Congress was entitled to form a legislative judgment. As we said in *Radice v. New York*, 264 U. S. 292, 294: "Where the constitutional validity of a statute depends upon the existence of facts, courts must be cautious about reaching a conclusion respecting them contrary to that reached by the legislature; and if the question of what the facts establish be a fairly debatable one, it is not permissible for the judge to set up his opinion in respect of it against the opinion of the lawmaker." See *Stephenson v. Binford*, 287 U. S. 251, 272.

Laying that question on one side, I think that it is clear that the morale of railroad employees has an important bearing upon the efficiency of the transportation service, and that a reasonable pension plan by its assurance of security is an appropriate means to that end. Nor should such a plan be removed from the reach of constitutional power by classing it with a variety of conceivable benefits which have no such close and substantial relation to the terms and conditions of employment. The appropriate relation of the exercise of constitutional power to the legitimate objects of that power is always a subject of judicial scrutiny. With approximately 82 percent of railroad employees, 90 percent of those employed in cable, telephone, and telegraph companies, and about one-half of those in the service of electric railways, light, heat, and power companies under formal pension plans,¹² with the extensive recognition by National, State, and local governments of the benefit of retirement and pension systems for public employees in the interest of both efficiency and economy,¹³ it is evident that there is a wide-spread conviction that the assurance of security through a pension plan for retired employees is closely and substantially related to the proper conduct of business enterprises.

¹² Latimer, "Industrial Pension Plans," 1932, vol. I, p. 55.

¹³ "Public Service Retirement Systems", Bureau of Labor Statistics (U. S.) Bulletin No. 477, 1929.

But with respect to the carriers' plans, we are told that as they were framed in the desire to promote loyalty and continuity of service in the employment of particular carriers, the accruing advantages were due to the fact that the plans were of a voluntary character. In short, that the reaction of the employees would be simply one of gratitude for an act of grace. I find no adequate basis for a conclusion that the advantages of a pension plan can be only such as the carriers contemplated or that the benefit which may accrue to the service from a sense of security on the part of employees should be disregarded. In that aspect, it would be the fact that protection was assured, and not the motive in supplying it, which would produce the desired result. That benefit would not be lost because the sense of security was fostered by a pension plan enforced as an act of justice. Indeed, voluntary plans may have the defect of being voluntary, of being subject to curtailment or withdrawal at will. And the danger of such curtailment or abandonment, with the consequent frustration of the hopes of a vast number of railroad workers and its effect upon labor relations in this enterprise of outstanding national importance, might well be considered as an additional reason for the adoption of a compulsory plan (*Wilson v. New*, supra, pp. 347, 348). There was also testimony (by Mr. Eastman) that "the experience with the voluntary-pension systems has been unsatisfactory", that "the depression brought clearly to light their many weaknesses and uncertainties."

The argument in relation to voluntary plans discloses the fundamental contention on the question of constitutional authority. In substance, it is that the relation of the carriers and their employees is the subject of contract; that the contract prescribes the work and the compensation; and that a compulsory pension plan is an attempt for social ends to impose upon the relation non-contractual incidents in order to insure to employees protection in their old age. And this is said to lie outside the power of Congress in the government of interstate commerce. Congress may, indeed, it seems to be assumed, compel the elimination of aged employees. A retirement act for that purpose might be passed. But not a pension act. The Government's power is conceived to be limited to a requirement that the railroads dismiss their superannuated employees, throwing them out helpless, without any reasonable provision for their protection.

The argument pays insufficient attention to the responsibilities which inhere in the carriers' enterprise. Those responsibilities, growing out of their relation to their employees, cannot be regarded as confined to the contractual engagement. The range of existing Federal regulation of interstate carriers affords many illustrations of the imposition upon the employer-employee relation of noncontractual incidents for social ends. A close analogy to the provision of a pension plan is suggested by the familiar examples of compensation acts. The power of Congress to pass a compensation act to govern interstate carriers and their employees engaged in interstate commerce does not seem to be questioned. The carriers might thus be compelled to provide appropriate compensation for injuries or death of employees, although caused without fault on the carriers' part. A thorough examination of the question of constitutional authority to adopt such a compulsory measure was made some years ago by a commission constituted under a joint resolution of Congress, of which Senator Sutherland (now Mr. Justice Sutherland) was chairman" (36 Stat. 884). Its elaborate and unanimous report, transmitted to Congress by President Taft with his complete approval, considered the constitutional question in all aspects, upheld the congressional power, and proposed its exercise (S. Doc. No. 338, 62d Cong., 2d sess.). Among the principles announced was that "If the proposed legislation effectuates any constitutional power, it is not rendered unconstitutional because to a greater or less extent it may accomplish or tend to accomplish some other result which, as a separate and independent matter, would be wholly beyond the power of Congress to deal with" (id., p. 26). The legislation was deemed to be a regulation of interstate commerce because, among other specified things, of its effect on the state of mind of the employee. On this point the Commission said: "By insuring to every employee engaged in interstate commerce definite compensation in case of his injury, and to his widow and children, or other dependents, in case of his death, irrespective of fault, the mind of the employee will, to a great extent, be relieved from anxiety for the future and he will be able to render better and more efficient and consequently safer service" (id., p. 28). The Commission explicitly pointed out that the legislation which it recommended was not based on any wrong or neglect of the carrier, "but upon the fact of injury resulting from accident in the course of the employment", that is, that accidents should be regarded "as risks of the industry" (id., p. 15). The circumstance that such a compensation measure has not been enacted by Congress is readily attributable to questions of policy rather than to any doubt of constitutional power.

The effort to dispose of the analogy serves only to make it the more impressive. Compensation acts are said to be a response to the demands which inhere in the development of industry, requiring new measures for the protection of employees. But pension measures are a similar response. If Congress may supply a uniform rule in the one case, why not in the other? If affording

* The members of the Commission were Senators George Sutherland and George E. Chamberlain, Representatives William G. Grantley and Reuben O. Moon, William C. Brown, president of the New York Central lines, and D. L. Cease, the editor of the Railroad Trainman.

certainty of protection is deemed to be an aid to efficiency, why should that consideration be ruled out with respect to retirement allowances and be admitted to support compensation allowances for accidents which happen in the absence of fault? Compensation acts do not simply readjust old burdens and benefits. They add new ones, outside and beyond former burdens and benefits, and thus in truth add a new incident to the relation of employer and employee.

When we go to the heart of the subject, we find that compensation and pension measures for employees rest upon similar basic considerations. In the case of compensation acts, the carrier has performed his contract with the employee, has paid the agreed wages, has done its best to protect the employee from injury, is guilty of no neglect, but yet is made liable for compensation for injury or for death which ends the possibility of future service, because in the development of modern enterprises, in which accidents are inevitable, it has come to be recognized that the industry itself should bear its attendant risks (*New York Central R. R. Co. v. White* (243 U. S. 188); *Mountain Timber Co. v. Washington* (243 U. S. 219)). An attempted distinction as to pension measures for employees retired by reason of age, because old age is not in itself a consequence of employment, is but superficial. The common judgment takes note of the fact that the retirement of workers by reason of incapacity due to advancing years is an incident of employment and that a fair consideration of their plight justifies retirement allowances as a feature of the service to which they have long been devoted. This is recognized as especially fitting in the case of large industrial enterprises, and of municipal undertakings, such as police and fire protection, where there are stable conditions of employment in which workers normally continue so long as they are able to give service and should be retired when efficiency is impaired by age. What sound distinction, from a constitutional standpoint, is there between compelling reasonable compensation for those injured without any fault of the employer, and requiring a fair allowance for those who practically give their lives to the service and are incapacitated by the wear and tear of time, the attrition of the years? I perceive no constitutional ground upon which the one can be upheld and the other condemned.

The fundamental consideration which supports this type of legislation is that industry should take care of its human wastage, whether that is due to accident or age. That view cannot be dismissed as arbitrary or capricious. It is a reasoned conviction based upon abundant experience. The expression of that conviction in law is regulation. When expressed in the government of interstate carriers, with respect to their employees likewise engaged in interstate commerce, it is a regulation of that commerce. As such, so far as the subject matter is concerned, the commerce clause should be held applicable.

Second. With this opinion as to the validity of a pension measure if it is reasonably conceived, we are brought to the question of due process—whether the particular provisions of the retirement act now before us violate the requirement of due process which, under the fifth amendment, limits the exercise of the commerce power.

The most serious of the objections sustained by the Court on this score relates to the establishment of a unitary or pooling system for all railroads. It is said that in this respect the plan disregards the private and separate ownership of the respective carriers, treating them as a single employer, and illustrations are given to show that unequal burdens are thus imposed.

The objection encounters previous decisions of this Court. We have sustained a unitary or group system under State compensation acts against the argument under the due-process clause of the fourteenth amendment (*Mountain Timber Co. v. Washington*, supra). The Washington compensation act established a State fund for the compensation of workmen injured in hazardous employment, and the fund was maintained by compulsory contributions from employers in such industries. While classes of industries were established, each class was made liable for the accidents occurring in that class. The Court described the law as so operating that "the enforced contributions of the employer are to be made whether injuries have befallen his own employees or not, so that however prudently one may manage his business, even to the point of immunity to his employees from accidental injury or death, he nevertheless is required to make periodical contributions to a fund for making compensation to the injured employees of his perhaps negligent competitors" (id., pp. 236, 237). The statute was sustained in the view that its provisions did not rest upon the wrong or neglect of employers, but upon the responsibility which was deemed to attach to those who conducted such industries. The Court concluded "that the State acted within its power in declaring that no employer should conduct such an industry without making stated and fairly apportioned contributions adequate to maintain a public fund for indemnifying injured employees and the dependents of those killed, irrespective of the particular plant in which the accident might happen to occur" (id., p. 244). We followed the reasoning which had led to the upholding of State laws imposing assessments on State banks generally in order to create a guaranty fund to make good the losses of deposits in insolvent banks (*Noble State Bank v. Haskell*, 219 U. S. 104). See *Abie State Bank v. Bryan* (282 U. S. 765).

But, aside from these analogies, this Court has directly sustained the grouping of railroads for the purpose of regulation in enforcing a common policy deemed to be essential to an adequate national system of transportation, even though it resulted in taking earnings of a strong road to help a weak one. This was the effect of

the recapture clause of Transportation Act, 1920, which required carriers to contribute their earnings in excess of a certain amount in order to provide a fund to be used by the Interstate Commerce Commission in making loans to other carriers (*Dayton-Goose Creek Railway Co. v. United States*, 263 U. S. 456). A distinction is sought to be made because the carriers, which were required to contribute, were permitted to retain a reasonable return upon their property. But what the strong roads were compelled to contribute were their own earnings resulting from just and reasonable rates—earnings which they were as clearly entitled to retain for their own benefit as the moneys which in the present instance are to be devoted to retirement allowances. The fact that the recapture provisions failed of their purpose and have been abandoned does not disturb the decision as to constitutional power. The principle that was applied had been made clear in the *New England Divisions Case* (261 U. S. 184). Transportation Act, 1920, had introduced into the Federal legislation a new railroad policy. To attain its purpose, "new rights, new obligations, new machinery, were created." "To preserve for the Nation substantially the whole transportation system was deemed important." "The existence of the varying needs of the several lines and of their widely varying earning power was fully realized." To attain the object "two new devices were adopted: The group system of rate making and the division of joint rates in the public interest. Through the former, weak railroads were to be helped by recapture from prosperous competitors of surplus revenues. Through the latter, the weak were to be helped by preventing needed revenue from passing to prosperous connections. Thus, by marshaling the revenues, partly through capital account, it was planned to distribute augmented earnings, largely in proportion to the carriers' needs" (id., pp. 189-191).

This object of adequately maintaining the whole transportation system may be served in more than these two ways. The underlying principle is that Congress has the power to treat the transportation system of the country as a unit for the purpose of regulation in the public interest, so long as particular railroad properties are not subjected to confiscation. In the light of that principle, and of applications which have been held valid, I am unable to see that the establishment of a unitary system of retirement allowances for employees is beyond constitutional authority. Congress was entitled to weigh the advantages of such a system, as against inequalities which it would inevitably produce, and reach a conclusion as to the policy best suited to the needs of the country. See *Atlantic Coast Line v. Riverside Mills* (219 U. S. 186, 203); *Railroad Commission v. Southern Pacific Co.* (264 U. S. 331, 343, 344).

Third. Questions are raised as to the classes of persons to be benefited. In considering these objections we should have regard to the explicit provision of the act as to severability. It states that if "any provision", "or the application thereof to any person or circumstances", is held invalid, "the remainder of the act or application of such provision to other persons or circumstances shall not be affected." This, of course, does not permit us to rewrite the statute, but it does allow the excision of invalid provisions, or inclusions, which can be severed without destroying its structure.

(1) The court below held the act to be invalid in the view that its provisions were extended to persons not engaged in interstate commerce. In the special findings, classes of persons were listed, numbering 211,107, which were thought to fall within that description. It is manifest that the list was prepared under a misapprehension of the extent of the authority of Congress with respect to employees of interstate carriers and of the application of the decision in the first *Employers' Liability Cases* (207 U. S. 463). Large numbers of employees were thus deemed to be improperly included whose work, while not immediately connected with the movement of traffic, did have such relation to the activities of the carriers in interstate commerce as to bring them within the range of congressional power. Thus the list embraced general officers and their staffs who were not in the operating departments connected with transportation, employees who dealt with the receipt and disbursement of moneys, some 86,493 employees in the maintenance-of-equipment departments, who were engaged in the reconstruction or major repair of equipment, withdrawn for that purpose from service, such as locomotives, cars, platform trucks, frogs, switches, etc., as distinguished from light or running repairs, and 36,996 employees whose duties lay in auditing, accounting, and bookkeeping. It should be observed that the decisions under the Second Employers' Liability Act of 1908, with respect to the necessity of the employee being engaged at the time of his injury in interstate transportation or in work so closely related to transportation as to be a part of it, are based upon the limitations of that statute and do not define the scope of constitutional authority as to employees of interstate carriers (*Illinois Central Railroad Company v. Behrens*, 233 U. S. 473, 477; *Chicago & Northwestern Railway Co. v. Bolle*, 284 U. S. 74, 78).

Interstate carriers cannot conduct their interstate operations without general officers and their staffs, without departments for major repairs, and those for administering finances and keeping accounts. General management is as important to the interstate commerce of the carriers as is the immediate supervision of traffic, and the proper maintenance of equipment and the handling of moneys and the keeping of books are as necessary as the loading and moving of cars. In the administration of the act there would be ample opportunity to make all necessary distinctions between

employees engaged in interstate commerce and any others who might be found to be otherwise exclusively employed, so as to exclude the latter from its benefits without impairing the general operation of the act.

(2) A more serious objection relates to the eligibility for allowances of all those who were in the service within 1 year prior to the enactment, although they may never be reemployed. Such persons may have been discharged for cause; in any event, for one reason or another, they had left the service and may not return.

I agree with the conclusion that the requirement that the carriers shall pay retiring allowances to such persons is arbitrary and beyond the power of Congress. But I think it clear that the provision for their benefit is within the clause as to severability. That application of the act may be condemned and such persons may be excluded from benefits without destroying the measure as a whole.

Fourth. Other questions relate to the details of the pension plan, principally with respect to the basis of the retirement allowances and the method of their computation.

With the excision of those whose employment was terminated before the act was passed, the plan would cover those in carrier service at that time and those subsequently employed. Retirement is compulsory at the age of 65, but the service may be extended by agreement for successive periods of 1 year each until the age of 70. An employee may retire upon completing 30 years of service, but in such case provision is made for reducing the annuity by one-fifteenth for each year below the age of 65. Annuities are calculated by applying graduated percentages of the employee's average monthly compensation (excluding all over \$300) to the number of years of his service, not exceeding 30. The maximum annuity thus payable would be \$1,440, and to receive that amount it would be necessary for the employee to have been in service 30 years and to have attained the age of 65, and to have been paid an average monthly compensation of \$300. Contributions to the pension fund are to be made by employees of a certain percentage of their compensation and the contribution of each carrier is to be twice that of its employees.

An examination of pension plans in operation reveals a variety of possible methods, and Congress was entitled to make its choice. As a basis for the allowance, Congress could select either age or length of service, or both. In the selection of any age, or any period of service, anomalies would inevitably occur in particular applications. Extreme illustrations can always be given of the application of regulations which require the drawing of a line with respect to age, time, distances, weights, sizes, etc. To deny the right to select such criteria, or to make scientific precision a criterion of constitutional authority, would be to make impossible the practical exercise of power. Compare *Sproles v. Binford* (286 U. S. 374, 388, 389); *Stanley v. Public Utilities Commission of Maine*, decided April 15, 1935. Whatever may be said of the capacity of many men after they have attained 65 years, the fixing of that age or a period of 30 years' service, or a combination of both, for general application, cannot be regarded as an arbitrary choice for railroad employees.

The principal criticism is the bringing into the reckoning of past periods of service—antedating the passage of the act. The objection is strongly put with respect to those who were in the employment of the carriers when the act was passed, and it is even more earnestly urged as to those who had left the service and later are reemployed. It is said that the reckoning of their prior periods of employment compels payment for services fully completed and paid for before the enactment. But it seems to be assumed that Congress could compel the dismissal of aged employees, and if it has that power and also has power to establish a pension system, I can find no ground for erecting a constitutional limitation which would make it impossible to provide for employees who were thus severed from the service. The question simply is, What is a fair basis for computing a retirement allowance? Is the plan adopted by Congress destitute of rational support?

Congress could have provided for a retirement allowance in a flat sum, or could have based it upon the amount of compensation which the employee was receiving at the time of retirement, or upon the amount he had received for the preceding year or his average compensation of a longer time. Selecting a period not to exceed 30 years, or the period of service prior to age 65, merely gives a measure for the computation of the retirement allowance. It is in no proper sense a payment for the prior service, any more than would be the fixing of the allowance at a flat figure or on the basis of the last compensation received. The result in dollars and cents might not vary to any great extent whatever method of calculation was chosen.

The power committed to Congress to govern interstate commerce does not require that its government should be wise, much less that it should be perfect. The power implies a broad discretion and thus permits a wide range even of mistakes. Expert discussion of pension plans reveals different views of the manner in which they should be set up and a close study of advisable methods is in progress. It is not our province to enter that field, and I am not persuaded that Congress in entering it for the purpose of regulating interstate carriers, has transcended the limits of the authority which the Constitution confers.

I think the decree should be reversed.

I am authorized to state that Mr. Justice Brandeis, Mr. Justice Stone, and Mr. Justice Cardozo join in this opinion.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the resolutions of the House unanimously adopted as a tribute to the memory of Hon. BRONSON CUTTING, late a Senator from the State of New Mexico, and also informed the Senate that the Speaker had appointed Mr. BLANTON, Mr. DEMPSEY, Mr. PLUMLEY, and Mr. MAAS members of the committee on the part of the House to attend the funeral of the late Senator CUTTING.

The message announced that the House had passed without amendment the following bills of the Senate:

S. 147. An act to alter the amount apportioned to certain States for public employment offices affiliated with the United States Employment Service;

S. 613. An act to add certain public-domain land in Montana to the Rocky Boy Indian Reservation;

S. 707. An act to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin American Republics in military and naval matters"; and

S. 2145. An act extending the time for repayment of the revolving fund for the benefit of the Crow Indians.

The message also announced that the House had passed the bill (S. 1616) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory and supplementary thereto, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bill and joint resolution of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 1776. An act granting a leave of absence to settlers of homestead lands during the year 1935; and

S. J. Res. 43. Joint resolution for the establishment of a commission for the construction of a Washington-Lincoln Memorial-Gettysburg Boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield of Gettysburg in the State of Pennsylvania.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 157. An act to amend section 5296 of the Revised Statutes of the United States;

H. R. 3012. An act to authorize the transfer of certain lands in Hopkins County, Ky., to the Commonwealth of Kentucky;

H. R. 4239. An act authorizing the Secretary of Commerce to convey to the city of Grand Haven, Mich., certain portions of the Grand Haven Lighthouse Reservation, Mich.;

H. R. 5456. An act relating to the powers and duties of United States marshals;

H. R. 5707. An act to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding \$100,000;

H. R. 6085. An act to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers, and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding \$40,000;

H. R. 6114. An act to amend section 128 of the Judicial Code, as amended;

H. R. 6371. An act to authorize an increase in the annual appropriation for books for the adult blind;

H. R. 6654. An act to increase the White House police force, and for other purposes;

H. R. 6723. An act to authorize the incorporated town of Valdez, Alaska, to construct a public-school building, and for such purpose to issue bonds in any sum not exceeding \$50,000; and to authorize said town to accept grants of money to aid it in financing any public works;

H. J. Res. 26. Joint resolution requesting the President to proclaim October 9 as Leif Erikson Day;

H. J. Res. 204. Joint resolution authorizing the erection of a memorial to the late Jean Jules Jusserand; and

H. J. Res. 272. Joint resolution to enable the Commissioners of the District of Columbia to defray certain expenses incident to the convention of the Imperial Council of the Mystic Shrine, June 8 to 17, 1935, both inclusive.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS—CONFERENCE REPORT

Mr. GLASS. I present the conference report on House bill 4442, being the bill providing appropriations for the Treasury and Post Office Departments, and ask for its immediate consideration.

The VICE PRESIDENT. The clerk will read the conference report.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4442) Making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 10, 16, 20, 22, and 32.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 21, 26, and 27; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following:

"Salaries: For Commissioner of Accounts and Deposits and other personal services in the District of Columbia, including the Division of Bookkeeping and Warrants, \$285,920.

"DIVISION OF DISBURSEMENT

"Salaries and expenses: For personal services in the District of Columbia and in the field, stationery, travel, rental of equipment, and all other necessary miscellaneous and contingent expenses, \$710,700: *Provided*, That with the approval of the Director of the Bureau of the Budget there may be transferred to this appropriation from funds available for new activities or for the expansion of existing activities such sums as may be necessary to cover the additional expense incurred in performing the function of disbursement thereof."

And the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$261,668, of which \$8,000 shall be immediately available for the suppression of an epidemic of typhus fever"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "five hundred and forty inspectors, \$2,112,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "\$12,825,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed, insert: "\$4,650,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed, insert: "\$575,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In the matter inserted by said amendment strike out the word "hereafter" and insert in lieu thereof the following: "during the remainder of the fiscal

year 1935 and during the fiscal year 1936"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 3, 4, 23, 24, 25, 33, and 34.

CARTER GLASS,
KENNETH MCKELLAR,
PARK TRAMMELL,
FREDERICK STEIWER,
Managers on the part of the Senate.

WILLIAM W. ARNOLD,
LOUIS LUDLOW,
JOHN J. BOYLAN,
WILLIAM J. GRANFIELD,
EMMET O'NEAL,
CLARENCE J. MCLEOD,
Managers on the part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. ASHURST. Mr. President, before the report shall be adopted, I should like to ask the Senator from Virginia a question. Will he please indicate the fate of the amendment relating to the pay of certain employees in the Internal Revenue Service?

Mr. GLASS. I was just about to explain that, and if the Senator will permit me, I will do so after the Chair shall have laid before the Senate the action of the House of Representatives on that and several other amendments.

Mr. ASHURST. Very well.

The VICE PRESIDENT. Without objection, the report is agreed to.

The Chair now lays before the Senate the action of the House of Representatives on certain amendments of the Senate, which will be stated.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
April 22, 1935.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2 to the bill (H. R. 4442) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes", and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 3 to said bill and concur therein with the following amendment:

In line 3 of the matter inserted by said amendment strike out the words "Industrial Alcohol" and insert "Internal Revenue";

That the House recede from its disagreement to the amendment of the Senate numbered 4 to said bill and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert:

"That the proviso to the paragraph under the heading 'Bureau of Internal Revenue' contained in the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934, be amended to read as follows: 'Provided, That from and after May 15, 1935, no part of the appropriation made herein, or heretofore made, shall be used to pay the salaries of persons who were dropped from the service under the Executive Order Numbered 6166 of June 10, 1933, and reinstated, transferred, or promoted to positions in the Bureau of Industrial Alcohol, or in the Alcohol Tax Unit upon certificates issued by the Civil Service Commission between January 30, 1934, and May 10, 1934, unless such persons shall have passed an appropriate open competitive examination held by the Civil Service Commission after June 19, 1934, such persons being those who were separated from the service by Executive order of June 10, 1933, and who, under the terms of such order, were ineligible for reappointment unless such reappointments were made before December 10, 1933: *Provided further*, That inasmuch as the Treasury Department under the advice of the Attorney General, has given the proviso referred to above a construction including other employees not intended by the Congress to be included in that proviso and advising the Treasury Department that it could retain such employees without pay, there are hereby made available for salaries from December 1, 1934, to May 15, 1935, both dates inclusive, from the unexpended balances under the following titled appropriations, the sums, respectively, enumerated after each: 'Collecting the Revenue from Customs, 1935', \$2,357.14, 'Collecting the Internal Revenue, 1935', \$1,367,006.91, 'Salaries and Expenses, Bureau of Narcotics, 1935', \$8,642.85, and 'Suppressing Counterfeiting and Other Crimes, 1935', \$7,857.14, in all, \$1,385,864.04, to pay all of said employees up to and including May 15, 1935: *Provided further*, That the employees, other than those heretofore, designated may be retained by the Treasury Department, but those designated in the first proviso hereof shall not be retained after May 15, 1935, by the Treasury Department unless they pass an appropriate noncompetitive examination to be held by the Civil Service Commission, and, if retained without having passed

such noncompetitive examination, shall not be paid out of this appropriation or any other appropriation made by this act.";

That the House recede from its disagreement to the amendment of the Senate numbered 33 to said bill and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert:

"Sec. 4. No part of the money appropriated under this act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate upon vote has failed to confirm the nomination of such person.";

That the House recede from its disagreement to the amendment of the Senate numbered 34 to said bill and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert "5"; and

That the House insist upon its disagreement to the amendments of the Senate numbered 23, 24, and 25 to said bill.

Mr. GLASS. Mr. President, I may clarify the situation by a brief word of explanation.

There were only three points in disagreement. The first related to an amendment proposed by the Senator from California [Mr. McADOO] to increase the appropriation for foreign-mail service by \$2,000,000. That disagreement has delayed the presentation of a full report for the reason that an estimate from the Bureau of the Budget was promised to the Senator from California, and we had to wait for that estimate, which has not as yet been received. In view of the fact that it may hereafter be submitted, the item may be included in the deficiency-appropriation bill.

Another matter in dispute was the question as to whether the examination by the Civil Service Commission of certain employees in the Internal Revenue Bureau should be an open competitive examination or a noncompetitive examination, the Senate having voted for a noncompetitive examination.

The only remaining matter in disagreement, except one or two technical matters which do not affect the merits of the bill at all, was an amendment proposed by the Senator from Connecticut [Mr. LONERGAN] relating to the continuance in office of persons who have not been confirmed by the Senate. I assume all Senators are familiar with that matter. The committee made an immaterial addition, in which the House concurred.

I now move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 3, 4, 33, and 34, and that the Senate recede from its amendments numbered 23, 24, and 25.

The motion was agreed to.

POSTMASTER GENERAL'S REPORT ON OCEAN MAIL CONTRACTS

Mr. BLACK. Mr. President, I desire to invite the attention of Senators to the fact that there has been distributed and is to be found on each Senator's desk the second part of the report made by the Postmaster General in connection with individual ocean mail contracts. I should like to suggest that Senators who are interested in the subject read the report. The report represents a careful analysis of the actual operation of the American merchant marine, after public hearings by the Postmaster General and through his assistants, where both the Government and the contractors were present. The report will give to Senators interested in the subject complete and definite information and will show the tremendous waste which has gone on over a period of years, the great favoritism, the dissipation of Government money, and the absolute failure to build up a merchant marine under the policy which has been pursued.

ELECTRIC RATE SURVEY, MASSACHUSETTS

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Power Commission, transmitting, pursuant to law, copies of a compilation of domestic and residential rates for electricity in effect in the Commonwealth of Massachusetts on January 1, 1935, which, with the accompanying papers, was referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Illinois, which was referred to the Committee on Interstate Commerce:

Senate Concurrent Resolution 21

Whereas the long- and short-haul clause of the fourth section of the Interstate Commerce Act prohibits railroads from making a lesser charge for a longer than for a shorter distance over the same line in the same direction unless authorized to do so by the Interstate Commerce Commission; and

Whereas the higher rail rates from Illinois and other States in the Middle West to the Pacific coast than water rates from the Atlantic seaboard to the Pacific coast through the Panama Canal have resulted in Middle West manufacturers losing all, or a substantial part of, their markets on the Pacific coast, to the advantage of their competitors located in the East; and

Whereas the elimination of the long- and short-haul clause from the fourth section of the Interstate Commerce Act would allow the railroads to establish reduced rates from the Middle West to the Pacific coast to meet this water competition without depressing below a reasonable level their rail rates to points inland from the Pacific coast where such water competition does not exist; and

Whereas such a readjustment of rail rates will enable Middle West manufacturers to regain a substantial part of their Pacific coast business, will result in increased employment in Middle West industries, will give added employment to labor in transporting such added rail traffic to the Pacific coast, and will enable the railroads to earn some additional net revenue to the advantage of farmers and residents generally of the Middle West and West who must employ the railroads to transport their products to market and furnish them with long-haul transportation; and

Whereas reduced rail rates from the Middle West to the Pacific coast will not result in eliminating eastern manufacturers from the Pacific coast markets or the boat lines from carrying traffic through the Canal, but will simply afford Middle West manufacturers an opportunity to compete with eastern manufacturers for a fair share of the Pacific coast business on a properly related basis of freight rates; and

Whereas the Middle West contributed by taxes to the construction of the Panama Canal and contributes to its maintenance and support and should be permitted to have a basis of rail rates which will prevent the Panama Canal from working an unjust discrimination against Middle West industries and employment: Now, therefore, be it

Resolved by the senate of the fifty-ninth general assembly (the house of representatives concurring herein), That Congress be memorialized to eliminate the long- and short-haul clause from the fourth section of the Interstate Commerce Act or to modify the same so as to effectively permit railroads to establish rates to the Pacific coast from the Middle West which will enable Middle West industries to meet the competition of eastern manufacturers using water transportation through the Panama Canal; and be it further

Resolved, That copies of this resolution be sent to both houses of the Legislatures of North and South Dakota, Iowa, Wisconsin, and Minnesota; to the Vice President of the United States; the Speaker of the National House of Representatives; and the Senators and Congressmen from the State of Illinois.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the City Council of Cairo, Ill., favoring the enactment of legislation authorizing the Government to take over the assets of closed banks and to immediately pay depositors of such banks in full, which was referred to the Committee on Banking and Currency.

He also laid before the Senate petitions of sundry citizens of the State of New York, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate the petition of the board of directors of the American Petroleum Institute, of New York City, N. Y., praying for the adoption of policies looking to the recovery of the petroleum industry, which was referred to the Committee on Public Lands and Surveys.

He also laid before the Senate a letter in the nature of a petition from Louis W. Wittenborn, of Hempstead, Long Island, N. Y., praying for the prompt enactment of bonus legislation for the benefit of World War veterans, which was ordered to lie on the table.

He also laid before the Senate telegrams in the nature of petitions from various civic, veterans', and other organizations, and sundry citizens of the United States, praying for the enactment of the so-called "Patman bonus bill" for the benefit of World War veterans, which were ordered to lie on the table.

Mr. WALSH presented a resolution adopted by a meeting of the Fifth District Retail Drug Code Authority at Lowell, Mass., favoring the enactment of legislation extending the National Industrial Recovery Act, which was referred to the Committee on Finance.

He also presented a resolution adopted by Branch No. 96 of the Workmen's Sick and Death Benefit Fund, of Chelsea, Mass., favoring the enactment of the bill (H. R. 2827) to provide for the establishment of unemployment, old-age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Bridge Tenders' Union, No. 12333, American Federation of Labor, of Boston, Mass., praying for the enactment of pending legislation relative to a graduated tax on cigarettes, to the end that cigarettes may sell at 10 cents a package, which was referred to the Committee on Finance.

He also presented a resolution adopted by Local No. 11, Amalgamated Silver Workers' Union, of Taunton, Mass., protesting against the advance in the price of raw silver, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Second Annual Convention of the National Leather Workers' Association held at Norwood, Mass., favoring the imposition of a tariff on all importations of finished leather and leather goods equal to the cost of production in the United States plus 10 percent, which was referred to the Committee on Finance.

He also presented resolutions adopted by Aerie No. 781, of Revere; Aerie No. 185, of Cambridge; and Aerie No. 1475, of Plymouth, all of the Fraternal Order of Eagles, in the State of Massachusetts, favoring inclusion in pending social-security legislation of a provision for Federal monetary assistance to the States paying old-age pensions, which were referred to the Committee on Finance.

He also presented resolutions adopted by the City Council of Worcester and the board of directors of the Chamber of Commerce of Peabody, both in the State of Massachusetts, protesting against continuance of the cotton-processing tax, which were referred to the Committee on Finance.

He also presented memorials of sundry citizens of the State of Massachusetts, remonstrating against alleged religious persecutions in the Republic of Mexico, and favoring the recall of the American Ambassador to that country, which were referred to the Committee on Foreign Relations.

He also presented resolutions adopted by Roosevelt Council, No. 45, Sons and Daughters of Liberty, of Lowell, Mass., favoring the enactment of legislation to strengthen the existing law pertaining to the deportation of aliens, which were referred to the Committee on Immigration.

He also presented a letter in the nature of a memorial from Martha Thayer, of North Randolph, Mass., remonstrating against the enactment of the so-called "Wheeler-Rayburn public-utility regulation bill", which was referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a memorial from George R. Nuzum, traffic manager of the Chamber of Commerce of Fall River, Mass., remonstrating against the enactment of legislation to amend section 1 of the Interstate Commerce Act relative to a rate policy, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the City Council of Revere, Mass., favoring the enactment of the so-called "Patman bonus bill", which was ordered to lie on the table.

He also presented a resolution adopted by the annual meeting of the Hampshire Association of Congregational Churches and Ministers at Amherst, Mass., protesting against the making of large military appropriations, and also against the holding of naval maneuvers in the Pacific Ocean, which was ordered to lie on the table.

Mr. WALSH also presented the following concurrent resolutions of the General Court of Massachusetts, which were referred to the Committee on Finance:

Resolutions relative to protection of American industry and employees from foreign competition

Whereas it is apparent that competition with foreign countries can no longer be met in many instances by greater manufacturing efficiency or by further increases in tariffs; and

Whereas, owing to low wage scales in foreign countries, the instability of foreign exchanges, and the disparity between the dollar and foreign currencies, it is too frequently possible for foreign producers to send quantities of their goods into the American domestic

market sufficient to break that market and prevent the sale therein of American-made products; and

Whereas such disruption of the American market seriously interferes with the employment and earnings of American workers: Therefore be it

Resolved, That the President of the United States be, and hereby is, requested to utilize fully the powers vested in him by section 3-e of the National Industrial Recovery Act to apply embargoes or establish quotas as a means of protecting American manufacturers and thus American workers against the losses they now suffer from foreign competition; and be it further

Resolved, That the secretary of the Commonwealth forthwith forward copies of these resolutions to the President of the United States, to the Presiding Officers of both branches of Congress, and to the Members thereof from this Commonwealth.

Resolutions memorializing Congress in favor of requesting the President of the United States to exercise certain powers under the National Industrial Recovery Act for the benefit of the cotton-textile industry

Whereas by the provisions of the Act of Congress known as the "National Industrial Recovery Act" the President of the United States is alone empowered, through his proclamation and by his Executive order, or through such proclamation or by such order, to modify or rescind any provision of any portion of any code which has been set up for any industry under the act of Congress above referred to; and

Whereas the differentials which exist under the code relative thereto or which have grown up under long-continued practice, or which so exist and have so grown up, lay an intolerable burden upon the cotton-textile industry of Massachusetts and present an insuperable obstacle to the development and even the continuation of this industry in our Commonwealth: Now, therefore, be it

Resolved by the General Court of Massachusetts, That the President of the United States be, and hereby is, requested to exercise the powers which he possesses under the National Industrial Recovery Act to the end that the cotton-textile industry throughout our country may proceed under conditions of economic equality, and that the readily apparent burdens which are now laid upon the cotton-textile industry in Massachusetts may be removed and that Massachusetts manufacturers and Massachusetts operatives may be assured that no discrimination is practiced against them; and be it further

Resolved, That the members in Congress from Massachusetts be, and they hereby are requested to act as a unit, together with such other Senators and Representatives in Congress as they may induce to join with them in this behalf, to accomplish the purpose of these resolutions; and be it further

Resolved, That His Excellency the Governor is hereby requested to transmit a copy of these resolutions to the President of the United States, with such further representations as the Governor may see fit to make, and that the state secretary transmit a copy of these resolutions, under the seal of the Commonwealth, to each Member of the Congress from Massachusetts.

Mr. McADOO presented the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Finance:

Assembly joint resolution relating to memorializing Congress to incorporate in a national old-age pension plan the principles and objectives of the Townsend plan

Whereas various proposals for the establishment of old-age pensions are now under consideration by the Congress of the United States; and

Whereas the revolving old-age-pension plan originated by Dr. F. E. Townsend, of California, has been presented to the United States Senate and the National House of Representatives; and

Whereas the program contemplates both relief for the aged and wide-spread adjustments in our economic system certain to result in improved working conditions and in extensive reduction of unemployment among thousands of men and women under the age of 60 years; and

Resolved by the Assembly and the Senate of the State of California, jointly, That the Congress of the United States is respectfully urged to enact H. R. 3977, introduced in the House of Representatives, January 16, 1935, and cited as the "Townsend Old-Age Revolving Pension Act", which is as follows:

"Sec. 2. That every citizen of the United States, 60 years of age and over, or who shall attain the age of 60 years after the passage of this act, while actually residing in the United States, shall be entitled to receive, upon application and qualification, a pension in the sum of \$200 per month during the life of the pensioner: *Provided*, That (a) the pensioner shall discontinue and refrain from all gainful competitive pursuits or salaried positions of any kind; (b) the pensioner shall covenant and agree that he or she will within 30 days of receipt of said pension expend all of the same for goods, commodities, or services within the jurisdiction of the United States (c) proof of age and citizenship shall be according to the law and procedure of the State of residence of the pensioner; and (d) this pension shall be wholly exempt from attachment, garnishment, or execution.

"Sec. 3. There is hereby levied a tax of 2 percent on the gross dollar value of each business, commercial, and/or financial transaction done within the United States. The President of the United States is hereby empowered by Executive order to increase or decrease the 2-percent tax by not more than 50 percent, when

in his discretion he deems it advisable, in order to adequately finance the said pension roll. This tax shall be levied in addition to any other Federal tax on goods or commodities. This tax so levied shall be paid by the seller once each calendar month, calculated on the seller's aggregate gross sales, in accordance with rules and regulations to be promulgated by the Secretary of the Treasury of the United States.

"(a) It is hereby provided in order to facilitate the collection of this tax that all sellers of goods, commodities, and commercial things of value shall obtain a license upon payment of a fee, the amount thereof to be fixed by the Secretary of the Treasury, who is empowered with full authority to use his discretion as to methods and means of collecting this tax.

"Sec. 4. Any qualified pensioner who, for any justifiable reason, has failed to legally receive and disburse said pension, may, upon proper proof, be reinstated and thereafter receive the pension.

"(a) All pensioners under this act shall be permitted to expend not more than 15 percent of each monthly pension for charity, church, and fraternal organizations.

"(b) Pensioners under this act shall receive no other pension from the United States nor from any State nor any political subdivision thereof, except all disabled war veterans now receiving or who may receive disability allowance, compensation, or pension from the United States Government.

"(c) The benefits of this act shall not accrue to any person while an inmate of an insane asylum, eleemosynary institution, or while under penal sentence in any jail or penitentiary.

"Sec. 5. Immediately after the passage of this act, the Secretary of the Treasury shall authorize all national and State banks, members of the Federal Insurance Deposit Corporation, to credit each properly identified pensioner the first day of each calendar month in the sum of \$200, and said banks shall be reimbursed by the United States Treasury for the amounts so credited to pensioner or pensioners.

"Sec. 6. All salaries for individual services are hereby exempted from the tax provisions of this act.

"Sec. 7. Pensions under this act shall be forfeited or discontinued for the following reasons:

"(a) Any person who has been duly convicted of a felony shall be ineligible for this pension for a period of 10 years following the completion of his sentence.

"(b) Any pensioner under this act who is convicted of a felony shall immediately forfeit his said pension.

"(c) Any pensioner who violates the conditions imposed by (a) and (b) of section 2 of this act may be deprived of the said pension.

"Sec. 8. The Secretary of the Treasury shall appoint pension boards of three members, who shall constitute a district pension board. No two members of this board may belong to the same political party. Such boards may appoint deputies within their districts. All members of the board shall serve without compensation other than their pensions. Such boards shall have supervision of the administration of this act in their respective districts and shall be governed by rules and regulations promulgated by the Secretary of the Treasury. A pension board shall be so set up for each county in the United States other than the areas of metropolitan cities wherein boards shall be created in each ward or similar political subdivision.

"Sec. 9. Any and all oaths or affirmations required under the provisions of this act may be administered by any officer authorized by the law of any State to take acknowledgments for the conveyance of real property or by any member of a duly constituted pension board as herein provided.

"Sec. 10. It shall be a felony and punishable as such for any pensioner or seller as herein described to misrepresent or make a false statement with regard to any provisions of this act, with intent to defraud the Government of the United States under penalty of a fine of not more than \$1,000 or imprisonment for not more than 2 years, or both."

Resolved, That the Governor of the State of California is hereby requested to forward a copy of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States.

Mr. McADOO also presented the following joint resolutions of the Legislature of the State of California, which were referred to the Committee on the Judiciary:

Assembly joint resolution relative to memorializing the President and Congress to favorably consider and submit to the States an amendment to the Constitution enabling Congress to grant Federal suffrage to residents of the District of Columbia

Whereas the District of Columbia, with its half million people, is the only community in the United States which is denied representation in the National Government;

Whereas the men and women residing in the District of Columbia have no voice in determining through a vote for President, Vice President, and spokesmen in Congress the policies of the Nation in which they live, either in war or in peace;

Whereas the District of Columbia taxpayers must pay what they are assessed without opportunity to determine the nature of their taxes or the purposes for which the money is spent;

Whereas it is a fundamental principle of our Republic that governments derive their just powers from the consent of the governed: Be it therefore

Resolved, by the Assembly and the Senate of California, jointly, That the President and the Congress of the United States is hereby

respectfully urged to set in motion the machinery for correcting this present un-American condition of the residents of the District of Columbia by submitting to the States for ratification the constitutional amendment enabling Congress to make it possible for residents of the District of Columbia to vote for President, Vice President, and Representatives of Congress; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that such Senators and Members from California are hereby respectfully urged to support such legislation.

Assembly joint resolution relative to memorializing the President and the Congress to enact legislation (H. R. 2772) declaring admission day a holiday for all officers and employees of the United States whose headquarters are in California

Whereas the 9th day of September is the day when all persons residing in California celebrate the admission of the "Golden State" into the Union; and

Whereas this day of celebration is one of great sentiment to the people of the State of California; and

Whereas the 9th day of September of each year is an official holiday for all public employees of the State of California and political subdivisions thereof; and

Whereas many organizations, together with the Native Sons of the Golden West, have sponsored the plan to allow officers and employees of the United States whose headquarters are in California to celebrate and honor the admission day of California; and

Whereas on January 3, 1935, there was introduced by Mr. ENGBRIGHT, of California, a bill known as "H. R. 2772", which proposes to declare the 9th day of September of each year, which is the date California was admitted to the Union, a legal holiday for all officers and employees of the United States whose headquarters are in the State of California: Now, therefore, be it

Resolved, That the Assembly and the Senate of the State of California, jointly, respectfully urge the President and the Congress of the United States to enact H. R. 2772, which proposes to provide a legal holiday for Federal employees; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President and the Vice President of the United States, and to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that such Senators and Members from California are hereby respectfully urged to support such legislation.

Mr. McADOO also presented the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Military Affairs:

Assembly joint resolution relative to memorializing the President and the Congress to enact the required legislation for complete and adequate antiaircraft equipment and personnel as defensive measures for the Pacific coast

Whereas during recent times there has been a great deal of public interest and discussion in regard to the inadequacy of aircraft and personnel defense on the Pacific coast; and

Whereas, as a result of such discussion and study on the part of representative organizations of the State of California and military authorities, it seems clear that there is very apparent weakness in the antiaircraft defense and personnel of the Pacific coast; and

Whereas investigations made and information compiled by Joseph G. McComb Post, No. 46, of the American Legion, conclusively demonstrates the inadequacy of the antiaircraft defense on the Pacific coast; and

Whereas California has only one antiaircraft detachment with a complement of 24 officers and 323 men to cover and protect the entire length of the California coast line; and

Whereas at some forts on the Pacific coast there are only 8 fixed antiaircraft guns and in other instances only 2 such guns; and

Whereas the War Department of the United States has recommended that the minimum number of antiaircraft units, in time of peace, should total 10 complete regiments; and

Whereas antiaircraft equipment and personnel are essential as defense measures for the Pacific coast and form one arm of the military services which cannot possibly be construed as anything but purely defensive in nature: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the President and the Congress of the United States are respectfully urged to enact the legislation required for complete antiaircraft equipment and personnel on the Pacific coast; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that such Senator and Members from California are hereby respectfully urged to support such legislation.

Mr. FLETCHER presented the following memorial of the Legislature of the State of Florida, which was referred to the Committee on Commerce:

Memorial to Congress requesting that the Congress of the United States without further delay pass the Bland bill, H. R. 7569

Whereas there are five menhaden fish fertilizer plants located in different sections of the State of Florida employing over 2,000 of our citizens; and

Whereas there is a great amount of menhaden-fish scrap and menhaden-fish meal being shipped into the United States and into the State of Florida by foreign nations, who, because of cheap labor, can sell their products at a price far below the cost of producing these products in our State; and

Whereas unless relief is given the citizens of our State connected with the menhaden-fish industry will be forced out of business and employment of our citizens will be curtailed; and

Whereas the Bland bill, being H. R. 7569 in the Congress of the United States, provides for a five-eighths of a cent tax on each pound of menhaden-fish meal and menhaden-fish scrap shipped into this country by other nations; and

Whereas the Bland bill has the endorsement of those citizens of the States of Virginia and Maryland engaged in this industry, as well as a great many of the people of our country; and

Whereas enactment of this bill into law will have a vital effect on the menhaden-fish industry in our Nation and our State; and

Whereas it alone will increase by \$300,000 the annual pay rolls of the five menhaden fish fertilizer plants in this State: Now, therefore, be it

Resolved, That it is the sense of your memorialists, the members of the Florida Legislative Assembly of the State of Florida, the Senate and the House concurring, that the Congress of the United States should enact the Bland bill without further delay; and be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of state to the President of the Senate and the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from this State, to the President of the United States, and to Congressman SCHULER O. BLAND.

Mr. FLETCHER also presented the following memorial of the Legislature of the State of Florida, which was referred to the Committee on Public Lands and Surveys:

Senate Memorial 6

Whereas the city of Palatka, Putnam County, Fla., has, with the cooperation and the financial assistance of the Federal Government, converted its municipal waterworks property into one of the outstanding beauty spots of not only Florida but of the entire Nation; and

Whereas great numbers of citizens of the United States, including residents of every State in the Union, have, during the winter season just closed, visited and enjoyed Palatka's Ravine Azalea Gardens; and

Whereas the gardens, with their thousands of azaleas, magnolias, flame vines, crepe myrtles, cherokee roses, and a profusion of tropical plantings, has attained to the proportions far beyond local or even State-wide interest and scope: Therefore be it

Resolved by the Legislature of the State of Florida, That the Congress of the United States be, and it is hereby, respectfully memorialized to enact the necessary legislation to authorize the United States Government to receive and accept as a gift from the city of Palatka, in the State of Florida, the said Palatka Ravine Azalea Gardens, embracing 85 acres of land, and all plantings and improvements thereon, and to constitute and maintain such gardens as a national park or garden for the pleasure, education, and edification of all persons seeking beauty in and knowledge of flowers, vines, plants, and native trees such as are found in this place of indescribable beauty; and be it

Resolved further, That the secretary of state of the State of Florida is directed to transmit a duly authenticated copy of this memorial, under the great seal of the State, to the Congress of the United States, and to each of Florida's Senators and Representatives in the Congress; and that our said Senators and Representatives are most earnestly requested to employ their best efforts to induce the Congress to act favorably to the accomplishment of the purposes outlined in this memorial.

Mr. SHEPPARD presented the following concurrent resolution of the Legislature of the State of Texas, which was referred to the Committee on Agriculture and Forestry:

House Concurrent Resolution 50

Whereas the entire cotton crop of the United States is produced in 13 Southern States; and

Whereas the grain crops of the State of Texas are of vital importance to the citizens of the State of Texas; and

Whereas the State of Texas, and particularly the farmers of the State of Texas are vitally interested in the production and sale of cotton, cotton products, grain, and grain products, and in the production and sale of other major crops raised in this State; and

Whereas the general prosperity depends to a great extent on the prosperity of the farmers of the State; and

Whereas Texas produces practically one-third of the cotton produced in the United States, 90 percent of which production is exported to foreign countries; and

Whereas the maintenance of the foreign markets affording a fair price for the cotton produced in this State is of vital concern to all of the people of Texas; and

Whereas statistics show that from August 1, 1934, to March 1, 1935, the American cotton exports were 2,321,000 bales less than for the same period of time the year previous; and

Whereas statistics show that American gin manufacturing companies, during the year of 1934, sold to foreign cotton-growing countries more than five and one-half times as much gin machinery as in any previous year; and

Whereas it is of vital importance and much concern to all the people of Texas that stable and satisfactory markets be provided and maintained for all crops grown in the State of Texas; and

Whereas the gravity of the cotton-export situation and the market with reference to other major crops in the State of Texas as to the production, control, and marketing of the same is alarming to the cotton- and grain-growing States: Now be it therefore

Resolved by the House of Representatives of the State of Texas (the Senate of Texas concurring), That the Speaker of the House of Representatives appoint five members of the House of Representatives to serve with a committee of five members of the Senate, appointed by the Lieutenant Governor of Texas, to make a study of the cotton-growing and cotton-marketing situation as well as the production, control, and marketing of other crops in the State of Texas affecting not only the State of Texas but the entire Southern States with the view of making recommendations to the Legislature of Texas and to the Members of Congress from Texas, of any suggested plans and proposals that will remedy the existing conditions and that will be calculated to stabilize the production, control, and marketing of said cotton and grain production, and also the study and make recommendations as to the feasibility of forming a cotton compact with all other cotton-producing States in order that not only the State of Texas but the entire South may be well represented and considered in legislation passed by the Congress of the United States affecting the production of cotton and the production, control, and marketing of the grain crops grown in the State of Texas, and also for said committee appointed to study the feasibility of requesting the legislatures of all cotton-producing States, and those producing grain crops similar to those produced in Texas, to name similar committees to meet with the committee appointed herein in order to formulate similar plans for State legislation as well as national legislation affecting the production and sale of cotton and the production, control, and marketing of major grain crops; and be it further

Resolved, That said committee shall have the power and authority to employ and compensate all necessary employees and it shall be the duty of said committee to make and keep the records of its investigation; that said committee shall begin and complete its investigation and study at the earliest practical moment, and shall submit a report in writing as soon as possible, and in no event later than the first day of October 1935, or as soon thereafter as possible, that a copy of said report shall be filed with the Governor of the State of Texas, the President of the Senate, the Speaker of the House of Representatives, the Governor of each of the cotton-growing States in the United States, and to the President of the United States, the Vice President, to the Speaker of the House of Representatives at Washington, and to each of the Congressmen from Texas; and be it further

Resolved, That the compensation and expenses herein provided for incident to such investigation and study not to exceed \$5,000 shall be paid out of the appropriation for mileage and per diem and contingent expenses of the forty-fourth legislature, upon sworn account of persons entitled to such pay when approved by the chairman of said committee, and sufficient money is hereby appropriated out of the mileage and per diem and contingent fund of said forty-fourth legislature to meet the payment of expenses of the members of said committee and all necessary employees and other expenses incident to said investigation.

Mr. SHEPPARD also presented the following concurrent resolution of the Legislature of the State of Texas, which was referred to the Committee on Finance:

Senate Concurrent Resolution 42

Whereas the President of the United States has seen the necessity for social-welfare legislation, resulting in the social security act now pending before the National Congress, which act has to do with child welfare, the aged, the crippled, and other unfortunates; and

Whereas the act calls for the appointment of a social security board of three members, to be appointed by the President with the advice and consent of the Senate; and

Whereas the entire Texas delegation in Congress, and the "party leaders", State and National, have personally submitted to the President the name of a distinguished Texan, former Senator Margie E. Neal, of Carthage, Tex., for membership on the social security board, if and when, the bill is enacted into law; and

Whereas while a member of the State senate, Senator Neal espoused such humanitarian legislation as rehabilitation of civilian cripples and hospitalization and treatment of crippled children, as well as various welfare measures of a benevolent nature; and

Whereas the State legislature and the citizens of Texas, who are interested in the program of social welfare contemplated by the Government, are now afforded the opportunity to cooperate with the Texas delegation in the National Congress in bringing to the attention of the administration, one who is preeminently qualified

by training, education, experience, and association to serve the Nation in this humanitarian endeavor; and

Whereas Senator Neal is not only generally but intimately well versed and experienced in matters pertaining to philanthropy, thereby rendering her most capable of performing a unique service as a member of said social security board; and

Whereas Texas would not only do honor to itself and to the Nation, but would reflect credit of the highest degree upon the American people as a whole, in bringing about the selection and elevation of our distinguished former member to this important post: Now, therefore, be it

Resolved by the Senate of Texas (the house of representatives concurring), That we also endorse Miss Neal, our former respected and beloved colleague, for membership on the Federal social security board, and convey to the President our opinion that in naming her to this position, he will honor Texas and the Nation, and will serve well the cause of human welfare, which is so very near his heart; and be it further

Resolved, That we commend Miss Neal to the President as a citizen of the highest integrity; as a publisher who always espoused the cause of benevolence, righteous living, and good government; as a public official, who served her State long and well; as a capable, conscientious, and effective social worker; as an ardent supporter of much welfare legislation; as a forward-looking public servant who at all times had the interests of all concerned at heart; and be it further

Resolved, That she be commended for her "party loyalty and yeoman service"; for her acknowledged leadership and her directorship of two Democratic National Campaigns in Texas, with some of Texas' most distinguished and worthy "party leaders"; for her services as director of finance for the Democratic National Committee, under National Treasurer Cordell Hull; for representing the party as delegate-at-large in all national conventions but one in the past 20 years, and for having been cited for distinguished service to the party by Texas Young Democrats at their Jefferson Day dinner in 1934, when they bestowed certificates of honorable service upon 25 Texas Democrats; and be it further

Resolved, That copies of this resolution be forwarded to President Franklin D. Roosevelt, Vice President John N. Garner, Hon. James Farley, and Mrs. James H. Wolfe of the Democratic National Committee, Hon. MORRIS SHEPPARD and Hon. TOM CONNALLY, our United States Senators from Texas, and Hon. MORGAN SANDERS and Hon. MARTIN DIES, Members of Congress, expressing to them our keen desire that Hon. Margie E. Neal, our beloved citizen and patriot without a peer, be favored with this appointment.

Mr. SHEPPARD also presented the following concurrent resolution of the Legislature of the State of Texas, which was referred to the Committee on Irrigation and Reclamation:

Senate Concurrent Resolution 38

Whereas the Brazos Watershed contains one-sixth of the area and 27 percent of the population of the State of Texas, being practically as large as each of the States of New York or Pennsylvania, and being larger in area than the whole of the States of Massachusetts, Connecticut, Rhode Island, Delaware, New Hampshire, Vermont, and New Jersey, and containing a greater population than the whole of the States of Wyoming, Idaho, Nevada, Arizona, and New Mexico combined; and

Whereas this great area contains much of the richest and most fertile lands in the Union and is favored by a climate mild enough to make it an ideal home for a great people; and

Whereas this great area is subject to recurrent and disastrous overflows, destroying the lands, crops, and homes of the residents of the valley, and is at other seasons afflicted with drought and shortage of water, both of which conditions can and should be remedied by proper control of the waters of the stream and its tributaries; and

Whereas the Texas Board of Water Engineers has heretofore prepared a master plan for the control of the waters of the Brazos River and its tributaries, so that same may be controlled and stored for beneficial use and the valley protected from flood and drought, the flow of the streams may be assured, and a generous supply of hydroelectric power may be produced; and

Whereas the Legislature of Texas has heretofore made appropriate provision for the development of this great project as a coordinated whole and in keeping with a well-worked-over engineering plan; and

Whereas the State of Texas has through its legislature heretofore evidenced its good faith in this project by creating a number of years ago a public agency, known as the "Brazos River Conservation and Reclamation District", and by making available for the assistance of said district in the construction of dams, reservoirs, and other structures necessary for the control of said river the sum of \$6,180,000 of State tax money; and

Whereas we know of no State which has evidenced its belief in the stability and soundness in any public-works project in such a substantial manner as has the State of Texas; and

Whereas no substantial amount of public work has been done in the State of Texas, and less than \$3,000,000 of the \$60,000,000 allotted to Texas for public works has actually been made available as yet in this State; and

Whereas the Federal Government has long followed the policy of aiding in and in many cases paying all of the cost of constructing many less comprehensive projects, and this without any substantial State aid, but said Government has not assisted in any project of outstanding magnitude in this State; and

Whereas bills have been introduced in both the House of Representatives and the Senate of the United States by Hon. LUTHER JOHNSON and by our Senators, respectively, which bills are identical and provide for substantial Federal aid to assist the Brazos River Conservation and Reclamation District in constructing the necessary works to effect the control of the Brazos River and its tributaries: Now, therefore, be it

Resolved by the Senate of Texas (the house of representatives concurring), That the United States Senators and Representatives from this State in the Federal Congress be, and they are hereby, urged to exert their utmost efforts to secure speedy and favorable action on the aforementioned legislation providing for Federal aid to the Brazos River Conservation and Reclamation District.

Mr. SHEPPARD also presented the following concurrent resolution of the Legislature of the State of Texas, which was referred to the Committee on Mines and Mining:

Senate Concurrent Resolution 35

Whereas the Democratic Party of Texas in convention assembled on September 11, 1934, adopted the following plank in the party platform:

"We oppose the abdication or surrender of the State's power to control the production of its natural resources. We likewise oppose any Federal encroachment upon the exclusive power of this State to control the production of oil and gas. We oppose any plan that results in the arbitrary compulsory utilization of oil fields"; and

Whereas there is pending at this time before the Committee on Mines and Mining of the United States Senate a bill, known as the "Thomas bill", which has for its purpose the attempted regulation of the production of oil within the States; and

Whereas the purpose of said bill is directly contrary to the principles contained in the platform of the Texas democracy and contrary to the principles of our dual form of government in that it is an attempted invasion of the sovereign powers of this and other States of the Union: Now, therefore, be it

Resolved by the Senate of Texas (the house of representatives concurring), That the Members of the Senate and of the House of Representatives of the United States Congress be, and they are hereby, respectfully petitioned and requested to oppose the adoption of the so-called "Thomas bill" or other similar bills; and be it further

Resolved, That the secretary of the senate and the chief clerk of the house of representatives be, and they are hereby, instructed to mail a copy of this resolution to the members of the Texas delegation in the Congress of the United States, to the Presiding Officers of the Senate and the House of Representatives, and to the Chairman of the Committee on Mines and Mining of the United States Senate, and to the Chairman of the Committee on Interstate and Foreign Commerce of the House of Representatives.

Mr. SHEPPARD also presented the following resolution of the Senate of the State of Texas, which was ordered to lie on the table:

Senate Resolution 89

Whereas for several years the United States Government has been interested in a central military superhighway from Canada to the Gulf of Mexico; and

Whereas President Roosevelt has stressed the need for such a highway from the standpoint of safety, as well as the necessity for commercial and military purposes; and

Whereas the United States Government has enacted into law the \$4,880,000,000 relief- and work-project bill; and

Whereas a vast amount of this money will be put into highway construction; and

Whereas the proposed central military superhighway will tend to bring closer the relationship between the North and South for commercial and other purposes: Now, therefore, be it

Resolved by the Senate of the State of Texas, That His Excellency the President of the United States, the Members of Congress, and the United States Senate give consideration to the designation and allocation of funds to construct Highway No. 8 from Canada to the Gulf of Mexico; and be it further

Resolved, That a copy of this resolution be forwarded to His Excellency Franklin D. Roosevelt and to each Member of the House and Senate of the Congress of the United States from Texas, in order that they may be acquainted with the necessity of this much-needed project.

PETITION RELATIVE TO PENDING LABOR LEGISLATION

Mr. BACHMAN. I present a petition from citizens of Hamilton County, Tenn., which I ask may be printed in the RECORD, without the names, and appropriately referred. Also, I wish to have it appear in the RECORD that similar requests have been made by 2,155 citizens of the State of Tennessee.

There being no objection, the petition was ordered to lie on the table, and the body thereof to be printed in the RECORD, as follows:

CHATTANOOGA, TENN., April 13, 1935.

We, the undersigned citizens of Hamilton County, request our Representatives in Congress to vote favorably on the following bills:

1. Back President in his program of extension of the N. R. A.
2. Wagner labor-disputes No. 6288.
3. Connery bill No. 6450, labor representation on the codes.
4. Connery Resolution No. 141, to prohibit use of Federal arms and supplies during strikes without express authority of the Secretary of War.
5. Byrnes bill No. 2039, to stop shipment of strikebreakers over the State lines during strikes.

We request that this petition be read and be made a part of the CONGRESSIONAL RECORD.

TOWNSEND OLD-AGE-PENSION PLAN

Mr. LONERGAN presented a resolution adopted by sundry citizens and affiliate members of Townsend Old Age Pension Plan Club, No. 1, of Manchester, Conn., which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

A memorial to the President of the United States, the honorable Senate and House of Representatives of the United States of America in Congress assembled

We, your memorialists, the 3,000 petitioners and 500 affiliate members of the Townsend Old Age Pension Plan Club, No. 1, of Manchester, Conn., respectfully represent:

Whereas there is pending before the Senate of the United States a measure known as the "revised (McGroarty) Townsend old-age-pension bill"; and

Whereas said bill setting forth the plan to have the Government provide the initial sum calculated at a rate sufficiently high to provide the necessary revenue to meet the requirements of said bill; and

Whereas it is obvious that said bill will, at the beginning of its operation, place in the hands of the general public such purchasing power as to stimulate every avenue of commerce and trade. The banking system which stagnates the monetary flow of currency has proven inadequate to keep trade and commerce at an even tempo, free from panics and depressions; and

Whereas the tax levy as provided in the revised McGroarty bill for the express purpose of paying the Townsend revolving pension (trust fund) of those who qualify will relieve society from a tremendous burden of taxation now made necessary by the maintenance of Government and civic relief, community chests, and all forms of charitable institutions. The fund would provide a steady flow of a monetary circulation from the taxpayer to the Government, revolving back to the pensioner (trustee) and thence to the channels of trade: Therefore be it

Resolved, That the senior Senator of the State of Connecticut enlist the service of the junior Senator of said State, together with other Members of the Senate, to have the McGroarty (Townsend) bill given an impartial period of time for debate and that a record vote attained, and, if possible, an insertion of this memorial be placed in the CONGRESSIONAL RECORD.

We further pray.

SIDNEY ELLIOTT,
President of Club.
KATHERINE DE HARDY,
Secretary of Club.
JOHN H. C. LONGDYKE,
Treasurer of Club.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated below:

H. R. 3012. An act to authorize the transfer of certain lands in Hopkins County, Ky., to the Commonwealth of Kentucky; and

H. R. 6654. An act to increase the White House police force, and for other purposes; to the Committee on Public Buildings and Grounds.

H. R. 4239. An act authorizing the Secretary of Commerce to convey to the city of Grand Haven, Mich., certain portions of the Grand Haven Lighthouse Reservation, Mich.; to the Committee on Commerce.

H. R. 6371. An act to authorize an increase in the annual appropriation for books for the adult blind; to the Committee on Education and Labor.

H. R. 5707. An act to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding \$100,000;

H. R. 6085. An act to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers, and construction of necessary bridges and viaducts in con-

nection with the same, and for such purposes to issue bonds in any sum not exceeding \$40,000; and

H. R. 6723. An act to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding \$50,000; and to authorize said town to accept grants of money to aid it in financing any public works; ordered to be placed on the calendar.

H. R. 157. An act to amend section 5296 of the Revised Statutes of the United States;

H. R. 5456. An act relating to the powers and duties of United States marshals;

H. R. 6114. An act to amend section 128 of the Judicial Code, as amended; and

H. J. Res. 26. Joint resolution requesting the President to proclaim, October 9 as Leif Erikson Day; to the Committee on the Judiciary.

H. J. Res. 204. Joint resolution authorizing the erection of a memorial to the late Jean Jules Jusserand; to the Committee on the Library.

H. J. Res. 272. Joint resolution to enable the Commissioners of the District of Columbia to defray certain expenses incident to the convention of the Imperial Council of the Mystic Shrine, June 8 to June 17, 1935, both inclusive; to the Committee on Appropriations.

REPORTS OF COMMITTEES

Mr. SMITH, from the Committee on Agriculture and Forestry, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1811. A bill providing for the publication of statistics relating to spirits of turpentine and rosin (Rept. No. 578); and

S. 2652. A bill to authorize the President to attach certain possessions of the United States to internal-revenue collection districts for the purpose of collecting processing taxes (Rept. No. 579).

Mr. FRAZIER, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 212) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve banking system, and creating a Board of Agriculture to supervise the same, reported it with an amendment and submitted a report (No. 580) thereon.

Mr. POPE, from the Committee on Mines and Mining, to which was referred the bill (S. 1476) to provide for unemployment relief through development of mineral resources, to assist the development of privately owned mineral claims, to provide for the development of emergency and deficiency minerals, and for other purposes, reported it with amendments and submitted a report (No. 581) thereon.

Mr. CAREY, from the Committee on Military Affairs, to which was referred the bill (H. R. 3721) for the relief of Angelo J. Gillotti, reported it without amendment and submitted a report (No. 582) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 972. A bill for the relief of John Costigan (Rept. No. 583); and

H. R. 2192. A bill for the relief of Harry B. Walmsley (Rept. No. 584).

Mr. SCHWELLENBACH, from the Committee on Military Affairs, to which was referred the bill (S. 1454) to authorize the Secretary of War to furnish bronze markers for certain graves, reported it with amendments and submitted a report (No. 586) thereon.

Mr. MINTON, from the Committee on Military Affairs, to which was referred the bill (H. R. 1846) for the relief of Daniel W. Seal, reported it without amendment and submitted a report (No. 587) thereon.

Mr. KING, from the Committee on the Judiciary, to which was referred the bill (S. 2688) to amend an act en-

titled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended, reported it with an amendment and submitted a report (No. 585) thereon.

Mr. WHEELER, from the Committee on Interstate Commerce, to which were referred the following bill and joint resolution, reported them each with amendments and submitted reports thereon:

H. R. 4751. A bill to amend section 24 of the Interstate Commerce Act, as amended, with respect to the terms of office of members of the Interstate Commerce Commission (Rept. No. 589); and

S. J. Res. 112. Joint resolution extending the effective period of the Emergency Railroad Transportation Act, 1933 (Rept. No. 588).

CONVENTION OF IMPERIAL COUNCIL OF THE MYSTIC SHRINE

Mr. GLASS. Mr. President, from the Committee on Appropriations I report back favorably without amendment the joint resolution (H. J. Res. 272) to enable the Commissioners of the District of Columbia to defray certain expenses incident to the convention of the Imperial Council of the Mystic Shrine, June 8 to June 17, 1935, both inclusive. I ask unanimous consent for the present consideration of the joint resolution. It carries an appropriation of \$54,000 to enable the Commissioners of the District to furnish additional municipal services and to perform additional duties which are imposed upon the District in taking care of the convention of the Imperial Council of the Mystic Shrine to be held next month. It is a unanimous report from the Committee on Appropriations.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That for carrying out the provisions of Public Resolution No. 14, Seventy-fourth Congress, approved April 24, 1935, within the limitations and for the several purposes therein expressed, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, \$54,000, to be payable from the revenues of the District of Columbia.

MANIPULATION OF THE COTTON MARKETS

Mr. SMITH. From the Committee on Agriculture and Forestry, I report back favorably without amendment Senate Resolution 125, and ask unanimous consent for its immediate consideration. It is simply a resolution extending the scope of the committee which is investigating the cotton question.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read Senate Resolution 125, submitted by Mr. SMITH on the 2d instant, as follows:

Resolved, That in addition to the authority conferred upon the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, under Senate Resolution No. 103, Seventy-fourth Congress, first session, agreed to March 16, 1935, the committee, or any duly authorized subcommittee thereof, shall have authority to investigate, with a view to determining whether there has been any manipulation, direct or indirect, of the cotton markets, or any undue influence thereupon in connection with the issuance or publication of cotton reports or statements, (1) the causes of the decline of the price of cotton on the cotton exchanges prior to March 11, 1935, and (2) the activities of the Department of Agriculture, cotton exchanges, cotton merchants, cotton millers, bankers, and any other persons, firms, or corporations connected with the cotton business.

Mr. BORAH. Mr. President, is the Senator asking for the present consideration of the resolution?

Mr. SMITH. The original resolution has already passed the Senate. This one simply makes clear some points of doubt.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DUFFY:

A bill (S. 2753) to amend section 6 of the act of Congress approved April 7, 1934, entitled "An act to amend the Agricultural Adjustment Act so as to include cattle and other products as basic agricultural commodities, and for other purposes"; to the Committee on Agriculture and Forestry.

By Mr. MURRAY:

A bill (S. 2754) to amend Public Law No. 383, Seventy-third Congress (48 Stat. L. 984), relating to Indians, by exempting from the provisions of such act any Indian tribe or reservation located in the State of Montana; to the Committee on Indian Affairs.

A bill (S. 2755) authorizing the Secretary of War to purchase certain land; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 2756) to authorize the presentation of the Distinguished Flying Cross to certain officers of the Army Air Corps, and for other purposes; to the Committee on Military Affairs.

By Mr. MCGILL:

A bill (S. 2757) granting an increase of pension to Amelia Mathias; to the Committee on Pensions.

By Mr. BACHMAN:

A bill (S. 2758) for the relief of Isaac M. Donnelly; and A bill (S. 2759) for the relief of R. M. Rogan Co.; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 2760) for the relief of Arthur L. Benedict; to the Committee on Claims.

A bill (S. 2761) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon; to the Committee on Indian Affairs.

By Mr. PITTMAN:

A bill (S. 2762) to exempt from taxation, under certain conditions, on the basis of reciprocity official compensation of a consular officer, nondiplomatic representative, or employee of a foreign country; to the Committee on Foreign Relations.

By Mr. NEELY:

A bill (S. 2763) granting a pension to Tom B. Jimmerfield; and

A bill (S. 2764) granting a pension to Howard Underwood; to the Committee on Pensions.

By Mr. BYRD:

A bill (S. 2765) for the relief of Merritt Rea; to the Committee on Claims.

A bill (S. 2766) authorizing the President to appoint Henry Beckwith Taliaferro, formerly an ensign, United States Navy, to his former rank as ensign, United States Navy; to the Committee on Naval Affairs.

A bill (S. 2767) granting an increase of pension to Carl Enevoldsen; to the Committee on Pensions.

By Mr. GEORGE:

A bill (S. 2768) for the relief of John R. Turner; to the Committee on Military Affairs.

A bill (S. 2769) granting an increase of pension to Paul O. Brownlee; to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 2770) granting an increase of pension to Frederick H. Fritz;

A bill (S. 2771) granting a pension to Charles M. Grush; and

A bill (S. 2772) granting a pension to Mary W. Marshall; to the Committee on Pensions.

A bill (S. 2773) for the relief of Roy Masters Worley; to the Committee on Military Affairs.

A bill (S. 2774) for the relief of certain officers on the retired list of the Navy and Marine Corps who have been commended for their performance of duty in actual combat with the enemy during the World War; to the Committee on Naval Affairs.

A bill (S. 2775) to renew and extend certain letters patent; to the Committee on Patents.

By Mr. COPELAND:

A bill (S. 2776) for the relief of the heirs of Edward P. Frank, deceased; to the Committee on Claims.

By Mr. CAPPER:

A joint resolution (S. J. Res. 121) authorizing the President of the United States to use the funds of the Imperial German Government, or its successor or successors, to settle claims of American citizens against said Government, and for other purposes; to the Committee on Finance.

THE LEAGUE OF NATIONS

Mr. POPE. Mr. President, I wish to introduce, for the consideration of the Senate, a joint resolution to clarify an issue which has, during the past several years, become confused in the minds of the people of this country.

Just 18 years ago the American people engaged in war, made sacrifices, and endured hardship with the fervent hope of thereby obtaining a lasting peace. That mission has apparently failed, and, again, disturbed conditions in Europe have created the fear that another great war may occur within the next few years.

In the minds of millions of people is the question, How can America stay out of such a war? This question is now being discussed throughout the country with an interest and a vigor seldom witnessed. Proposals for changing the rules of neutrality, for regulating traffic in arms, and for taking the profits out of war, have been made in the Congress.

There is much sentiment for more stringent neutrality laws. It is even suggested that a complete embargo be established on all exports with belligerents during war. It is widely thought that by surrendering our neutral rights under international law, by prohibiting loans to belligerents, by refusing passports for travel on the high seas, by denying protection to American citizens and property in other lands, and by a series of other legislative inhibitions, we can stay out of war even where the other great powers of the world are engaged in a life-and-death struggle.

I am entirely in sympathy with the desire to remain out of any armed conflict, and I will support such legislative inhibitions as those mentioned; but I am convinced that this procedure is an inadequate reliance for the safety of any nation, and may in the end even provoke war. Mere negative action will never suffice. The world will never bring peace and lay it in our laps. We must make a conquest of it by constructive united effort.

The paramount desire of the people of this country, and of every country, is for peace. They are interested in neutrality legislation only as a way to peace. They are interested, as I am interested, in preventing war. Such prevention is far more important than trying to stay out of a war after it is started. No legislation has been proposed looking toward the permanent way to this objective.

For some time I have considered the introduction of a joint resolution which, it seems to me, points to the only way to obtain enduring peace; that is, the establishment of a closer relationship between the United States and the League of Nations. I am convinced this is an appropriate time to consider such a resolution. It is not my purpose to ask for immediate action upon the proposal by the Congress, but I hope it will serve to clarify the issue.

In every civilized community in the world, lawlessness and violence have been supplanted by a permanent system of social cooperation. Following the war an effort was made by the great nations of the world to supplant international war by a system of cooperation. The creation of the World Court and the League of Nations was the result; but these agencies should not be regarded as fixed and unyielding forms in such a system, but rather as ideas susceptible to growth and change and adaptation to meet different national needs and situations. In the work of these mechanisms, the processes of growth and adaptation have gone on. Neither the League nor the Court has ever used military force to carry out its decisions. Each nation has determined the extent and method of cooperation.

The fear that the United States might be drawn into the quarrels of other nations, and might be called upon to send

soldiers to foreign soil, has never, in the functioning of the League, been justified. It is clear that at no time would the United States have been called upon to participate in enforcement of any decisions of the League except in accordance with our own constitutional powers.

It is my suggestion, moreover, that it be made clear in the resolution that no obligation to use armed force be assumed by this country except in accordance with the Constitution of the United States.

I am thoroughly convinced that in this way, and in this way alone, can we enter the road to permanent and enduring peace.

Mr. President, I ask that the clerk read the joint resolution as a part of my remarks.

The VICE PRESIDENT. Without objection, the joint resolution will be read.

The joint resolution (S. J. Res. 119) providing for membership of the United States in the League of Nations was read the first time by its title and the second time at length and referred to the Committee on Foreign Relations, as follows:

Senate Joint Resolution 119

Joint resolution providing for membership of the United States in the League of Nations

Whereas the United States is dedicated to the policy of the good neighbor, that is to say, to the mutual respect of the rights and obligations of nations; and

Whereas in the Pact of Paris the United States and 62 other nations solemnly renounced war as an instrument of national policy, and have also made it a binding obligation among them to resort only to pacific means for the settlement of their disputes; and

Whereas the recovery of economic prosperity can never be fully achieved without that stability of conditions which can only come through international peace and security; and

Whereas it is to the manifest advantage of the United States to cooperate with other nations to this end; and

Whereas the League of Nations, with 59 states as members, is an instrument for the creation of world-wide economic stability, a permanent agency for mediation, the living symbol of the will to peace, and the only common meeting ground for the nations of the world; and

Whereas the League of Nations has in the course of its history established the principle that its members assume no obligations to aid in the enforcement of peace without the consent of their respective governments, acting in accordance with their own constitutional methods and with due regard to their traditional policies and geographical situation; and

Whereas it is therefore apparent that membership in the League of Nations upon these understood and agreed conditions would be consonant with and in furtherance of the vital interests of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States in Congress assembled, That the President is hereby authorized to notify the appropriate authority of the League of Nations that the United States accepts its membership in the League of Nations on the following terms and understandings:

(1) That the obligations of the Pact of Paris not to resort to war as an instrument of national policy is recognized as the fundamental and guiding principle of the Covenant; and

(2) That the provisions of the Covenant of the League of Nations relating to cooperation in the prevention of war shall not be interpreted as obligating the United States to adopt measures which might involve the use of armed force; and that the decision as to what action shall be taken by the United States in case the peace of nations is threatened or violated shall rest with the Government of the United States acting according to the Constitution.

Mr. JOHNSON. Mr. President, in asking us again, at this particular time, to go into the futile League of Nations—which, during the past few weeks, has demonstrated that it is no more than the mere instrument or tool of certain great powers—the query was asked how we could keep out of war.

Mr. President, we can keep out of war by minding our own business, and by precluding the possibility of America being propagandized into Europe.

PROHIBITION OF EXPORT OF ARMS AND AMMUNITION

Mr. CLARK. Mr. President, on behalf of the Senator from North Dakota [Mr. Nye] and myself, I introduce a joint resolution on the subject of prohibiting the export of arms and ammunition, and to regulate the trade in contraband of war under certain conditions.

If I may be permitted to say so, Mr. President, this joint resolution, taken in conjunction with Senate Joint Resolution 99 and Senate Joint Resolution 100, heretofore submitted by the Senator from North Dakota and myself, is designed to

form a complete plan for American neutrality in the event of war.

I desire to give notice that at an early date the Senator from North Dakota and myself both desire to address the Senate at length on those resolutions.

Mr. JOHNSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from California?

Mr. CLARK. I yield to the Senator.

Mr. JOHNSON. I was unable to follow the Senator as to the exact purport of this joint resolution. Is it a resolution relating to the policy of neutrality?

Mr. CLARK. It is.

Mr. JOHNSON. I ask that the joint resolution be referred to the Committee on Foreign Relations.

Mr. CLARK. I will say to the Senator from California that I submitted the resolution for appropriate reference. It was my thought, of course, that it should be referred to the Committee on Foreign Relations, as the two companion resolutions were referred.

The VICE PRESIDENT. The joint resolution will be received and referred as indicated by the Senator from Missouri.

The joint resolution (S. J. Res. 120) to prohibit the export of arms and ammunition and to regulate trade in contraband of war under certain conditions was read twice by its title and referred to the Committee on Foreign Relations.

AMENDMENT TO THE BANKING BILL

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (S. 1715) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

AMENDMENTS TO RIVER AND HARBOR BILL

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

Mr. BYRD submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

AGRICULTURAL EXTENSION WORK—AMENDMENT

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (S. 2228) to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges and agricultural experiment stations, which was ordered to lie on the table and to be printed.

FARMERS' HOME CORPORATION—AMENDMENT

Mr. SHIPSTEAD submitted an amendment intended to be proposed by him to the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

NATIONAL LABOR RELATIONS BOARD—AMENDMENT

Mr. ROBINSON submitted an amendment intended to be proposed by him to the bill (S. 1958) to promote equality of bargaining power between employers and employees, to di-

minish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes, which was ordered to lie on the table and to be printed.

PUBLICITY ACTIVITIES OF GOVERNMENTAL AGENCIES

Mr. DICKINSON. Mr. President, I send to the desk a resolution which I ask to have read, and I ask that I be permitted to make a few remarks with reference thereto.

The VICE PRESIDENT. Without objection, the resolution will be read.

The resolution (S. Res. 131) was read as follows:

Whereas there is a specific restriction in the law prohibiting printing of any material in any form without direct authorization of law; and

Whereas various departments of the Government and various emergency bureaus are publishing miscellaneous and promiscuous reports; and

Whereas some emergency bureaus are publishing pamphlets and newspapers, both in multigraph and printed form; and

Whereas the expense, both for personnel employed and the cost of printing, is a large item; and

Whereas various bureaus of the Government, at the expense of the taxpayer, are having prepared and presenting to the public motion pictures and displays; and

Whereas various bureaus of the Government are setting up information booths inviting the public to go into debt in remodeling their homes; and

Whereas, either directly or indirectly, radio information is given to the public setting forth the benefits of remodeling homes and suggesting that the Government will loan the money therefor: Now, therefore, be it

Resolved, That the Committee on Appropriations, or any duly authorized subcommittee thereof, is authorized and directed to make an investigation with a view to determining (1) the authority under which such information is being printed and disseminated; (2) the cost incident to such printing and dissemination, including personnel, motion-picture production, multigraphing, and distribution costs; and (3) all expenditures made since March 4, 1933, by any executive department, independent commission, board, bureau, office, agency, or other establishment of the Government incident to such printing and dissemination. The committee shall report to the Senate as soon as practicable the result of its investigation, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Subsequently Senate Resolution 131, submitted by Mr. DICKINSON, was ordered to lie over under the rule.

EXPERIMENTAL FARM AT BELTSVILLE, MD.—E. W. SHEETS

Mr. ROBINSON. I call for the regular order.

The PRESIDENT pro tempore. The regular order is called for. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The resolution (S. Res. 126) submitted by Mr. CAREY on May 3, 1935, was read, as follows:

Resolved, That the Committee on Appropriations, or any duly authorized subcommittee thereof, is authorized and directed to investigate the cost of the construction, development, and expansion of the experimental farm of the Department of Agriculture at Beltsville, Md., and to investigate the circumstances connected with the demotion or dismissal of E. W. Sheets, formerly head of the Division of Animal Husbandry of the Bureau of Animal Industry in the Department of Agriculture, with a view to determining the connection, if any, between such demotion or dismissal and the construction, development, and expansion of said experimental farm. The committee shall report to the Senate, as soon as practicable, the result of its investigations, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$1,000, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman.

Mr. ROBINSON. Mr. President, I inquire of the Senator from Wyoming [Mr. CAREY] whether he will not be willing to let the resolution be passed over for the present until I can confer with him?

Mr. CAREY. I shall be glad to do so.

Mr. DICKINSON. Mr. President, before that action is taken, I desire to make a statement. The resolution which I have just presented—

Mr. ROBINSON. Mr. President, I call for the regular order.

The PRESIDENT pro tempore. The Senator from Arkansas calls for the regular order.

Mr. DICKINSON. Mr. President, the question whether the resolution of the Senator from Wyoming shall go over is debatable.

Mr. ROBINSON. I asked that the resolution go over.

Mr. DICKINSON. That is debatable.

The PRESIDENT pro tempore. The Chair understood that the Senator from Wyoming, at the request of the Senator from Arkansas, indicated his willingness to let the resolution go over.

Mr. DICKINSON. The Senator from Wyoming cannot control the other Members of the Senate, and the question is open to debate.

Mr. ROBINSON. Mr. President, I shall move that the resolution of the Senator from Iowa be referred to the Committee on Appropriations.

Mr. DICKINSON. Mr. President, that is exactly what I had expected to ask. There is no intention on my part to try to force a hearing on the resolution at this time. I do not know why the Senator from Arkansas should assume the attitude he does. I am perfectly willing that the resolution shall go to the Committee on Appropriations.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. ROBINSON. There was a unanimous-consent agreement that immediately upon the conclusion of the morning business the Senate should proceed to the consideration of the unfinished business. There is a reason for desiring that the unfinished business be disposed of not later than sometime tomorrow. A number of Senators desire to attend the ceremonies in connection with the funeral of the late Senator CUTTING, but they do not desire to be absent while the unfinished business is being considered. So I felt that it was my duty to insist on the regular order and ask that the Senator defer discussion of his resolution until another time. Of course, I realize that ample opportunity will be afforded for discussion of the resolution.

Mr. McNARY. Mr. President, the resolution was offered during the morning hour, when routine business was being transacted. It is no part of the calendar; it was quite in observance of the unanimous-consent agreement. The Senator had the right to submit his resolution during the morning hour.

Mr. ROBINSON. I do not object to the submission of the resolution; it is the consideration of the resolution to which I am addressing myself.

Mr. McNARY. What the Senator from Iowa wanted was to have the resolution read and then referred to the Committee on Appropriations, after which it would go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. ROBINSON. No; the Senator has had the resolution read and indicated that he wished to address the Senate on the subject matter of the resolution, and I suggest that the resolution go over under the rule.

Mr. McNARY. The demand for the regular order would not apply. The Senator from Iowa was entitled to have his resolution read and properly referred.

Mr. ROBINSON. It has been read.

Mr. McNARY. The demand of the Senator from Arkansas for the regular order was not in order at all.

Mr. ROBINSON obtained the floor.

Mr. DICKINSON. Will the Senator from Arkansas yield to me?

Mr. ROBINSON. Certainly.

Mr. DICKINSON. If the Senator's desire is to save time by adopting these tactics, he is not informed as to my purpose. I expect to take only a few moments. I do not intend to make a long speech.

Mr. ROBINSON. After the statement I have made, if the Senator insists, for the present I withdraw the request that Senate Resolution 131 go over.

The PRESIDENT pro tempore. On request of the Senator from Arkansas, Senate Resolution 126 will be passed over.

PUBLICITY ACTIVITIES OF GOVERNMENTAL AGENCIES

Mr. DICKINSON. Mr. President, I expect to take only a few moments. Senate Resolution 131, submitted by me, will be referred to the Committee on Appropriations, which is the usual place of the reference for such a resolution, under the regular order. I desire to make a brief statement with reference to the purport of the resolution.

On March 29 the senior Senator from Virginia [Mr. GLASS] had printed in the *Record* the law with reference to printing and publicity by different bureaus, and the personnel to be employed thereby. It is found in title 5 of the United States Code, annotated, in the following paragraph, on page 50.

Publicity experts not to be employed without specific appropriation: No money appropriated by any act shall be used for the compensation of any publicity expert unless specifically appropriated for that purpose.

I find that now there are being published in the various bureaus of the Government real newspapers. I cite, for example, the *Blue Eagle*, published weekly. The issue I hold in my hand is dated April 5. It is an eight-page publication. There is no authorization for any publication of this kind in the N. R. A. law. This publication is comparable to a weekly newspaper printed in any town of 5,000 inhabitants. It purports to give the various codes; it purports to give interpretations; it purports to give information as to the progress being made. Maps similar to those published in the Nation's Business are shown. Administrative orders are set out.

Then we find this on the back page:

Recent Trends in Silk Textiles.

There are various charts showing the trend of prices, workmen's compensation, and so forth. I know of nothing in the N. R. A. which would permit the publication of such a document.

The next publication to which I desire to call attention is one issued under the Federal Housing Administration. Here is a publication of eight pages, with pictures on the back page. There is an article entitled "The Number of Marriages in Chicago Compared with the Number of New Houses and Apartments Constructed."

I find another heading reading, "Huntington, W. Va., Modernized."

This is direct political propaganda for the Housing Administration.

I am told that, in addition to the publication of this weekly newspaper, they have publicity booths. They had one in the Hecht Co.'s store here in Washington, over which there was a big sign, "Make application for a mortgage on your home."

According to the old philosophy of our forefathers, to mortgage the home is the first step toward dispossession. Yet we find our Government definitely engaged in propaganda in an effort to induce people to put mortgages on their homes, a Government bureau putting out this type of publication in order to advance such a purpose.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. BLACK. Has the Senator a resolution of some kind pending providing for an investigation of propaganda?

Mr. DICKINSON. Yes; the resolution was read and will be referred to the Committee on Appropriations.

Mr. BLACK. I should like to suggest to the Senator that I think it is well to consider the idea of investigating propaganda, but it would seem to me—and I wanted to ask the Senator whether he would object to the idea I have in mind—

that it would be wholly inappropriate to limit the investigation within such a narrow scope. If we are to have an investigation of propaganda, why not provide an adequate appropriation for an investigation by a Senate committee, not limited to the so-called "propaganda" issued by any department but to include propaganda issued by any agency of any kind in the United States, including the chamber of commerce and the power companies. For instance, this morning I received about eight letters, evidently written on the same typewriter, on the same kind of stationery, from people in different places.

I wish to state to the Senator that I am in full sympathy with the idea of having a general, broad, sweeping investigation of all types of propaganda circulated through newspapers, magazines, or other agencies, or which may be supplied to people who desire to attack or to defend any particular policy. I am wondering whether the Senator would object to such an amendment to his resolution, and would sympathize with the movement, so as to have a real, broad, sweeping investigation of all types of propaganda.

Mr. DICKINSON. It is my thought that the investigation I propose should be limited to the propaganda being disseminated at the expense of the taxpayer. This is Federal propaganda. I have no objection to a broader type of investigation. I have no objection to a special committee being appointed. I doubt whether the Appropriations Committee would be the appropriate committee. I think there should be a select committee.

Mr. BLACK. I call the Senator's attention to the fact that in many instances the propaganda which is supposed to emanate from private business is being financed out of the Federal Treasury. For instance, there has been a very broad, sweeping propaganda recently with reference to the Pan American Airways. It would be very interesting to investigate and find out who is responsible for it.

I mention that simply as one illustration.

Mr. DICKINSON. Mr. President, I do not care to yield further, because I do not wish to enter into that particular discussion at the present time. The majority leader has suggested that he wishes to hurry the program, and I am desirous of concluding my brief remarks.

Mr. BLACK. The Senator does not object to an amendment of that kind?

Mr. DICKINSON. I do not.

Mr. BLACK. I am very pleased to have that viewpoint of the Senator. I shall draw up an amendment to the effect I have stated.

Mr. DICKINSON. The second release of the Federal Housing Administration which I find is a clip sheet giving pictures and different types of publicity which, at the suggestion of the Federal Housing Administration, various publication organizations can pick up and reprint.

Further, I find that under the A. A. A. there are numerous types of propaganda. For instance, there is "The Consumers Guide", composed of 28 pages, setting forth all the different facts which they think will satisfy the consumer with reference to the trend in prices. This pamphlet contains items headed, "Consumer Facing New Deal in Foreign Trade", "Facts for Food Faddists", and so forth.

This is all printed by the Agricultural Adjustment Administration. I know of nothing in the act which permits the publication of any such document. This document happens to be no. 11 of volume 2, dated March 25, 1935.

I also find that there is printed by the Agricultural Adjustment Administration a pamphlet entitled "Information for the Press." This is printed once a week, giving out the various facts with reference to the A. A. A., the payment of benefits by States, and so forth. This is a publication which carries various tables, all printed by multigraph.

I also find that the Agricultural Adjustment Administration, under date of January 1935, through the United States Government Printing Office, printed a pamphlet entitled "Agriculture's Interest in America's World Trade." This is a finely printed pamphlet containing 22 pages. It costs considerable money. This is merely an indication of what is being put out in order to show that the Federal Government

is doing something with the vast amount of money it is spending.

Another pamphlet, *Achieving a Balanced Agriculture*, by the Agricultural Adjustment Administration, was issued in August 1934. It is a pamphlet containing 52 pages, printed by the Government Printing Office at Government expense.

Another pamphlet is entitled "*Economic Bases for the Agricultural Adjustment Act*."

Mr. ROBINSON. Mr. President, I rise to a point of order. Some minutes ago I withdrew the objection to the discussion by the Senator from Iowa [Mr. DICKINSON] on the statement by him that he was going to consume only 2 or 3 minutes. He has been speaking now for something like 15 minutes. I suggest to the Senator that he conclude his remarks, or I shall be compelled to make a point of order against the discussion.

Mr. DICKINSON. Mr. President, I have almost concluded. I do not take very much time on the Senate floor, but I shall take a good deal more time today than I had expected to take if the interruption continues.

Mr. ROBINSON. I am becoming tired of that sort of threat. I suggested the reason why I was anxious to proceed with the unfinished business. Unanimous consent was given to do that at the conclusion of the routine morning business. I think under the circumstances the Senator should respect that understanding, and not insist upon discussing an entirely irrelevant matter which is not before the Senate.

Mr. DICKINSON. Mr. President, I have only a very limited amount of material here, and I expect to conclude very shortly with reference to the various documents I have before me.

Others of them are as follows:

Economic Bases for the Agricultural Adjustment Act, 67 pages, printed by the Government Printing Office under the Agricultural Adjustment Administration.

Maintaining Corn-Hog Adjustment in 1935—various pamphlets.

Also a release by Chester Davis, being an address with a headline, *Common Ground*. This release is multigraphed, and consists of 12 pages.

The Federal Housing Administration issues numerous releases. I have here no. 242. All of them have to do with the various projects upon which they are working.

I find one relating to Clarendon, Va., wherein it is said that the Government is simply guaranteeing the first mortgage, which is going to be held by the New York Life Insurance Co.; therefore, the project can go ahead by reason of the fact that they have the security which the Government guarantees the bonds, both as to principal and as to interest, to that company.

In conclusion, I ask leave to insert in the RECORD the data I now present, covering the law of public printing and documents. This is a short statement of the law covering this subject.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

[From U. S. Code, title 44. Public Printing and Documents]

SEC. 111. Government printing to be done at Government Printing Office; Supreme Court excepted: All printing, binding, and blankbook work for Congress, the Executive Office, the judiciary, and every executive department, independent office, and establishment of the Government shall be done at the Government Printing Office, except such classes of work as shall be deemed by the Joint Committee on Printing to be urgent or necessary to have done elsewhere than in the District of Columbia for the exclusive use of any field service outside of said District. The printing and binding for the Supreme Court shall be done by the printer it may employ, unless it shall otherwise order.

SEC. 111a. Same; further exception: Such printing, binding, and blankbook work authorized by law, as the Public Printer is not able or equipped to do at the Government Printing Office, may be produced elsewhere under contracts made by him with the approval of the Joint Committee on Printing.

SEC. 116. No printing and binding unless authorized; binding materials: No printing or binding shall be done at the Government Printing Office unless authorized by law. Binding for the departments of the Government shall be done in plain sheep or cloth, except that record and account books may be bound in Russia leather, sheep fleshers, and skivers, when authorized by the head

of a department: *Provided*, The libraries of the several departments, the Library of Congress, the libraries of the Surgeon General's Office, the Patent Office, and the Naval Observatory may have books for the exclusive use of said libraries bound in half Turkey, or material no more expensive.

SEC. 117. When any department, the Supreme Court, the Court of Claims, or the Library of Congress shall require printing or binding to be done, it shall be on certificate that such work be necessary for the public service; * * *

SEC. 213. No printing shall be done for the executive departments in any fiscal year in excess of the amount of the appropriation, and none shall be done without special requisition, signed by the chief of the department and filed with the Public Printer.

Heads of executive departments shall direct whether reports made to them by bureau chiefs and chiefs of divisions shall be printed or not.

SEC. 219. No book or document not having to do with the ordinary business transactions of the executive departments shall be printed on the requisition of any executive department or unless the same shall have been expressly authorized by Congress.

SEC. 220. The head of any executive department, independent office, or establishment of the Government is authorized, with the approval of the Director of the Bureau of the Budget, to use from the appropriations available for printing and binding such sums as may be necessary for the printing of journals, magazines, periodicals, and similar publications as he shall certify in writing to be necessary in the transaction of the public business required by law of such department, office, or establishment. There may be printed, in addition to those necessary for such public business, not to exceed 2,000 copies for free distribution by the department, office, or establishment issuing the same.

Mr. DICKINSON subsequently said: Mr. President, following what I had to say earlier in the day about propaganda, I desire to make a brief reference to a new book which has been published, called "*Handout*", by an author by the pen name of George Michael.

I find this book reviewed in the New York Times of date of May 6, 1935, by John Chamberlain. In the review he says:

Handout is a discussion of the allegedly nefarious propaganda activities of the Roosevelt government. It attempts to establish the following—

I do not care to insert all the review. I shall merely make one or two references to it.

Under paragraph 9 the review says:

9. That the A. A. A. maintains a veritable man mountain of a propaganda staff.

10. That the various Government agencies are loaded down with excellent newspaper men who have been lured away from their old employ by higher salaries. Mr. Michael also objects to the practice of editors who accept "administration stuff" from journalists on the Government pay roll without explaining in footnotes that the authors in question are not free lances but masked new-deal employees.

The end of the review I quote as follows:

One hopes that it will have extremely wide publicity, that it will remove the new deal from the status of sacred cow in some quarters, and that journalism will not fail to take its tip and kick loud and long at the Democrats whenever it feels like it. Conservatives and radicals alike should be interested in the allegations of "George Michael."

I have just sketched the book. I find that it starts out as follows:

Is there a system of censorship conducted by the present administration at Washington for the purpose of suppressing vital facts? Is there an organized attempt to prevent the public from learning what is being done? What is actually going on?

Then I find reference to the visit of the senior Senator from South Carolina [Mr. SMITH] to the State of Iowa, where he spoke in Des Moines, and where the newspaper reports said that he was given a "tongue lashing" by Ferdinand Pecora.

I find that this book states that the two men did not appear on the same platform; that there was no "tongue lashing" at all; that Mr. Pecora made his usual speech before the chamber of commerce, and that the Senator from South Carolina spoke at the fair grounds; that the only time they appeared together was when the Senator from South Carolina was simply introduced before the chamber of commerce.

I also find that the book refers to what is known as war-time propaganda, and on that subject it says:

The administration in power deliberately built up the greatest system of propaganda ever witnessed in the world to that date, a system designed to control the issuance of all information to the public, a system which authorized only those facts that aided in maintaining the confidence of the public in the administration.

I also find that there is a reference here to who administered that program, and who were the assistants; and it makes very good reading.

The book refers to travel expense in this language:

Has a "new dealer" appeared on the lecture platform in your community? If one hasn't, then you live off the path of comfortable travel. Otherwise, one of them, traveling at your expense, has appeared before you and "outlined and explained" just what the administration is doing and is planning to do for your benefit.

Then I find in the book, with reference to publicity, this quotation:

In the Official Register of Government Who's Who, the Federal Housing Administration lists 29 persons engaged in publicity and public relations work. These 29 are costing the taxpayers more than \$127,000 a year in salaries alone. Nor are any of the small fry listed in the Official Register.

This book gives an explanation of some of the things that are being done, and for that reason I think it supports my suggestion for an investigation. I hope in due time the Appropriations Committee can take up the resolution for consideration.

The PRESIDENT pro tempore. Senate Resolution 131 will lie over under the rule.

REPORT OF BUSINESS ADVISORY COUNCIL

Mr. STEIWER. I submit a resolution which I ask to have read and go over under the rule.

The resolution (S. Res. 132) was read and ordered to lie over under the rule, as follows:

Resolved, That the President is respectfully requested to transmit to the Senate, as soon as practicable, the complete report recently filed with him by the Business Advisory Council appointed by the Secretary of Commerce.

REPORT OF RELIEF ADMINISTRATOR HOPKINS (S. DOC. NO. 56)

Mr. GLASS. Mr. President, from the Committee on Appropriations I present a report pursuant to Senate resolution 115, the report being from Relief Administrator Hopkins. I ask that it may be printed, with illustrations, as a Senate document in order that the Senate may be advised of its contents.

The VICE PRESIDENT. Without objection, it is so ordered.

GOVERNMENT BY LAW OR BY MEN—ADDRESS BY SENATOR SCHALL

Mr. SCHALL. Mr. President, I ask unanimous consent that there may be printed in the RECORD a radio address delivered by me on Monday, April 29.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow citizens, I am grateful to the National Broadcasting Co. for the privilege of asking here one question, the fundamental question of our existence as a Republic, the foremost problem that has faced the civilizations of 30 centuries—only one question:

Have we in the United States today a "government of laws", as presumed by the courts of the land since the days of Washington and Jefferson, or, on the other hand, a "government of men", as held by Professor Tugwell, the reputed "brain truster" no. 1 of the new deal?

That is the foremost question that has confronted mankind in all the struggles of 30 centuries in the history of liberty since the days of the early Greek Republic.

For 146 years—from the drafting of our great organic law, which begins with the words "We, the people of the United States", down to the year 1933—that question was never raised except once, when Fort Sumter was fired upon in 1860. We have always assumed we had "government by law."

But on November 16, 1933, only a little over a year ago, that question was raised again, and "government of laws" was declared a "fiction." And this statement was made and published by an official spokesman of the present administration, printed by the Government Printing Office, and distributed under the frank as a public document.

Rexford Guy Tugwell, Under Secretary of Agriculture—an official of such standing in the administration that he attends the Cabinet meetings at the White House—declared in a public address delivered at Columbia University, November 16, 1933 (see p. 19):

"I have had a chance to see the truth of the saying that ours is a government of men. The fiction that it is a government of

laws would, I think, never have attained its great prestige if the right men had been called to govern."

What Tugwell had had a "chance to see" during the 5 months preceding this address were things like these:

Brigadier General Johnson with his brass band marching down the streets, pasting Blue Eagles over the store fronts and barber shops of a million towns, "cracking down" all industry and trade, interstate and local, imposing 731 codes to legalize monopoly under suspension of the antitrust laws, boosting the living costs of every family and wage earner, and jailing an old tailor for charging 5 cents less than the code price for cleaning a suit of clothes.

Tugwell had "a chance to see" with approval this:

The Bureau, called A. A. A., levying billions in processing taxes upon every food and textile product in the country—though article I of the Constitution grants the sole taxing power to Congress under the American rule of law that "taxation goes with representation."

Tugwell had a "chance to see" cotton processing taxes under the A. A. A., and legalized monopoly under the N. R. A., close hundreds of mills, North and South, because poor families who chiefly use cotton goods and workmen who wear denim overalls could not afford the boosted prices forced upon them by a "government of men" enthroned upon the ruins of "government by laws."

Tugwell had a chance to see the tax power, described by Chief Justice John Marshall in *McCulloch v. Maryland*, as "the power to destroy", taken from Congress, the legislative body to whom the people had intrusted it, and bestowed upon the bureaucrats of "government of men."

He had a chance to see the tariff-making function, one of the chief attributes of the tax power, taken from Congress, where under the Constitution it had resided since the first tariff laws of Hamilton and Jefferson, and bestowed upon an executive star chamber before which no American producer or consumer, workman, or taxpayer can be heard in his plea for protection.

Tugwell had had a chance to see States reduced to the status of colonial Provinces without power to regulate their local industries, mines, mills, hotels, or even pigpens.

He had a chance to see 120,000,000 acres of cotton plowed under, 6,000,000 hogs destroyed by a "government of men" at a time when 11,000,000 unemployed needed overalls and meat.

Tugwell had a chance to see a press code, a Communications Act, and 20 codes of the N. R. A. relating to press machines and printing materials invoked by a "government of men" for Federal control of freedom of the press.

He had a chance to see 77 instances where the legislative function of the Government had been transferred to the Executive, and he had seen 151 new crimes created by industrial codes without the consent of Congress.

Therefore, Professor Tugwell, "brain truster" no. 1 of the new deal, imported from "over there", continued his address as follows:

"In fact, a careful examination of the new legislation will disclose that its novel characteristic is its provision for freedom of action by those who have to do the acting. The powers granted are mostly permissive; the rules written are mandates for performance. Everything depends on men."

Comrade Tugwell had been a student at Moscow, where "everything depends on men"—the commissars of the Soviet general council—and he came back a "collectivist", a believer in complete socialization of all industrial and civic enterprises under a centralized "government of men."

Over there he had a chance to see all legislative powers surrendered to the executive under "permissive" grants—as in Moscow, Berlin, and Rome.

He had a chance to see all constitutions and bills of rights abolished and the edicts and codes of commissars, an il duce, and a chancellor substituted.

He had a chance to see freedom of the press set aside by a federally controlled press for the propagation of "government by men."

He had a chance to see States and cities, farms and factories, reduced to imperial subjects by a centralized "government of men."

Therefore he was proud to be the first to proclaim that "government of laws is a fiction", even in the United States, and that we now have a new deal which a careful examination will disclose has this "novel characteristic", namely, "freedom of action by those who have to do the acting"—which being interpreted means without interference by the Constitution, the Bill of Rights, the Congress elected by the people, or the people themselves, the subjects thereof.

There is only one authoritative answer to the question here raised, namely: Have we "government by laws" or "government by men"? That answer can be delivered effectually only by the 40,000,000 voters of this Republic at the polls. That is the issue of today and the issue of 1936 and of every national election until this question is settled—and it never will be settled until it is settled right.

In conclusion. We have had 2 years of this "government of men" as a substitute for "government of laws." What have we now?

Two years of mountainous debt, deficits, and doles, aggregating \$20,000,000,000 that must be paid by the workers of this and the next generation.

Mills closed, North and South, 12,000,000 unemployed; 22,000,000, or one-fifth, of the population on public doles, and the food production of the country cut down 40 percent—while a flood of

foreign imports is taking our home markets and closing our industries, even as the flood of foreign heresies is destroying our Americanism.

Have we not had enough? Lord Macaulay said of a bureaucratic gang raiding India: "They made a desert, and called it peace."

Shall it be said by a future historian of the "raw deal": "They made a chaos, and called it national recovery?"

This administration has not wanted recovery, it has wanted chaos, for only through such created chaotic condition would it have secured its government of men so secretly substituted without knowledge of the people for the government of laws which for 150 years has made our country the most prosperous, the most progressive, the most democratic nation in the world.

Let me ask you, my radio audience, if we do not owe our country this duty, to wit: To deport as early as may be the entire pack of "brain trusters" and their alphabetical quack nostrums, with all their Blue Eagles, on the flagship *Nourmahal* bound for Moscow, that we may once again get down to the real business of life, restore our industries, our freedom, our Constitution and flag over a truly recovered America of government by laws on a basis of common sense and common honesty?

LETTER TO THE PRESIDENT IN BEHALF OF TOM MOONEY

Mr. SCHALL. Mr. President, 19 years ago Tom Mooney was convicted on perjured testimony and sentenced to die. Sentence was later commuted to life imprisonment and release on parole offered, but rejected. Knowing himself to be innocent, Tom Mooney refuses to accept anything but an unconditional pardon. Efforts are being made to interest the President of the United States in his behalf, and I ask leave to insert in the RECORD a letter addressed to the President on April 30.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE TOM MOONEY DEFENSE COMMITTEE OF WASHINGTON, D. C.,
Washington, D. C., April 30, 1935.
President FRANKLIN D. ROOSEVELT,
The White House, Washington, D. C.

DEAR PRESIDENT ROOSEVELT: So that you may have particularly in mind on labor's day of hope, May 1, the tragic case of one of labor's leaders, Tom Mooney, we respectfully call your attention to the letters which have been addressed to you on this case by more than a score of United States Senators and Congressmen, during the past 2 months. These letters, representing all sections of the country, recognize the legal limitations imposed upon your office in the matter, but express the earnest hope that you will find some way, immediately, of helping to effect the release and vindication of Tom Mooney, who will have spent 19 years in prison this coming July as the victim of one of the most glaring frame-ups in American history.

A composite of these letters delivered at the White House, would read approximately as follows: "Reluctant as we are to add to your burdens, we, the undersigned Members of the Seventy-fourth Congress, believe it our duty to aid in directing your attention to the case of Tom Mooney."

"Beyond question, this man was convicted on perjured testimony, and would not, and could not, have been convicted except for that testimony. His continued imprisonment is really a disgrace to all of us."

"While we know that in this case you have not the pardoning power, still may we respectfully suggest that you take whatever action is possible to put an end to the continuing injustice of Mooney's imprisonment."

The list of Members of Congress who have sent letters to you or otherwise made known their deep concern about the case within recent weeks includes the following: Senator GERALD P. NYE, of North Dakota; Senator THOMAS D. SCHALL, of Minnesota; Senator JAMES P. POPE, of Idaho; Senator BENNETT CHAMP CLARK, of Missouri; Senator ROBERT F. WAGNER, of New York; Senator N. N. NEELY, of West Virginia; Senator RUSH D. HOLT, of West Virginia; Senator ROBERT M. LA FOLLETTE, of Wisconsin; Senator EDWARD P. COSTIGAN, of Colorado; Senator HOMER T. BONE, of Washington; Senator HENRIK SHIPSTEAD, of Minnesota; Senator BRONSON M. CUTTING, of New Mexico; Senator LEWIS W. SCHWELLENBACH, of Washington; Congresswoman CAROLINE O'DAY, of New York; Congressman ERNEST LUNDEEN, of Minnesota; Congressman FRED H. HILDEBRANDT, of South Dakota; Congressman JOHN H. HOEPEL, of California; Congressman FRED SISSON, of New York; Delegate ANTHONY DIMOND, of Alaska; Congressman JAMES H. GILDEA, of Pennsylvania; Congressman THOMAS O'MALLEY, of Wisconsin; Congressman H. P. KOPPELMANN, of Connecticut; Congressman GEORGE J. SCHNEIDER, of Wisconsin; Congressman MAURY MAVERICK, of Texas; Congressman MATTHEW A. DUNN, of Pennsylvania; Congressman JOHN J. COCHRAN, of Missouri; Congressman BERNARD J. GEHRMANN, of Wisconsin; Congressman MARTIN L. SWEENEY, of Ohio; Congressman MERLIN HULL, of Wisconsin; Congressman VIRO MARC-ANTONIO, of New York; Congressman THOMAS R. AMLIE, of Wisconsin.

The list is growing daily. There seems to be a renewal of hope that you will use your great influence to hasten the ending of this bitterly unjust imprisonment. Though counsel for Mooney are assiduously pressing his cause in the courts—doing so with inspiring self-sacrifice—the delays are bound to be long. Even if

the Governor of California should respond favorably to the recent vote of the California assembly calling for the commutation of sentence of Mooney we are informed by him that he will not accept it. He naturally insists upon a complete vindication or nothing.

So we respectfully call upon you to heed the voice of justice-loving people everywhere which is symbolized by the congressional letters pouring into your office.

Yours sincerely,

TOM MOONEY DEFENSE COMMITTEE OF WASHINGTON, D. C.
JOHN W. JENKINS, Chairman.
GARDNER JACKSON, Secretary.

IMPROVEMENT OF BUSINESS CONDITIONS

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD a clipping from the Washington Sunday Star of May 5, 1935, entitled "Quarter's Net of 200 Companies Gains 28 Percent Over 1934 Period."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

QUARTER'S NET OF 200 COMPANIES GAINS 28 PERCENT OVER 1934 PERIOD—LEADING CORPORATIONS MAKING RAPID STRIDES TOWARD 1929 PROFIT LEVEL, SAYS BUSINESS WEEK; MACHINERY AN OUTSTANDING FEATURE

NEW YORK, May 4.—Despite the fact that some quarters are still talking about "prospective" recovery instead of acknowledging the progress already made, most leading industrial companies are taking rapid strides toward the 1929 profits level, says Business Week today. "A few have already attained or passed that goal", it continues. "Examples are Eaton Manufacturing, catering to the motor industry; Air Reduction in the chemical field; American Chiclé, profiting by the gum-chewing proclivities of the American public; National Distillers, for obvious reasons."

"Business Week has tabulated some 200 companies whose first-quarter earnings have been made available. As a group, these concerns forged more than 28 percent ahead of the first quarter of 1934. Extraordinary gains characterize the earnings reports of construction-material makers, machinery manufacturers (778 percent), electrical-equipment producers (203 percent), publishing and printing firms (126 percent); also those of companies in the steel and iron, metal products, nonferrous mining, and railway-equipment industries. The food industry did less well in the first 3 months of 1935 than in the same period of 1934, despite the fact that food prices are higher this year than last. The drug list and the limited sample of retail trade included have failed thus far to show up as well as in 1934."

HOME BUILDING ACTIVE

"Improvement in residential construction and the boost given to modernization and renovation obviously lie behind the rise in the returns of construction-material makers. Johns-Manville made the first profit for the quarter since 1931. Gains in the machinery- and electrical-equipment group indicate that even the heavy industries are beginning to feel the expanding volume of business purchases. Link-Belt earnings are up 70 percent; Allis-Chalmers had the smallest loss for any quarter of the current depression; United States Hoffman Machinery (garment pressers) found earnings jumped 76 percent as the clothing industry stepped up operations. Caterpillar Tractor sales and profits both rose about 38 percent. Westinghouse first quarter profits were more than 10 times the earnings for the whole year 1934. General Electric sales and earnings this year are the largest for the period since 1931."

"In the steel industry the hand of the durable goods buyer is also clearly apparent. Automobile production of predepression volume is a major factor, but farm implement, refrigerator, and other consumers have been well down in front among buyers. United States Steel cut its loss from over \$6,900,000 to less than \$2,200,000. Other large producers are still in the red, but less so than a year ago. Some, like National Steel, report increased profits of 105 percent, making the first 3 months of 1935 the best quarter of any year since 1929. Inland Steel profits are up 123 percent; Midland Steel, 386 percent."

MOTORS SET PACE

"The motor industry, whose fearlessness set the pace for first-quarter manufacturing activity, dominates the Business Week list, though only six companies are included. General Motors had the largest first-quarter since 1930, with sales up 20 percent. Even the smaller companies whose markets have been squeezed by the big three are doing creditably—witness Auburn, whose loss was cut in half; Reo, which made the first profit for the period since 1929; Graham Paige, whose profits leaped 695 percent; Packard, whose loss was reduced."

"Such activity in the motor industry was pie for the parts and accessories producers; 22 out of 23 companies operated in the black, both in 1934 and 1935. Most of them more than doubled last year's first-quarter earnings. Eaton Manufacturing made a 29-percent jump on the first-quarter 1929 earnings. Houdaille-Hershey nearly reached the earnings total of all 1934 in the first 3 months of 1935. Thompson Products has already exceeded the earnings of the whole year 1930."

"Competition, strikes, and termination of unusual profits in liquor sales lowered earnings in the food lines. Restaurants, Spiegel, May, Stern, and McLellan earnings tipped the retail record into the red. Among the miscellaneous group are concealed such

extraordinary gains as that of Douglas Aircraft, whose profits were nearly equal to those for the whole of 1929 and almost 10 times all of 1934's."

THE ST. VITUS' DANCE GOVERNMENT—ADDRESS BY SENATOR LONG

Mr. LONG. Mr. President, I ask unanimous consent to have a radio address printed in the RECORD.

Mr. ROBINSON. What is the speech?

Mr. LONG. A speech I made over the radio.

Mr. ROBINSON. A speech the Senator himself made?

Mr. LONG. Yes; a mighty good speech. [Laughter.]

Mr. ROBINSON. It could not be a good speech if the Senator made it. [Laughter.] I shall not object to the request.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Radio address by Hon. HUEY LONG, of Louisiana, May 2, 1935

Ladies and gentlemen: Whether you do or do not believe in the divine rule of the Scriptures, or in the precepts of the founders of this country, or in history, or philosophy, if you will believe the four tables of arithmetic—those of addition, subtraction, multiplication, and division—you will agree with me that the wealth of this land must be immediately redistributed among our 125,000,000 people if America is to be saved.

For a moment, ladies and gentlemen, let me turn to the last radio address delivered by our President, the Honorable Franklin Delano Roosevelt. It was delivered to the people of our country on last Sunday night.

Now the President says that the people cannot understand just how good he has got them coming along. Here are his words:

"The job of creating a program for the Nation's welfare is, in some respects, like the building of a ship. At different points on the coast where I often visit they build great sea-going ships."

You see what the President is talking about there, is that, when he goes out on that \$5,000,000 yacht they call the *Nourmahal*, owned by brother Vincent Astor, who does lots of ship-subsidy business with the United States, where they get as much as \$1,000 for carrying one 3-cent letter, he sometimes sees them building ships. Now let us quote him further:

"When one of these ships is under construction and the steel frames have been set in the keel, it is difficult for a person who does not know ships to tell how it will finally look when it is sailing the high seas. * * * It is that way with the making of a national policy."

Oh, so we see now, our President of the United States, the "Knight of the *Nourmahal*", says we are confused because we cannot see just how this thing is going to look when he gets through making it. Why to be sure! All those millions of hogs they killed; all those cattle they shot down; the milk they poured into the rivers with the people starving for it; all of the cotton they plowed under and wool that they burned up, with the people naked because they could not get it; none of us can see just how that is working out. But the President says it is going to look pretty when he gets the picture made up. Surely it will look pretty. It may not look exactly like a song, but it will be something like a dance—the St. Vitus' dance.

Now, the President said this:

"They know that the process of the constructive rebuilding of America cannot be done in a day or a year."

No; and if he is a fair sample of it, they know it cannot be done in 100 years. His process of construction, if you call it construction, is to start out repairing the automobile by first tearing off the top and then when the rain begins to beat in, to hammer the engine to pieces, tear down the chassis, and then wind up by taking off the wheels. That leaves only one thing to do—he sends the bill for the work. That bill has now reached the size of over \$30,000,000,000, six times more than all of the money in circulation in the United States.

But now we are getting to something. The President takes us into his confidence. Here is what he says next:

"The most difficult place in the world to get a clear and open perspective of the country as a whole is in Washington. * * * That is why I occasionally leave this scene of action for a few days to go fishing."

Now if you will observe closely, our President remarks that he could not find out about the people of the country in Washington, so he betook himself on board the \$5,000,000 yacht called the *Nourmahal*, owned by Vincent Astor, where he was dead certain to find out just how things were getting along. This *Nourmahal* yacht sailed out into the British waters with the President on board and soon thereafter was boarded by the son and daughter-in-law of the King of England, the Duke and Duchess of Kent, and now after some several days or weeks tour on the briny English waters, enthroned on a \$5,000,000 yacht, in company with the multimillionaire Astor and the Duke and Duchess of Kent right out of England, our great and benevolent President returns and says he went on this fishing trip to find out what it is all about.

This will be great comfort to the cotton hands who are not allowed to plant cotton this year. It will do a great deal of help among the starving who are told they must make contracts to reduce the quantity of foodstuffs so there will not be too much. Hooray for the President's fishing trip! Let's send him off again.

If he doesn't get any better understanding of conditions in this country than he has had in the last 2 years, it would be a fine thing if Congress made a contract with Mr. Vincent Astor and his \$5,000,000 yacht, not only to take the President out in the British waters to fish for a few weeks, but to keep him there for several more months and trust to luck the country would find its way back to normalcy.

I didn't get to hear the message of the President as it was delivered over the radio, because I was on board a train returning from Des Moines, where I had made a speech. But I will say to you that at that place I took a vote of the crowd—some 20,000 highly educated and intelligent people—and without one exception every hand was raised into the air favoring the plan for a redistribution of wealth and not one hand was raised against it.

But to get back to my point. Not having heard the President speak, as I returned to Washington I stepped over to my office when I was approached by an officer who said to me:

"I heard the President last night."

"What did he say?" I asked.

"He said to just keep waiting."

But the President of the United States has long since forgotten the pledge and promise which he made and on which he was nominated and elected the President of the United States. He promised in terms that were certain; in language which could not be misunderstood, that he would break up the size of the big fortunes of this country and use it to build the common people up from the ground to where they had something on which to live in comfort. He made that promise in the speech which he delivered in Atlanta, Ga., the basis on which I declared for him for President. He made that promise when he accepted the nomination of the Democratic Party at the Chicago convention. He made that promise in other speeches which he delivered during the campaign. And I was sent into State after State, directly from the then candidate for President—Mr. Roosevelt—to tell the people that when Mr. Franklin De-la-no Roosevelt became our President, that the big fortunes would be whittled down to a reasonable limit in size and that thereby the common run of mankind would be built up from the bottom, at least to the point where all our people had a home and the comforts of life for their families, with steady employment to all labor and profit over production costs to all farmers.

What I say as to these promises by our President will not be disputed by him or by anyone else. They are in indelible type; they are in letters and pamphlets that cannot be questioned.

But now, in the third year of his administration, we find more of our people unemployed than at any other time. We find our houses empty, our people hungry, many of them half clothed and many of them not clothed at all. We find not only the people going further into debt, but that the United States is going further into debt, the States are going further into debt, and the cities and towns are going even into bankruptcy. The condition has become deplorable. Instead of his promise, the only remedy that Mr. Roosevelt has prescribed is to borrow more money if we can and to go further into debt. The last move was to borrow \$5,000,000,000 on which we must pay interest for the balance of our lifetime. And with it all there stalks the slimy specter of want, hunger, destitution, and pestilence, all because of the fact that in the land of too much to eat and too much to wear, our President has failed in his promise to have these necessities of life distributed into the hands of the people who have need of them.

Now the jet-black shadow of our want and misery came upon us step by step with certain precision, day after day, month after month and year after year. There were investigations and studies made both by private bodies and governmental agencies to find out the causes of our trouble. The whole matter was studied very seriously up to as late as the years 1916 to 1920. The departments of the United States Government and many of our statesmen and newspapers and other journals openly stated that our growing trouble was caused by too much of our wealth getting into the hands of too few of our people. All of them said that we had to turn things around the other way, so as to have the few people owning less and less; so as to have the masses own more and more.

But such things were said at a time before the money masters had muzzled these public journals and before they had stifled the agencies of our Government's research and publicity. Here is what the Government report rendered to Congress in 1916 by the Industrial Relations Commission said:

"The sources from which industrial unrest springs are, when stated in full detail, almost numberless. But, upon careful analysis of their real character, they will be found to group themselves almost without exception under four main sources which include all the others. These four are:

"1. Unjust distribution of wealth and income."

The United States Industrial Relations Commission said further:

"The rich, 2 percent of the people, own 60 percent of the wealth; the middle class, 33 percent of the people, own 35 percent of the wealth. The poor, 65 percent of the people, own 5 percent of the wealth. This means in brief that a little less than 2,000,000 people, who would make up a city smaller than Chicago, own 20 percent more of the Nation's wealth than all the other 90,000,000."

But at about the time these studies were being made, our country was thrown into the European war in 1917 and when the shades of 1919 were lowered on the peace conference in Paris, the billionaires and multimillionaires of our finances had begun

to apply their pressure throughout America. They saw to it thereafter that nothing more was said about too few people owning too much, or about too many people owning too little. They muzzled down on everything as tight as a drum. From 1920 to 1929 they chained business and banks and roped in all of the businesses and institutions of this country four times as tight as they had ever held them. In the first year of Hoover's reign with more foodstuffs and more wearing apparel, more manufactured articles, more houses, and more of everything else than this country had ever seen in all of its history, notwithstanding all our abundance of everything for which our people had any need, there began to come about the first wave of our greatest hunger, nakedness, homelessness, and destitution in this land where there was too much of everything.

Why was that?

It was because of the fact that in spite of those conditions of too few owning too much, as we found to exist in 1916, that as a matter of fact in the 14 years time which followed from 1916 to 1930 those conditions grew to be two times as bad as they were when they were complained about in 1916. The study of the Federal Trade Commission, made in 1930, said:

"The foregoing table shows that about 1 percent of the estimated number of decedents owned about 59 percent of the estimated wealth and that more than 90 percent was owned by about 13 percent of this number."

So you will see from a comparison of these two Government reports that 1 percent of the people owned as much in 1930 as 2 percent of the people owned in 1916. So it proved that the Government was correct in 1916 when it warned that too much of the wealth in the hands of too few people was bringing on calamity; for when we reached 1930, with the condition growing from bad to worse, the whole country collapsed and misery was brought upon the population in the land that was flowing with milk and money.

From the studies which I made I charged along about the years 1932-33 on the floor of the United States Senate that 4 percent of the people owned 85 percent of the wealth and that 96 percent of our people owned less than 16 percent of the wealth. I charged that 70 percent of the people of the United States didn't own enough to pay their debts. There was considerable ridicule made against the figures which I gave. During the last month of April, of this very year, the newspaper in New York City with the largest circulation, the Daily News, announced that it would send a special representative to Washington to investigate the figures which I had given out. So it sent here a gentleman named Lowell Limpus, and in the issue of the Daily News of Monday, April 8, 1935, just 3 weeks ago, here is what that great newspaper said. I quote their words:

"Four percent own 87 percent of United States, News survey shows."

Now, that is the headline of this newspaper. I will read you from the article of this newspaper of April 8, 1935:

"The News recently suggested editorially that figures quoted in current discussions on the distribution of wealth 'ought to be proved or disapproved by an official survey.' No figures being available, the News instituted a survey of its own. The results are covered in a series of articles, of which this is the first."

Now I continue to quote from this article. Here is what they said:

"The News survey simply brings the picture up to date—or as nearly so as figures permit. It reveals the following facts:

"Less than 4 percent are getting 38.5 percent of the aggregate national income. They own and control more than 87 percent of the national wealth.

"The poor are getting poorer. The national income is steadily draining into fewer and fewer pockets. The Nation's wealth is rapidly coming under the control of a mere handful of men."

I quote further from this article in the Daily News:

"The facts were there, but they were ignored. It remained for Senator HUEY LONG and his ilk to force them to the attention of the public.

HUEY LONG OPENED BOOKS

"He adopted a technique which had never occurred to the students. Huey mounted a soap box and beat a bass drum. The public stopped to listen. The News survey reveals that he knew what he was talking about—but so did the students who preceded him."

So now, my friends, I will not take the time to read you further what this big newspaper which checked up on my figures has said, but it took the time to write an editorial, and here is what the editorial of the New York Daily News of April 11, 1935, says:

"When HUEY LONG in his share-the-wealth reply to General Johnson said that 1 percent of Americans own 59 percent of America's wealth, while 4 percent own between 85 percent and 95 percent of the wealth, we knew he was a liar. We intimated as much, and added that somebody ought to look into this question and get the true figures on American wealth distribution in order to refute this demagogue LONG.

"The News then assigned one of its most competent investigators, Lowell Limpus, to the job of digging up the figures. * * * And so Lowell Limpus went to Washington and worked for weeks in the Library of Congress and elsewhere to root up the true figures with which to confound LONG.

"The results of that research are now being published in the News. And to the consternation of many people (including our-

selves when we first heard of them), the results of that research show that LONG had essentially the correct dope.

"The gist of the Limpus findings is this:

"More than 96 percent of the workers in the United States receive less than the \$2,000 a year which is regarded as 'sufficient only for basic necessities.'

"According to the United States Federal Trade Commission, in 1926, 1 percent of the people dying did own 59 percent of the wealth reported; and since that time the rich have been getting richer in proportion and the poor poorer.

"When Limpus discovered that such was the picture of wealth distribution in the United States he wired the News that his data would prove very startling, and that probably his findings could not be published.

"It was decided, after some deliberation, to publish them nevertheless. That decision was made on the ground that the ostrich act of sticking our heads in the sand, blinding ourselves to facts will only do us harm in the long run. To suppress these facts might damper down some unrest for a while. But it is these facts which are causing the unrest. The eventual kick-back would be much more serious if the facts continued to be kept under cover.

"And they are ominous facts. It has happened time and again that when a nation's wealth has become concentrated in too few hands, and ways of redistributing part of it peaceably have not been worked out, ways of redistributing it by violence have been adopted in time—as in France and Russia. And as long as mass purchasing power stays down and continues to shrink, there will be overproduction of the bathtubs, cars, radios, etc., which we like to think are elements in the American standard of living."

Will the balance of the newspapers do what this newspaper has done, or will they continue to be blind and lead the balance of the blind into the mire of destruction and ruin?

But the great journalistic thought of the present day refuses to see the light. The Saturday Evening Post of this week, dated May 4, 1935, has this leading editorial, from which I quote as follows:

"FACTS ARE STUBBORN"

"Rarely does any subject receive so much attention as the Honorable HUEY LONG. There is grave discussion as to how he will affect the fortunes both of the new deal and of the Republican Party. * * * Everyone has an opinion as to whether he is a 'menace' or not; the view taken depending on many different factors. * * * The core of Senator LONG's plan is to take away from all persons such wealth as they have in excess of \$1,000,000, giving them the right to choose what particular kinds of property they will keep within the maximum permitted. Of the total wealth thus appropriated, he suggests that something less than half be used to educate young people and that something over half be used to bring families having less than \$5,000 of property up to that figure. * * * This country has no official figures or even accurate estimates concerning the distribution of wealth. All that can be done is to capitalize for estimate purposes the incomes reported by the Bureau of Internal Revenue, and on this basis, LONG's estimate of the wealth to be shared is 14 or 15 times too high."

I have not the time to read further from this editorial. You will see that it conflicts with two reports of the Government and the recent study made by the New York Daily News, to say nothing of my own calculations; but now note that this Saturday Evening Post article says that there are no figures to show the distribution of wealth. Because of that, I now ask you to let me read to you what this very same Saturday Evening Post said in its issue of September 23, 1916. That editorial is headed "Are We Rich or Poor?" And here is what the Saturday Evening Post itself said:

"The man who studies wealth in the United States from statistics only will get nowhere with the subjects, because all the statistics afford only an inconclusive suggestion. Along one statistical line you can figure out a nation bustling with wealth; along another a bloated plutocracy comprising 1 percent of the population lordling it over a starveling horde with only a thin margin of merely well-to-do in between."

What is the matter with you, Saturday Evening Post? Here you are saying there are no figures to show any such thing as I am saying, when nearly 20 years ago, when you were allowed to be honest, you told the people that 1 percent of the people had a stranglehold on nearly everything the country had in it. Why, this magazine doesn't know that I was its scholar in 1916 and it helped to push me along in this fight, and now, after 20 years of effort, it has failed to remember what it knew way back yonder and which everybody else has begun to find out at this late date.

So now, my friends, you have heard me read how a great New York newspaper, after investigation, has declared that all I have said about the bad distribution of this Nation's wealth is true. I have been severely condemned and ridiculed, over a period of many years, for persisting in giving the people the facts regarding this bad situation. Time after time, all that I have said has been pronounced false. Now they are beginning to say that it is all too true and too sad. I join them in their statements. It is too true and too sad. But we have been about our work to correct this situation. That is why the share-our-wealth societies are forming in every nook and corner of America. They are meeting tonight. Soon there will be share-our-wealth societies for everyone to meet. They have a great work to perform. Here is what we stand for, in a nutshell:

1. We propose that every family in America shall at least own a homestead equal in value to not less than one-third the average

family wealth. The average family wealth of America, at normal values, is approximately \$16,000. So our first proposition means that every family will have a home and the comforts of a home up to a value of not less than \$5,000.

2. We propose that no family shall own more than 300 times the average family wealth, which means that no family shall possess more than a wealth of approximately \$5,000,000. And we think that is too much. The two propositions together mean that no family shall own less than one-third of the average family wealth, nor shall any family own more than 300 times the average family wealth. That is to say that none should be so poor as to have less than one-third of the average, and none should be so rich as to have more than 300 times the average.

3. We next propose that every family shall have an income equal to at least one-third of the average family income in America. If all were allowed to work, according to our statistics, there would be an average family income of from \$5,000 to \$10,000 per year. So, therefore, in addition to the home which every family would own and the comforts of life which every family would enjoy, every family would make not less than \$2,000 to \$3,000 per year upon which to live and educate their children.

4. We propose that no family shall have an income of more than 300 times the average family income. Less the income taxes, this would mean an annual income of \$1,000,000 would be the maximum allowed to any one family in 1 year. The third and fourth propositions simply mean that no family should earn less than one-third the average, and no family should earn more than 300 times the average; none to make too much, none to make too little. Everyone to have the things required for life; every man a king.

5. We propose a pension to the old people. Under our proposal taxes would not be levied upon the sons and daughters, nor the working people to support their aged fathers and mothers. But on the contrary, such support as would be given for old-age pensions would be borne solely by the surplus money which the Government would rake off of the big fortunes and big inheritances.

6. We propose to care for the veterans of our wars, including the immediate cash payment of the soldiers' bonus, and last, but not least, we propose that every child in America shall have a right to education and training, not only through grammar and high school, but also through college and universities. And this education and training would be of such extent as will equip each child to battle on fair terms in the work which it is compelled to perform throughout life. We would not have it that a child could go to college or university provided his parents had the money on which to send him, but it would be the right of every child under our plan to the costs, including living expenses of college and university training, which could be done by our country at a cost considerably less than is required for the military training which has been given to the youth in the past.

My plan is that our Government should call in this surplus wealth above a few million to any one family and then distribute it out to those who have the need of the same. Some criticize that plan, but it is prescribed by the Bible. I read you the words: "And the multitude of them that believed were of one heart and of one soul: neither said any of them that ought of the things which he possessed was his own; but they had all things common."

"Neither was there any among them that lacked: for as many as were possessors of lands or houses sold them, and brought the prices of the things that were sold."

"And laid them down the apostles' feet: and distribution was made unto every man according as he had need." (See Acts, ch. 4, verses 32-36.)

It is our purpose that every man should pursue a calling that means a living to himself and his family in peace and comfort; that the shelter and home of every family should be their own. That is as the Bible says it should be. I read you the words:

"And they shall beat their swords into plowshares and their spears into pruning hooks; nation shall not lift up a sword against nation, neither shall they learn war any more, but they shall sit every man under his vine and under his fig tree; and none shall make them afraid" (Micah, ch. 4, verses 3 and 4).

We say that none shall be too rich and none too poor. The Bible says such is as it should be. I read you the words:

"Give me neither poverty nor riches; feed me with food convenient for me; lest I be full and deny Thee and say, 'Who is the Lord?' or lest I be poor and steal, and take the name of my God in vain" (Proverbs, ch. 30, verses 8 and 9).

And we say if these statutes of God are observed our people shall live in peace and comfort forever. The Bible says so. I read you the words:

"If you walk in my statutes . . . ye shall eat your bread to the full and dwell in your land safely, and I will give peace in the land, and ye shall lie there and nothing should make you afraid" (Leviticus, ch. 26, verses 3 to 17).

Let no one tell you that it is difficult to redistribute the wealth of this land; it matters not how rich or great one may be, when he dies his wealth must be distributed anyway. The law of God shows how it has been done throughout time. Nothing is more sensible or better understood than the redistribution of property. The laws of God command it. It is required of all nations that live. (See Leviticus, ch. 26.) Today our Nation is cursed with an overload of debt; public and private debts aggregate \$262,000,000,000. That is more than \$2,000 to every person. Under the present set-up this burden of debt can never be paid. It will forever condemn our people.

The laws of our Lord command that such burden of debt must be wiped out of existence so that a people may have a fair chance in life. (See Deuteronomy, ch. 15.)

So let us be about our work. It is simple. Why lie ye here idle? There is enough for all. Let there be peace in the land. Let our children be happy.

Our fight is now on here in the United States Senate to pay the soldiers' bonus. It is a debt which is due the soldiers who fought our wars. We are fighting to keep the Patman bill, which actually pays this bonus, from being sidetracked. The bill is already past the House of Representatives. Maybe you would like to wire your United States Senator tonight to ask him to stand for the Patman bill tomorrow.

I would like to hear from any of you if you wish to concern yourself with the work that we have in hand. If you want a copy of my speech, I will send it upon request. You can write to me here in Washington, D. C., care of the United States Senate.

How wonderful, how great, how fruitful to all this great land of ours can be. We only have to eliminate useless greed, provide that none shall be too big and none too small. Beautiful America can rise to the opportunity before it. It means to us all:

Every man a king.

PRINTING OF TELEGRAMS IN THE RECORD

Mr. ASHURST. Mr. President, I have been such a confirmed and casehardened sinner with respect to printing matters in the RECORD that I am somewhat reluctant at this moment to ask that certain telegrams which I have received be printed in the RECORD; but, inasmuch as it is impossible for me to reply to all such telegrams, for the reason, among others, that I do not wish to make too severe a drain upon our contingent fund, I ask that these telegrams be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection?

Mr. CLARK. Mr. President, I have no intention of objecting to the request of the Senator from Arizona, but I should like to suggest that I have on my desk telegrams which I have received within the last 2 days to the number of 2,200, by actual count; and if the Senator from Arizona is going to have the telegrams received by him printed in the RECORD, and every other Member of the Senate is going to have the telegrams received by him printed in the RECORD, the RECORD will expand to unheard-of proportions. So far as I am concerned, as I have said, I do not intend to object to the request of the Senator from Arizona, but I will object to the request of any other Senator to print a lot of telegrams in the RECORD.

Mr. FLETCHER. Mr. President, may I ask the Senator from Arizona to withdraw his request? All Senators are receiving numerous telegrams of a similar character. To have them printed in the RECORD would establish a precedent; and every other Senator would want to do the same thing. Furthermore, it would cost thousands of dollars. So I submit to the Senator, in consideration of the expense which would be involved and the precedent which would be created, if he will not withdraw his request?

Mr. ASHURST. Mr. President, I cannot be insensible to the courteous and, I think, reasonable request which has been made by the Senator from Missouri [Mr. CLARK] and the Senator from Florida [Mr. FLETCHER]. However, I think it is my duty as a Senator to let my constituents know that, at least, I received their telegrams though I cannot answer them. My private purse would not admit of my paying the tolls; my constituents would resent the action if I should send them telegrams marked "collect", and I do not feel that the contingent expense fund should be charged with the cost.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ASHURST. Certainly.

Mr. CLARK. The basis of my suggestion was that I entirely understand the situation of the Senator from Arizona. There are some of us here who cannot even send out form letters answering propaganda letters and telegrams which we receive. I received in one Sunday morning's mail 6,000 letters on the subject of the holding-company bill. Of course, I recognized that those were propaganda letters, inspired by a certain source which I well understood; but I should like to let my constituents know that their letters had been received and make an acknowledgement even by a form letter. However, the demands of the ordinary senatorial duties upon my office force are such that I was not

able even to send out a form letter acknowledging these 6,000 letters and many other thousands which I received during that week.

Mr. ROBINSON. Mr. President—

Mr. ASHURST. I yield to the Senator from Arkansas.

Mr. ROBINSON. I think it is very bad practice and a bad precedent to undertake to answer through the CONGRESSIONAL RECORD communications which Senators receive from their constituents. I think it is worthy of consideration that practically all Senators are now receiving an almost unlimited number of communications, and none of us are able to answer them all. There are instances of thousands of telegrams being received by Senators, every one of them in identical form. I do not believe the Senator from Arizona should persist in his request, and I ask him to withdraw it.

Mr. ASHURST. I shall accept the suggestion of the Senator from Arkansas.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ASHURST. I yield to the Senator from Kentucky.

Mr. BARKLEY. I have contemplated issuing a statement to the newspapers to the effect that I have received telegrams from practically everybody in Kentucky on some subject, and that I cannot answer them all individually. That might serve the purpose the Senator from Arizona has in mind.

Mr. LONG. Mr. President—

Mr. ASHURST. I yield to the Senator from Louisiana.

Mr. LONG. I merely wish to suggest to my friend from Arizona that if he will vote for the Patman bill his constituents will be fully satisfied. [Laughter.]

Mr. ASHURST. I cannot vote for the Patman bill.

Mr. President, I have no intention further to delay the proceedings of the Senate. I am able to perceive that there is much force in what Senators have said. I realize that I have not the right to expect that the door be opened to me and closed to others, and, therefore, I shall withdraw the request; but before doing so, let me say that during my official career I have taken pride in the fact that I have always personally answered all letters which have been received. That is no longer possible. I received, as doubtless other Senators do, letters by the thousand with respect to the Wheeler-Rayburn bill. Nearly all these letters use the same language; as lawyers would say, they are in haec verba; they are all, as a rule, written on the same typewriter, the same misspelling occurs and the same faulty construction of language. Now and then, of course, it is a mere mischance that the writers all happen to make the same mistakes and to use the same typewriter; but I do wish them to know, at least that I received their letters, and I adopt this method of announcing to them that they need not expect a personal reply.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The PRESIDENT pro tempore. Morning business is closed. Under the unanimous-consent agreement heretofore entered into, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 3896) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Missouri [Mr. CLARK], as amended, in the nature of a substitute for the amendment of the committee as amended.

Mr. BORAH. Mr. President, I simply desire to ask that the amendment to the amendment be stated. Do I understand the question is on what is known as the "Vinson bill"?

The PRESIDENT pro tempore. Yes.

Mr. HARRISON. Mr. President, if we are ready to vote I have no desire to say anything further; but I do wish to make the point of no quorum, so that a greater number of Senators may be present.

The PRESIDENT pro tempore. Does the Senator from Idaho still desire to have the amendment stated?

Mr. BORAH. No; I do not. I now understand what it is. The PRESIDENT pro tempore. It is the so-called "Vinson bill" as amended. The absence of a quorum call has been suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Johnson	Pittman
Ashurst	Connally	Keyes	Pope
Austin	Coolidge	Kling	Radcliffe
Bachman	Copeland	La Follette	Robinson
Bailey	Costigan	Lewis	Russell
Bankhead	Couzens	Logan	Schall
Barbour	Dickinson	Loneragan	Schwellenbach
Barkley	Dieterich	Long	Sheppard
Bilbo	Donahay	McAdoo	Shipstead
Black	Duffy	McCarran	Smith
Bone	Fletcher	McGill	Stelwer
Borah	Frazier	McKellar	Thomas, Okla.
Brown	George	McNary	Thomas, Utah
Bulkley	Gerry	Maloney	Townsend
Bulow	Gibson	Metcalf	Trammell
Burke	Guffey	Minton	Truman
Byrd	Hale	Moore	Vandenberg
Byrnes	Harrison	Murray	Van Nuys
Capper	Hastings	Neely	Wagner
Caraway	Hatch	Norris	Walsh
Carey	Hayden	Overton	White

Mr. LEWIS. I announce the absence of the Senator from North Carolina [Mr. REYNOLDS], who is away on Government business.

I also announce the absence of the Senator from Maryland [Mr. TYDINGS], who is necessarily detained from the Senate.

I regret to announce the absence of the Senator from Wyoming [Mr. O'MAHONEY], caused by illness.

I ask to have this announcement remain in the RECORD for the day.

Mr. AUSTIN. I announce the absence of the Senator from Pennsylvania [Mr. DAVIS] by reason of illness.

I also announce the absence of the Senator from North Dakota [Mr. NYE] and the Senator from South Dakota [Mr. NORBECK], who are necessarily detained.

I ask that these announcements stand on all quorum calls for the day.

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

The question is on the amendment offered by the Senator from Missouri [Mr. CLARK], as amended, in the nature of a substitute for the amendment reported by the committee as amended.

Mr. COUZENS. Mr. President, I desire to make a brief statement before the vote is taken. The parliamentary situation is such that it is going to be rather confusing to know how to vote and yet properly to reflect one's attitude.

I am against the Harrison bill; against the Patman bill, and against the Vinson bill; I am against them all; but whether I am able to interpret my intentions through the roll calls will largely depend upon the statement I have now made, because, otherwise, my votes may be misunderstood.

The PRESIDENT pro tempore. The yeas and nays having been ordered, the clerk will call the roll on the amendment of the Senator from Missouri [Mr. CLARK], as amended, in the nature of a substitute for the amendment reported by the committee as amended.

The Chief Clerk proceeded to call the roll.

Mr. FRAZIER (when Mr. NYE's name was called). My colleague [Mr. NYE] is absent from the city. I am informed that he is paired on this question with the senior Senator from Virginia [Mr. GLASS]. If present, my colleague would vote in the affirmative, and I understand the Senator from Virginia would vote in the negative.

The roll call was concluded.

Mr. LEWIS. I announce the pair between the Senator from North Carolina [Mr. REYNOLDS] and the Senator from Maryland [Mr. TYDINGS]; and I am authorized to state that if the Senator from North Carolina were present he would vote "yea", and the Senator from Maryland, if present, would vote "nay."

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness. If the Senator from Wyoming were present, he would vote "yea."

I desire further to announce that the Senator from Virginia [Mr. GLASS] is detained on account of illness in his family; that the Senator from Oklahoma [Mr. GORE] is detained on important departmental business; that the Senator from North Carolina [Mr. REYNOLDS] is absent on an official mission for the Senate to the Virgin Islands; that the Senator from Maryland [Mr. TYDINGS] is unavoidably detained from the Senate; and that the Senator from Montana [Mr. WHEELER] is engaged in an important meeting of the committee. If present, the Senator from Montana would vote "yea."

I also wish to announce that the Senator from Iowa [Mr. MURPHY] has been called to one of the departments on business of importance to his State. If present, he would vote "yea."

Mr. AUSTIN. I announce the absence of the Senator from Pennsylvania [Mr. DAVIS] on account of illness. If present, he would vote "yea."

I also announce the necessary absence of the Senator from South Dakota [Mr. NORBECK]. If present, he would vote "yea."

The result was announced—yeas 54, nays 30, as follows:

YEAS—54

Adams	Costigan	McAdoo	Schwellenbach
Bachman	Dickinson	McCarran	Sheppard
Bankhead	Dieterich	McGill	Shipstead
Bilbo	Donahay	McKellar	Smith
Black	Duffy	McNary	Steiwer
Bone	Frazier	Maloney	Thomas, Okla.
Borah	George	Minton	Thomas, Utah
Bulow	Gibson	Moore	Townsend
Byrnes	Hastings	Murray	Trammell
Capper	Hatch	Neely	Truman
Caraway	La Follette	Norris	Van Nuys
Carey	Lewis	Overton	White
Clark	Logan	Russell	
Copeland	Long	Schall	

NAYS—30

Ashurst	Byrd	Harrison	Pope
Austin	Connally	Hayden	Radcliffe
Bailey	Coolidge	Johnson	Robinson
Barbour	Couzens	Keyes	Vandenberg
Barkley	Fletcher	King	Wagner
Brown	Gerry	Loneragan	Walsh
Bulkeley	Guffey	Metcalf	
Burke	Hale	Pittman	

NOT VOTING—10

Davis	Murphy	O'Mahoney	Tydings
Glass	Norbeck	Reynolds	Wheeler
Gore	Nye		

So Mr. CLARK's amendment, as amended, to the amendment reported by the committee, as amended, was agreed to.

The PRESIDENT pro tempore. The question now is on agreeing to the committee amendment, as amended.

Mr. THOMAS of Oklahoma. Mr. President, the vote just had places the Vinson bill in the position formerly occupied by the so-called "Harrison bill." The Harrison bill was in the form of a committee amendment to the so-called "Patman bill." For the time being the Harrison bill has been disposed of. The issue now comes between the Vinson bill and the Patman bill.

The Vinson bill proposes to pay the full amount of the adjusted-service certificates and to pay them immediately. The bill carries an appropriation in the full amount necessary to pay the certificates. In order for the Treasury Department to secure the money with which to pay the certificates the Treasury must enter the open market and sell bonds and raise the money in that way. The Patman bill proposes to pay the certificates immediately. In that particular the two bills are identical. Both bills now before the Senate propose to pay the soldiers the amounts due them.

Mr. LEWIS. Mr. President, will the Senator from Oklahoma yield?

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. THOMAS of Oklahoma. I yield.

Mr. LEWIS. May I ask the able Senator from Oklahoma if I understood him correctly in a previous statement on the bill that the Vinson bill carries more in the actual amount of money for the payment of the soldiers than does the bill of which we now speak as the Patman bill?

Mr. THOMAS of Oklahoma. In this particular: The Vinson bill proposes to remit all interest of every kind and character. The Patman bill proposes to remit the interest only from October 1, 1931. In other words, if the Vinson bill should pass, all interest on all money borrowed by the veterans to date would be remitted. If the Patman bill should pass, the soldiers would be required to pay interest until October 1, 1931, and from then on the interest is canceled and remitted. In that particular it is true the Vinson bill carries a slightly larger amount than the Patman bill.

Mr. LONG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. I desire to say, if the Senator will permit me, that an accounting would have to be made under the Vinson bill on each certificate. In other words, it would be necessary to check each man's certificate and ascertain what particular amount of interest is due on that particular certificate. I understand there will be an expeditious arrangement of payment under the Patman bill, which obviates a long-time delay, as long as 6 to 8 months in some cases. The slightly larger amount involved would be somewhat in favor of the soldier.

Mr. LEWIS. Mr. President, I thank the Senator from Oklahoma. The statement verifies the statement I myself had made upon the floor. I was in doubt, in view of his later statement, whether I was correct.

Mr. THOMAS of Oklahoma. Mr. President, I think it is true that very little money had been borrowed prior to October 1, 1931. In the event the Patman bill should pass, the bulk of the interest would be remitted and very few computations would be necessary. Should the Vinson bill pass, there would be a great number of computations, which I am advised would cause delay of at least a few months in making payment to the veterans. The provisions of the Patman bill could be put in operation immediately.

Mr. CONNALLY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from Texas?

Mr. THOMAS of Oklahoma. I yield.

Mr. CONNALLY. The Senator was pointing out that under the Vinson bill there would be a larger cash outlay immediately than under the Patman bill.

Mr. THOMAS of Oklahoma. That is my understanding.

Mr. CONNALLY. Is it not worthy of consideration also that under the Vinson bill we would have to pay interest for 10 years on the bonds, which would be issued in payment of the adjusted-service certificates, which would increase the total cost about 30 percent?

Mr. THOMAS of Oklahoma. I was coming to that later.

Mr. President, the Treasury Department in raising money to pay the adjusted-service certificates under the terms of the Vinson bill, will have to sell bonds under the amended Liberty Loan Act passed by the Congress.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. What is the present limitation on the amount of bonds permitted to be outstanding by the Treasury Department?

Mr. THOMAS of Oklahoma. I think it is about \$48,000,000,000. I think we can have outstanding a debt in the nature of a floating debt of about \$25,000,000,000 and the balance in long-term bonds, the total of the floating debt and the long-term debt being permissive to the amount of about \$48,000,000,000.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. I understand the difference between the two bills, aside from the interest matter which the Senator has already discussed, is that payment under the Vinson bill would have to be provided for by the sale of bonds by the Treasury, bearing interest at whatever rate those bonds may bear, while the Patman bill provides for payment by the issue of currency which is not interest bearing.

Mr. THOMAS of Oklahoma. The Senator is exactly correct. In order to secure money with which to pay the

adjusted-service certificates under the terms of the Vinson bill, the Government must sell bonds and pay interest on those bonds at the rate which it has to pay in order to obtain the money. If we should pass the Patman bill, it would provide for the issuance of currency in the form of United States notes. In other words, we propose now to finance the payment of the adjusted-service certificates under the provisions of the Patman bill exactly as the administration financed the Civil War.

Mr. NEELY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Oklahoma yield to the Senator from West Virginia?

Mr. THOMAS of Oklahoma. I yield.

Mr. NEELY. Can the Senator from Oklahoma state the amount of interest the taxpayers of the Nation would be required to pay provided the Vinson bill should be passed?

Mr. THOMAS of Oklahoma. In the event the Vinson bill should be passed and bonds should be issued, the interest would be in the sum of \$2,250,000,000 at 3 percent, and the Senator can make his own calculation. We should have to pay approximately 3 percent, and I am not sure that 3-percent bonds could be sold over a long period of time. The bonds probably would run for 20 years; and the Senator can make his own computation. Three percent on two and a quarter billion dollars, multiplied by 20, would give the total sum that would be required as a tax upon the people of America to meet this maturing obligation. We can pay it now for approximately two and a quarter billion dollars; but if we should issue bonds running for 20 years, it would take something like twice that amount of money to liquidate the indebtedness.

During the Civil War—

Mr. LONG. Mr. President, before the Senator leaves that subject I desire to call his attention to the fact that if the bankers get the bonds under the Vinson bill they can issue currency on them. There is not very much difference in this business, except that the soldier gets the money under the one plan, whereas under the other the banker can take the bonds and still put them up and draw currency on them.

Mr. THOMAS of Oklahoma. The Senator is exactly correct. The banks have the privilege of taking these bonds and issuing credit against them, and making such credit available to the Government, against which the Government can write checks on the banks to pay these sums.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BARKLEY. Of course, it is true that the banks could do that; but it is inconceivable that they would do it, because they now have more money than they know what to do with. They have so much that it is bulging out the walls of the banks. Not very much of it is being loaned; and it is not probable that the banks would put up these bonds to obtain more currency unless they should run short of the money they now have.

Mr. THOMAS of Oklahoma. Let me take issue with the distinguished Senator from Kentucky. He tells the Senate and the country that the banks of America have so much money in their vaults that the walls are about to burst.

Mr. BARKLEY. Of course, that was a figure of speech, as the Senator understands, though a very large figure of speech.

Mr. THOMAS of Oklahoma. I should like to know just what the Senator meant. I have heard that statement made on the floor of the Senate a great many times, and the people are inclined to believe it.

Mr. BARKLEY. I have not made a personal inspection of all the banks to find out how much money they have; but it is well known that the banks have available large amounts of credit which they say are not being called for. Money is not being loaned to private industry or private individuals to absorb this credit; and under the theory I have always entertained, that money circulates in proportion to its demand, unless there should be a demand in the various communities for more money than is now in the possession of the banks, they would not put up these bonds and exchange them for currency.

Mr. THOMAS of Oklahoma. Let me make a counterstatement to the statement made by the Senator from Kentucky as to the banks' vaults being spread apart because of the great amount of money they contain. The Senator from Kentucky is a rather athletic youngster. I make the statement that the Senator from Kentucky could carry on his back every dollar of money that is in every bank in America, eliminating the silver and the copper.

Mr. BARKLEY. I did not quite understand the Senator's statement. Did he say that I could carry on my back all the money that is in the banks?

Mr. THOMAS of Oklahoma. In all the banks of America today, at this moment.

Mr. BARKLEY. May I do it? [Laughter.]

Mr. THOMAS of Oklahoma. The Senator has my permission.

Mr. President, there are in this country about 15,000 banks whose doors are open at this moment. I make the statement that there is not enough real money in all the banks of America today to pay the interest for 1 year on the outstanding loans. We now have in existence more than \$30,000,000,000 of loans—Federal loans, Liberty bonds, and other kinds of Federal paper.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. In just a moment. The interest on the \$30,000,000,000 of loans which we owe is almost \$1,000,000,000, and at this moment there is not that much money in all the 15,000 banks of America. There is less than \$900,000,000; there is less than \$800,000,000; there is less than \$750,000,000 of all kinds of money in every bank in America at this moment.

I now yield to the Senator from Kentucky.

Mr. BARKLEY. I understand, of course, that the Senator from Oklahoma for a long time has advocated putting in circulation a larger amount of money; but I have not understood that as a means of getting that money into circulation he favored the issue of more Government bonds, to be in turn put up by the banks to be exchanged for money.

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. BARKLEY. I have understood that the Senator from Oklahoma sought a different method of obtaining a larger amount of money to be put in circulation, and not by the bond-issue route.

Mr. THOMAS of Oklahoma. The Senator is exactly accurate. I have all the bonds I want, Mr. President—

Mr. BARKLEY. I congratulate the Senator.

Mr. THOMAS of Oklahoma. And I think the country has all the bonds it wants to pay for. The people of the Nation today are under a load of over \$30,000,000,000 of bonds. They must pay the interest from year to year, and in the end they must pay the bonds themselves. So far as I am concerned, I have on my shoulders all the bonds I want to carry, and, in my judgment, the people of America likewise have on their shoulders all the bonds they want to carry; yet the Vinson bill now proposes to authorize and to command the issuance of two and a quarter billion dollars more of bonds to be placed upon the shoulders of the people of America.

The Patman bill does not propose the issuance of additional bonds. It proposes the issuance of money—the kind of money which Senators have in their pockets. I will eliminate the other Senators, and refer to the distinguished senior Senator from Virginia [Mr. GLASS], because, so far as I know, he is the only Senator who carries money around in his pockets [laughter], and he denies that the paper he carries is money. It looks more like money, however, than anything else I ever saw.

Mr. President, the United States finds itself today in the same condition in which the North found itself in the sixties. There was a heavy debt upon the country. Bonds could not be sold. That is our condition today. Is there any Senator present who believes that if the United States Government should offer for sale two or three billion dollars of long-term bonds they could be sold at the prevailing rate of interest? Were it not for the fact that the bond market is pegged, where would the price of bonds be at this good hour?

We find ourselves at this moment in the same condition in which the North found itself in the early sixties. I read from page 286 of a book entitled "Financial History of the United States", by Dewey. This is the condition in which the United States found itself in the early sixties:

The North found itself owing \$100,000,000 to the Army, and \$250,000,000 was due on July 1, 1862.

The banks had exhausted their capital in making loans.

That is about the condition in which our banks find themselves now. The banks are not expanding their circulation, their deposit money, to any appreciable extent. The banks today are just about loaded with Federal bond issues. They cannot take many more, yet they have to take them. There is no other place for the Government to finance itself except through the banks, which have to buy these bonds. The condition is very similar to the condition in 1862.

The banks had exhausted their capital in making loans; money could not be borrowed except at great sacrifice.

That is the condition today. Who can borrow money today? If one has Government bonds, he can borrow money; but the man who has Government bonds does not want to borrow money. How can the people today borrow money on property that is nonproductive, that is nonprofitable?

Money could not be borrowed except at great sacrifice; there was no money to buy bonds.

The same condition exists today. Who today has money with which to buy bonds? What citizen today has money with which to buy bonds? There may be a few, the favored few; but the great masses of the people have no money with which to buy bonds. Only recently the Government brought out an issue of what were called "baby bonds", bonds of small denominations, and advertised them throughout the Nation and tried to sell them to the public. How many bonds have been sold? According to the last account I have seen, less than \$40,000,000 worth; practically nothing. The people cannot buy bonds, however much they would like to buy them. They have no money. There is the same condition which existed in the sixties.

Again I read:

Gold and silver has ceased to circulate.

Gold has gone. It has gone to the Federal Treasury. There is no gold in circulation. While there is some silver in circulation, \$31,000,000 worth, that is all the silver we have in circulation, save the half dollars and the quarters and the dimes which we have in our pockets for change.

Legal-tender currency was necessary to aid in making further loans.

That is the condition we have today. The people have no money; they have no greenbacks; they have no silver, and they cannot borrow credit at the banks. The same condition exists today which existed in 1862. The Government tried to float bonds then, and it could not float them.

I read again from this historical publication. On page 307 I find this language:

The Loan Act of February 25, 1862, authorized the issue of \$500,000,000 of bonds redeemable after 5, and payable 20 years from date, bearing 6-percent interest.

Mr. SMITH. Bearing how much?

Mr. THOMAS of Oklahoma. Six percent. In 1862 the North authorized the issue of \$500,000,000 of 6-percent bonds. Could they sell them? Here is the history:

The bonds could be sold "at the market value" for either coin or Treasury notes. This act proved to be of little immediate assistance, for previous to December 1862 only \$23,750,000 of the issue were sold.

Six-percent bonds! From February until December, for almost a year, the Government tried to sell these long-term 6-percent bonds; and after nearly a year's work the Government sold less than \$25,000,000 of them. I hope our credit is now better than that; but if we should authorize the issuance of a billion or two billion dollars of bonds, and offer them in the open market, what bidders would we have for them? What chance would we have to sell them to the public of America? The people cannot buy them, because they have not the money. They cannot go to the banks

to borrow. The banks will not lend. That is one reason, in my judgment, why we are not having popular bond campaigns put on in this country. Long-term bonds could not be sold at a reasonable rate of interest because there is no money in circulation.

What did the Government do in 1862? Exactly what we propose today. They did exactly what they had to do. They could not sell their bonds. Money was out of circulation. The only money they had was gold and silver. So the Government proposed to authorize the issuance of \$500,000,000 of Treasury notes. They were called greenbacks. We have some of them in our pockets, old-time Lincolnian greenbacks, United States Treasury notes, the best money in the United States. This money is backed by all the property of all the people, plus the taxing power of the Government.

There is no money anywhere that is better than a greenback. We issued \$456,000,000 of them. They carried on the North during the war. When the war was over, there was a chance for uncontrolled expansion, uncontrolled inflation. But the North did not go to uncontrolled inflation. They had no gold, no silver, no credit, and still they did not let the situation get out of hand. As soon as the war was over, the North joined with the South, began to reconstruct the Nation, gathered up the purse strings, tightened up taxing, stopped the further issuance of notes, and in 10 years' time they had paid off \$10,000,000 of the greenbacks, and as the greenbacks were paid off, money became scarcer, and as money became scarcer, money became higher, and as money went up, prices went down.

Congress, away back yonder, understood the money question. They saw that as fast as they paid off the greenbacks, making money scarce, making money high, making property values low, that was the wrong trend, and Congress passed a law to prevent the further retirement of greenbacks. Then they passed a second law. Not only did they pass a law to prevent the further retirement of greenbacks, but they passed a law providing that greenbacks then in circulation should be continued in circulation, and from 1878 until this date those greenbacks have been kept in constant circulation. Today, \$346,000,000 of those old-fashioned Lincolnian greenbacks, issued away back in the 60's, are in circulation, and there is no better money in the United States.

There are no bonds back of that money, no bonds pledged to support the greenbacks. At one time there was \$450,000,000 of gold in the Treasury to back them up. But now gold has all been placed in a common pool, so the gold we have is not back of money in circulation today.

A year ago some of those who were favorable to greenbacks asked the Treasury of the United States to make computation and to advise us as to how much money the people had been saved because they did not have to pay interest on bonds to support this greenback issue, \$346,000,000 of greenbacks in circulation for 70 years, with no bonds back of them. No interest was paid by anyone to support that money, and because no interest was paid, the people saved the interest, and that meant a saving to the public of more than \$11,000,000,000 in interest, which the public did not have to pay because there were no bonds back of the greenbacks.

Mr. CONNALLY. There was a reserve in the Treasury, was there not?

Mr. THOMAS of Oklahoma. One hundred and fifty million dollars of gold was raised and placed in the Treasury back of those greenbacks.

What is the condition now? We are not in the condition we were in during the Civil War. At that time they had no gold, they had no silver, they had no credit, and had no paper money.

Mr. SMITH. Mr. President, pursuing the question the Senator from Texas asked the Senator from Oklahoma as to whether we had a reserve for the redemption of a percentage of those outstanding greenbacks, still we did not pay any interest on either, so that the amount of interest saved, from the time the greenbacks went into circulation to this date, according to the statisticians, is \$11,000,000,000. That amount was saved to the taxpayers.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Does the Senator from Oklahoma yield to the Senator from Illinois?

Mr. THOMAS of Oklahoma. I yield.

Mr. LEWIS. I am sure the able Senator will add to his observations, wise as they are, that at the present time we have a united government, with a very greatly increased credit, as compared with the time referred to, in the sixties, when we had a divided country, with a very much diminished credit.

I ask my able friend, if greenbacks can be issued by the Government in notes such as those to which he alludes, why cannot that be done under the Vinson bill just as completely as it can be done under the Patman bill, in view of the fact that the amendment tendered by the able Senator from Oklahoma himself, which carries the amount to be paid under the Vinson bill, in no wise prescribes bonds? I should like to know whether we could not issue the same paper if we issued the notes under the Vinson bill as under the Patman bill.

Mr. THOMAS of Oklahoma. I want to be entirely frank with the distinguished Senator from Illinois. He is correct; the Government could do that if it would, provided we made a slight amendment in existing law. Two years ago an amendment was adopted to the Agricultural Adjustment Act to authorize the President to issue \$3,000,000,000 of Treasury notes, the same kind we are talking about, and to put them into circulation to retire outstanding interest-bearing obligations.

The certificates are not interest bearing. If we would provide a simple amendment directing the President to use the \$3,000,000,000 fund to retire these certificates, then he could use the \$3,000,000,000 he has under his control. But I venture the assertion that unless we amend the law the President could not use his power under the amendment of last year to pay these certificates in greenbacks or Treasury notes.

It would take an amendment to existing law permitting him to do it. Otherwise he could not do it.

There is now no law under which the Treasury can issue greenbacks save under the amendment to the Agricultural Adjustment Act, adopted 2 years ago. That is the only power under which they could issue greenbacks. They can issue Federal Reserve notes; they can issue Federal Reserve bank notes; they can issue silver certificates; and they can issue greenbacks to retire outstanding interest-bearing obligations. But these certificates are not interest-bearing obligations. The interest has been figured in, and to that extent they are not interest bearing.

I was about to show the difference between the condition of the country in the sixties and the present condition. Then we had no gold; then we had no silver; then we had no paper money; then we had no credit. We had to issue paper money.

On May the 3d last there was in the Treasury the sum of \$8,725,313,788.85 in gold. On May the 3d last there was in the Treasury in silver of all kinds, save subsidiary silver, \$806,000,000. If we add those two sums together, we find we have more than nine and a half billion dollars of gold and silver in our Treasury. But we cannot use it. We are not paying out the gold, because we adopted a policy of keeping our gold in reserve and not putting it into circulation, on the theory that if it was in circulation it would be taken out of circulation and hoarded.

Neither is the silver in circulation. The people do not care for silver money to carry around in their pockets when they can get paper of the same value. Paper money serves their purpose better. So at the present time we have the gold and silver, but cannot use it except in the way we are now proposing to use it. We have nine and a half billion of gold and silver in our strong box. Against that we have circulation of five and a half billion of all kinds of money. Subtract five and a half billion from the total of nine and a half billion, and we find we have over \$4,000,000,000 of gold and silver in the Treasury, against which there is no money in circulation.

Now, because we propose to issue some money against that surplus, it is said we are standing for fiat money, that we are standing for printing-press money. Printing-press money is the only kind of money we have. If you have money in your pockets, it is, except for the halves and the quarters and the dimes and the nickels and the pennies, printing-press money. That is all the money the Nation has, save the gold and silver in the Treasury, and the gold cannot be secured, and no one wants the silver when he can get paper. The people prefer printing-press money to silver. They used to take the printing-press money in preference to gold.

Mr. NEELY. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. NEELY. Is it not a fact that after the Government issues two billion three or four hundred million dollars of what the enemies of the Patman plan call "printing-press money", there will still be in the Treasury a gold and silver reserve of approximately \$2,000,000,000?

Mr. THOMAS of Oklahoma. Almost that.

Mr. NEELY. Against which there will not be a single paper dollar outstanding?

Mr. THOMAS of Oklahoma. Exactly so. I am going to vote for the Patman bill. I am going to vote against the Vinson bill as an amendment, which will mean that I will vote "no." My vote will be "no" against the Vinson bill. That means that I prefer the Patman bill. Then if the Vinson bill shall be rejected, that will leave the Patman bill, and when that comes up for a vote, I will vote "aye." As between the Vinson bill and the Patman bill I am for the Patman bill, and I will vote against the Vinson bill, so my next vote will be "no." When the Vinson bill is out of the way, that will leave the Patman bill, and on that my vote will be "aye."

Reenforcing what the distinguished Senator from West Virginia has said, if we pass the Patman bill, and if we issue the new money, the kind of money that is called "printing-press money", and pay the soldiers of the United States, four and a half million of them, scattered in all parts of the United States, it will distribute the money everywhere. If we shall print this new money, which will be just like the money Senators have in their pockets, we will pay the soldiers wherever they may be, and after paying them we will still have in the Treasury almost \$2,000,000,000 of gold and silver, against which there is no money printed and in circulation.

Is that fiat money? Fiat money is printing-press money against which there is no gold or silver, no metal, no possible means of redemption.

That is fiat money. Well, this is not fiat money. A Treasury note is the note of the Government. It is the promise of the United States to pay. The United States of America has behind these notes all the property of all the people, plus the taxing power of the United States Government; and that is the best money in America.

Mr. President, let me call attention at this point to some newspaper clippings which I have recently noticed. In Rome there is now meeting a world-wide cotton conference. It is composed of the Federation of Master Cotton Spinners Associations of England, and to this conference have come delegates from all the cotton-producing countries in the world. These representatives, meeting in Rome to discuss the cotton situation, have canvassed the whole problem of cotton and its troubles. Here is a news story of the Associated Press, of date May 2:

MONETARY EXPANSION TO RAISE PRICES URGED

ROME, May 2.—World-wide monetary expansion to raise prices was recommended today to the World Cotton Congress meeting here in a report by the Federation of Master Cotton Spinners Association of Manchester, England.

There is a world-wide organization which has made a world-wide study of the problem confronting the world, especially with reference to cotton. This convention proposes an expansion of the currencies of the world, so as to make money more plentiful throughout the world, so as to make money cheaper throughout the world; and to the extent that money is made plentiful, to the extent that money is made cheaper, to that extent prices will be raised.

There is the recommendation of a world-wide organization in session only a few days ago in Rome.

I have here also a leaf from the American Bankers' Magazine of recent date. That is presumed to be a rather conservative publication, and it is. It speaks for the bankers of America. I find in the issue of April 26—less than 2 weeks ago—the statement that a prominent banker of St. Paul made a trip through South America, 22,000 miles, by airplane, and visited all the countries of South America. When he came back he was interviewed; and I desire to read his short interview, which is quoted from the American Banker, the issue of April 26, 1935:

ST. PAUL BANKER REPORTS INFLATION IN SOUTH AMERICA

ST. PAUL, MINN.—Richard C. Lilly, president of the First National Bank here, returning from a 2 months' vacation—a 22,000-mile air jaunt—to various South American countries, reports inflation everywhere he went.

"In nearly every South American country the currency has been depreciated", he said. "Our money was worth 2 to 4 times its value in this country, depending, of course, on where you were. Argentina's money was the most stable."

But in spite of the depreciated currency, he said, economic conditions in South America as a whole are good. There is a minimum of unemployment.

Who is afraid of a little expansion of the currency? I think it must be admitted that the expansion proposed is not dangerous. It conforms with every orthodox rule of sound finance by issuing money against gold and silver. That cannot be inflation. That cannot be dangerous.

The countries of South America have issued more money. Money there is more plentiful; money is cheaper; prices are higher; and this famous banker of St. Paul makes the statement that the inflation in South America has brought about beneficial conditions; that everywhere business is good; that there is no unemployment.

Mr. President, why will not the United States Congress follow the policy of South America, of Japan, of practically every country in the world save France and Switzerland, and further expand the currency, further cheapen the dollar, further raise prices, to the end that the people shall have a chance to obtain some money with which to pay their taxes and to pay their interest and to pay their debts?

Some time ago I sent a letter to what I considered to be the most renowned financial experts of the world. I sent a letter to every person whom I could hear of who had a reputation on financial matters. I asked these gentlemen, these financiers, bankers, and economists, famous men throughout the world, to send me a confidential letter advising me what they think we should do to help ourselves get out of the depression. I have received replies to practically all the letters I sent. I mailed about 50 letters and have received replies to most of them. I advised these gentlemen that I should not make their letters public, and I have not made them public. I promise not to make any of them public today; but I desire to give the Senate the benefit of what I construe to be the consensus of opinion of these bankers and financiers in Europe and throughout the world.

Without exception, these authorities, the best in the world, recommend that the first thing we should do in America is to stabilize our currency, but they say we cannot stabilize our currency until the value of our currency has been adjusted. While they do not say so, I think none of them considered that the present value of the dollar was at the right figure, from its value standpoint, where it can be adjusted.

We proceeded to adjust our dollar, and we have our dollar reduced in gold content 40 percent. The gold dollar today has only 60 percent of its former gold content. Every dollar abroad is in effect a gold dollar. The moment a dollar of American money gets outside the United States, that dollar becomes in effect a gold dollar. In other words, it has the value of a gold dollar when it is abroad, but here in America, inside the United States, our dollars do not have the value of the new gold dollar.

We have this condition in the world:

We have American money in foreign countries on a gold basis—15.25 grains of gold in each one of those gold dollars, and that is their value abroad. Here in the United States, however, we do not have the gold dollar. We have the commodity dollar. This commodity dollar is not worth 6 percent of what it used to be. It is still worth \$1.24 as measured in terms of gold. The result is that we have the anomaly of a 60-cent gold dollar abroad and a \$1.24 dollar within the confines of the United States.

Are we prepared to stabilize our dollar with that condition prevailing? Most certainly not. I can find no one who will say that we have the dollar at the point where it is going to be stabilized. If we are going to stabilize the dollar, which dollar are we going to stabilize—the dollar abroad, or the dollar here at home?

Let me explain the difference between the two dollars. The dollar has not fallen much in value here in the United States. Take the automobile industry: Today we can buy cars at the same price at which we could buy them before we cut the content of the dollar. Take the cars in the thousand-dollar class, or those below a thousand dollars. We can buy the lower-priced cars for less than a thousand dollars, the same price they brought before we reduced the gold content of the dollar. Today we can go abroad and buy our dollars for 60 cents.

In other words, if one of us should be abroad, he could take \$600 of gold on the old valuation and buy a thousand dollars of American money. With that thousand dollars he could buy one of these new thousand-dollar cars. That means we have reduced the price of our automobiles abroad 40 percent; yet here in America they sell for about the same price. They have not been reduced here in value, but they have been reduced abroad.

The same thing is true of wheat. Had we not done what we did do, wheat in the West would have been selling today for less than 50 cents a bushel; cotton in the South would have been selling today for around 6 cents a pound; because wheat is an international commodity, because corn is an international commodity, because cotton is an international commodity, and automobiles are likewise an international commodity. So we have not stabilized our dollar in America. We are not ready to stabilize the dollar. Every one of the experts to whom I wrote recommended that we should stabilize our American money; but before we can stabilize the American dollar we must adjust its value, and we have not done that. The dollar is still too high.

I am for the Patman bill because by placing more money in circulation we shall make money more plentiful, we shall make money cheaper, and bring down the value of the dollar so that we perhaps can stabilize it in the near future. Before it can possibly be stabilized it must be cheapened.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LEWIS. I address the Senator and first ask what the Senator really means by stabilizing the American dollar. Second, by what money of any country today in the world would my able friend say we could stabilize the American money without loss to the American dollar?

Mr. THOMAS of Oklahoma. Mr. President, before America is ready to consider stabilization we must first get the value of our dollar to the point which will best serve American domestic economic policy. Before we can consider the point at which we should stabilize the dollar we must look at our annual tax debt, we must look at our annual interest debt, we must look at our massive debt structure, both public and private. So when we begin to fix the value of the dollar for stabilization purposes we must fix the value of the dollar with relation to the debt structure. We have first taxes, second interest, and third the debts themselves.

We have a \$15,000,000,000 annual tax bill which we must meet. In order that the people may pay these taxes of \$15,000,000,000 we must have the dollar at such a point in value that the people can possibly get the dollar to meet

their taxes. Otherwise they will never pay their taxes; and if the taxes are not paid the Nation will fall. If the State taxes are not paid the State will fall. If the city taxes are not paid the city will fall. If the county and district taxes are not paid the counties and districts will fall. Unless taxes are paid governments of all kinds will universally fall.

Mr. LEWIS. Mr. President, I am sure my able friend does not intend to mean that the Federal Government taxes amount to \$15,000,000,000. He comprehends all the taxes—Federal, State, municipal, county, and so forth?

Mr. THOMAS of Oklahoma. Federal taxes aggregate about \$5,000,000,000 annually today. Then the balance of our taxes—State taxes, county taxes, city taxes, and district taxes, taxes of all kinds and character—make up the gigantic sum of \$15,000,000,000.

The outlay is more. We are spending more than \$15,000,000,000 yearly, but the tax bill we are levying is approximately \$15,000,000,000 a year. That is only one item. We must keep those taxes constantly in view, and the dollar must be fixed in relation to the tax bill to start with.

Then we have, second, the interest bill. We have a total debt in a minimum sum of approximately \$250,000,000,000. Responsible authorities figure that our total mass debt, public and private, is something like \$250,000,000,000. A part of the interest on that sum is paid by taxes, so I eliminate that portion; but the interest on the portion of this indebtedness which may be denominated the private debt is estimated to be something like \$10,000,000,000 a year. So we must fix the value of the dollar at such a low figure that the people who work and who produce may obtain the dollars with which to meet that interest bill. If dollars are too high, they cannot possibly get them. The farmers of the West cannot produce wheat at 26 cents a bushel and obtain sufficient dollars with which to pay their taxes or with which to pay their interest or with which to pay their debts. The dollar must be so cheap that the farmers of the West and the farmers of the South and the factories of the North can produce their commodities and receive for the things they produce sufficient of these dollars not only to pay the cost of production but to enable them to have a profit so that they may live.

So the economists and financiers to whom I have referred recommend, first, that we should stabilize our money; but before we can stabilize we must first adjust and regulate. That is what we are trying to do by the passage of the Patman bill. We are trying to put more money in circulation, to drive down the domestic dollar to a value comparable to that of the gold dollar abroad. The gold dollar abroad is worth 60 cents, while the domestic dollar is worth 124 cents. That is inconsistent; it is ridiculous.

Mr. President, the Patman bill, in my opinion, will do the thing that we want to have done; it will make the dollar cheaper. The dollar has to be made cheaper. The people cannot pay their taxes with the present high-priced dollars; they cannot pay their interest with the present high-priced dollars; they will never pay their debts with these high-priced dollars, for the people cannot get a sufficient number of them.

Mr. LEWIS. Mr. President, would my able friend, by a process of legislation, further devalue the dollar as it now stands? I ask the question for information.

Mr. THOMAS of Oklahoma. I am not prepared to answer that question at this time. I do not know; no one knows. At the present time the gold dollar is far cheaper than the legal domestic dollar. The old-fashioned gold dollar is worth 60 cents, while the new dollar is worth \$1.24 in terms of commodities. So I state here that our present domestic dollar is much more valuable than is our gold dollar abroad.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER (Mr. CONNALLY in the chair). Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. THOMAS of Oklahoma. I yield.

Mr. BORAH. The Senator is speaking about the gold dollar. On what standard are we now in the United States?

Mr. THOMAS of Oklahoma. Abroad we are on the gold standard, while domestically we are on the commodity standard.

Mr. BORAH. I find that the only paper money that comes to my hands which is redeemable is a silver certificate.

Mr. THOMAS of Oklahoma. That is correct.

Mr. BORAH. The only metal we can get is silver.

Mr. THOMAS of Oklahoma. That is correct.

Mr. BORAH. The only redeemable money we have, then, is the silver certificate?

Mr. THOMAS of Oklahoma. That is correct.

Mr. BORAH. Then we are on a silver basis, are we not?

Mr. THOMAS of Oklahoma. Not exactly, for this reason: The silver dollar is worth only about 60 cents. I have here [exhibiting] a silver dollar; I carry it as a souvenir. With silver worth 75 cents an ounce, the silver in this dollar is worth about 60 cents.

Mr. BORAH. That is, as a commodity.

Mr. THOMAS of Oklahoma. That is correct.

Mr. BORAH. But it passes for a dollar.

Mr. THOMAS of Oklahoma. The same as a paper dollar passes for a dollar.

Mr. BORAH. But the only money we have which has a redeemer is the silver certificate?

Mr. THOMAS of Oklahoma. That is correct.

I want to make it clear, Mr. President, that the United States is on the gold standard abroad. Every dollar beyond the confines of the boundary lines of the United States is on the basis of the value of fifteen and five twenty-one hundredths grains of gold; yet here in America the paper dollar we have in our pockets has no relation to gold; it is not redeemable in gold. The dollar we have here is strictly and purely a commodity dollar. One has to take these dollars abroad in order to get gold for them, and the moment they are taken abroad they are worth 60 cents of the old dollar, but here they are worth 124½ cents. I think I have made that clear.

These economists are of the universal opinion that the first thing we must do is to stabilize, and in stabilizing we must first adjust and regulate the value of our dollar. We have not done that as yet, and apparently we are not proposing to do it.

Mr. BORAH. Mr. President, may I ask the Senator another question?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. THOMAS of Oklahoma. I yield.

Mr. BORAH. Suppose the Patman bill should become the law of the land, and the new currency proposed to be issued under the Patman bill should be put in circulation; what would be behind that money?

Mr. THOMAS of Oklahoma. All the gold and all the silver in our Treasury and all the property of the United States, plus all the people of the United States, plus the taxing power of the Government.

Mr. BORAH. What would be the difference between that money and the money which is now in circulation?

Mr. THOMAS of Oklahoma. The money we now have in circulation is backed in the same way.

Mr. BORAH. It is the Senator's opinion, then, that this currency would have the same backing as the currency we now have?

Mr. THOMAS of Oklahoma. Exactly so.

Mr. BORAH. Does the Senator consider that the eight and a half billion dollars of gold which we have is the property of the United States?

Mr. THOMAS of Oklahoma. It is.

Mr. BORAH. The United States has issued gold certificates to the Federal Reserve banks. Does that have any bearing upon the question of the title to the gold?

Mr. THOMAS of Oklahoma. Not at all. The Federal Reserve banks surrendered their gold to the United States Treasury, and the gold and silver now are the property of the United States Treasury. It is true that the United States Treasury issued gold certificates to these banks, and,

under a licensing system these banks can get gold in order to make international settlement, and private citizens through the Federal Reserve System can get gold in order to make international settlements, but the gold itself is the property of the United States.

I have on my desk, as every other Senator has upon his desk, the Treasury statement of May 3. Such statements come to us daily. Here is the headline of this statement:

Daily statement of the United States Treasury compiled from latest proved reports from Treasury offices and depositories May 3, 1935.

Current assets and liabilities.
Gold.

The amount I read a moment ago. That must mean that this gold is the property of the United States Government, acting through the United States Treasury.

The money we have in circulation is backed today almost 2 for 1 by gold and silver. If we should issue a little more currency we would still have more gold and silver than we would have money outstanding.

I realize that the more money placed in circulation the cheaper money becomes, just as the greater the quantity of wheat grown each year the cheaper wheat becomes, and the more cotton produced the cheaper cotton becomes, and the more corn produced the cheaper corn becomes, and the more of anything produced the cheaper that commodity becomes. That is operation of the law of supply and demand, and the United States Government has recognized that law.

Two years ago we had too much wheat and then Congress, in conjunction with the Agricultural Department and the administration, decided upon the policy of restricting wheat production in order to make wheat scarcer and to make wheat higher, following out that economic law of supply and demand. Then Congress and the administration decided to make cotton scarcer so as to make cotton higher and more valuable, and the same economic law was placed in operation by making pigs and hogs scarcer in order to make pigs higher. The same economic law affecting the price of wheat, affecting the price of cotton, affecting the price of corn, affecting the price of hogs, and affecting the price of anything applies to money.

Make money scarcer, and money is made high. Inasmuch as money measures commodities, when money is high values of all kinds are cheap. It is my judgment that the administration made a mistake by applying the same economic law to money that it applied to cattle and hogs and to corn and to cotton. We could have raised the prices of those commodities, instead of by restricting their production, by applying the same rule and increasing the amount of money in circulation. We could have increased the price of cotton not by plowing under cotton but by placing more money in circulation; we could have increased the price of hogs, not by killing the helpless little pigs but by placing more money in circulation. That is what I have been arguing for 4 years upon the floor of the United States Senate—to raise the price of commodities, not by depriving the people of clothing and of food but by placing money in circulation, just as the other nations of the world have done, and the United States has refused to do.

Mr. President, the first problem before the United States Government is to regulate or to adjust the value of the American dollar. If it is at the right value now, keep it there; if it is too high in value, reduce its value. If it is now too cheap, raise its value. Does any Senator upon this floor or does anyone anywhere say that the dollar today is too cheap? I think not. Does anyone say that the dollar of today has the correct buying power? I do not think it has the correct buying power. I am convinced that before we can get out of the depression, we must have more money in circulation; we must have cheaper dollars; and in order to obtain cheaper dollars, we must have more of those dollars in circulation. So the first problem is to reduce the value of the dollar to that point where it should be best to serve the interest of America and the people of America.

I am supporting the Patman bill in order to get more money in circulation, in order to make money more plentiful, in order to make money cheaper and to raise prices so that the people may live.

The Senator from Kentucky this morning said that the banks were bursting with money. Fifteen thousand banks at this hour altogether do not have \$800,000,000 of real money within their vaults. They do not have sufficient money with which to pay the interest on the national debt for 1 year. Yet we are told that we have enough money in circulation. Mr. President, the present session of Congress before it shall have adjourned—and I do not know when that will be—will have appropriated as much money as twice the amount of money in circulation in America. The people of these United States must every 12 months earn every dollar of money that is in circulation twice over in order to pay Federal taxes. That does not take into consideration paying State taxes; it does not take into consideration paying the city taxes, county taxes, or district taxes. The people must earn this money by next year in order to pay the appropriations which will be passed by the Congress now in session.

Mr. President, I am going to read just a paragraph from a letter sent to me from across the water. The letter came from Great Britain. I shall give an analysis of the letters I have received from America. They hold first that we must adjust the value of the dollar. When that is done then we are ready to propose stabilization. We are not ready now. We can never be ready to propose stabilization to the other nations of the world until we adjust the value of the dollar to that point where it will best serve America's economic policy. I want to read from the letter of a man whom I consider one of the foremost economists of England and what he says about the world's stabilization of currency. I shall not give his name because I am under obligation not to do so. I read:

To revive international trade it is necessary to revive international confidence. It is necessary to re-create an atmosphere in which men will enter on international commitments with something of the confidence with which they enter on commitments within their own boundaries. It is necessary to create an atmosphere in which international capital movements take place by reason of profit rather than for the reasons of safety—the main motive of such movements at present. Such an atmosphere cannot exist in a world of fluctuating exchanges. Until the exchanges of the leading financial centers are stabilized, it is idle to hope for extensive revival of either international trade or international investment. As we shall see later on, so long as we remain unstabilized, there is an ever-present danger of the disappearance of the recovery that has already taken place.

Mr. President, the words of this famous foreign economist reinforce the opinions of leading economists and financiers of America. This Englishman states that the first problem is to stabilize local currency and then to stabilize world currency. We cannot have any perceptible degree of return of prosperity until this identical thing shall have been accomplished as outlined by these letters and statements.

Mr. President, I find apparently very little interest in this matter. I know it has been discussed by the hour. I presume every Senator has made up his mind as to how he expects to vote. I desire before I conclude to ask permission to have placed in the RECORD an editorial which appeared in the Hearst papers of this date. The editorial is under the headline "Veterans deserve bonus payment now. Senate should pass Patman bill." I ask permission to insert the editorial in the RECORD as a part of my remarks without having it read.

The PRESIDING OFFICER (Mr. McGILL in the chair). Without objection, it is so ordered.

The editorial is as follows:

[From the Washington Herald of May 7, 1935]

VETERANS DESERVE BONUS PAYMENT NOW—SENATE SHOULD PASS PATMAN BILL

With the Federal Government undertaking the expenditure of more than four thousand million dollars by Executive allotments, it is difficult to understand why the administration should be opposed to the Patman veterans' bonus bill.

The Patman bill would distribute, at once, among veterans, \$2,015,000,000 in United States currency.

The measure is already half way through Congress. It was passed last month in the House of Representatives by a decisive majority.

It would add nothing to the actual liabilities of the Government. On the contrary, it would mean merely the payment now of an interest-bearing obligation which the Federal Government has legally acknowledged, and which, if not paid off now, will have to be paid in 1945 at much greater cost than immediate payment entails.

Why, then, should not the Patman bill be passed by the Senate and approved by the President, and the veterans' adjusted-compensation certificates be taken up at once?

In the Senate, both the Vinson bill and the Harrison bill are being supported by some Members as substitutes for the Patman bill.

Last week, the Senate adopted an amendment to the Vinson bill appropriating approximately \$2,260,000,000 for payment of the bonus out of the Treasury.

If the Vinson bill is passed in this form, its veto is predicted by administration supporters.

The great merit of the Patman bill is that it avoids an appropriation of money which must be met by taxation or borrowing, by providing simply that currency be issued against the adjustment-compensation certificates outstanding, exactly as currency may be issued against other Federal obligations.

No bond issue would be required. New taxes would not be necessary.

Opponents of the Patman bill have said that it is "inflationary."

Yet on Friday last O. M. W. Sprague, a former adviser to the Federal Treasury and an anti-inflationist, was asked in the Senate Banking Committee if the issuance of two thousand million dollars in currency for the soldiers' bonus would be inflation.

Not in itself, he said. A succession of steps would be necessary to produce inflation.

In point of fact, the issues behind the Patman bonus bill were stated several weeks ago by William Randolph Hearst in an editorial asking, "Why economize only in the case of the veterans?"

Declaring that the administration's lavish program for spending is "merely penurious toward the veterans", Mr. Hearst wrote:

"Why be penurious to them?
"Certainly they have deserved well of the country; they have rendered the most signal service that citizens can possibly render to their Nation.

"And they are rendering the greatest service of citizenship today. They are the defenders of the American faith, the protectors of American liberties, the maintainers of peace and order, the opponents of the enemy from without and from within.

"Why not include these splendid citizens in the bounty that is being so freely distributed?

"Let us remember also that the Government is not creating a new obligation in paying the veterans the promised bonus.

"Sometime or other it is going to pay the veterans this money. It has pledged itself to that program.

"Why not pay the money now when it is most needed and have that obligation eliminated?

"Why not discharge this obligation, actually incurred and patriotically due, and then very properly and wisely enter on an era of sensible economy?"

Mr. THOMAS of Oklahoma. Likewise I have received a great number of telegrams from all parts of the country not only favoring the payment of the adjusted-service certificates, but universally favoring the passage of the Patman bill. I desire as a part of my remarks to have printed in the RECORD at this point a telegram received from the Committee for the Nation advocating the payment of the bonus and the passage of the Patman bill.

There being no objection the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., May 5, 1935.

ELMER THOMAS,

Senate Office Building, Washington, D. C.:

Please permit us to suggest that if bonus be paid it can be accomplished safely without borrowing through issuing currency against present broadened gold and silver base or against existing profits from gold and silver revaluation. This would save bond interest and harbors no inflationary dangers.

COMMITTEE FOR THE NATION.

Mr. THOMAS of Oklahoma. I also ask permission to have printed in the RECORD a message received from the National Farmers' Union. This telegram likewise demands payment of the adjusted-service certificates, and in order to pay those certificates it asks for passage of the Patman bill.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., May 5, 1935.

Senator ELMER THOMAS,

Senate Office Building, Washington, D. C.:

The position of the National Farmers' Union is that it is in the best interest of the American farmer, and in the public welfare, that the adjusted-service certificates of veterans be immediately

paid, with full legal-tender Government currency. We respectfully request your support and influence to secure the passage of the Thomas-Patman bill now before the United States Senate. We respectfully urge you to oppose the effort to tie an interest-bearing tax-exempt bond issue to the payment of this just debt of the Government to the veterans. The fact of this obligation and the question of the immediate payment of the certificates has ceased to be an issue. The remaining question at issue is whether the money is to be provided by issuing tax-exempt interest-bearing bonds, which increases the obligation, pays the bankers a bonus, and defeats the beneficial effects of payment, or by issuing Government currency which is constitutional, is sound, converts an obligation into a medium of exchange, expands the currency reasonably, multiplies the benefits to veterans, restores self-dependence and earning capacity, and is in the public welfare.

NATIONAL FARMERS' UNION,
E. H. EVERSON, President.
EDWARD E. KENNEDY, Secretary.

Mr. THOMAS of Oklahoma. Mr. President, the only issue before the Senate is how we are going to raise the money to pay the bill. The Vinson bill provides for the issuance of bonds and the selling of bonds to raise the money. Not only will we have to raise the amount in the first instance, \$2,250,000,000, but if we issue bonds we will have to pay interest on them for the time they run. The interest on the bonds plus payment of the bonds in the last analysis would be a tax on the people over a series of years of approximately \$5,000,000,000.

The Patman bill provides for payment of the soldiers' bonus by the issuance of money, the same kind of money we have in our pockets at this hour, the same kind of money we have used for 7 years, the same kind of money we used to finance the North in the War between the States, the same kind of money we have now and the same kind of money we will have in the future.

Fiat money? Some may call it fiat money if they desire to do so, but it has none of the elements of fiat money. Printing-press money! Of course, it is printing-press money because it is printed by the Bureau of Engraving and Printing, but it is the same kind of money all the people have and which they are glad to get.

PAYMENT BY CURRENCY OR BY BONDS AND TAXES

Mr. SCHALL. Mr. President, it has now been settled by Senate roll call that the outstanding veterans' adjusted certificates are to be paid. The issue has thus been simplified to this:

Shall the payment be made in a new issue of currency, as the veterans desire it paid, or shall the payment come in the form of new bond issues, an increased burden and increased taxes?

Non-interest-bearing currency issues without added taxes versus new interest-bearing bond issues to be met by taxes—this is the issue which now faces the Senate.

The House is already on record by an overwhelming majority for the Patman plan of a currency issue, the plan for which the veterans have been fighting for many sessions. If we accept the House bill, we can end this fight on one roll call, and then pass on to the other voluminous business of this daily lengthening session.

Shall we settle this issue without further piling up the annual mountainous interest burden, now approximating \$1,000,000,000 a year, which is greater than our total revenue from income taxation, already so high that it sends a shiver down the backs of the producers in every industry that earns an income to tax?

Shall we settle the problem that has faced the country ever since Armistice Day, 17 years ago, and settle it as the veterans want it settled; settle it as the responsive House has voted to settle it; settle it as the waiting friends and dependents of the veterans want it settled—settle it with new currency, and settle it now?

The simple statement of the issue should be enough. Do we want to be particeps criminis to further bond issues at a time when the interest-bearing public debt—including authorizations necessitated by \$6,000,000,000 of recent or pending appropriations—is piling up far above the World War peak?

How can we justify our vote to the farmers and business men and taxpayers or consumers and wage earners by voting

for new bond issues, new interest burdens, and new taxes to eat up income and wages and increase the high-living costs of 30,000,000 families?

One thing is plain: We cannot vote for the Vinson bond-raising plan when we have every opportunity to avoid it by voting for the Patman bill, and then deplore the mountain of interest-bearing debt we have had a fractional part in creating.

Can we justify ourselves by saying, "We voted for a new issue of \$2,300,000,000 of interest-bearing bonds further to withdraw money from industry and pile it up in frozen Federal issue, when it was needed in industrial enterprises to buy materials and pay wages. We voted to pile up Federal debt, even when we were implored to vote a currency issue to facilitate all business and help the boys and their dependents to meet their store bills and buy their necessities. We voted to increase taxes, though we had a chance to pay the veteran debt without increase of taxation. We voted for interest coupons and taxes in preference to needed increase of the money circulation, now contracted by the withdrawal of \$8,000,000,000 of gold from circulation."

Shall we tell the truth to the folks on the farms, in the shops, and in the homes, the great army of the "forgotten", who pay all the taxes in the end when they pay their living costs, "We are sorry, folks, that we voted to increase your living costs by voting for bonds, interest coupons, and added taxation, when we could have voted a currency issue and avoided soaking you; but, you see, we were afraid of that White House club and that Wall Street threat; we were listening to the poor profiteers at the 'wailing wall', who were crying for interest coupons; and when that White House club went up we were so scared that we simply forgot all about you."

Thus the issue which actually confronts us here is this: Are we men, statesmen unafraid, dependable representatives, true to the people of our respective States, or cowards afraid of the club of a White House veto?

After we sent 4,000,000 boys into the trenches and shambles of Europe, shall we be so cringing and craven that we dare not appear on the battle line, even to the extent of facing a White House club? If we remember that the Democratic administration under Wilson, after its promise to keep us out of war, treacherously dragged us in, perhaps we shall have the understanding and hardihood not to allow another Democratic administration, under the pupil Roosevelt, to sidestep its manifest duty and responsibilities to the Nation and to the other Democratic administration, whose blunders, extravagances, and follies are the root of the tree of our present despair, brought into full bloom and flower today under another similar illusion of grandeur. If we are faced with another war—and we shall be if this administration is to fulfill its ambition—shall the courage of our vote today be an example to inspire our boys' courage to face guns and bombshells?

What kind of bonds will be issued to pay these 3,500,000 veterans their few hundred dollars each? Will they be paid in the \$1,000 bonds of Wall Street or in the "baby bonds" of small issues now being peddled by the administration, and worth \$18.75 for a \$25 bond? Undoubtedly in the latter, because only the smaller denominations will fit the case.

What are these "baby bonds", the new-deal infantile issues, worth? Listen to Morgenthau and Farley in their recent screen advertisement. You can get a \$25 "infantile bond" by paying \$18.75. That is what they are worth—25 percent below par face.

In other words, these "infantiles" are already infected 25 percent. One-fourth of their face is gone, eaten up by a new-deal tuberculosis, or some other new-deal administration disease. They are diseased bonds. They have a face which says "\$25", but as you can buy one of them for \$18.75, that is all that it is worth.

Thus, what the Senate may find itself voting for is an issue of \$2,300,000,000 of "infantile tuberculosis" bonds to pay the boys who offered their lives to save the country.

We undertake to pay these boys \$1.25 a day if they went "over there" and \$1 a day if they remained over here; and

then, to reward their service and inspire their courage, we vote for an "infantile tuberculosis" bond issue, with one-fourth of its face eaten away, to reward the honorable scars of war.

Suppose, on the other hand, this \$2,300,000,000 of new bonds is at first issued to a Wall Street syndicate in large denominations. What can that syndicate do? They can turn around and exchange that investment for baby bonds—the "infantiles" affected by new-deal diseases—and for every \$25 they will pay only \$18.75. They will make a rake-off of 25 percent on the whole issue. A rake-off of 25 percent on \$2,300,000,000 will net a profit or net income of over \$500,000,000, on which they will be tax exempt.

We who vote for this bond-issue substitute vote for a national scandal, vote for a swindle of \$500,000,000—vote to reward those who gave their lives to "save democracy" by passing to them \$2,300,000,000 of "infantile" diseased bonds with one-fourth their face missing!

Is that the way to reward the saviors of the Nation in time of war? Is that the example which the Senate of the Seventy-fourth Congress wishes to pass down to history?

To pay these certificates by new bond issues, new interest burdens, and new taxes is wrong.

It is the wrong way in the interest of Government credit and business confidence. It is the wrong way in the interest of taxpayers and consumers. It is the wrong way in the interest of American patriotism as represented by 3,500,000 fighting men who marched down the streets of our cities under the old flag and left their loved ones to "make the world safe for democracy." The fact that it was not made safe for democracy, but was made safe for grandiose ideas of dictatorship all over the world, was not their fault, but the fault of the then Democratic administration, which laid the groundwork for the international attack upon our Republic which the head pupil of that administration is today seeking to carry to its ultimate end—the subversion of our representative government—our Republic of government of law to a lock-stepping regimenting dictatorship of men.

Let us not, at least deliberately, carry into our citadel this Trojan horse.

Let us settle this old question of 17 years now and on the next roll call by voting for the passage of the House bill, which represents the long-delayed wishes of the veterans, their pleas and prayers for, session after session. Let us settle it right and settle it now.

Mr. McADOO obtained the floor.

Mr. BACHMAN. Mr. President—

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from California yield to the Senator from Tennessee?

Mr. McADOO. I do.

Mr. BACHMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Hayden	Overton
Ashurst	Coolidge	Johnson	Pittman
Austin	Copeland	Keyes	Pope
Bachman	Costigan	King	Radcliffe
Bailey	Couzens	La Follette	Robinson
Bankhead	Davis	Lewis	Russell
Barbour	Dickinson	Logan	Schall
Barkley	Dieterich	Loneragan	Schwellenbach
Bilbo	Donahay	Long	Sheppard
Black	Duffy	McAdoo	Shipstead
Bone	Fletcher	McCarran	Smith
Borah	Frazier	McGill	Steiwer
Brown	George	McKellar	Thomas, Okla.
Bulkeley	Gerry	McNary	Thomas, Utah
Bulow	Gibson	Maloney	Townsend
Burke	Glass	Metcalf	Trammell
Byrd	Gore	Minton	Truman
Byrnes	Guffey	Moore	Vandenberg
Capper	Hale	Murphy	Van Nuys
Caraway	Harrison	Murray	Wagner
Carey	Hastings	Neely	Walsh
Clark	Hatch	Norris	White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, there is a quorum present.

Mr. McADOO. Mr. President, without going into the details of the two measures now under discussion—the Vinson

bill and the Patman bill—I should like to confine my remarks to that phase which provides for the payment of the adjusted-service certificates. The essential difference between the two bills, as has already been stated, is that under the Vinson bill the Government must issue interest-bearing bonds to pay the certificates, whereas under the Patman bill it is proposed to issue non-interest-bearing Treasury notes. I shall give some figures which will illustrate more clearly than I can express in words the exact effect of these two different methods of paying the soldiers' bonus.

If the Vinson bill should be enacted and bonds should be issued to pay the certificates, assuming that, in round figures, the required amount is \$2,200,000,000, and assuming also that the Government is able to finance that amount in bonds, and sell the bonds on a 3-percent basis—I put the rate low—the annual interest charge would be \$66,000,000.

If these bonds should run for 20 years, the total amount of interest would be \$1,320,000,000, and at the end of the 20 years the principal of the debt, namely, \$2,200,000,000, would still be unpaid. Meanwhile the \$66,000,000 per annum which would be required to pay the interest on the debt would have to be collected from the people by taxation.

If, on the other hand, non-interest-bearing Treasury notes should be issued to the amount of \$2,200,000,000 and a sinking fund of \$66,000,000 per annum should be provided, the equivalent of the 3-percent interest which would otherwise be paid on the \$2,200,000,000 of bonds, such sinking fund, invested semiannually in 3-percent Government bonds, would, at the end of 20 years, equal the sum of \$1,831,234,000.

If we engage in a brief example of subtraction, and deduct from the \$2,200,000,000 the accumulations in the sinking fund of \$1,831,234,000, we find we would in 20 years be short of paying the bonus by \$368,766,000, in round figures.

If, on the other hand, a sinking fund of \$81,000,000 per annum should be established and invested in Government bonds from time to time, or semiannually, at 3 percent, at the end of 20 years the entire sum of \$2,200,000,000 would be completely extinguished. At the proper time I shall offer an amendment to the Patman bill to include a sinking fund adequate to retire this entire issue of Treasury notes over a period of 20 years.

Two questions arise about this method. One is the cry of inflation; the other is the cry of unsound money, or of "greenbacks", as they are called. I should like to deal with the greenback question first.

It is not necessary to go into the history of greenbacks. I doubt if everyone understands what the term "greenback" means. The term "greenback" simply means a character of currency issued by virtue of laws passed during the Civil War, and it was because the backs of the certificates were printed green that they were commonly called "greenbacks."

After all, whether we call them greenbacks or by any other term, contemptuous or otherwise, all the money in the United States today is greenback money. Look at any bill in your pocket and you will find it has a green back, and every one of those bills has behind it what? Gold? No. Specie? No. Then, what has it back of it? Every single dollar in this country today has back of it but one thing, that is, the honor and good faith of the American people.

What is back of a Government bond today? One thing—the good faith and honor of the American people. What is the difference between a bond and a Treasury note of the kind we seek to issue for the payment of this debt? The difference is simply this: If we issue bonds, as proposed under the Vinson bill, they will run for a definite term. A bond runs for a fixed term. Bonds are usually in denominations so large that they are not capable of being used as a circulating medium. The interest on a bond is paid to the investor from time to time. True, he can sell his bond, can convert it into currency. He could not sell his bond and convert it into gold. He could only convert it into the kind of money which the Government today authorizes to be used as a circulating medium in this country. He would be put to the disadvantage of converting his bond, perhaps at less than he paid for the bond, into currency of the smaller

denominations which is effective and useful as a circulating medium among the people.

A bond, aside from being for a fixed term, has the attraction of returning income to the man who lends the Government the money. Currency or a Treasury note is a demand obligation; it is not a term obligation. It is a promise on the part of the Government of the United States to pay the holder thereof the amount represented by the certificate or the bill.

It is a non-interest-bearing obligation. No one has to pay interest because of the issuance of such notes.

Those who claim that these notes are inflationary, or that they are a menace to the credit of the Government, are simply expressing opinion. It is mere conjecture on their part to say that these notes are inflationary, or that a certain amount of additional issues on the part of the Treasury would affect the credit of the Government. It is also merely speculation on their part. I have yet to find the prescient mind that could tell me where inflation begins and where sound money stops and where deflation begins.

On one occasion when I was Secretary of the Treasury and the Federal Reserve Act was under consideration I was called on by a committee of the most eminent bankers in the United States, who came to protest, with all their vigor—and they were quite vigorous about it—that the issuance of notes under the Federal Reserve System, the familiar Federal Reserve notes which we now carry in our pockets, would be inflationary; that they were fiat money; to use their exact expression, that they would "ruin the credit of the United States." Speeches were made upon the floor of the Senate at that time prophesying such dire results.

Mr. President, I said to these gentlemen, "I am very much interested in what you tell me about inflation. I do not know much about finance, and I am anxious to be informed. I happen to be a lawyer, and, as you know, we very frequently put witnesses under what we call 'the rule.' We send all of them out of the room except the one we want to examine in order that the other witnesses may not know that to which a previous witness has testified." I said, "Gentlemen, I invite you to an experiment. I will call into this room the best stenographer in the Treasury, and I will apply the rule; I will call you one at a time and ask you to give me a definition of inflation." They thought a moment, and said they would like to confer about it. After the conference they notified me that they did not care to make the experiment.

Mr. President, I want to emphasize that fact because the question as to what is inflationary and what is not is purely a matter of conjecture.

The question as to whether or not we must have a specie base or a gold base back of our money is also conjectural; and the best proof of that is that since we have gone off gold the American dollar is just as sound today as it was when gold was the basis.

I do not say that I am against a specie basis. I think it has a certain value and a certain restraining influence; but so long as government is intelligent and so long as we can restrain the exercise of our powers within the bounds of wisdom—it is always a question as to whether or not we can do so—gold, for instance, would not be necessary. But it is because we have not that confidence in ourselves or in the continuing judgment of every Congress that we find it necessary, or economists have always asserted it to be necessary, to have a specie basis for the money of the country. That, however, is not important to me, because we get into the realms of wide and controversial discussion when we take up that subject, and it is not necessary for the purpose I have in mind.

I think, after all, that the question we have here to consider is, What is wise in the circumstances of this case with respect to the conditions now existing and with respect to the general financial situation of the country? Those are the things which must determine our action. They must not be determined by theories or speculations or conjectures of economists or anyone else. We are charged with a respon-

sibility of doing what we think is the sound and right thing to protect the credit of the American people and discharge an obligation of honor which we owe to the men who went out and fought the World War.

For my part, Mr. President, I am opposed to spending \$1,320,000,000 more than is necessary to pay the bonus. That is the amount, as I said before, which would have to be paid in interest if we should issue 20-year bonds for this purpose. I am opposed to exacting from the taxpayers of this country, already overburdened, that much unnecessary money.

Why do we sell the bonds of our Government at par when they bear 2 $\frac{1}{8}$ - to 3-percent interest? We do it because our Government has a matchless credit. Why should we pay somebody \$1,320,000,000 over a period of 20 years for the privilege of using our matchless credit for the benefit of the men who went out and fought the World War? I cannot see any reason or justification for any such course, in spite of the theorists and the economists; or those who speak contemptuously of greenbacks, or those who say that this will injure the Government credit.

Let us examine that phase of the matter for a moment. I think that the issue of \$2,200,000,000 of additional Treasury notes would affect the credit of this Government adversely, just as much as a spadeful of sand thrown upon the seashore would influence the incoming tide. I think there is no ground whatever for fear that the issuance of \$2,200,000,000 of Treasury notes would affect the credit of the United States. On the contrary, I believe that it will have two desirable effects.

In the first place, I think it will be a great thing for this country if we settle now, and promptly, the controversial question as to the payment of the adjusted-service certificates. By this action we do that. We do that under either the Vinson or the Patman bill, for that matter.

But secondly, Mr. President, and more important, I think, is saving the money I have said we could save by issuing these Treasury notes and to make the test which I should like to see authorized by the American people, viz, whether or not there is sufficient foundation and soundness in the basis of our currency and of our credit in this country, to provide the necessary resilience which the increase of the currency by \$2,200,000,000 will require, to prevent injury to the Government's credit. If we should take that course, we would put every economist and every theorist in this country to rout. We would gain a great advantage by making the experiment.

What has the present administration done since it came into power? It has of necessity engaged in making great experiments, and in conducting those experiments we have of necessity been obliged to blaze new trails. Here is a chance to blaze something of a new trail without doing the slightest injury to the credit of the country and without bringing upon ourselves any of the dangers or any of the evil consequences of so-called "inflation."

When I discussed Treasury notes I referred to the fact that they are noninterest bearing. I think that, in the minds of many people, a non-interest-bearing note is fiat money or inflationary, because it does not bear interest. Take any banker in America—or almost anyone, I will not say everyone—and almost any economist in America, and after discussing it with him you will find that he gets down to the question of interest. If he is honest he will tell you finally that since these do not bear interest there is no curbing feature about the issue which will make another Congress reluctant to engage in similar operations or go on with unlimited issues of Treasury notes.

So far as the latter statement is concerned, I wish only to say that the argument is always presented that while the proposal or a proposal may be sound, nevertheless we should not do it because it may be a temptation to a subsequent Congress to go still further. That would be a policy of negation if we adopted it. That would be a policy of legislative paralysis if we adopted it.

What we must have the courage to do, Mr. President, is to meet these issues squarely and with all the intelligence we

can command, by performing our duty while we are here. We must leave to subsequent Congresses the duty to meet the situations which may develop during their existence. If they find it necessary to issue Treasury notes or bonds or anything else in order to meet the problems which may present themselves at that time, they will be responsible and must act in the light of conditions existing at the time. I hope, and I confidently believe, that they will be able to fully discharge their duty as every Congress and every Executive of the United States during its long history has been able to do when emergencies confronted him.

But the issue of notes, circulating notes, with interest on their face, would satisfy every demand of a bond, except so far as the fixed term of the note is concerned. A circulating note is necessarily a demand obligation, whereas a bond is necessarily a term obligation. But circulating notes bearing interest have been issued. They have been issued by the United States, and I have one here. It is a very interesting exhibit. Here is a \$10 note. On its face it says:

Compound-interest Treasury note. Ten dollars. This note is legal tender for \$10 in payment of all debts, public and private.

It bears 6 percent per annum. On the back of this note is the stated value at every 6-month period. It matured in 3 years. At the end of that time at compound interest this \$10 was worth \$11.94. Such notes were circulated, and successfully, during and after the Civil War. The note I show you is dated July 15, 1864.

That note, because of the interest-bearing feature, became invested with all the qualities of a bond, because the essential thing about a bond, and the only reason people buy it, is because of the interest or income they derive from it. But we do not have to issue interest-bearing currency any more. The credit of the Government does not require it. We shall issue, if we adopt the Patman bill, a conservative amount of the same kind of currency or Treasury notes as the one I have just exhibited, except that we are not going to let them bear 6-percent interest, or 1-percent interest, or interest of any kind. And at the end of 20 years they will be amortized by the sinking fund which is to be provided if the amendment I propose to offer shall be adopted.

Mr. President, I desire to say that so far as the metallic base is concerned, the Treasury statement which I have before me shows that on May 2 the total circulating medium in this country, outside of the circulating medium held in the Treasury, was only \$4,300,000,000 and we have 125,000,000 people. The gold in the Treasury is \$8,725,000,000. If our total note issue was increased to \$6,500,000,000, we have \$8,725,000,000 in gold in the Treasury—more than 100 percent of gold back of every dollar of currency that may be issued and outstanding.

It may be said, "Well, but we are off the gold standard." That is true. None of this gold can now be used for purposes of redemption; but that condition will not last always, and when the time comes to return to specie payments and it is necessary to redeem these obligations in gold, we shall be in position to redeem every dollar of currency now outstanding as well as the \$2,200,000,000 of currency we shall issue to pay the bonus, and have over and above those obligations \$2,225,000,000 in gold in the Treasury.

However, Mr. President, that is not the only thing we can do about the notes over a 20-year period if we should decide to amortize them over so long a time as that. In the financing of the Treasury there is always opportunity, on the part of a skillful head of the Department, especially in the circumstances now existing, to deal with such obligations as are now proposed. He may be able to redeem them more rapidly than the bill provides. There is nothing in the measure to prevent his doing that. He can take up such of this currency, and contract its circulation from time to time, as he may think necessary or desirable in the public interest.

I shall not go into a discussion of the many ways in which the circulation of the United States may be contracted or expanded, because the powers are ample; they are greater now than ever before in our history. I wish only to make clear that there is, in my opinion, no single element of danger of any sort, kind or condition in the issuance of the

proposed currency with which to pay our obligation to the veterans of the World War.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Michigan?

Mr. McADOO. I yield.

Mr. VANDENBERG. With great respect for the Senator's opinion on a subject of this nature, may I ask him whether, in his judgment, the same logic would apply to the payment of the \$5,000,000,000 appropriation recently made?

Mr. McADOO. I think, to some extent, it would, but I do not think that we can finance, and I would never favor financing, every Government obligation with currency. Naturally, there is a limit to such a procedure. I may say further that I am absolutely opposed to issuing \$1 of currency or of Treasury notes in order to make good deficiencies in the revenues of the Government. We must always impose sufficient taxation to take care of the ordinary expenditures of the Government. However, with emergency expenditures of such vast proportions, I think a new problem is presented, and that we cannot afford to issue currency to take care of all such obligations.

Mr. VANDENBERG. Does the Senator distinguish between the two types of obligations solely on the basis that this is a maturing obligation and the other is a deficit? Let me put the question differently. Will the Senator state the limit to which he thinks it will be safe to proceed with the type of money which he now discusses and which obviously, within the existing limit, would justify what the Senator is saying? How far may we go?

Mr. McADOO. I will fix the limit if the Senator will tell me what inflation is. That is all conjecture; we can not draw a line there, of course. It is a matter of opinion—

Mr. VANDENBERG. I am asking for the Senator's opinion.

Mr. McADOO. As to how far we may go with the issuance of bonds, with the issuance of currency, or with both. That is a determination which must be made with the nicest judgment which can be brought to bear on the problem.

Speaking from my experience, having had charge of the finances of the Government for 6 years during a very serious time in our history, I do want to lay the specter of this conjectural inflation.

Mr. BAILEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from North Carolina?

Mr. McADOO. I yield.

Mr. BAILEY. The Senator has referred to the fact that he had charge of the finances of our country during the World War period. Did he at any time contemplate issuing Treasury notes or greenbacks for the expenditures of that period?

Mr. McADOO. I did not, because it was not necessary. I will state, for the information of my distinguished friend from North Carolina, that when we had to face the tremendous monetary demands which the war imposed upon us, not only to carry on our part of the war but also to give necessary financial assistance to those associated with us in the war, we figured that one-third of the money should be raised by taxation and that two-thirds of it might be raised by bond issues.

I will say further to the Senator, that if I had become convinced at any time—and chiefly because of inability to sell Government bonds to the American public—that the issuance of currency or of Treasury notes was essential to protect the interests of the Government, I should not have hesitated to adopt such a policy.

Mr. BAILEY. May I ask the Senator another question?

Mr. McADOO. Certainly.

Mr. BAILEY. It was not necessary, I take it, during the World War because the credit of the country was very good. Is that correct?

Mr. McADOO. That is a part of the story, of course.

Mr. BAILEY. The Senator in the beginning of his speech stated that we had now a most extraordinary credit.

Mr. McADOO. Mr. President, we have. I dissent from the views that have been expressed on this floor by some eminent gentlemen, for whose opinions I have the greatest possible respect, that the credit of the United States is in any danger. I do not think it is. I do not think, however, that it is so expansive and so unlimited that we could do every kind of foolish thing that might be suggested to us; but, within the exercise of intelligence and judgment, the credit of the United States, in my opinion, is just as good today as it has ever been in its history. I should like to see, of course, as everyone else would like to see, a cessation of bond issues which impose a permanent burden on the American people that we would all be glad to escape; but I see no way by which we can avoid issuing bonds and imposing such taxation as may be required to meet the conditions which today confront us.

I desire to repeat that in every Congress it is the conditions existing at the time and the character of the problems to be dealt with, which must determine legislative and executive action.

Mr. BAILEY. Mr. President, the Senator has testified that our credit now is just as good as it ever has been, and therefore the condition of the credit cannot be responsible for his argument that we should undertake to pay off this obligation with Treasury notes. What are the extraordinary conditions, therefore, that justify the procedure he is advocating?

Mr. McADOO. I regret very much that I have not been able to make clear to my distinguished friend the explanation which I gave at the outset of my speech. I said it was not necessary to issue interest-bearing bonds to pay the bonus; that if we should issue interest-bearing bonds it would only mean that we would have to pay \$1,320,000,000 unnecessarily, which would have to be collected in taxation from the American people.

Mr. BAILEY. What are the extraordinary conditions now existing which the Senator would avoid with respect to the payment of this obligation? What is peculiar in the existing situation?

Mr. McADOO. I think there is something sufficiently striking in the situation, if the Senator will allow me to substitute the term "striking" for the word "peculiar" used by him, to convince everybody that we have been compelled to engage in tremendous expenditures in order to meet the emergency. For these emergency expenditures we have necessarily issued interest-bearing obligations. The time, in my opinion, has arrived when we should consider issuing such non-interest-bearing notes as are now proposed to take up the adjusted-service certificates held by our World War veterans.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. McADOO. I yield.

Mr. BANKHEAD. I should like to ask the Senator if there is not another striking difference between conditions existing and those which prevailed during the former experience of the Senator in that we now have an unprecedented amount of gold in the Treasury largely in excess of any currency issued against it, a condition which did not exist in the former day?

Mr. McADOO. I thank the Senator from Alabama for his observation. That is, of course, true. I have already alluded to the fact that we have a large gold reserve and that the issuance of \$6,500,000,000 of currency against a gold reserve of \$8,725,000,000—because, after all, this gold is held as a reserve against Government obligations—would not, in my mind, affect adversely the credit of this country or in any sense imperil its credit.

Mr. President, for the reasons I have imperfectly stated, I would prefer to see enacted the Patman bill rather than the Vinson bill. I think that in administration and execution it would be simpler, and I think it would bring swiftly to a conclusion the long-standing controversy about the soldiers' bonus. So far as the soldiers' bonus is concerned, I prefer to use the words "adjusted compensation", because it is a recognition of the fact that when a man served in the trenches of France for \$1.25 a day and after the war was over happened to come back home alive we as a generous—

I will not say "generous", but as a "just" nation decided that service in the trenches in France, facing the enemy's gunfire and poison gases, was worth \$2.50 a day. We therefore adjusted his compensation on that basis, not as a bonus but as a recognition of the higher value of the service which we had required him to perform.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Louisiana?

Mr. McADOO. I yield.

Mr. LONG. That was giving the soldier for fighting in the trenches, a sum merely equal to the lowest compensation paid to common labor during any similar time of the Nation's history, was it not?

Mr. McADOO. I think the Senator has understated the fact.

Mr. LONG. The commonest laborer was paid in excess of \$2.50 a day during the World War.

Mr. McADOO. During the World War he was paid much more than that, I will say to the Senator from Louisiana. I think the compensation was more likely from \$4 to \$5 a day. I do not think we overpaid the soldier by giving him this adjusted compensation. I think that those who are opposed to the payment of adjusted compensation, because, they say, it anticipates the date of the maturity of the certificates, look at it from a technical point of view. As a legal question, we do not have to pay this adjusted compensation until 1945. On the other hand, when distress throughout the country has prevailed to such an extraordinary degree, and we are appropriating vast sums of money, billions of dollars, to relieve the distress of those who have no obligations from the Government in the form of certificates payable at any time, it is not unfair or unjust to say that we should be willing to anticipate the payment of those just obligations of the Government, and pay them now, especially when we can do it on a basis which will not impose a hardship on the American people, and which, in my humble opinion, will result in stimulating the return of prosperity to the country. I do not think it will bring prosperity all by itself, but in connection with other forces in operation and maturing now, I think that the payment to the World War veterans of their adjusted-service certificates, and in manner I have described, will be distinctly beneficial to the American people.

SEVERAL SENATORS. Vote! Vote!

Mr. HARRISON. I call for the yeas and nays.

The yeas and nays were ordered.

Mr. ROBINSON. Mr. President, I suggest that the Chair state the pending question.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended, which means the substitute offered by the Senator from Missouri [Mr. CLARK], the Vinson bill, for the Patman bill.

Mr. LONG. Mr. President, those who vote for the Patman bill should vote "nay"?

The PRESIDING OFFICER. Those who vote for the House bill, otherwise known as the "Patman bill", should vote "nay." Those who desire to vote for the committee amendment as amended will vote "yea." If the Vinson bill shall be adopted as an amendment, it will not be open to further amendment. The clerk will call the roll.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Borah	Connally	Frazier
Ashurst	Brown	Coolidge	George
Austin	Bulkley	Copeland	Gerry
Bachman	Bulow	Costigan	Gibson
Bailey	Burke	Couzens	Glass
Bankhead	Byrd	Davis	Guffey
Barbour	Byrnes	Dickinson	Hale
Barkley	Capper	Dieterich	Harrison
Bilbo	Caraway	Donahay	Hastings
Black	Carey	Duffy	Hatch
Bone	Clark	Fletcher	Hayden

Johnson	McKellar	Pittman	Thomas, Okla.
Keyes	McNary	Pope	Thomas, Utah
King	Maloney	Radcliffe	Townsend
La Follette	Metcalf	Robinson	Trammell
Lewis	Minton	Russell	Truman
Logan	Moore	Schall	Vandenberg
Loneragan	Murphy	Schwellenbach	Van Nuys
Long	Murray	Sheppard	Wagner
McAdoo	Neely	Shipstead	Walsh
McCarran	Norris	Smith	Wheeler
McGill	Overton	Steiwer	White

Mr. LEWIS. Mr. President, I reannounce the absences of Senators as previously announced by me for the reasons given, which I ask may be ascribed to the present announcement as well.

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. SHIPSTEAD. Mr. President, I ask permission to have printed in the RECORD at this point several paragraphs from the writings of John Stuart Mill, the writings of Professor Jevons, and of other economists on the question of what has been called here by financial writers and papers "fiat money", what it means, and what scholars who are recognized all over the world as experts on finance have said about the kind of money which is involved in the pending vote. Because of the different types of experts who have spoken on the subject throughout the country in the last few years, I ask to have these oldtimers' views printed in the RECORD at this point.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

The value of money is, to appearance, an expression as precise, as free from possibility of misunderstanding, as any in science. The value of the thing is "what it will exchange for"; the value of money is what money will exchange for—"the purchasing power of money." If prices are low, money will buy much of other things, and is of high value; if prices are high, it will buy little of other things, and is of low value. The value of money is inversely as general prices, falling as they rise and rising as they fall. (John Stuart Mill, Political Economy, book III, ch. 8.)

There is no such thing as intrinsic value. (Professor Jevons, Essay on Value of Gold.)

There cannot, in short, be "intrinsically" a more insignificant thing in the economy of society than money. (John Stuart Mill, Principles of Political Economy, vol. 2, p. 23.)

Mr. MacLeod, speaking of the expression "intrinsic value", says:

"This unhappy phrase meets us at every turn in economics, and yet the slightest reflection will show that to define value to be something 'external', and then to be constantly speaking of 'intrinsic' value are utterly self-contradictory and inconsistent ideas. Thus over and over again it is repeated in economical treatises that money has intrinsic value, but that a bill of exchange or bank note is only the representative of value.

"Money no doubt is the produce of labor, but, as Adam Smith observed, if it would exchange for nothing it would have no value; so, M. Say says, that the value of gold and silver consists only in what they will buy. How then can its value be intrinsic? How can anything have intrinsic value unless it has the thing it will exchange for 'inside itself'? 'Money has intrinsic value!' Has a piece of money got the merchandise, and all the other things it will purchase inside itself? Money will exchange for anything—corn, houses, horses, carriages, books, etc., and each of these is the value of the money with respect to that commodity. But which of these is its intrinsic value? The incongruity of these ideas is so glaring that it is only necessary to call attention to it for it to be perceived at once. 'Yet from the very beginning of the science this phrase has infested it.'

"Moreover, we see on considering the term 'value' that it is nonsense to speak of the 'representative' of value. Value is a 'ratio'—an external relation. What can be the 'representative of a ratio', or of an external relation? To say that money, because it is material and the product of labor, has intrinsic value, and that a bank note is only the representative of value, is just as absurd as to say that a wooden yard measure is 'intrinsic' distance, and that the space of 36 inches between two points is 'representative' distance. It is of the first importance to economic science to exterminate this unhappy phrase 'intrinsic value', which is clearly shown to be a contradiction in terms." (MacLeod, Theory and Practice of Banking, 1, 50.)

INFLUENCE OF COST OF PRODUCTION ON THE VALUE OF MONEY

In consequence of the great durability of gold, together with the fact that "nearly all the gold used as money is practically in the market at any given time", any change in the cost of production is likely to take a long time to produce its full effect on value. Hence the effects of all changes in the conditions of production of the precious metals are at first, and continue to be for many years, "questions of quantity only, with little reference to cost of production." (Henry Sidgwick, Principles of Political Economy, p. 250.)

Alterations, therefore, in the cost of production of the precious metals do not act upon the value of money except just in proportion as they increase or diminish its quantity. (John Stuart Mill, *Political Economy*, ch. 9, book 3.)

IT IS THE MONEY USE THAT GIVES VALUE TO GOLD

The fundamental cause of value in the precious metals is "their use as currency." This conclusion is not so obvious as it might appear. Up to recently ordinary political economists have been accustomed to accept Mr. Senior's dictum, that the measure of value in the precious metals is their use in the arts. It is very possible that this view is still accepted, notwithstanding the experience of the last 15 years, during which events have occurred which would, one might think, induce these people to reconsider their conclusion. (Thorold Rogers, professor political economy, Oxford University, *Industrial and Commercial History of England*, p. 324.)

Gold and silver owe almost the whole of their value to the fact that they can be converted into and used as money. If gold and silver were absolutely excluded from the currency of the world, their value would be greatly reduced, if it did not almost entirely cease to exist; and if either gold or silver were largely excluded from the currency of the world, the value of the metal so excluded would experience a very great fall.

The value of gold and silver is almost entirely due to their use as money, and consequently the relative value of gold and silver depends upon the extent to which the different nations of the world use these metals as currency. If one nation after another decided to demonetize silver and to sell the silver contained in its currency, the value of silver relatively to commodities and still more so in comparison to gold, could be made to fall to a very small fraction of its present value.

On the other hand, if the nations of the world demonetized gold, and sold their gold, the value of gold in relation to silver would experience a very great fall.

In short, we see that the demand for gold or silver is due mainly to the extent to which the legislatures of the different countries decided to use these metals as money, and, therefore, their relative value is and must continue to be regulated by legislation. (David Barbour, *Metallic Money*, ch. 2, p. 34.)

The value of money, other things being the same, varies inversely as its quantity; every increase of quantity lowering the value, and every diminution raising it in a ratio exactly equivalent. (John Stuart Mill, *Political Economy*.)

Alterations in the cost of the production of the precious metals do not act upon the value of money, except just in proportion as they increase or diminish its quantity. (John Stuart Mill.)

The value of money in any country is determined by the amount existing. That commodities would rise or fall in price in proportion to the increase or diminution of money, I assume as a fact that is incontrovertible.

We have seen, however, that even in the case of metallic currency the immediate agency in determining its value is its quantity. (John Stuart Mill, *Principles of Political Economy*, vol. 2, p. 89.)

There is plenty of evidence to prove that an inconvertible paper money, if carefully limited in quantity, can retain its full value. Such was the case with the Bank of England notes for several years after the suspension of specie payments in 1797, and such is the case with the present notes of the Bank of France. (Prof. Stanley Jevons.)

A well-regulated paper currency is so great an improvement in commerce that I should greatly regret if prejudice should induce us to return to a system of less utility. The introduction of the precious metals for the purposes of money may with truth be considered as one of the most important steps toward the improvement of commerce and the arts of the civilized life; but it is no less true that with the "advancement of knowledge and science" we discover that it would be "another improvement to banish them again from the employment to which, during a less enlightened period, they had been so advantageously applied." (Ricardo.)

Mr. THOMAS of Oklahoma. Mr. President, I desire to make one or two brief statements of fact, so that there may be no misunderstanding or misapprehension as to the vote about to be taken.

The question pending is the Patman bill. For that bill the Vinson bill is now pending as a proposed substitute. The vote comes upon the proposal to substitute the Vinson bill for the Patman bill. Therefore Senators who want to vote for the Vinson bill, as I understand, will vote "yea", and those who desire to vote for the Patman bill, as I understand, will vote "nay."

Second, if the Vinson bill should be passed, then the Vinson bill would not be subject to further amendment. On the other hand, if the Vinson bill should be defeated, it would leave the Patman bill pending before the Senate, and the Patman bill would then be open to further amendment. Am I correct?

The PRESIDENT pro tempore. The Senator is correct.

Mr. CLARK. I desire to detain the Senate but a moment before the vote is taken.

After many parliamentary tribulations an issue has finally been drawn between those Senators who favor full payment of the bonus and those Senators who are primarily interested in the price of money and inflation, with the bonus as a secondary consideration.

I listened with great interest, as I always do and have ever since I have been in the Senate, to the instructive speech of the Senator from Oklahoma [Mr. THOMAS] on the question of inflation. I listened with very great interest to the newer contribution to this subject of the distinguished former Secretary of the Treasury, the present Senator from California [Mr. McAdoo].

Let me say, on behalf of the proponents of full payment of the bonus without any strings attached, that I do not now desire to express any opinion whatever as to the merits of the contention of the Senator from Oklahoma [Mr. THOMAS] or the Senator from California [Mr. McAdoo] on the question of inflation as exemplified by printing-press money. All I say is that this is a naked issue between those who favor the authorization by Congress of the full payment of the bonus and those who favor tying up the proposition of the payment of the bonus with an entirely separate, distinct, different, and highly controversial subject.

It is my understanding that if the bill to be passed by this Congress should be vetoed by the President of the United States, on the question of passing the bill over his veto the Vinson bill would be at least 6 or 8 votes stronger in this body than the so-called "Patman bill."

To my mind, if Senators are in favor of the payment of the bonus in full at this time, that should be done without any strings attached to it, and without the injection into the subject of any other controversial issue which may lose votes in the crucial test. Therefore, I agree with the parliamentary suggestion made by the Senator from Oklahoma that, on this roll call, Senators who are in favor of the payment of the bonus without any strings attached should, when their names are called, vote for the Vinson bill, and, therefore, vote "yea"; and the Senators who are in favor of inflation primarily, with the payment of the bonus in full as a secondary issue, and who are willing to subject that issue to the hazards which will necessarily follow, should vote for the so-called "Patman-Coughlin bill", and, therefore, vote "nay."

Mr. HARRISON. Mr. President, a parliamentary inquiry. After this vote shall have been taken, should the Patman bill be adopted, there would be another vote on the passage of the bill?

The PRESIDENT pro tempore. The Chair assumes that the Senator means, if the committee amendment as amended should be agreed to—in other words, if the Vinson amendment should be adopted—then there would be another vote on the final passage of the bill as amended. That is true.

Mr. LEWIS. Mr. President, I rise to a parliamentary inquiry looking to information on the parliamentary status. If I correctly understood the Senator from Oklahoma [Mr. THOMAS], should what we speak of as the Vinson bill, now tendered as an amendment by the able Senator from Missouri [Mr. CLARK], be adopted, do I gather that the Vinson bill then could not be further amended? Would that vote prevent the Patman bill being tendered as a substitute?

The PRESIDENT pro tempore. If the Vinson bill, the pending amendment, should be adopted, no further amendment would be in order. If the Vinson bill should be defeated, the vote would then occur upon the House bill, which would be open to amendment, provided the amendments were not such as had already been considered by this body.

The question is on agreeing to the amendment of the committee, as amended. On that question, the yeas and nays have been demanded, and ordered. The Clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. COUZENS (when his name was called). "Present." The roll call was concluded.

Mr. LEWIS. I announce the absence, because of illness, of the Senator from Wyoming [Mr. O'MAHONEY]. The

Senator from Wyoming requests me to say that were he present and voting he would vote "yea."

I announce a pair between the Senator from Maryland [Mr. TYDINGS], who is unavoidably detained, and the Senator from North Carolina [Mr. REYNOLDS], who is in the Virgin Islands on an official mission of the Senate, and announce that if present and voting the Senator from North Carolina would vote "nay", and the Senator from Maryland would vote "yea."

Mr. CLARK (after having voted in the affirmative). I desire to change my vote from "yea" to "nay."

Mr. AUSTIN. I announce the necessary absence of the Senator from South Dakota [Mr. NORBECK]. If he were present, he would vote "nay."

Mr. FRAZIER. My colleague [Mr. NYE] is necessarily absent. He is paired on this question with the junior Senator from Oklahoma [Mr. GORE]. If the Senator from North Dakota were present he would vote "nay." I am not prepared to say how the Senator from Oklahoma would vote.

The result was announced—yeas 35, nays 52, as follows:

YEAS—35

Adams	Carey	Glass	McNary
Austin	Copeland	Hale	Metcalf
Bachman	Costigan	Hastings	Stelwer
Bailey	Davis	Keyes	Townsend
Barbour	Dickinson	King	Truman
Barkley	Dieterich	Lewis	Vandenberg
Burke	George	Logan	Van Nuys
Byrd	Gerry	Loneragan	White
Byrnes	Gibson	McKellar	

NAYS—52

Ashurst	Coolidge	McCarran	Robinson
Bankhead	Donahay	McGill	Russell
Bilbo	Duffy	Maloney	Schall
Black	Costigan	Minton	Schwellenbach
Bone	Fletcher	Moore	Sheppard
Borah	Frazier	Murray	Shipstead
Brown	Guffey	Neely	Smith
Bulkley	Harrison	Norris	Thomas, Okla.
Bulow	Hatch	Overton	Thomas, Utah
Capper	Hayden	Pittman	Trammell
Caraway	Johnson	Pope	Wagner
Clark	La Follette	Radcliffe	Walsh
Connally	Long		Wheeler
	McAdoo		

NOT VOTING—7

Couzens	Norbeck	O'Mahoney	Tydings
Gore	Nye	Reynolds	

So the amendment of the committee, as amended, was rejected.

Mr. THOMAS of Oklahoma. Mr. President, I move that the vote by which the committee amendment, as amended, was rejected be reconsidered.

Mr. LONG. I move to lay that motion on the table.

Mr. CLARK. On that I call for the yeas and nays.

Mr. AUSTIN. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. AUSTIN. May the question be stated?

The VICE PRESIDENT. The committee amendment, as amended, was rejected. The Senator from Oklahoma [Mr. THOMAS] moved that the vote by which the amendment was rejected be reconsidered. The Senator from Louisiana moved to lay that motion on the table. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FRAZIER. My colleague the junior Senator from North Dakota [Mr. NYE] is absent. He is paired with the Senator from Oklahoma [Mr. GORE] on this vote. If my colleague [Mr. NYE] were present, he would vote "yea." I am not prepared to say how the Senator from Oklahoma would vote were he present and voting.

Mr. LEWIS. I wish to announce that the Senator from North Carolina [Mr. REYNOLDS] is absent on an official mission to the Virgin Islands.

I also announce that the Senator from Maryland [Mr. TYDINGS] is unavoidably detained, and that the Senator from Oklahoma [Mr. GORE] is detained on important departmental business.

Mr. AUSTIN. I wish to announce that the Senator from South Dakota [Mr. NORBECK] is necessarily detained.

The result was announced—yeas 48, nays 40, as follows:

YEAS—48

Ashurst	Barkley	Black	Brown
Bankhead	Bilbo	Bone	Bulkley

Bulow	Harrison	Moore	Schall
Capper	Hatch	Murphy	Schwellenbach
Caraway	Hayden	Murray	Sheppard
Coolidge	Lewis	Neely	Smith
Costigan	Long	Norris	Thomas, Okla.
Couzens	McAdoo	Overton	Thomas, Utah
Donahay	McCarran	Pittman	Trammell
Fletcher	McGill	Pope	Wagner
Frazier	Maloney	Radcliffe	Walsh
Guffey	Minton	Robinson	Wheeler

NAYS—40

Adams	Clark	Glass	McNary
Austin	Connally	Hale	Metcalf
Bachman	Copeland	Hastings	Russell
Bailey	Davis	Johnson	Shipstead
Barbour	Dickinson	Keyes	Stelwer
Borah	Dieterich	King	Townsend
Burke	Duffy	La Follette	Truman
Byrd	George	Logan	Vandenberg
Byrnes	Gerry	Loneragan	Van Nuys
Carey	Gibson	McKellar	White

NOT VOTING—6

Gore	Nye	Reynolds	Tydings
Norbeck	O'Mahoney		

So the motion of Mr. THOMAS of Oklahoma to reconsider was laid on the table.

The VICE PRESIDENT. The question now is on the third reading of the bill.

Mr. HARRISON. I ask for the yeas and nays.

Mr. ROBINSON. Mr. President, the Senator from California announced, during the course of his remarks, that he wished to offer an amendment. He should be given that opportunity.

The VICE PRESIDENT. The Senator from California is recognized to offer his amendment.

Mr. McADOO. Mr. President, I regret that I have not had opportunity to perfect the amendment much as I should like to perfect it, but I will offer it as it is.

I move to insert at the appropriate place in the bill the following language:

A sinking fund of \$81,000,000 to be included annually in the Budget, shall be and is hereby created, to be collected by taxation, and invested semiannually in bonds of the United States, the same to be used for the redemption of the Treasury notes herein and hereby authorized.

Mr. HARRISON. Mr. President, the Committee on Finance gave no consideration to any such proposal as this, and I hope the question of taxes will not be involved in the so-called "Patman proposition."

Mr. LONG. Mr. President, as one of the friends of the Patman bill, I think I can say, and I believe most of my friends who have worked with me will join me in the statement, that we have no objection to this amendment. It would take away nothing, it would help the bill, and it would remove any flimsy pretext anyone might urge in an attempt to justify a vote against the bonus or a veto.

All the amendment of the Senator from California stipulates is that instead of paying 3 percent interest, the same amount, or thereabouts, shall be deducted every year and applied to the principal.

Those who have been so willing to have the Government pay 3-percent interest on this money certainly should not object now to the Government creating a sinking fund of 3 percent to retire the principal. The only difference is that if the amendment shall prevail, the interest alone will practically retire the Treasury notes, whereas under the previous proposition the whole amount would have been owing after the payment of interest for 20 years.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. HARRISON. If it is to arouse discussion, so far as I am concerned, I withdraw any objection to it, and the proponents of the legislation may have their way.

Mr. BARKLEY. Mr. President, if the Senator from Louisiana will yield to me, I should like to ask the Senator from California a question.

As it passed the House, the bill provided for the retirement of Federal Reserve notes and Federal Reserve bank notes which are now a considerable portion of the circulating medium of the country. In testifying before the Committee on Finance the author of the bill, as it passed the House, stated it was the object, in order that there should be no

inflation created by the printing of this two and a half billion dollars of paper money, that gradually the Federal Reserve notes and the Federal Reserve bank notes now in circulation would be withdrawn. I understand that the Senator's amendment contemplates the ultimate retirement of the Treasury notes to be issued in payment of the bonus. How does that harmonize with the provision of the bill which authorizes the retirement of all Federal Reserve bank notes and Federal Reserve notes now in circulation?

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. I suggest to the Senator from California that he modify his amendment by adding the words "not to exceed \$81,000,000 annually."

Mr. BARKLEY. Mr. President, I do not think the addition of those words will cure the situation. What I have in mind is the possibility, under the amendment of the Senator from California and under the language of the bill, of two kinds of currency going into retirement at the same time.

Mr. McADOO. I should like to know the Senator's understanding of the bill. What does the bill provide?

Mr. BARKLEY. The bill provides that the Secretary of the Treasury shall from time to time call in the Federal Reserve notes and the Federal Reserve bank notes.

Mr. BORAH. Mr. President—

Mr. LONG. Mr. President, I had not concluded. I have the floor, but I have yielded to permit this discussion to go on.

Mr. BORAH. Mr. President, the Senator from Kentucky, in carrying on his discussion with the Senator from California, had his back turned, and it was impossible to hear him.

Mr. BARKLEY. Mr. President, I stated to the Senator from California that there seems to be some inconsistency between his amendment and the provision of the bill, which, as it passed the House, authorized the Secretary of the Treasury to retire the Federal Reserve notes and the Federal Reserve bank notes now in circulation; and they comprise about one-half, I believe, of the amount of money now in circulation. The Senator from California proposes to retire the Treasury notes authorized by the pending bill by the creation of a sinking fund of \$81,000,000 per year. I am wondering whether, if both provisions go into effect, there would not be two classes of money going into retirement at the same time, if the Secretary of the Treasury should exercise the authority conferred upon him by the provisions of the bill.

Mr. McADOO. I will say to the Senator from Kentucky that the provision of the bill as it passed the House with respect to the retirement of the Federal Reserve notes does not seem to be clear or adequate for the purpose; and I am proposing my amendment in order that there may be imposed by taxation a sufficient sum to create a sinking fund large enough to retire the Treasury notes issued to pay the bonus.

Mr. BARKLEY. Yes; that is what I am talking about.

Mr. McADOO. I think the matter will have to be ironed out and adjusted in conference, and I should prefer to have the amendment go into the bill in order that it may be taken up in conference.

Mr. BARKLEY. When a glaring inconsistency in a bill is called to the attention of the Senate, it is not always wise to leave it to a conference committee to work out.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Missouri.

Mr. CLARK. I should like to call the attention of the Senator from California to the fact that if his amendment shall be adopted, up to the present time it will be the only amendment put on the House bill, so there will not necessarily be any conference at all; and to adopt an imperfect amendment, admittedly imperfect, on the theory that it will be straightened out in conference, is to do so on a very violent assumption.

Mr. LONG. Mr. President, assuming the floor in my right—

Mr. McADOO. Mr. President, may I reply to the Senator from Missouri?

Mr. LONG. Yes; I yield to the Senator for that purpose.

Mr. McADOO. I may say to the Senator from Louisiana and to the Senator from Missouri that I shall ask permission to offer the amendment I have just proposed as a substitute for the provision in the present bill relating to the retirement of the Federal Reserve notes.

Mr. LONG. Mr. President, may I ask the Senator to withhold that amendment? As amended, the amendment provides not to exceed \$81,000,000, and that leaves no conflict, I may state to the Senator from California.

Mr. McADOO. I have accepted that suggestion.

Mr. LONG. That having been done, there need be nothing further done. There is no inconsistency between the Senator's amendment, as amended, and the pending bill. The House can concur in the amendment, and the bill will be perfectly good.

Mr. BARKLEY. Mr. President, the Senator may be too cocksure about that matter.

Mr. LONG. Mr. President, does the Senator from Kentucky wish me to yield to him?

Mr. BARKLEY. If he has the floor.

Mr. LONG. What does the Senator wish to say?

Mr. BARKLEY. I was remarking that I think the Senator is too cocksure about the perfection and consistency of these two provisions.

Mr. LONG. No, Mr. President; I never am too cocksure. I am always very conservative.

Mr. BARKLEY. I know that is the Senator's assumption, but there are others who may have a different judgment about the matter.

Mr. LONG. I am always sure of what I say, and the Senator can always depend on what I tell him.

Mr. BARKLEY. The Senator may feel that his judgment is superior. However, the amendment of the Senator from California deals with the Treasury notes which are to be issued as a result of the provisions of this bill.

Mr. LONG. Yes.

Mr. BARKLEY. The provisions of the bill to which I referred a moment ago authorize the Secretary of the Treasury to call in Federal Reserve notes and Federal Reserve bank notes, which are entirely different kinds of money from that provided to be issued under the bill.

Mr. LONG. That does not hurt a thing on earth. The money is still just as sound as a dollar. The only thing the amendment of the Senator from California does is to provide that there shall be levied taxes not to exceed \$81,000,000 to be used as a sinking fund to retire the particular two and one-quarter billion dollars issued to pay the bonus.

Mr. BARKLEY. I understand that; but the Secretary of the Treasury may at the same time be retiring two and a half billions of dollars of Federal Reserve notes and Federal Reserve bank notes.

Mr. LONG. I know; but we are not worried about whether he does it or not.

Mr. BARKLEY. If the time comes, the Senator may be worried.

Mr. LONG. Oh, no; we shall not be worried.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBINSON. Aside from any question of merit involved in the amendment of the Senator from California, it occurs to me that it may contravene the constitutional provision which requires that all bills for raising revenue shall originate in the House.

Mr. LONG. Did not this bill originate in the House? The bill we are now voting on is the Patman bill.

Mr. McADOO. Mr. President—

Mr. LONG. I shall yield to the Senator from California as soon as the Senator from Arkansas has completed his question.

Mr. ROBINSON. Mr. President, will the Senator from Louisiana yield so that I may answer his question?

Mr. McADOO. Mr. President, I think I can clarify the question in a moment.

Mr. LONG. I yield to the Senator from Arkansas.

Mr. ROBINSON. In answer to the question of the Senator from Louisiana, it is certainly true that the Patman bill originated in the House of Representatives; but the Patman bill is not a revenue bill, and the inhibition in the Constitution is against the origination of revenue bills in the Senate. I do not think the question which I have raised calls for a prolonged argument. It is true that the amendment does not provide for an actual tax, but it does require a sinking fund to be raised by taxation; and that, I think, constitutes a revenue bill within the meaning of the constitutional provision.

Mr. LONG. I desire to say before yielding to the Senator from California that the amendment does not make this bill a revenue bill. The amendment does not impose any tax at all. The bill came along as a currency measure to pay the soldiers' bonus and remains a currency measure.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBINSON. The amendment does require a sinking fund to be raised by taxation.

Mr. LONG. The Senator, however, knows that it is not a revenue bill. The only revenue bill in the world would be a bill which actually levied a tax.

Mr. ROBINSON. No; I do not think that is true.

Mr. LONG. Well, that is the law. [Laughter in the galleries.]

The VICE PRESIDENT. The Chair requests visitors in the gallery to maintain order. The visitors in the gallery will kindly refrain from laughter. The Senate is trying to transact business in an orderly fashion, and the Chair asks those in the gallery to refrain from laughter or audible conversation.

Mr. ROBINSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arkansas?

Mr. ROBINSON. I will not ask the Senator to yield.

Mr. LONG. I simply desire to say that the suggestion has been made to me by the Senator from Georgia that the taxes which have already been raised could be used, or Congress could later be asked to raise other revenue. There is no revenue-taxing measure except that which actually imposes taxes.

The VICE PRESIDENT. The Senator from California [Mr. McAdoo] has been trying to have the Senator from Louisiana to yield to him.

Mr. LONG. I yield to the Senator from California.

Mr. McADOO. Mr. President, I think there is some force in the point raised by the distinguished Senator from Arkansas. As I do not wish to complicate the bill, I think, on the whole, perhaps it will be wiser to withdraw the amendment; and I do so.

The VICE PRESIDENT. The Senator from California withdraws his amendment. The question is on the third reading of the bill.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. GLASS. I am a little puzzled about this question, and I should like to find out about it from the Senator from California [Mr. McAdoo], who was once Secretary of the Treasury, or from any other Senator who has knowledge thereof. Never before in the whole history of the Federal Reserve System was the Secretary of the Treasury authorized to withdraw Federal Reserve notes.

Mr. McADOO. During my tenure of that office he had no such authority.

Mr. GLASS. He never had any such authority. It seems to me the bill should provide that the banks which comprise the Federal Reserve System should withdraw the notes if they are to be withdrawn.

The VICE PRESIDENT. The question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. HARRISON. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. AUSTIN. I repeat the announcement formerly made with respect to the Senator from South Dakota [Mr. NORBECK]. If present, he would vote "yea."

Mr. LEWIS. The Senator from Maryland [Mr. TYDINGS] is unavoidably detained, and the Senator from North Carolina [Mr. REYNOLDS] is absent on an official mission to the Virgin Islands. I announce a special pair between these two Senators. I am authorized to state that were the Senator from North Carolina [Mr. REYNOLDS] voting he would vote "yea"; if the Senator from Maryland [Mr. TYDINGS] were voting, he would vote "nay."

I announce the absence of the Senator from Oklahoma [Mr. GORE], who is detained on important departmental business.

I also announce the absence of the Senator from Wyoming [Mr. O'MAHONEY], caused by illness. If he were present, he would vote "nay."

Mr. CLARK (after having voted in the negative). I desire to change my vote from "nay" to "yea", and I should like to make the statement that I do it only for the purpose of moving a reconsideration. Since it is apparent that the Patman bill cannot pass over the Presidential veto, I desire to move to reconsider the vote by which the bill will apparently be passed and hope Senators may reconsider their vote on the matter. Therefore I change my vote from "nay" to "yea" for the purpose of moving reconsideration.

Mr. FRAZIER. I wish to announce a pair on this question between my colleague the senior Senator from North Dakota [Mr. NYE] and the junior Senator from Oklahoma [Mr. GORE]. If the senior Senator from North Dakota [Mr. NYE] were present, he would vote "yea." I am not informed as to how the Senator from Oklahoma [Mr. GORE] would vote if present.

The result was announced—yeas 55, nays 33, as follows:

YEAS—55

Adams	Copeland	McAdoo	Russell
Bachman	Costigan	McCarran	Schall
Bankhead	Davis	McGill	Schwellenbach
Billbo	Dickinson	McKellar	Sheppard
Black	Donahay	Maloney	Shipstead
Bone	Duffy	Minton	Smith
Borah	Frazier	Moore	Steiwer
Bulow	George	Murphy	Thomas, Okla.
Byrnes	Gibson	Murray	Thomas, Utah
Capper	Hatch	Neely	Trammell
Caraway	La Follette	Norris	Truman
Carey	Lewis	Overton	Van Nuys
Clark	Logan	Pittman	Wheeler
Coolidge	Long	Pope	

NAYS—33

Ashurst	Connally	Hastings	Robinson
Austin	Couzens	Hayden	Townsend
Bailey	Dieterich	Johnson	Vandenberg
Barbour	Fletcher	Keyes	Wagner
Barkley	Gerry	King	Walsh
Brown	Glass	Loneragan	White
Bulkeley	Guffey	McNary	
Burke	Hale	Metcalf	
Byrd	Harrison	Radcliffe	

NOT VOTING—6

Gore	Nye	Reynolds	Tydings
Norbeck	O'Mahoney		

So the bill was passed.

Mr. CLARK. Mr. President, I desire to give notice of my intention to move to reconsider the vote by which the bill was passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had appointed Mr. MERRITT of New York a member of the committee on the part of the House, to attend the funeral of the late Senator CUTTING, of New Mexico, vice Mr. BLANTON, resigned.

The message also announced that the House has passed the following joint resolutions, in which it requested the concurrence of the Senate:

H. J. Res. 273. Joint resolution extending the gratitude of the Nation to Admiral Byrd, and to the members of his expedition; and

H. J. Res. 274. Joint resolution authorizing the appointment of a special joint committee to meet with other representatives of the Government in greeting Rear Admiral Richard E. Byrd, upon his return from his second Antarctic expedition.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 147. An act to alter the amount apportioned to certain States for public-employment offices affiliated with the United States Employment Service;

S. 613. An act to add certain public-domain land in Montana to the Rocky Boy Indian Reservation;

S. 707. An act to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin-American Republics in military and naval matters"; and

S. 2145. An act extending the time for repayment of the revolving fund for the benefit of the Crow Indians.

ORDER OF BUSINESS

Mr. NORRIS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 470, being Senate bill 2357, to amend the Tennessee Valley Authority Act.

Mr. LONG. Mr. President, I should like to dispose of a matter first. Will the Senator from Nebraska withhold that motion for just a moment? I want to dispose of a matter relating to the bill which was just passed. The Senator from Missouri [Mr. CLARK] has moved, or, rather, has given notice of his intention to move a reconsideration of the vote by which the bill was passed. Under the rules of the Senate that notice could prevail for several days without action. Therefore, I now move—

Mr. CLARK. Mr. President, I rise to a point of order. The Senator from Louisiana cannot do that, because there is a motion now pending before the Senate.

The VICE PRESIDENT. There is a motion before the Senate, being the motion of the Senator from Nebraska.

Mr. LONG. Mr. President, will the Senator from Nebraska temporarily withdraw his motion so we may dispose of my motion?

Mr. NORRIS. The Senator evidently is going to make a motion to lay on the table a certain motion which has not as yet been made.

Mr. LONG. No; I am going to do more than that. I am going to move a reconsideration of the vote by which the bill was passed in the hope that my friend the Senator from Oklahoma [Mr. THOMAS] will move to lay that motion on the table.

Mr. NORRIS. There will be plenty of time to do that after my motion shall have been disposed of.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska.

Mr. HARRISON. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Mississippi?

Mr. NORRIS. I yield.

Mr. HARRISON. I have no desire to have measures come in conflict so far as procedure is concerned. I have been very anxious to have considered by the Senate a joint resolution which was reported out by the Finance Committee having to do with the extension of the N. R. A. May I ask the Senator how long he expects his measure will occupy the time of the Senate?

Mr. NORRIS. So far as I know, the bill will not occupy much of the time of the Senate. I do not know of any extended discussion that will take place with reference to it.

Mr. HARRISON. I do not know that there is any opposition at all to the Senator's bill. Unfortunately I have not had time to consider it. If there is going to be any action taken with reference to the N. R. A. legislation, the Senate

must proceed with it at a very early date because the present law relating to the N. R. A., as the Senator knows, will expire on June 16. The measure has not as yet passed the House; the House is in fact waiting for some action on the part of the Senate before they take it up. Unless it would greatly inconvenience the Senator or unless there is some particular reason for the immediate passage of the proposed legislation he has in charge, I very much hope he will permit us to go forward with the N. R. A. joint resolution and get it out of the way.

Mr. BORAH. Mr. President—

Mr. NORRIS. I yield to the Senator from Idaho.

Mr. BORAH. I hope the Senator from Mississippi will not urge that joint resolution this afternoon. My attitude toward the joint resolution will be determined by some facts which I think I can secure from the Senator from Mississippi, and I should like to talk with him before the consideration of the measure begins.

Mr. HARRISON. Mr. President, in the event the debate should be prolonged with reference to the measure which the Senator from Nebraska has in charge, would he not then temporarily lay it aside in order to permit the Senate to take up the one to which I have referred?

Mr. NORRIS. I should be willing to lay it aside temporarily if I could be assured that what the Senate would take up would not be long delayed. I have no disposition to interfere with the passage of the Senator's joint resolution.

Mr. HARRISON. I can only give the Senator the assurance that I very much hope it will not take very much time. We have suggested the matter, and a good many of us have gotten together on a proposition in order to save debate. I do not think it is going to take a great deal of time, but I do not know.

Mr. NORRIS. Does the Senator think the joint resolution can be passed this afternoon?

Mr. HARRISON. No; I do not.

Mr. NORRIS. Then let us go ahead.

Mr. WAGNER. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from New York?

Mr. NORRIS. I first yield to the Senator from Mississippi to complete his statement.

Mr. HARRISON. I merely desire to finish my inquiry. Then, as I understand, if the Senate should take up this proposed legislation this afternoon, the Senator from Nebraska would be quite willing to lay it aside temporarily if he could get some assurance that there would not be protracted debate on the proposed N. R. A. legislation?

Mr. NORRIS. Yes; if protracted debate should take place on the bill I am trying to get up, and if I could be assured that we could dispose of the joint resolution in a short time, I should not have any objection.

Mr. HARRISON. May I ask the Senator about how long he thinks his bill will take?

Mr. NORRIS. So far as I know, I do not think it will take very long. Personally, I do not know any objection to it.

Mr. HARRISON. Mr. President, I should like to say that I should be very glad to call up the N. R. A. joint resolution immediately following the consideration of the Senator's proposal.

Mr. WAGNER (and other Senators) addressed the Chair. The VICE PRESIDENT. Does the Senator from Nebraska yield, and if so, to whom?

Mr. NORRIS. I yield to the Senator from New York.

Mr. WAGNER. I desire to ask the Senator from Mississippi, the Chairman of the Finance Committee, on what theory he thinks that the so-called "N. R. A. legislation" should have preference over a bill equally, if not more, important, particularly to the working people of the country in view of present economic conditions? I refer to the national labor relations bill, which was reported by the Committee on Education and Labor prior to the report by the Committee on Finance of the joint resolution referred to by the Senator from Mississippi. The National Labor Relations Board, which was created under Public Resolution 44, also expires

on June 16 if no action is taken by Congress; and that Board seems to me most important in achieving or retaining industrial peace in this country. I do not think there will be a very prolonged debate upon this matter. I ask the Senator from Mississippi to give precedence to the national labor-relations bill.

Mr. NORRIS. Mr. President, I do not think I should want to yield for that purpose.

The VICE PRESIDENT. The Senator from Nebraska declines to yield further.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Vermont will state it.

Mr. AUSTIN. Is the pending question debatable?

The VICE PRESIDENT. It is.

Mr. AUSTIN. Then, when the Senator resumes his seat I think I shall desire to debate the question.

Mr. HARRISON. Mr. President, will the Senator from Nebraska permit me to answer the question of the Senator from New York?

Mr. NORRIS. I yield the floor.

Mr. HARRISON. The Senator from New York has called attention to the bill which he reported from his committee. I have given no study to that bill, and know of it only in a general way. I must say to the Senator that while the board which administers section 7 (a) under the N. R. A. was created by an act of Congress after we had passed the N. R. A. bill, I am sure the committee in dealing with that matter overlooked that fact. I had hoped that when the N. R. A. joint resolution came before the Senate an amendment would be adopted which would extend the life of that Board to the life of the N. R. A. I think that should be done.

So far as the proposal of the Senator from New York is concerned, however, I do not think it ought to have precedence over the proposed N. R. A. legislation, because whatever is done must be done by June 16, and there is a great deal of uncertainty in the country as to just what we are going to do about the extension of the N. R. A.

Mr. GLASS and Mr. WAGNER addressed the Chair.

The VICE PRESIDENT. The Chair recognizes the Senator from Virginia [Mr. GLASS]. The Senator from Nebraska has yielded the floor. The Chair understands that a matter of importance, which is privileged, coming over from the House of Representatives, must have attention at once, and therefore recognizes the Senator from Virginia to call up a privileged matter.

Mr. WAGNER. Mr. President, I rise for a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WAGNER. In case the proposed T. V. A. legislation referred to by the Senator from Nebraska should be taken up for consideration, I wish to ask the Chair whether it could be laid aside for the consideration of another matter only by unanimous consent.

The VICE PRESIDENT. It could be laid aside. It is not as yet before the Senate for consideration. The Senator from Nebraska has moved to make it the unfinished business. The Senator from Vermont [Mr. AUSTIN] has given notice that he desires to debate that question. When the bill is before the Senate, if the Senate shall take it up, the Senate can lay it aside temporarily to consider any other business it desires to consider.

Mr. WAGNER. But laying aside the unfinished business can be done only by unanimous consent?

The VICE PRESIDENT. The Senator states the situation correctly.

Mr. BORAH. It can be laid aside by vote.

The VICE PRESIDENT. Yes; any other measure can be substituted by vote for the measure which the Senator from Nebraska is seeking to bring before the Senate.

Mr. WAGNER. I thank the Chair.

REAR ADMIRAL RICHARD E. BYRD

The VICE PRESIDENT. The Chair lays before the Senate a joint resolution from the House of Representatives, which will be read.

The joint resolution (H. J. Res. 273) extending the gratitude of the Nation to Admiral Byrd and to the members of his expedition was read the first time by its title and the second time at length, as follows:

Whereas Rear Admiral Richard E. Byrd and the members of the second Byrd Antarctic expedition are returning home from a successful and heroic exploration of Antarctic lands, wherein they have extended our knowledge of this vast area by airplane flights, tractor, and dog-sled trips, making extended and valuable scientific observations; and

Whereas the members of the expedition have displayed a courage and devotion worthy of the highest traditions of American exploration, and an unswerving loyalty to the superb leadership of their commander; and

Whereas Rear Admiral Byrd has added another notable chapter to the annals of American expeditions by his genius in organizing, transporting, and providing for the subsistence of his men while they carried on a program of research in 22 branches of science under the most adverse conditions, and he personally displayed exceptional gallantry in his lone vigil away from the Little America base in order to make important meteorological observations: Therefore be it

Resolved, *etc.*, That the gratitude of the Nation be extended to Admiral Byrd and to the members of his expedition, and that a copy of this resolution be appropriately inscribed and presented to him and to each member of the second Byrd Antarctic expedition.

The joint resolution was considered by unanimous consent, ordered to a third reading, read the third time, and unanimously passed.

The VICE PRESIDENT. The Chair lays before the Senate another joint resolution from the House of Representatives, which will be read.

The joint resolution (H. J. Res. 274) authorizing the appointment of a special joint committee to meet with other representatives of the Government in greeting Rear Admiral Richard E. Byrd upon his return from his second Antarctic expedition was read the first time by its title and the second time at length, as follows:

Resolved, *etc.*, That a joint committee of Congress to be composed of 5 Members of the Senate, to be appointed by the President of the Senate, and 5 Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, accompanied by the Secretary of the Senate, the Clerk of the House of Representatives, the Sergeant at Arms of the Senate, and the Sergeant at Arms of the House of Representatives, is authorized to join with other officials and representatives of the Government in greeting Rear Admiral Richard E. Byrd upon his arrival at the navy yard on May 10, 1935.

The joint resolution was considered by unanimous consent, ordered to a third reading, read the third time, and unanimously passed.

Mr. GLASS. Mr. President, the Chair is entirely too fast for me, and the Senator from Mississippi [Mr. HARRISON] was too slow.

Out of an excessive desire to be accommodating to Senators, although I had privately asked the Chair for recognition, I agreed to let the Senator from Mississippi bring up a question for precedence before the presentation by the Senator from Nebraska of his proposition—not that I had any less desire to oblige the Senator from Nebraska, but only because the Senator from Mississippi had made the request, and the Senator from Nebraska had not.

I do not suppose it is worth while now to discuss the joint resolutions which the Senate has unanimously passed; but, as the senior Senator from Virginia, I had desired to say something in behalf of the joint resolutions. In my own view, however, that is entirely unnecessary. Every Senator knows of the heroism of Richard Evelyn Byrd. I had simply proposed to read a few extracts from the attestation of the scientist who was second in command of the Byrd expedition as to Admiral Byrd's extraordinary and superhuman heroism.

The joint resolutions have passed, however; and I shall not consume the time of the Senate in doing something which is rather superfluous, beyond saying that I have known the Byrds for the 76 years of my life—77, to be exactly accurate—and Dick Byrd comes from a stock that could not help being heroic if they wanted to, noted not only for their peculiarly fine intelligence but also for their extraordinary courage in every emergency.

If I may have unanimous consent to incorporate in these few remarks the attestation made by Thomas C. Poulter, chief scientist and second in command of the expedition, of Admiral Byrd's unparalleled courage and heroism, I shall terminate my remarks on the subject. I ask unanimous consent to incorporate Mr. Poulter's tribute.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[From the New York Times]

ADMIRAL BYRD'S SOLITARY VIGIL: A DRAMATIC TEST OF COURAGE—AWAY FROM HIS PARTY FOR FOUR AND A HALF MONTHS, HE UNDERWENT A SEVERE ORDEAL

[The second Byrd Expedition maintained on the Ross Ice Shelf the farthest south weather station ever established. Here Admiral Byrd lived alone through the long winter night. The story of his vigil, which tested his strength and courage, is told in the following article:]

(By Thomas C. Poulter, Chief Scientist and Second in Command, Byrd Expedition)

LITTLE AMERICA, ANTARCTICA.—Our arrival at Commander Byrd's advance-base weather station at the southernmost and coldest spot ever inhabited by man marked the end of a horrible ordeal endured by a man alone, cut off from human aid by a code that he refused to break.

Though for 2 months three of us lived there with our commander, jammed together in his 9-by-13 room, we learned next to nothing from him of his experience, for he told us no more than bare courtesy required. I had expected this, for I knew that the many thousands who heard him lecture on his last expedition were struck by the fact that not once did he mention himself. Therefore, when he writes of this expedition, he will, I am sure, as is his custom, omit the part he played. That his experience may not be entirely lost, I have consented to write this article for the New York Times.

When we first saw him, on August 10, we were shocked at his appearance. Emaciated, hollow-cheeked, weak, and haggard though he was, he met us casually, calmer by far than any of us. "Hello, fellows," he said, as if he had seen us only yesterday, but his ghastly condition and husky voice told us that, in spite of this matter-of-factness, he had been through some terrific things. When I learned that his condition had been even worse and that his most desperate time had been many weeks before our arrival, in the very middle of the winter night, I realized dimly what his battle for survival must have been.

Since that time I have been collecting here and there the pieces that go to make a consecutive story of his trials. Some I have gathered from casual remarks he has dropped from time to time in conversation or in the discussion of his cold-weather problems. Some I have from his old friend Murphy, who received and handled his radioed instructions, and still more from his record, a part of which I had a chance to read. Putting the pieces together I discovered that I have come upon something rare. It is a picture of a mighty trial of manhood and spirit and reveals something of Byrd the man.

PEACEFUL SOLITUDE

It appears that for the first weeks of his isolation the commander enjoyed himself immensely. In fact, he found an indescribable tranquillity in his solitude. He welcomed the hardships and strenuous physical labor imposed by his environment, an environment strange almost beyond conception. He was cut off for a period from life and the sun and most of the familiar things of civilization as completely as if he had been on the dead silent and eternally dark side of the moon. Could any man alone keep his mental balance under such conditions? That danger was one of the gravest he faced.

The commander, however, did not view it with alarm, afterward. Having met the hazard with equanimity, he expressed his opinion that any average man could do the same. With this I disagree. When he had successfully passed nearly half of the winter nights the clouds of disaster loomed suddenly. He was stricken down by poisoning from the combined fumes of his improvised oil stove and the gasoline engine powering his radio generator.

Oil had to be used instead of coal because the lateness of the season prevented more than one trip to the advance base and coal was too heavy to carry. This had necessitated the improvising of an oil burner from an ordinary caboose-type coal stove. When the disaster occurred Byrd had been living in his little room three and a half months and had from the beginning been breathing in and gradually absorbing the poisonous fumes of his faulty stove.

On May 31, at the end of a radio schedule, he went into the snow tunnel to shut off the engine and was knocked dizzy by the fumes of the exhaust. Later he found that the vent had been clogged with ice. He was quite ill that night. The next day about supper time he found himself in a critical condition. Apparently the incident of the previous day had lowered his resistance to a point where his system had finally succumbed to the effects of the fumes from the heater buried under the snow.

WROTE OUT INSTRUCTIONS

III, alone, helpless in the middle of the winter night with 3 months of darkness and killing cold facing him, survival seemed impossible, so in the dim light of a candle, with fingers numb

from cold, he lay in his bunk and calmly wrote out instructions for his leaders.

Instructions ended with the statement, "Don't worry, carry on normally and go as far as you can in carrying out the scientific program, but put the lives of my men first. Do what you can for Ellsworth." These notes written on loose white sheets he tied on a string and hung from a nail in the wall over his bunk, and there they were when we arrived months later, but yellowed as time yellowed paper. Two days after he was stricken down he got in touch with Little America by radio, but said nothing of his condition. For weeks he was on the thin edge. For relief all he had to do was to tap out on the radio three letters, S O S, and every man at Little America would have volunteered to rush to his aid with three tractors along a known trail. He would have been reached probably without casualty, possibly at the cost of some man's life or limb.

KEPT RADIO GOING

Indeed, he went much further than his refusal to call for help, and in so doing lessened his chances for survival. Time and again he exhausted the slender reserve of strength he had struggled so desperately to gain in order to keep radio contact. After his engine broke down, he had to hand-crank the generator. He knew that, in spite of his instructions to the contrary, his men at Little America would have fought through to him had radio communication with him suddenly ceased. He does not talk of this but the facts show his reasoning. Indeed he even tapped out jokes on his telegraph key to throw Murphy off the track.

His most dangerous enemies were cold and fumes. He could avoid the cold only at the price of absorbing poison fumes. The incredible odds demanded all the concentration of his trained mind. He was so weak that he had to creep and was unable at times to eat. He apparently faced inevitable defeat, but not for a moment could he, nor did he, cease fighting.

In order to lessen the fumes he had to endure an unbelievable amount of cold. He had his stove out 14 hours out of the 24. The temperature was once 80 degrees below zero and often ran 20 degrees colder than that at Little America. He suffered much pain in various parts of his body where the poison settled, especially in the head and eyes. His stomach was affected so that he had to force himself to eat. For weeks he could not read and to such a degree he had to husband his strength that at times he dared not risk cranking the phonograph. Pain made sleep difficult.

Throughout all this his devotion to his purpose was shown by the completeness of his auroral and weather observations. Aside from the visual observations necessary, there were four recording clock-driven mechanisms constructed for bitter cold-weather operations. These had to be kept in running condition. He measured these instruments and kept his record with the meticulous care of a trained observer.

The records are valuable to the science of meteorology and well worth while from the practical standpoint because meteorological observations in Antarctica are leading the way to more reliable world weather forecasting. That knowledge of Antarctic weather is essential to successful long-range forecasting, not only for the southern hemisphere but for the world in general.

SOLITUDE NECESSARY

Little America is on the seacoast, hence Byrd's inland weather station was necessary and important. It had to be a one-man station for psychological reasons; for two men to live together under such conditions was out of the question. Temperamental harmony would have been an impossibility, and even if the persons had been congenial and adaptable there was no use in subjecting more than one to the hazard of being cut off from a doctor.

Again the station was established too late in the season to stock it with supplies sufficient for 3 men, so Byrd himself undertook the lonely vigil. This was in line with his rule not to order anyone to do what he himself will not do. I have attempted to visualize the period when he could not read, lying there suffering in his bunk in the inky blackness of his buried room. The bitter cold must have bitten bone deep. He does not tell us how he endured the monotony, the silence, and the utter loneliness. He did, however, let drop on one occasion that for weeks he faced the possibility that the next day he would lack the strength to get his food and fuel out of the snow tunnels.

REPLY TO A REQUEST

But these facts came afterward, we did not know them at Little America. I did not know them when I requested his permission to make a tractor journey to the advance base with the benefit of improving twilight of late July for meteor observations. His disarming reply to this request said: "I approve the trip only on condition that you can make it without undue risk to the men on the first attempt."

We turned back half-way short of the advance base in obedience to his strictly worded safety precautions. When we did reach the advance base in August we were scarcely 2 weeks ahead of the sun. His need for aid had passed. He had fought it out alone and wholly within himself in June and, in spite of recurring periods of weakness, he was once more struggling uphill.

I don't know of anything finer than that in life or literature. The odds were so overwhelmingly against him that he should rightfully have lost his fight. Had he done so his chivalrous regard for us would have been only too evident. It is natural that he should have our deep gratitude for what he endured and for his willingness to face the supreme sacrifice in his thoughtfulness for our safety.

CONDITION OF THE COTTON-TEXTILE INDUSTRY

Mr. GERRY. Mr. President, all of us who have been working for a solution of the very serious condition existing in the textile industry are pleased that the commission appointed by the President has started immediately to investigate the situation, and is now getting reports from people who, from their association with the industry, are in a position to present all the facts. Undoubtedly, after its study it will make recommendations promptly to the President as to what can be done for the industry.

While recognizing that the situation in the textile industry is most alarming, we should not forget the work that was done for this industry by the N. R. A. Before its establishment the wages which were being paid in some textile mills were extremely low—a mere pittance in many cases. The establishment of a minimum wage was a life saver to those who were employed in some of the cotton mills. There is no telling what would have happened long ago if the code in this industry had not been adopted.

From various parts of my State complaints have come to me as to the condition which now exists, and remedies have been suggested and suggestions made as to what might be done for the restoration of the industry.

Before calling attention to these suggestions, I desire to point out briefly the development of the industry. It had its beginning in New England, with the establishment of the Slater mill in Rhode Island, and gradually became ceptered in New England, where there was an abundance of water supply, the necessary capital, and sufficient help that could be trained to operate the machinery. The industry grew until in 1923 there was a total of 19,000,000 spindles in place in New England, and 433,000 looms, and the industry was employing close to 500,000 persons.

While cotton manufacturing was taken up in the South after the War between the States, it was not until the early 1900's that it really began to be an appreciable factor. Undoubtedly the profits made during the World War enabled the cotton manufacturers in the South to become well established, and since 1923 there has been a steadily increasing liquidation of New England mill property, so that in December 1934, the spindles had decreased from 19,000,000 to 10,400,000, and with less than 7,000,000 of these in operation. In the South there was an increase from 16,000,000 spindles in 1923 to 19,000,000 in 1934, and of the 19,000,000, 7,500,000 were active. There is no question in my mind that the movement of the industry from New England to the South was due to lower wages, longer hours of operation, the nearness to the raw material, and an absence of restrictions that existed in the North.

A better measure than that shown by the number of spindles in operation is the number of hours the spindles have been operated during any one year. In the years 1923-24 the production, in terms of spindle hours, was as follows: 50,599,000,000 in the cotton-growing States, 30,102,000,000 in the New England States, and 3,659,000,000 in all other States, or a total of 84,360,000,000.

In 1933-34 the hours of production in favor of the South were very much greater—59,338,000,000 in the cotton-growing States, 19,309,000,000 in the New England States, and 1,836,000,000 in all other States, or a total of 80,483,000,000. These figures show that the cotton-goods production, and therefore the probable consumption, is today only slightly below what it was in 1923-24, and a return to more normal conditions in the country would undoubtedly increase the production figures to at least the 1923-24 level.

The cotton-textile code, through its standard work week of 40 hours, has changed this relation somewhat, but the figures for 1933-34 still show a much greater number of hours having been run for the average southern spindle than for the average northern spindle, the southern spindle averaging 256 hours per month, and the northern spindle 150 hours per month.

Prior to the code, the average number of hours operated in the southern section of the industry was approximately 55 hours a shift, the legal limitations varying from 54 to 60 hours a shift. The average hours operated in the North

were much shorter, due to the legal limitation of 48 hours a week in Massachusetts, where nearly half of the New England spindles were located. In addition to this tremendous advantage of longer hours, the South paid a much lower wage per week than was paid in the North.

One of the troubles with the cotton textile industry has been the method of operation, which has led to overproduction. Since the World War there has been either actual overproduction or potential overproduction which has been quite consistent at all times. This condition became increasingly aggravated during the late twenties, due to more and more mills operating on double shifts to lower their overhead costs. At the time the Cotton Textile Code was adopted it was estimated that perhaps half of the industry was running on a double shift. In drafting the Code, data for the previous 11 years seemed to indicate that the industry could meet all requirements for production on an average of 60 hours of production a week. The committee contemplated the operation of certain parts of the industry requiring volume goods at 80 hours a week, while other parts were to operate 40 hours a week. In practice this did not work out, as with the exception of approximately 75 mills out of 1,200, the industry immediately attempted to operate 80 hours a week, leading to conditions of overproduction. The mills cannot afford to carry the large stocks resulting, and in consequence the market is constantly being flooded with "distress" goods, which set the market price.

In addition to this basic trouble of overproduction, there are three factors that enter more or less prominently into bringing about the situation which exists, certainly as far as New England is concerned.

Many complaints about the processing tax have come to me. Those in a position to know say that it is a burden that is too great for the industry to bear. They state that it is a sales tax; that the tax is heaviest on the lower-priced necessities of cotton clothing, being assessed against the manufacturer; it actually pyramids between the manufacturer and the ultimate consumer. It undoubtedly has resulted in curtailed consumption of cotton goods, due to the upsetting of the price relationship between cotton goods and competing products.

It is no answer to say that the burden of the processing tax falls equally on the northern and southern mills. An additional weight placed on a boat loaded to the gunwales will sink the boat. The same weight would endanger, but not sink, a boat less heavily burdened. The market cannot endure the additional weight of this tax. Nor is it an answer to the problem to say, "Raise the price of cotton goods." Market prices are set by the mills paying low wages, and cannot be raised by edict or agreement.

On one hand, the industry has lost to the paper-bag trade and the jute trade in bags, and on the other end of the price scale it has lifted the prices of finer cottons over the price of rayon. Over the entire range of cotton goods the processing tax has, in combination with the higher N. R. A. costs, put the cost of cotton goods to the consumer at a level so high that consumer resistance to prices has cut down consumption. While the processing tax hurts all cotton mills, it is more burdensome to the northern than to the southern mills. This is due to the fact that in the South the products are principally coarse and medium goods, whereas in the North the principal products are the fine and fancy goods. The finer the product, the longer cotton remains in process, and in consequence the longer the time before the mill can hope to collect from customers the money already spent in processing taxes. As an indication—on some fine goods it takes up to 4 months to weave out a warp, making the total time between the opening of the cotton and the collection of the tax from the customer 7 or 8 months.

The volume of cotton-textile exports has never been large in comparison with domestic production, and accounted for approximately 7 percent of the domestic production. Due to the increased cost under the N. R. A. it became increasingly difficult to export cotton goods because of the price situation. The markets which we had, particularly in the Philippines and in Cuba, have been lost. In the

reciprocal treaty negotiated by the State Department with Cuba the cotton textiles were apparently overlooked.

The second factor which has a bearing upon the situation, and which must be watched closely, is the matter of importation. The tendency shown to large increases of imports from Japan must be watched and undoubtedly checked. Imports from Japan increased from 30,000 square yards in January 1934 to 2,209,825 square yards in December 1934; and the figures in 1935 show an even greater increase: January, 4,545,710 square yards, and February, 10,289,433 square yards.

The important point, however, is that the bulk of the goods imported from Japan are bleached fabrics, and on the basis of the first 2 months of the year comprise approximately 25 percent of the goods of that type made in America. While these goods are not a large percentage of the production of cotton goods, nevertheless they are a large percentage of this class of goods, and therefore, because of this, the importation is very harmful and undoubtedly has its effect on the sale price. Apart from the importations already received the Japanese are at the present time actively seeking new business in this country.

To my mind, the most important question which exists in the cotton industry, is that of the differential in wage rates between the North and South. The southern textile worker failed to establish for himself a wage equal to that paid in the North. The low wages were used as a bait to attract industry to the far South. Capital, faced with the difference in paying wages, has sought the cheaper labor in the South. In that section, the endeavor was to make the employees work for a wage which paralleled that previously prevailing in the textile mills in the North. There is an entirely wrong popular conception as to this wage difference under the textile code; that it is merely the difference between the minimum of \$12 for the South and \$13 for the North. The real difference lies in the wages paid to the vast army of skilled and semiskilled workers—a difference which averages not \$1 but \$2.56; a difference between bare subsistence and a modest living; a difference between no margin of purchasing power and an opportunity to buy some of the products of industry; a difference which means that competition cannot longer endure.

Even this latter average does not give the true picture. The average is affected by the wages paid in two southern States, which are higher than other sections of the South. For a true comparison, consider the following figures given to me of the pay, at the same time, of two individual mills making competitive products, one located in the South and the other in Rhode Island:

	Southern mill 40-hour wage	Rhode Island 40-hour wage	Differ- ential	Percent
Card tender.....	\$12.40	\$14.64	\$2.24	18.06
Card grinder.....	14.40	20.52	6.12	42.50
Spinner.....	12.40	14.88	2.48	20.00
Spinning doffer.....	12.40	17.20	4.80	38.71
Spinning section hand.....	14.40	16.85	2.45	17.01
Warper tender.....	12.80	16.04	3.24	25.31
Weaver (standard).....	15.20	19.25	4.05	26.64
Loom fixer.....	18.00	25.00	7.00	38.89
Napper hand.....	13.20	18.30	5.10	38.64
Machinist.....	16.40	22.64	6.24	38.05
Battery hand.....	12.00	13.00	1.00	8.33
Average.....				28.37

Prior to the code, the difference in wages in North and South was variously estimated from \$4 to \$6 a week, with the southern mills paying the lower wage for the longer working week. Under the code, a differential of \$1 in the minimum was established, on the theory that the southern mills were under greater expense in the maintenance of villages. According to the recent study of wages in the textile industry by the Department of Labor, the actual weighted average difference in wage for a certain group of classified jobs is \$2.56. However, these classified jobs do not include more than 75 percent of the employees; and as the unclassified employees in the South all tend to be paid the

minimum wage, whereas in the North they are paid more, it is probable that the actual difference in wages would average nearer \$3. With approximately 70 percent of the industry in the South, it is obviously impossible, by code action, to bring the southern wages up to within the \$1 code differential.

Another point under which the North was penalized by the code was in the maintenance of craft differentials. Under the terms of the code, manufacturers were required to pay as much for the shorter week as they had paid for the longer week, and maintain the amount of differences existing prior to July 17, 1933, between the wage rates paid various classes of employees, classified according to operations. Inasmuch as this difference was greater in the North than in the South, it has resulted in a relatively higher scale of wages.

It is extremely difficult to get comparative tax figures, but I believe that the total tax paid by northern mills exceeds the similar tax paid by the southern mills. Northern mills are penalized in competition with southern mills through a great many social requirements that all add to the cost of manufacturing. Among these would be higher workingmen's compensation, higher standards of sanitation, and so forth. While none of these, perhaps, is any large percentage of the total cost, they all combine to be another element against the northern mills in competition with the South.

A very interesting suggestion was made last week by a textile expert from my State, Mr. Burton, at a hearing before the Commission appointed by the President to study the cotton-textile industry. His theory was that the Government reports showed that there are 5,000,000 spindles that are not in use.

Based on no. 24's yarn, which seems to be about the average number made throughout the country according to an exhaustive study made by an expert, the potential capacity of these spindles is about 118 pounds each per 50-week year of 80 hours per week. This gives potential capacity of 590,000,000 pounds.

The average weight of goods in the United States is about 4 yards per pound, which means that these idle spindles have a potential capacity, when woven into cloth, of 2,360,000,000 square yards.

From studies made, 1 man-hour will produce 12 yards of print cloth. This means that there is an unrealized use of 200,000,000 man-hours in the cotton textile industry, or 5,000,000 man-weeks, or steady employment throughout a 50-week year for 100,000 people operating the above-mentioned idle machinery. This represents the exportable surplus capacity of the cotton-textile industry on the basis of present domestic consumption.

His theory was that this surplus export capacity of the cotton-textile industry be used to manufacture goods to compete in world markets on the basis of Japanese costs, and in order to do this, a Government-supported subsidy of 2 cents per yard on 64/60 cloths basis would have to be granted. This would cost the Government approximately \$47,000,000 a year in subsidies, provided the cloth was sold. This cloth, when exported, would not pay the processing taxes because all goods exported have a right to withdraw the processing tax. It would cost the Government nothing in processing taxes because unless an inducement such as this is given, the cotton would not be manufactured. Ordinarily, of course, a subsidy such as this I should not feel like supporting, but with conditions such as exist today, with the textile industry of the country in desperate straits, drastic methods must be used, and with the nations of the world entering into all kinds of special trade agreements, and with different currencies throughout the world, the usual economic principles are not applicable. Of course a proposition such as this would have to be carefully worked out in order that there could be a proper marketing of the goods, and the marketing abroad would have to be put on a practical plan, and the practicability of sales ascertained before the goods were allowed to be manufactured on this basis.

It is interesting to note that Mr. Peek, special adviser to the President on foreign trade, at a hearing before the Senate Agricultural Committee on February 1, said that he would favor the establishment of a permanent board of for-

eign trade composed of men experienced in the various fields of agriculture, industry, and so forth, with powers adequate to deal comprehensively with our foreign commercial and financial transactions, and this body he evidently had in mind could well undertake such a proposal as this, as later in the same hearing he said:

As international trade cannot move on a one-way street and as we must increase imports if we are to be paid for increased exports, we should pursue a policy of selective exports and imports, sending abroad, preferably in manufactured form, those products we can best produce, particularly those agricultural products which are the backbone of our foreign trade and of our domestic prosperity, taking in return those raw materials which we need and such other products the importation of which will do the least violence to our domestic economy.

If such an arrangement as this could be worked out, it would be the means of increasing our foreign trade and paying for it, and would, in this emergency, be of tremendous help not only to the textile industry but also to the cotton grower.

It would put, as was estimated, 100,000 people to work and would consume eventually, if the plan works successfully, about one and one-half million bales of cotton. This, naturally, would increase the buying power of the workers and would make a demand for cotton, which should show an increased rate to the farmer by using part of the surplus of cotton on hand.

Relief payments for those unemployed, if 100,000 men were put back to work under this plan, would save the Government more than \$50,000,000 per year for relief.

In addition to this idea, I would make the following suggestions, the carrying out of which are necessary to help restore the industry.

First. The importation of textile goods that can be sold cheaper than they can be produced in this country must not be allowed to go on, because the imports have been increasing at a very great rate recently.

Second. If the processing tax, which seems to me to be a heavy burden for the industry to bear, is not to be abolished, it appears to me that it should be placed on the finished product. Large amounts of interest would be saved and it would tend to prevent the pyramiding of the tax. Of course, it is well known that large concerns today have to advance hundreds of thousands of dollars to meet the tax, and they are not reimbursed for a period of several months to a year. The interest rate alone on this is of moment, and the curtailment of working capital is very serious.

Third. Above and beyond these, however, in my opinion, is the question of the removing of the differential in the wage rates between the North and the South. The wages of the South should be brought up to those of the North—not those of the North reduced to those of the South.

The theory of the Government, in raising the price of cotton so that the southern farmer could have greater buying power, is equally sound if applied to increasing the wages of the textile worker of the South comparable to those of the northern worker, and in so doing, increase buying power.

Even with these conditions remedied, there is the question of overproduction. The President's Commission should work out a method by which production can be controlled. With the attention that has already been given to it by the code authorities, it ought to be possible to determine the best solution of how the shifts can be controlled so as to produce work throughout the entire year without frequent periodic lay-offs.

The textile industry must be saved for its employees, their dependents, and the communities in which they live. To accomplish this result, it is necessary, in my opinion, to take steps along the lines I have indicated.

Mr. METCALF. Mr. President, I desire to follow what my colleague from Rhode Island [Mr. GERRY] has said about the terrible condition which exists, not only in our State, but in the cotton-producing States, with the statement that I recently read in a newspaper of another large mill in Woonsocket which, when it was busy, employed some thousand hands. It is going to close down at once.

I think we ought to consider very carefully what we can do to relieve the grave situation which is now confronting the cotton-manufacturing industry.

TENNESSEE VALLEY AUTHORITY

The PRESIDENT pro tempore. The question is on the motion of the Senator from Nebraska [Mr. NORRIS] that the Senate proceed to the consideration of Senate bill 2357.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations and a treaty, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of Armond W. Scott, of the District of Columbia, to be a judge of the municipal court, District of Columbia, vice James A. Cobb, term expired.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. ROBINSON. I ask unanimous consent that the nominations in the Army be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

RECESS

Mr. ROBINSON. As in legislative session I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate, in legislative session, took a recess until tomorrow, Wednesday, May 8, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 7, 1935

UNITED STATES TARIFF COMMISSION

Thomas W. Page, of Virginia, to be a member of the United States Tariff Commission for the term expiring June 16, 1941 (reappointment).

PUBLIC HEALTH SERVICE

The following-named doctors to be assistant dental surgeons in the United States Public Health Service, to take effect from date of oath:

John W. Knutson

George E. Jones

The above-named doctors have passed the examination required by law and the regulations of the Service.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 7, 1935

APPOINTMENTS IN THE REGULAR ARMY

Col. Charles Ransom Reynolds to be Surgeon General with the rank of major general.

Col. Major Augustus Wroten Shockley to be Assistant to the Surgeon General with the rank of brigadier general.

Arthur Stewart Conklin to be brigadier general.

Charles Frederic Humphrey, Jr., to be brigadier general.
 Frank Wheaton Rowell to be brigadier general.
 Clement Augustus Trott to be brigadier general.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

Capt. Clarence Eugene Brand to Judge Advocate General's Department.

First Lt. Harold Mills Manderbach to Quartermaster Corps.
 Second Lt. William John Ledward to Coast Artillery Corps.

PROMOTIONS IN THE REGULAR ARMY

Joseph Magoffin Glasgow to be captain, Cavalry.
 James Lawrence Keasler to be captain, Infantry.
 Robert Bruce Davenport to be first lieutenant, Air Corps.
 Donald Leander Putt to be first lieutenant, Air Corps.

MEDICAL ADMINISTRATIVE CORPS

Seth Overbaugh Craft to be captain.
 Leonard George Tate Perkins to be first lieutenant.
 Harold Lincoln Gard to be first lieutenant.
 Joe Edward McKnight to be first lieutenant.

POSTMASTERS

ARIZONA

Martha L. Davey, Clarkdale.

ARKANSAS

Roy R. Golden, Arkadelphia.
 Robert W. Moore, Black Rock.
 George A. Lamb, Bono.
 Johnson M. Lide, Camden.
 Grover L. Webb, Delight.
 Robert M. Wilson, Hope.
 Bunyan Gilbert, McRae.
 Eva C. Teague, Manila.
 R. Owen Tomlinson, Melbourne.

KENTUCKY

Gena F. Hilliard, Clinton.
 Lula M. Stuart, Glendale.
 John M. Farra, Lancaster.
 Robert W. Vinson, Louisa.
 Mattie Pridemore, Pippapass.
 Murray Swindler, Valley Station.
 Benjamin F. Beall, Warsaw.
 Kathryn E. Stewart, West Paducah.
 Thomas J. Stevenson, Winchester.
 Oliver Boone Majors, Wingo.

TENNESSEE

Harney Thurman Whitson, Cookeville.
 Lindsay N. Smith, Culleoka.
 Samuel C. Jones, Lexington.
 Maurice Wilson, Middleton.
 Edwin L. Goddard, Saulsberry.

WEST VIRGINIA

Duncan M. Johnston, Alderson.
 Rufus L. Keel, Coalwood.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 7, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Strong Son of God, immortal love, we bow our heads and lift our prayer to Thee. Thou art the joy of loving hearts, the font of life, and the light of men. We ask Thee to establish an open way for us in the light of Thy countenance. We pray that our lives may spread and branch more and more, reaching a height of sympathy, tenderness, and helpfulness to which they never rose before. As we are debtors to the unnamed and unknown masses, may we ever hold them in sincerest consideration. Blessed Lord, toward all, give us a sense of honor, of softening manners and refinement of taste. Father in Heaven, be near us when the light burns low, when the heart is faint, and when our faith runs thin. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 272. Joint resolution to enable the Commissioners of the District of Columbia to defray certain expenses incident to the Convention of the Imperial Council of the Mystic Shrine, June 8 to June 17, 1935, both inclusive.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4442) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate to the foregoing bill numbered 3, 4, 33, and 34, and recedes from its amendments to said bill numbered 23, 24, and 25.

B'NAI B'RITH

Mr. KOPPLEMANN. Mr. Speaker, last evening in the city of Washington, at the Willard Hotel, the Speaker of this House did honor to himself and reflected great credit on this House of Representatives in an able address which he delivered before a large body of men and women gathered here from all sections of the United States and from foreign countries. His address is worthy of the high office which he holds. It should be read by every Member of this House and by the people of the country generally. I therefore ask unanimous consent that the address may be printed in the RECORD at this point. [Applause.]

The SPEAKER. The gentleman from Connecticut asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

REMARKS BY THE HONORABLE ALFRED M. COHEN, PRESIDENT B'NAI B'RITH, INTRODUCING THE HONORABLE JOSEPH W. BYRNS, SPEAKER OF THE HOUSE OF REPRESENTATIVES

Every B'nai B'rith convention may be regarded as a reconsecration of its members to the tasks which B'nai B'rith assumes. No selfish purpose has a place in our deliberations.

In the sublimest way, B'nai B'rith is a religious body. Maimonides, the great Jewish philosopher and teacher, said: "That to be in the purest sense religious, a man must serve his God by serving his fellow men."

B'nai B'rith inculcates reverence for God and the duty of serving His creatures.

Our organization is the oldest of all Jewish bodies in this country except a few synagogues. Its original purposes were to promote the cultural growth of the members; to aid them when in need; and above all, to make them realize that accident of birth in nowise affects the worthiness of a man. From the beginning it was planned to establish branches in various places in this country, but I am confident that the thought never entered the mind of any of the founders, that B'nai B'rith—Sons of the Covenant—would spread until it covered, as it now does, nearly every country in the world in which Jews live in considerable numbers.

Yes, B'nai B'rith is an international Jewish body. It is the only international organization of Jews in existence. It is international just like love, art, music, and all supremely high impulses, are universal.

What the human family needs is more such internationalism.

Since that fateful day in March 1933, on which Germany ceased to be a self-governed people, there never has been an assemblage of Jews anywhere, in which tears have not been shed for their brothers and sisters in faith, who in that land are drinking from a brimming cup of sorrow. We are no exceptions, nor can we fail to contrast their condition with our own in our beloved America.

No merit of ours, and no demerit of theirs, is responsible for our good fortune or their sad discomfort. In this hour of joy, which would be unalloyed but for our anxiety because of their anguish, we want, once again, to assure our German brothers and sisters that our hearts are with them.

And the contrast of our condition with theirs becomes more striking as I now look at the gentleman who sits at my side, the guest of honor in this brilliant feast, the distinguished Speaker of the House of Representatives of the Congress of the United States, who, in a few minutes, will favor us with an address. Imagine one occupying a relative position in the present German Government, seated among Jews, as their guest and chosen speaker.

It was not always so in Germany, and God's justice and mercy will not permit a continuance of present conditions indefinitely. Less than 8 years ago I, as president of B'nai B'rith, was the guest of the then Chancellor of Germany in his home in Berlin. The Chancellor entrusted me with a message to the Jewish people in

the United States, expressing his and Germany's gratitude for what they had done for German children orphaned by the war. Hitler has made outcasts of tens of thousands of German children, whose parents, though living, are victims of ostracism, in a country to which, in countless generations, they had contributed their lives, their loyalty, and their best talents.

We Jews are eternal optimists. Our many bitter experiences have made us feel that right will ultimately triumph over might. Vivid is our recollection of the words of the Passover service, "Not one only hath risen up against us, but in every generation there are some who rise up against us, to annihilate us; but the most Holy, blessed be He, hath delivered us out of their hands." That has been our comfort and our consolation down the ages.

Ladies and gentlemen, I have the high honor and great privilege of presenting to you the Honorable JOSEPH W. BYRNS, Speaker of the House of Representatives of the Congress of the United States.

ADDRESS OF THE HONORABLE JOSEPH W. BYRNS

Mr. President, members of the Independent Order of B'nai B'rith, and guests, I consider it a very great privilege and honor to be your guest this evening. I am mindful that higher officials of the United States than a Speaker of the House of Representatives have sent you messages and been pleased and happy to do so. Seven Presidents of the United States have sent you messages of approval and encouragement, and that in itself is a deserved recognition of which few organizations can boast. Theodore Roosevelt, William Howard Taft, Woodrow Wilson, Warren G. Harding, Calvin Coolidge, Herbert Hoover, and our present great President, Franklin D. Roosevelt, are all on record as recognizing the value of the work of B'nai B'rith in building up good citizenship. President Theodore Roosevelt urged its members "to continue your work in strengthening the tie between man and man and endeavoring to contribute to the uplift and betterment of humanity", and declared that "it has been a great educational and enlightening factor in our American life."

Woodrow Wilson said in part, "I follow from time to time with the greatest interest the fine work of the order—work which undoubtedly contributes to the uplift and betterment of the Nation. And I have been particularly interested in the work of education and philanthropy and the effort to destroy the provincialism of prejudice as between races."

I have been for a long time familiar with the work and purposes of your great order, and I hope that the people not only of America but of the entire world will come to respect you for the great work which you are doing and which deserves the fullest approval and endorsement of all our people.

As present Speaker of the House of Representatives I join in these sentiments sincerely and truly, for I am well aware that the provincialism of prejudice between races is a stumbling block in the path of civilization, as prejudice of any kind is a heavy handicap to democracy.

Nearly 100 years ago B'nai B'rith was founded, and the accomplishments of the order have been such as to well justify pride in your work.

The preamble of your constitution states that the purposes of your organization, among other things, are to unite Israelites in the work of promoting the highest interests and those of all humanity; to developing and elevating the mental and moral character of the people, and of supporting science and art. There is everything here that the Nation hopes for from its citizens, and such aims and purposes well fulfilled have a profound influence in strengthening the Nation. How well the Jews have contributed to that influence a little reflection and remembrance will show.

The solicitude of the Jewish people in caring for their aged, the sick, and the orphan is traditional. This solicitude has called into being institutions in every part of the world which provide against the infirmities to which mankind is heir, ranging from homes for children too young to have known the warmth of mother love to old people bereft of kin to care for them in their declining years. I have in mind many hospitals of this great order in various parts of our country which are devoted to taking care of people old and young without regard to race or religion. It is no wonder that this great order, founded as it was 92 years ago, when the Jewish population in the United States did not exceed 20,000, has grown in strength, influence, and power for good during all the years of its existence.

Of course I am aware that the masses of the Jewish people now living in the great centers of our country are descendants of those who came to our shores a number of decades ago as exiles from Eastern Europe, the victims of pogroms and persecutions which shocked the conscience of the entire civilized world. But I did not know that so short a time prior thereto their number in our country was so inconsiderable in view of the active part the Jew had taken in the New World, dating back to its very discovery. It is interesting to know that in the first voyage of Columbus, which resulted in the discovery of America, several of his hundred fellow voyagers were members of the Jewish faith, and that on the day previous to his sailing Jews were ordered expelled from Spain. And I can fancy the ships, one carrying the crew of Columbus, and which was sailing over uncharted seas leading to a new land, destined to be a harbinger of hope to all the heavy laden of mankind, passing the other ship containing those who had been thrust out of Spain, borne down to the water's edge by sad-eyed and heavy-hearted men, women, and children, cast out of the land of their birth to find shelter they knew not where. I am sure the civilized world is happy over the fact that today, 4½ centuries later, Spain is welcoming back the Jew and inviting him to become a part of its loyal citizenship.

The first Jews came to America from Brazil in 1654 and they came as many of the early settler groups did, to escape religious persecution. They were inhospitably received by Peter Stuyvesant, who was then Governor of the New Netherlands, but his opposition was overcome through the influence of the Dutch West India Co., many of whose stockholders were Jews, and they were permitted to remain in New Amsterdam on condition that the poor amongst them should not become a burden to the community, but be supported by their own nation. And although B'nai B'rith was not then in existence, its spirit must have been present, for there is no record that the poor of these Brazilian refugees ever became a burden on either the Dutch West India Co. or the New Amsterdam community. Indeed, the manner in which the Jew has taken care of his unfortunate brother stands out as one of his noblest achievements, and the broad philanthropy of the American Jew is recognized the world over.

The small group which settled on Manhattan Island almost 300 years ago has kept pace with the country's growth but hardly more than that for the Jews in America today do not form 5 percent of the total population. That does not seem much of a growth in numbers, but what you have accomplished is much more important. Centuries of persecution and hardship in Europe did not succeed in crushing either the Jewish spirit or Jewish idealism, and in these respects the Jewish people present a most remarkable racial survival and America has profited by it. In all the activities of commercial life, of banking, trade, and transportation of our Nation, the Jew has played and still plays an important part. In science, medicine, economics; in literature, painting, music, sculpture, your best men have been up at the top, among the best that the country has produced. Indeed it may be said that the cultural wealth of America would be much the poorer should the Jewish contributions have been denied it.

You should be proud of the fact that this great organization has had and will continue to have an important part in the development of our country through its good influences toward shaping the lives and character of our people, and attaining the ideals for which America stands.

America furnished to the Jews what it furnished to all people, a land as Washington described it, "of sanctuary", which became also a land of equal opportunity, liberality, and toleration. And 135 years later, at the end of the Revolutionary War, when the Constitution of the United States was drawn up in 1787, liberty of conscience was made the foundation stone of American democracy and the Jews for the first time in the world enjoyed religious freedom and political equality.

They have contributed their share in all the wars in which America has been engaged. But their contributions to the civil life of our Nation have been more conspicuous than their military service, for the Jew is peace-minded, faithful to the admonition of his prophets to love peace and pursue it. Many of them have held high public office and made fine records as members of the United States Supreme Court and of presidential cabinets; Governors of various States and other positions of high honor and responsibility. It is impossible to refer to all of these by name, but I cannot refrain from referring to some of those with whom I have served since I have been a Member of Congress and some of whom I see before me. I recall Hon. Julius Kahn, of San Francisco, who rendered high service in the House during the World War. His capable and estimable widow, Mrs. FLORENCE KAHN, is now filling his place in the House with equal distinction and ability. Sitting here at the table is my good friend Hon. A. J. SABATH, the beloved dean of the House, who has for so many years served his district in Chicago, and the Nation, with particular distinction and conspicuous ability.

And also my friend, Hon. SOL BLOOM, of New York, who has rendered splendid service, the most notable of which was that in connection with the celebration of the two hundredth anniversary of the birth of George Washington, the Father of our Country, and who I think it is only fair to say has done more than anyone of his generation to revive and restore the memory of Washington and his high ideals in the minds and hearts of the present generation. And another good friend is the Honorable HERMAN KOPPELMANN, of the State of Connecticut, who enjoys the confidence and esteem of all of his colleagues because of his faithful and able service. Then there is the learned and eloquent Dr. SIROVICH, of New York, and Honorables EMANUEL CELLER, SAMUEL DICKSTEIN, and THEODORE PEYSER, also of the State of New York; and Hon. ISAAC BACHARACH, of the State of New Jersey; Hon. HENRY ELLENBOGEN, of the State of Pennsylvania; and Hon. WILLIAM CITRON, of the State of Connecticut, all of whom enjoy the esteem and friendship of their colleagues and are serving with distinction. I am glad of this opportunity to pay brief tribute to the service of all these distinguished Representatives.

One who serves in public office today must be judged not so much by his ability but by his devotion and adherence to American principles and ideals and the Government which he serves. Grover Cleveland said that "public office is a public trust", and we all agree that the man who holds the office should honor it to the best of his ability. If he does so, he is fit to hold it. And no man, be he Jew or Christian, who is unfit should be allowed to hold public office.

America expects every stranger coming to our shores to pledge himself that, given opportunity of establishing a permanent home here, free of religious persecution, free of political, commercial, or cultural inequality, he will do everything in his power to carry on the glorious traditions of his new country, to give his best, so that America will profit by his coming. This Nation is a free, demo-

cratic Nation, and nothing proves that better than that in this country religion and race are not barriers to a man's success. Religious prejudice is the worst enemy of democracy because it is always founded on ignorance, which begets suspicion.

We are rapidly recovering from the depression, which in recent years almost overwhelmed us. For the past 2 years our Government has been bending its energies to restore prosperity to the country. There have been some who have criticized its policies, but not one of them has offered any plan of his own to take the place of those which he criticizes. Large sums of money have been appropriated and are being expended to take care of the unemployed and feed the hungry and starving, which is the duty of every civilized nation. Congress has passed the works-relief bill to provide jobs for the unemployed and take them off the relief rolls, with the expectation that they will be finally absorbed by private industry through increased industrial activity. The House has passed the social-security bill to pay pensions to the aged and insurance to the jobless, which will at least to some extent take care of unemployment in the future, which in the very nature of things will always be with us to a greater or less extent. It is succeeding in its efforts to return prosperity, as is clearly shown by increased income-tax collections when compared with previous years, gratifying reports of increased industrial activity, and the renewal of confidence of the people who a short while ago were depressed and dejected and almost hopeless.

It is true that there is some mental unrest at the present time but in my judgment we have already recovered and the unrest is largely a state of mind. We can correct this by cooperation; by remembering that before we are Jews and Christians we are Americans and that American democracy is and must be a success. There are perhaps some who are not cooperating but it can be truly said that there can be no true American who will not now give his full and hearty cooperation to the government of his country. Too many people look upon the Government as something separate and distinct from themselves. Nothing is further from the truth, for the Government is the people. It is you, me, and every one of us, and the more you keep this in mind the easier it will be to give the cooperation which is needed now. Principles of B'nai B'rith demand this of you. The Jew has not failed in the past and I am sure he will not fail in this crisis. He perhaps, best of all, because of the persecution he has suffered for centuries in other countries, can more fully appreciate liberty and freedom in America which recognizes all men as equal and does not permit the persecution of anyone. Of all citizens of America he should be most alive to the value of the Constitution and the flag of the United States and should feel more keenly that those who strike at America strike at the freedom of all Jewish citizens.

What I am trying to say is that what we most need today is understanding—a freedom from prejudice, and we need good will and charity—that in honestly fulfilling the ideals of B'nai B'rith you will be making yourself and others good American citizens. In replying to a eulogistic address from the Hebrew congregation from Newport, R. I., second oldest Jewish congregation in America, Washington said, "The citizens of the United States and America have a right to applaud themselves for having given to mankind examples of an enlarged and liberal policy—a policy worthy of imitation. . . . May the children of the stock of Abraham who dwell in this land continue to merit the enlarged good will of the other inhabitants, while everyone shall sit in safety under his own vine and fig tree and there shall be none to make him afraid." Washington understood better than anyone the difficulties and dangers which come from ignorance and prejudice. They have no place in a democracy where national peace and tranquility depend upon the patriotic cooperation of every citizen, regardless of race and religion. In fact, a religion that does not make a better citizen of a man is not worthy to be called a religion.

We have been living in troublous times during the last few years and it has been difficult for most people to think straight. Indeed, the peoples of all countries have been badly beset. Following an orgy of extravagance there came a world-wide upheaval which continued so long that it reduced large sections of the population of our country to a condition bordering on want of the necessities of life. It would be strange indeed if in these circumstances false messiahs did not find followers. Hungry men, women, and children furnish a fertile field for the planting of noxious weeds in the form of honeyed words. Our country has been the freest of all lands from these baneful influences, but even we in the United States have not been saved altogether from the inoculation of this virus from abroad, and I regret to say to an extent from within. There have come to us propagandist and propaganda subversive of the high ideals for which our forefathers paid the price, whatever the sacrifice involved. In those days when they cast off shackles which oppressed them they declared that "eternal vigilance is the price of liberty", and we can properly paraphrase that statement today by saying that "eternal vigilance is the price of safety."

It, therefore, behooves all who would perpetuate our wonderful heritage to prevent the introduction of any doctrine, however alluring it may seem to be, that will lead our people away from the landmark established by the framers of the Declaration of Independence and the Constitution of the United States. They have been our bulwark and fortress in times of peril in the past and they will be our tower of strength in all times to come if only we remain steadfast in our devotion to them.

PREFERMENT OF CHARGES OF IMPEACHMENT

Mr. DIRKSEN. Mr. Speaker, I rise to a question of privilege for the purpose of preferring charges of impeachment against the judge of the United States Circuit Court for the Seventh Circuit.

Mr. ARENDS. Mr. Speaker, I make the point of order there is not a quorum present.

Mr. CANNON of Missouri. Mr. Speaker, will the gentleman withhold that to permit me to submit a conference report?

Mr. ARENDS. I withhold it.

AGRICULTURAL APPROPRIATION BILL, 1936

Mr. CANNON of Missouri submitted a conference report and statement on the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes.

ADMIRAL RICHARD E. BYRD

Mr. ROBERTSON. Mr. Speaker, if the gentleman will withhold a moment, I send to the Clerk's desk two joint resolutions and ask unanimous consent for their immediate consideration.

One resolution provides for an expression of appreciation to Admiral Byrd and the brave men of his exploration party, and the other provides for a joint committee of the Senate and House to join with the President in welcoming Admiral Byrd and his associates when they arrive in Washington on Friday next.

The SPEAKER. The gentleman from Virginia asks unanimous consent for the present consideration of two resolutions. The Clerk will report the first resolution.

The Clerk read as follows:

House Joint Resolution 273

Joint resolution extending the gratitude of the Nation to Admiral Byrd and to the members of his expedition

Whereas Rear Admiral Richard E. Byrd and the members of the second Byrd Antarctic expedition are returning home from a successful and heroic exploration of Antarctic lands, wherein they have extended our knowledge of this vast area by airplane flights, tractor, and dog-sled trips, making extended and valuable scientific observations; and

Whereas the members of the expedition have displayed a courage and devotion worthy of the highest traditions of American exploration, and an unswerving loyalty to the superb leadership of their commander; and

Whereas Rear Admiral Byrd has added another notable chapter to the annals of American expeditions by his genius in organizing, transporting, and providing for the subsistence of his men while they carried on a program of research in 22 branches of science under the most adverse conditions, and he personally displayed exceptional gallantry in his lone vigil away from the Little America base in order to make important meteorological observations: Therefore be it

Resolved, etc., That the gratitude of the Nation be extended to Admiral Byrd and to the members of his expedition, and that a copy of this resolution be appropriately inscribed and presented to him and to each member of the second Byrd Antarctic expedition.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the further resolution offered by the gentleman from Virginia.

The Clerk read as follows:

House Joint Resolution 274

Joint resolution authorizing the appointment of a special joint committee to meet with other representatives of the Government in greeting Rear Admiral Richard E. Byrd upon his return from his second Antarctic expedition

Resolved, etc., That a joint committee of Congress to be composed of 5 Members of the Senate, to be appointed by the President of the Senate, and 5 Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, accompanied by the Secretary of the Senate, the Clerk of the House of Representatives, the Sergeant at Arms of the Senate, and the Sergeant at Arms of the House of Representatives, is authorized to join with other officials and representatives of the Government in greeting Rear Admiral Richard E. Byrd upon his arrival at the navy yard on May 10, 1935.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SILVER

Mr. WHITE. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes, and will ask the gentleman from Illinois to defer his statement for that time.

Mr. DIRKSEN. On condition, of course, it is not taken out of my time.

The SPEAKER. This time is not taken from the gentleman from Illinois.

Mr. DIRKSEN. Then I will defer to the gentleman for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Idaho to address the House for 3 minutes?

There was no objection.

Mr. WHITE. Mr. Speaker, there has been placed on the Speaker's table a petition to take from the Committee on Coinage, Weights, and Measures the bill (H. R. 4357) to establish a bimetallic system of currency, employing both gold and silver, and to provide for the use of silver as well as gold in the national monetary reserve, for the purpose of securing a sound controlled increase of the monetary units in circulation through the unlimited use of silver as money and as the base for the issuance of money.

I wish to call the attention of the Members of the House to the fact that under the banking bill we are now considering, all things we call money issued in circulation must be lent into circulation rather than issued into circulation, and somebody must pay interest on that money which increases the interest load on business.

Business recovery must be speeded by the creation and issuance of an adequate supply of interest-free money. Since gold and gold certificates have been withdrawn from circulation as money and now only function as currency through an indirect banking plan as coverage for Federal Reserve notes, thereby imposing an increased and constant interest load on business, it is apparent that the Government must replace this money which has been withdrawn from normal trade channels by increasing the use of silver through purchases of silver with silver certificates as a means of providing a controlled increase in interest-free currency formerly supplied by the use of gold. This is the only plan that can be followed by the Government under existing laws to supply an automatically controlled and necessary expansion of the currency that will be issued into circulation minus interest, thereby reducing the interest burden now being imposed on business, and at the same time increase the purchasing power both in our domestic and foreign markets, and in a measure stabilize foreign exchange.

I request support of this measure so that we may enlarge and increase the use of money that is being issued into circulation in contradistinction to money that is being lent into circulation through the operation of the Federal Reserve plan. The only thing we have today that circulates as money on which no one is paying interest is the silver certificate and we should therefore increase the silver in the Treasury through the issuance of silver certificates.

HEARINGS OF COMMITTEE ON BANKING AND CURRENCY OF THE HOUSE (REPT. NO. 833)

Mr. LAMBETH. Mr. Speaker, may I ask the gentleman to withhold his point to permit me to report a House concurrent resolution from the Committee on Printing, and ask for its immediate consideration?

The SPEAKER. Does the gentleman yield to the gentleman from North Carolina to permit the consideration of the resolution?

Mr. DIRKSEN. I withhold it, Mr. Speaker.

The Clerk read as follows:

House Concurrent Resolution 20

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Banking

and Currency of the House of Representatives be, and is hereby, empowered to have printed for its use 2,000 copies of the hearings held during the current session before said committee relative to the bill (H. R. 5357) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes.

With the following committee amendment:

On page 1, line 5, strike out "two" and insert "one."

The committee amendment was agreed to.

The House concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

Mr. DALY. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection?

Mr. DIRKSEN. I am sorry, Mr. Speaker, but I will have to object.

FUNERAL OF THE LATE SENATOR CUTTING

Mr. BLANTON. Mr. Speaker, in regard to the funeral of the late distinguished Senator from New Mexico, when I was selected as one of the Members of the House to attend the funeral it was thought that the funeral would be in New Mexico. It has since been determined that it will be in the State of New York.

I was a great admirer of the able and distinguished Senator from New Mexico and had great respect for his eminent ability and his invaluable service to the Nation. Since it has been determined that the funeral will be in the State of New York I think it more appropriate that one of our distinguished Members from the State of New York should attend the funeral in my place. I therefore ask unanimous consent that such a substitution be made, and that I be excused, and that the Speaker appoint in my place such a substitute from the State of New York.

The SPEAKER. Without objection, the gentleman from Texas will be excused. The Chair will make the appointment later.

LEAVE OF ABSENCE

Mr. CLAIBORNE. Mr. Speaker, will the gentleman from Illinois withhold his point of no quorum for me to make an announcement?

Mr. ARENDS. I will.

Mr. CLAIBORNE. Mr. Speaker, I regret to announce that my distinguished colleague [Hon. JOHN J. COCHRAN] of Missouri will be detained in the hospital for many weeks to come. I therefore ask unanimous consent that he be granted an indefinite leave of absence.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CORN-HOG PROCESSING TAXES

Mr. STEFAN. Will the gentleman from Illinois further withhold his point for me to make a request?

Mr. ARENDS. I will.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein a letter from the Agriculture Department and my answer thereto.

The SPEAKER. Without objection, it will be so ordered.

There was no objection.

Mr. STEFAN. Mr. Speaker, there is much interest among farmers in my district—the Third District of Nebraska—regarding processing tax on hogs and corn. Many cases are cited to me by farmers who are anxious for full details as to who really pays the processing tax on hogs; how the money is distributed, and where, if there is a balance in favor of the Government in cases where the farmer pays more tax than he receives back in benefits.

Because I have been asked these questions I directed a letter to Mr. Chester C. Davis, Administrator of the Agricultural Adjustment Administration, on March 18, citing some very interesting cases and asking for an explanation.

Because I had not received a reply to my questions on April 8 I directed another letter to Mr. Davis, and on May 4 I finally received a detailed reply to both letters signed by Mr. Alfred D. Stedman, Acting Administrator. This letter is of unusual interest, and because of its interest to the corn-hog producers I insert it here, with copies of my letters to Mr. Davis:

MARCH 18, 1935.

MR. CHESTER C. DAVIS,
Administrator Agricultural Adjustment Administration,
Washington, D. C.

DEAR MR. DAVIS: I have inquiries which are based upon the following sets of facts:

(1) A producer sold 59 head of hogs (17,870 pounds), upon which was collected processing tax, at \$2.25 per hundred-weight, aggregating.....\$402.07

On corn-hog cooperator contract he was paid \$5 per head on base head of 43, or \$215, less cases, \$6.45, netting.....208.55
Also two-fifths of 26 acres of corn at 27 bushels per acre at 31 cents, less cost of operation.....81.44

Total receipts from Government.....289.99
Collection exceeded contribution by.....113.08

(2) In another instance, a producer sold hogs upon which there was collected a processing tax of.....368.33
On his corn-hog contract he received a total of.....345.80

Collection exceeded contribution by.....22.53

(3) My attention has also been called to the cases of 2 producers, noncooperators, who paid processing taxes of \$700 and \$6,000, respectively, without, of course, any return payment from the Government.

Now, the question is put to me: "What does the Government do with these excesses of collections over disbursements, and what is the justification of collecting more taxes from the producer than there is restoration made to him?" In other words, why should the producer lose in a transaction that ostensibly has been devised for his benefit? I am primarily interested to know what application is made of these excess collections.

Please advise me fully.

Very truly yours,

KARL STEFAN.

APRIL 8, 1935.

MR. CHESTER C. DAVIS,
Administrator Agricultural Adjustment Administration,
Washington, D. C.

DEAR MR. DAVIS: Under date of March 18, 1935, I addressed a letter to you in which I stated some detailed facts and inquired concerning the disposition of the excess of hog-processing tax collected over disbursements made to cooperators. Whether or not the gross collections exceed the gross disbursements, individual cases are frequent wherein the tax collected substantially exceeds the benefit received back. I have not had a reply to this inquiry. I need the information. I trust that you will be able to furnish it to me very shortly.

Very truly yours,

KARL STEFAN.

MAY 4, 1935.

HON. KARL STEFAN,
House of Representatives.

DEAR MR. STEFAN: This acknowledges your letter of April 8 in which you make inquiry concerning the collection and distribution of corn and hog processing taxes. You ask for a more detailed reply to your letter of March 18 in which you told of several individual farmers on whose hogs there is said to have been collected from the processors more money than is being paid to these farmers in the form of benefit payments. You report that your constituents have asked this question, "What does the Government do with these excesses of collections over disbursements and what is the justification of collecting more taxes from the producer than there is restoration made to him?"

In case 1 of your letter of March 18, a producer sold 59 head of hogs (17,870 pounds), upon which was collected from the processor at time of processing an aggregate tax of \$402.07, the current rate of the tax being \$2.25 per hundredweight. At the same time, this producer received under his 1934 corn-hog contract a net total of \$81.44 in corn payments and a net of \$208.55 in hog payments. The hog payment was at the rate of \$5 per head on a permitted production base of 43 head, less local administrative costs of \$6.45. The corn payment was at the rate of 30 cents per bushel on contracted corn land appraised at 27 bushels per acre. There were 26 contracted acres and the total net corn payment apparently amounted to a little more than \$200, but case 1 producer, as a partner under a share-crop lease, received only two-fifths of the total net corn payment; that is, \$81.44.

As your letter states, the gross taxes collected from the processor on the producer's 43 hogs exceeded the benefit payments to the producer by approximately \$113.08, but this does not take into account the sum of a little more than \$120, representing the three-fifths share of the total corn payment, which apparently went to the other share-lease partner. When this sum of \$120 is brought into the computation, as it clearly should be, then it develops that the total payments in case 1 really exceed the reported tax collections on the processing of hogs sold by the producer.

Now, the question arises, How will this excess of payments over collections be met? It will be met from tax collections at the processing of other farmers' hogs and corn and on any additional corn and hogs produced by the farmer in case 1 which are processed during the taxing period.

According to the present schedule, the corn- and hog-processing taxes will be in effect through a 3-year period ending November

4, 1936. The taxes became effective November 5, 1933. Most of the collections during the first 2 years will be required to meet the cost of the pig-buying program and 1934 corn-hog adjustment program. Distribution of benefit payments under the 1935 corn-hog program now being put into effect can largely be met from collections during the final year of the present scheduled taxing period.

As regards the division of benefit payments between landlords and tenants, the administration, acting on the majority opinion among producers, has specified that in the case of cash leases all payments should go to the tenant and that, in the case of share leases, the payments should be divided in the same proportion as the partners' shares in the division of the crops or the proceeds therefrom. In order to assure share-tenants that they would obtain a fair proportion of the payments, the landlord was prohibited from making any change in the lease or the tenure of the farm purposely to prevent tenants from obtaining the share of the payments they would receive if such payments were divided in proportion to the division of the corn crop and hogs the preceding year or to the division of the proceeds from such corn and hogs.

There are a number of cases besides the tenant-landlord cases under the corn-hog program in which the processing-tax collections on hogs and corn sold by the farmer either exceed or fall short of the benefit payments received by him. A contract signer, for example, whose hog-production average for the base period is relatively small with respect to his average corn acreage—say only 1 hog to every 4 acres of corn as compared with the average for all 1934 corn-hog contract signers of 1 hog to each corn acre—will under most circumstances receive in corn and hog payments an amount of money more than equivalent to the amount collected from processors with respect to corn and hogs produced by him and processed during the taxing period.

On the other hand, a contract signer whose average hog production is relatively large with respect to his average corn acreage—say three hogs per acre of corn—will under most circumstances receive in corn and hog payments an amount of money less than equivalent to the amount collected from processors with respect to corn and hogs produced by him and processed during the taxing period.

As a matter of fact, the total hog payments to all signers of the 1934 corn-hog contract are certain not to equal the gross processing tax collections on all hogs processed during the taxing period. In the first place, taxes collected with respect to products exported or furnished to institutions exclusively for charitable distribution or use eventually are refunded by the Government to the processor. Second, a net total of about \$30,000,000 in hog-processing-tax money has been used to finance the emergency purchase of hogs and hog products during the fall and winter of 1933-34. Third, a part of the hog-processing-tax money is being used to provide corn payments due under the 1934 program. But after deductions for the export refunds and the cost of the emergency hog program are made from the total gross processing-tax collections, it appears that the remaining amount of hog-tax proceeds plus the corn-processing-tax proceeds will not exceed the 1934 corn and hog payments due. The budget for the entire corn-hog program including the emergency buying activities has been revised from time to time so that collections will be kept as nearly in line as possible with actual disbursements.

Thus the farmer whose individual hog production and corn acreage is proportionate with the aggregate hog production-corn acreage ratio of all 1934 corn-hog contract signers, will receive in corn and hog payments an amount proportionate with the percentage of the taxes, collected from processors on corn and hogs produced by him, that is, withdrawn from the Federal Treasury to make corn and hog payments.

This is assuming that such an "average" farmer feeds his hogs out to the average market weight of about 225 pounds per head and that he produces up to his total permitted production under the contract. If he feeds his hogs beyond the 225-pound mark, then the processing-tax collections on the eventual processing of his hogs will be proportionately larger than his total benefit payments. The processing-tax rate per pound of live hog processed is the same in all cases, irrespective of the total weight of the hog. I might say parenthetically that the producer in case 1 appears to have sold his hogs at an average weight of more than 300 pounds, consequently the tax collections from the processor at the processing of case 1 producer's hogs were larger than average per head.

If a contract signer does not produce up to his total permitted hog production under the contract, then the total of tax collections at the eventual processing of his hogs will tend to be less than equivalent to his total corn and hog benefit payments. In this failure to produce the total permitted number of hogs, however, such a signer simply improves the market for others who do raise their quotas and he is not taking full advantage of the better hog prices resulting from the aggregate adjustment in hog numbers over the United States as a whole.

As a matter of fact, the contracting hog producer who raises up to his quota of permitted production tends in the long run to profit more than the contracting producer who does not raise his full quota, even though the sum of taxes collected on the eventual processing of the former's hogs may exceed the total of his own benefit payments. The contracting producer who raises his full quota of hogs is able to take full advantage of the extra lift in hog prices resulting from the less-than-quota production of other contract signers.

Similarly, the producer who specializes in hog production benefits indirectly from the control of corn acreage on other farms, even though a part of the hog processing tax money is used for this purpose. Control of corn acreage means control of hog production and the maintenance of strong hog prices. Corn is the principal feed grain, and any appreciable change in the supply of it usually results in a corresponding change in hog supplies. Moreover, corn-hog contract signers who set aside corn acreage in order to qualify for benefit payments also must agree to hold their market hog production a specified percentage below their 1932-33 average even though their market hog-production base may be relatively small. The favorable influence on hog prices of this double-barrelled control of hog production more than offsets for the producer specializing in hogs the portion of the hog processing tax collections used for corn payments.

Nevertheless, some producers who specialize in hog production wonder why a part of the hog-processing-tax collections should be used to help control corn production. There are two principal reasons.

First, as I have already indicated, it would be impossible to maintain a balanced hog production for any length of time without adequate control of corn production, even if all farmers specializing in the hog enterprise should agree to limit farrowings and were to share all of the processing-tax money as hog payments. In the absence of an adequately financed acreage-control program, corn production would be free to increase and undoubtedly would increase. Judging by past experience, we would then expect hog production to increase and hog prices to fall.

Temporarily, hog production might remain in balance with demand. Inevitably, however, producers specializing in the corn enterprise and not participating in the hog-control program would themselves turn to heavier hog production. They would be prompted to do this by a rise in the price of hogs relative to corn, induced, on the one hand, by the adjustment in hog numbers, and, on the other hand, by a fall in the price of corn due to unrestricted acreage and lessened feeding demand for corn on account of smaller hog numbers. Eventually the distribution of hog-processing taxes solely in the form of hog payments would be more than offset by a depression of the market price of hogs caused by increased hog production among outsiders.

In the second place, it is not practicable to collect sufficient funds from the corn-processing tax alone to handle all of the corn payments that are required by an adequate corn acreage control program. Only the relatively small volume of corn which enters commercial and industrial trade channels and actually is milled can be directly reached by a tax. The corn-processing tax collections will provide only about 10 to 15 percent of the total of corn payments due under the 1934 corn-hog contract. The remainder is being provided from hog-processing tax collections and from funds amounting to about \$37,000,000 available under general appropriations for the administration of the Adjustment Act.

It would be necessary to adopt a complex system of collecting fees on all corn that is fed; that is, on all corn that is processed by livestock, in order to obtain sufficient funds for corn payments from a corn-processing tax alone. The nearest satisfactory approach is to tax the processing of livestock derived from corn and affected by the control program.

Financing a part of the cost of corn-acreage control out of hog-processing tax collections, however, is not a matter of controversy among the majority of contract signers, because most of them usually are engaged in the corn enterprise to an extent reasonably proportionate with the extent of their hog enterprise. A preliminary survey of the 1934 corn-hog program has indicated that out of the total of 1,155,000 contracts, probably not more than about 10 percent do not also involve hog production.

In your case 2 example, a producer sold hogs upon which there was collected in taxes from the processor at time of processing a sum of \$368.33. Under his corn-hog contract, he received a total of \$345.80, thus leaving a difference of \$22.53. I think the explanation in foregoing paragraphs with respect to case 1 also will explain case 2. Neither the weights nor numbers of hogs sold are given so I have no way of knowing if the producer carried his hogs past the United States average of about 225 pounds in weight.

Under case 3, you tell of "two producers, noncooperators, who paid processing taxes of \$700 and \$6,000, respectively, without, of course, any return payment from the Government."

First, let me say that unless these farmers actually processed these hogs for sale directly to or exchange directly with consumers, they did not actually pay the processing taxes or at least they are not supposed to pay them. The tax is payable by the person doing the first domestic processing. In the case of hogs, this means (1) meat packers who slaughter hogs, (2) local butchers who slaughter hogs for sale or exchange, and (3) commercial handlers, such as retail stores, who obtain carcasses or other hog products from producers or feeders and then resell, exchange, rehandle, or otherwise prepare the carcasses or products for distribution or use. It does not mean farmers who produce or feed the hog excepting when, after they have butchered it, they sell the products directly to or exchange them directly with consumers.

It is sometimes argued that the producer "pays" the tax because he no longer gets in the form of an open-market price all of the total amount paid by the processor for each hog slaughtered. This statement, however, has no real significance so long as the combined income from both the open-market price and the benefit payment is larger than before. To say that the producer pays the processing tax when farm income has been increased by a program

financed by tax collections is to confuse the meaning of the word "pay."

It is now clearly apparent that the adjustment program is increasing total corn and hog income to the producing group. Hog numbers in the United States in 1934 were reduced by about 20,000-000 head, but hog prices more than doubled during the year, and total hog income, including corn-hog benefit payment amounted to about \$653,000,000 as compared with \$509,418,000 the year before. After allowance for the gradual increase that has taken place in the prices of things farmers buy, 1934 hog income was about 15 percent greater than in 1933 and more than 50 percent greater than in 1932. Likewise, hog prices at the farm in 1934 averaged about \$4.25 per hundredweight, or about 20 percent higher than for the preceding year, and the average price received by farmers for hogs during the first quarter of 1935 was about \$7.35 per hundredweight, or more than double the price received during the first quarter of 1934 before the adjustment in hogs became fully effective.

Even the nonsigners, to whom you refer under case 3, are benefited by the rise in the open-market price of hogs which results from the adjustment of production. They do not share, of course, in the benefit payments made out of the proceeds of the taxes, because they have not agreed to adjust corn and hog production in accordance with the corn-hog contract. Benefit payments are made only to producers who agree to adjust production and thereby contribute to the Nation-wide program to improve hog prices. Without the benefit payments or some similar device for protecting the cooperating producer against the actions of the noncooperator, a voluntary production-control program would be much less widely supported, and the efforts to increase hog prices would fail.

I hope that I have answered your questions in the desired detail. If you have further questions, I shall be glad to furnish any additional available information.

Sincerely yours,

ALFRED D. STEDMAN,
Acting Administrator.

Mr. Speaker, this detailed explanation by the acting administrator is rather confusing to me as it is to many of those who are interested in the welfare of the farmer who raises corn and hogs. The letter indicates the belief of the writer that the hog raiser is much better off today than he was before the restriction of hog raising was inaugurated. It is true the price of hogs has risen, but in my district the foundation stock of hogs has been pretty much depleted. Many farmers who had hogs to sell when this program went into effect have no hogs to sell now and cannot benefit by the increase in hog prices. Even now, when corn is selling at a dollar a bushel in my district of Nebraska, the price of live hogs is far less than cost of production. Hogs fed with dollar corn should be bringing at least 10 to 12 cents a pound for the hog farmer. At the present prices of around 8 cents the farmer raising hogs is losing money.

The letter indicates that the corn-hog program will be carried out into November of 1936, and it also indicates that there may be some danger that the hog farmer may continue under a processing-tax system which may penalize the hog raiser to pay for the expenses of a program carried out in 1933 and 1934. To me the study of this situation indicates that the hog farmer has carried the burden of the processing taxes from the very beginning and must carry the load of even the tax on corn.

There is nothing Congress can do to make any changes in the amount charged in processing taxes against live hogs. That power has been given entirely into the hands of the Secretary of Agriculture by the last Congress. However, I do feel that the hog farmer is being victimized because processing taxes on hogs have discriminated against the hog producer. It is true that prices of hogs, cattle, and other meat animals have increased. But the farmer who was forced to sell all of his livestock because of his financial inability to pay for high-priced feed is no better off today than he was before the program was put into effect.

While the corn-hog farmer can do nothing else but sign contracts because otherwise he would lose in benefit payments, yet there should be some solution toward giving the hog raiser more consideration when processing-tax questions are considered.

The general belief among farmers in my district is that the amount in hog-processing tax now charged is too high. Beef and mutton farmers have undoubtedly benefited from the higher prices of meat animals. Yet these animals are not subject to a processing tax. There is a general resistance on the part of the beef and mutton raisers toward any

processing tax on their animals, indicating a fear that such processing tax might mean that those farmers who produce these animals may suffer as a consequence. It would be proper to assume that the hog raiser has a just complaint when he feels that he might be the victim of penalization if the animals he produces are the only meat animals to be taxed.

The facts are that the corn-hog programs have been signed and that the Secretary of Agriculture will continue this program as this power has been given to him by the last Congress. Taking this fact into consideration and feeling that the hog farmer wants the processing tax on hogs lowered, the plea is made that the \$2.25 per hundredweight processing tax on hogs is too high; that it should be lowered and cut to around \$1 per hundredweight and that the processing tax should be spread to other meat animals; that the producers thereof should shoulder their burden along with the producer of hogs.

The producers of corn and hogs in my district are patriotic citizens who have joined with the administration in endeavoring to help in this distressing situation.

These producers are not favorable to any destruction program. Those who signed the corn-hog programs have done so, in most cases, with the belief that not to do so would result in losing a means of livelihood. They have signed with the hope that their action would help carry out the program of the administration and with the hope that this program will eventually bring about something near a cost of production for the things farmers raise. They are, however, opposed to anything which may continue a program of continued restriction. Many have written to me indicating that they favor some adjustment program but oppose destruction or continued restriction. They favor any plan the administration may have toward the recapturing of foreign trade for American-produced farm products, and they will resist any program which may tend to restrict American farm production in favor of importation of foreign farm products in competition with the things American farmers can produce.

Members of the House should know that in the Third District of Nebraska, which was once known as the "world's richest agricultural district", the moisture today is bringing more hope to the farmers than any program of restriction we can devise. The farmers there are looking forward toward a great planting season and a bounteous crop of small grain, corn, and livestock. The moisture at this time has put the ground in my district in wonderful shape. The rain has come with a promise of better producing months ahead. It has come following years of drought and grasshopper plagues. It has brought renewed hope in the hearts of men and women who feel that the consequences of the terrible war and the drought were the enemies of mankind in our country. The American farmers are \$799,000,000 more in debt this year than they were in 1933. But because of the money burdens of our people in my district, there is little hope for anything like the happiness which usually exists during a rainy spring in Nebraska. The majority of the landowners and renters in my district are financially embarrassed. They have borrowed far beyond their limits. Their ability to pay their debts has been impaired by long periods of hard times. Taxes and debt burdens with high rates of interest give them little hope for the future. More than 90 percent of the people in my district feel that the time has come for a period of lower taxes on public and private indebtedness.

Many of our people have had time to realize that the public and private debt burden of our country is staggering, and that the interest-payment burden on these tremendous debts cannot be paid. They feel there is a ray of sunshine and hope in any new legislation which will lower the rate of interest, and many of them are looking to this Congress to enact some legislation which will bring about this relief. It is my belief that 90 percent of the people in my district are watching with great hope the battle being waged by Members of the House to bring the Frazier-Lemke refinance bill up for consideration. Some may feel that the rate of

interest called for in that measure may be too low. One-and-a-half percent interest may seem too low to those used to loaning out money at high rates of interest, but the time has come in our country when something must be done to relieve the debt-burdened people of their interest loads and at the same time get some money back into the hands of creditors who cannot even collect the interest on their loans and have faint hope of ever securing the principle. The people in my district are looking to Members of this Congress to bring this bill up for consideration; my legislature has passed two or three resolutions endorsing this lower-interest-rate measure; 20 or more States have endorsed it. There may be some who do not favor such a measure in this House, but for the sake of humanity and the debt-burdened people of our land, let us bring the measure up for consideration and reach an agreement. I believe that in this measure we can find an opening wedge to drive much of our present depression out of existence and bring back real and permanent prosperity to our people.

Mr. ARENDS. Mr. Speaker, I renew my point of no quorum.

The SPEAKER. The gentleman from Illinois makes the point that no quorum is present. The Chair will count. Evidently there is no quorum present. The Clerk will call the roll.

The doors were closed, the Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 67]

Andrew, Mass.	Dunn, Miss.	Kimball	Romjue
Bankhead	Eaton	Lamneck	Sadowski
Bell	Elcher	Lee, Okla.	Sanders, La.
Brennan	Ellenbogen	Lesinski	Sandlin
Brooks	Farley	Lewis, Md.	Schuetz
Brown, Mich.	Fenerty	Lord	Schulte
Buckley, N. Y.	Fish	McAndrews	Scott
Cannon, Wis.	Fulmer	McClellan	Sears
Carden	Gambrill	McGroarty	Seger
Cartwright	Gasque	McLean	Shannon
Cavichia	Gavagan	McSwain	Short
Chapman	Gilchrist	Meeks	Somers, N. Y.
Clark, Idaho	Granfield	Montague	Stubbs
Cochran	Green	Montet	Sullivan
Connery	Greenway	Norton	Sweeney
Crowther	Greever	Palmisano	Thomas
Culkin	Hancock, N. C.	Parks	Tonry
Cummings	Harlan	Peterson, Ga.	Vinson, Ky.
Darrow	Hartley	Peyser	Wadsworth
Dear	Hennings	Pierce	Wolfenden
Delaney	Higgins, Conn.	Rabaut	Zimmerman
Dies	Hollister	Ramspeck	
Driver	Hull	Rayburn	
Duncan	Kennedy, Md.	Robison, Ky.	

The SPEAKER. Three hundred and thirty-eight Members have answered to their names. A quorum is present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

IMPEACHMENT OF JUDGE SAMUEL ALSCHULER

The SPEAKER. The gentleman from Illinois [Mr. DIRKSEN] is recognized for 1 hour.

Mr. DIRKSEN. Mr. Speaker and Members of the House, I rise here today for the purpose of preferring charges of impeachment against Hon. Samuel Alschuler, United States circuit judge for the seventh circuit at Chicago, Ill.

Mr. Speaker, in filing these charges today against a justice of the United States Circuit Court I am not unmindful of the gravity of the matter and of the immense possibilities of harm and injustice that might result to the individuals named in such a charge. I have spent many weeks on this matter and have consulted with different Members of this House in the hope of being set right in case my own zeal might have blinded me to other considerations that might throw a different light on the facts and circumstances in this case. I have been reluctant to take this action, and yet it seemed to me that the injustice wrought is so great, the amount of money in the litigation out of which these charges spring is so large, and the circumstances so grave that there seemed to be no other course.

The courts of this Nation must, like Caesar's wife, be ever above all suspicion and above reproach. If and when the confidence of the people in the courts is ever shaken, if and when the people believe that justice and equity cannot be

obtained in the courts of our land, then will the Republic be well on its way toward dissolution, and I, for one, am willing and glad to raise my voice against courts and judges anywhere in the land if I honestly and sincerely believe that such protest is in behalf of the general welfare and in the interest of preserving the integrity of the courts. Doubtless these charges will provoke enmity, animosity, ill will, and hatred of a personal nature, but no public servant must let such considerations stand in the way of doing that which he conceives to be his full duty.

I shall put into the RECORD at this point some quotations from the footnotes that appear in the volume in connection with the impeachment of President Johnson.

In footnotes in volume I, Impeachment of Andrew Johnson, page 147, the proposition laid down by William Lawrence and B. F. Butler:

The result is that an impeachable high crime or misdemeanor is one in its nature or consequence subversive of some fundamental or essential principle of government, or highly prejudicial to the public interest, and this may consist of a violation of the Constitution, of law, of an official oath, or of duty; by an act committed or omitted, or without violating any positive law; by the abuse of discretionary powers from improper motives or for an improper purpose.

Page 141:

Judge Pickering was tried and condemned on all four articles exhibited against him, although the first three contained no other charge than that of making decisions contrary to law in a cause involving a mere question of property; and then refusing to grant the injured party an appeal from his decision to which he was entitled (per Buchanan in Peck's Trial, 428).

Page 139, referring to Chase's trial:

Suppose he proceeded in the dispatch of business and from prejudice against one party or favor to his antagonist he ordered the trial of the cause, though legal ground for postponement was shown.

Page 139:

If a judge should order a cause to be tried with 11 jurors only, surely he might be impeached for it, and yet I believe there is no court in which he could be indicted (Wickliffe re Peck's Trial).

Samuel Alschuler, justice of the circuit court of appeals, seventh circuit, is impeached for high crimes and misdemeanors in said office upon the following specific charges:

First: Said Samuel Alschuler, having been nominated by the President of the United States and confirmed by the Senate of the United States, duly qualified and commissioned, and while acting as justice of the circuit court of appeals, seventh circuit, at Chicago, Ill., did on divers and various occasions so abuse the powers of his high office and so conduct himself as to be guilty of favoritism, oppression, and judicial misconduct whereby he has brought the administration of justice in said seventh circuit in the said circuit court of appeals of which he is a justice, into disrepute by his aforesaid conduct and acts and is guilty of misbehavior and misconduct falling under the constitutional provision as ground for impeachment and removal from office.

Second: That said Samuel Alschuler did knowingly and willfully violate his oath of office as such justice and became and was in his said office knowingly and corruptly guilty of favoritism to certain corporations then appellants in a cause pending before the said circuit court of appeals, seventh circuit, to wit, to Pullman, Inc., the Pullman Co., Pullman Car & Manufacturing Corporation, and Safety Car Heating & Lighting Co., and to Edward F. Dunne, Jr., attorney for said appellant corporations (no. 5113 in said circuit court of appeals); that the suit herein was filed in the district court on January 8, 1929, and at that time Edward F. Dunne, Jr., and Edward F. Dunne, Sr., were each of them attorneys at law with offices in Chicago, Ill.; that Robert S. Blair, a patent lawyer, at the city of New York, was attorney for the Pullman corporations and Safety Co. and filed his appearance in the Chicago suit. One Delos G. Haynes, of St. Louis, junior counsel, also filed his appearance, and Edward F. Dunne, Jr., did not then appear. It is stated in the Blair brief in this cause that in March 1929 (60 days after suit was begun in Chicago) that Laurence A. Janney, of New York, and Edward F. Dunne, Jr., of the Chicago bar, "who had moved to New York, formed with Robert S. Blair and certain others

the firm of Janney, Blair & Curtis. In January of 1933, upon certain changes in the personnel of that firm, the name was altered to Blair, Curtis & Dunne." It also appears from said brief, page 17: "Judge Alschuler is a friend of Governor Dunne (meaning Edward F. Dunne). These two gentlemen have known and esteemed each other for nearly 50 years." The said justice, Samuel Alschuler, has been known as the "very close friend" of said Edward F. Dunne for more than 50 years and said Alschuler and Dunne have been known as "maintaining a long-time and very close affiliation and relationship"; that during the hearing and decision of the said patent suit and before and after the hearing the said Samuel Alschuler was active in and president of the Edward F. Dunne Portrait Association, which association arranged with an artist, Mrs. Paul Godehna, of Chicago, to make an oil painting of Edward F. Dunne and the said association presented the portrait on October 13, 1934, and at the said ceremony the said Samuel Alschuler took a leading part and made an address. The attorney for the Pullman corporations and Safety Co., Robert S. Blair, brought the son of Edward F. Dunne, close friend of the senior justice of the court of appeals, Samuel Alschuler, into his New York law firm within 60 days after the suit was begun in January 1929 and then subsequently altered the firm name to Blair, Curtis & Dunne. Blair and Delos G. Haynes appeared in the cause before the master and district court and Edward F. Dunne, Jr., appeared in the patent suit for the first time in the court of appeals. Edward F. Dunne, Jr., never made a motion or said a word in court at any time in the patent case. He was a silent lawyer. At the time the name of Edward F. Dunne, Jr., was added to the list of counsel for the corporations, they also brought into the record as chief counsel the name of George L. Wilkinson, lawyer, of Chicago, who is the chairman of the ethics and grievance committee at the Patent Bar Association. The briefs show the chairman of the ethics committee in first place and the son of the "very close friend" of the senior justice, Samuel Alschuler, in last place on the list.

That said Edward F. Dunne, Jr., was so taken into the New York law firm of Robert S. Blair for the express purpose of providing a channel and means of communication between Blair and said Samuel Alschuler in the patent cause then pending, and that the said Samuel Alschuler was knowingly and corruptly influenced in his decision of the patent cause rendered on June 27, 1934, and rehearing petition decision October 4, 1934, in favor of said Pullman corporations and Safety Co. by the appearance of the said Edward F. Dunne, Jr., on the briefs in said patent cause; that said Samuel Alschuler knowingly and corruptly sat in said court as presiding justice upon the hearing and decision of said cause, and when and while he, the said Samuel Alschuler, was also president of the Edward F. Dunne Portrait Association, and when and while Edward F. Dunne, Jr., was attorney for the said Pullman corporations and Safety Co. in said suit.

That the circuit court of appeals, seventh circuit, wrongfully overruled the district court (Hon. Charles E. Woodward, judge presiding) which held in all matters in favor of Marshall Electric Co., complainant, and said district court entered its decree (July 26, 1933) finding the patent in suit valid and infringed by the Pullman corporations and Safety Co., and said decree of the district court was wrongfully and wholly reversed contrary to the evidence and the law by the said circuit court of appeals (Justice Samuel Alschuler, presiding) because said Edward F. Dunne, Jr., appeared on the briefs in the cause and the said reversal of said decree was a judicial favor to Edward F. Dunne, Jr., Edward F. Dunne, Sr., and the said Pullman and Safety corporations, and to Robert Barbour and William Warren Barbour, of the Safety Co., and to D. A. Crawford, president of the Pullman Co., and to the officers of said corporation, and the said judicial favoritism of said Samuel Alschuler while he, said Samuel Alschuler, was president of the Edward F. Dunne Portrait Association, constitutes judicial misconduct and misdemeanor in said office.

Third: That Samuel Alschuler, as such justice, on the 27th day of June 1934 and October 4, 1934, unlawfully, will-

fully, and corruptly reversed the District Court of the United States without any evidence in the record upon which to base such a reversal and in direct contradiction of the rulings of the Supreme Court of the United States and of its own prior holdings, and to accomplish that result in this patent case gave to prior art patents a construction and operation they do not have and do not claim and yet, one now judicially given to them (notably the Turbayne patent) by the circuit court of appeals. (See decision 72 Fed. (2d) 474.)

That 35 witnesses appeared for the Pullman and Safety Cos., including their expert, Harold Pender, and none of them denied the testimony for complainant. Pender corroborated the complainant in important respects, yet the opinion of the court reversed the chancellor and disregards the evidence for the Pullman and the Safety Co. as well as that for the complainant. The court of appeals entirely disregarded the delay and laches of the Safety Co. in asserting any claim on their patents from 1923 to 1929, although the same court shortly before in a similar case relied on laches. The court of appeals found all the elements of the patent claim present in the infringing devices and also the operation thereof. The opinion shows that the gist of the device was taken and the capital idea is being used by appellants, and yet the court found there was no infringement. The court of appeals gave to a basic patent owned by complainant a narrow construction and gave to the three paper patents of the counter claim, that were never made or used by appellants, a broad construction, all contrary to their own prior holdings, contrary to the decisions in other circuits and contrary to decisions by the Supreme Court.

In 1923 the Safety Co. recognized the claims and property rights of the complainant and denied such rights for the first time in 1929 when they filed the counter claims in the suit that was begun by the complainant. Yet the court of appeals wholly disregarded the acts and doings of the Safety Co. in that regard and disregarded the estoppel created by the conduct of the Safety Co. in 1923.

The testimony as to existing conditions in moving railroad cars was given for the complainant, but the appellants took the cars down to their yards and adjusted them while standing in the yards out of service, and testified about them when not operating, yet the court of appeals disregarded this testimony as to the conditions existing in moving trains and found for the appellants. The record is without evidence upon which to base their decision, and the opinion is contrary to the established doctrines of equitable estoppel, laches, good faith, and clean hands; and the court of appeals wrongfully reversed the district court and held for the Pullman Co. and Safety Co., and said Samuel Alschuler was the presiding justice in said court when said decision was rendered and, as such justice, knowingly and corruptly failed and refused to follow the law of the land.

Fourth: That said Samuel Alschuler did deliberately and willfully defeat the ends of justice and did prevent Marshall Electric Co., complainant, from obtaining justice in the United States courts while he, said Samuel Alschuler, was the presiding justice in the court of appeals and, at the same time, was active in and president of the Edward F. Dunne Portrait Association. That a patent suit was begun January 8, 1929, against the Pullman corporations and Safety Co., and in March 1929 Dunne, Jr., was taken into the New York law firm of Janney, Blair & Curtis, attorneys for the said Pullman corporations and Safety Co. In January 1933 the name of the New York law firm was changed to Blair, Curtis & Dunne. That during the entire time the suit was pending in the district court the said Samuel Alschuler stood in the said relationship of close friendship with Dunne, Jr., and Dunne, Sr. That uncommon and unusual proceedings were taken and urged by the defendants and their attorneys to trap the complainant and make a record in the case that would avoid the necessity for a decision on the merits by the circuit court of appeals. The following are noted:

First: A finding by a master or court that is based upon a personal inspection of premises or machinery by a master or

trial court, in the presence of and upon consent of all parties, binds all the parties. Under such circumstances the finding of the master on a question of fact becomes final and will not be reversed. In the patent case the master began taking testimony June 15, 1931, and closed November 13, 1931. On November 4 Haynes, attorney for the Pullman corporations and Safety Co., made a motion that the master make such an inspection and the master promptly ordered such a session. The complainant insisted upon a complete record that could be brought into court and that did not rest in the view and memory of a master, and after repeated efforts to force the complainant into such consent, and after threats of ex parte personal inspection by the master and defendants, the proposed excursion was abandoned by them. The consent necessary to bind all parties to an incomplete record and that would make the findings of the master final was not given by the complainant and the trap failed. The motion came toward the end of the master's hearings and after the defendants had taken hundreds of pages of testimony in their New Haven laboratory and in the railroad yards, always avoiding moving trains, and was a subtle trap to make the finding of the master final. It failed. After the evidence closed the matter was held in the master's office for 14 months without any explanation as to the reason for the long delay.

Second: The district court was put under duress to find for defendants, the Pullman corporations and Safety Co. It is a well-known rule of law that any decision in which the master and district court agree is not disturbed by the court of appeals and is frequently disposed of by the court of appeals without any discussion on the merits. Robert Barbour, of Paterson, N. J., is a stockholder and the active director of the Safety Car Heating & Lighting Co., a New Jersey corporation. WILLIAM WARREN BARBOUR, United States Senator from New Jersey, is a stockholder and financially interested in the Safety Co. The two Barbour brothers were financially interested in the decision about to be then made in the district court—Hon. Charles E. Woodward, judge, presiding. Robert Barbour and William Warren Barbour are directors in the United Shoe Machinery Corporation, a New Jersey corporation largely interested in patents and license thereunder as applied to shoe-making machinery. WILLIAM WARREN BARBOUR is president and director of the Linen Thread Co. of Scotland and also of Barbour Bros. & Co. and is a director of the American Net & Twine Co. Robert Barbour is president, treasurer, and director of the Barbour Flax Spinning Co. of Paterson, N. J., director of the Linen Thread Co., Ltd., of Scotland; that said Robert Barbour and William Warren Barbour, so being financially interested in the said Safety Co. and in the results of the pending litigation before Judge Woodward in the district court in Chicago, arranged with their patent attorney, Robert S. Blair, to have said Robert S. Blair take the said Edward F. Dunne, Jr., into the Blair law firm in New York, and Blair did so. That said Safety Co. and Robert Barbour and others interested thereby secured the aid and assistance of the Dunne organization. That immediately prior to the argument on the patent case before Judge Woodward a Chicago newspaper printed an editorial under the caption "Courts Are for Justice", which lauded Judge Woodward and the justices of the court of appeals; that same was timed to influence Judge Woodward toward the Pullman Corporations and Safety Co., but failed in that purpose; that shortly after the argument of March 30, 1933, the same newspaper that had lauded Judge Woodward began to attack him in big headlines with suggestion of inquiry looking to impeachment.

A Representative in Congress was freely quoted with reference to such suggestion of impeachment and eventually Judge Woodward stated in the press he knew what was back of it all and that it would all come out in due time. During all of this newspaper publicity, the patent case was pending for decision. A Representative in Congress finally presented a resolution looking to an investigation of Judge Woodward and this was referred to the Judiciary Committee of the House which appointed a subcommittee to take testimony.

On July 26, 1933, Judge Woodward decided the patent case in all matters against the Pullman corporations and Safety Co. That said investigation charges were preferred while the patent cause was pending before Judge Woodward and after the effort to cajole him by newspaper flattery failed; that said charges were brought to coerce said Judge Woodward to find in the patent suit for the Pullman corporations and Safety Co.; that the said Judge Woodward was put under duress; that said charges are now before the House. That said Samuel Alschuler was in a position to advise the said Dunne in the premises both as to matters before the master and before the district court, and that the said charges while the patent cause was pending operated to defeat justice and to effect a corrupt decision for the Pullman corporations and the Safety Co.; that the relationship of Samuel Alschuler, Crawford, Dunne, Sr., Dunne, Jr., Blair, Robert Barbour, and William Warren Barbour, and others, is such and their association with reference to the patent cause reveals the reason the decree of Judge Woodward was reversed by the United States Circuit Court of Appeals; that said Samuel Alschuler knew the relationship of Edward F. Dunne, Sr., and Edward F. Dunne, Jr., to him and that he was at the times mentioned president of the Edward F. Dunne Portrait Association, and that Edward F. Dunne, Jr., was in said cause as attorney for the Pullman corporations and Safety Co.; that a corrupt conspiracy accomplished its objective and in that regard the said Samuel Alschuler as such justice of the court of appeals did deliberately and willfully defeat justice and is guilty of judicial misconduct and high crimes and misdemeanors in said office.

Fifth: That Samuel Alschuler on the 27th day of June 1934 and October 4, 1934, willfully, knowingly, and deliberately did decide the cause then pending before the circuit court of appeals—no. 5113—without any supporting evidence on the major material proposition involved in the case and contrary to numerous decisions of the Supreme Court and other circuits and its own prior decisions, all of which were brought to the attention of said Samuel Alschuler at the time the matter was pending before the court of appeals.

Sixth: That Samuel Alschuler on the 27th day of June 1934 and October 4, 1934, in rendering said decision and denying rehearing, did unlawfully use his judicial position for the unlawful purpose of deciding with partiality and favor the pending cause, no. 5113, for the Pullman corporations and Safety Co. to the profit of their attorneys and said corporations and without regard to equity, law, and justice in that regard, and thereby brought the administration of justice in said court into disrepute.

Seventh: That said Samuel Alschuler was in a position to, and, it is believed, did, advise with the attorneys for the Pullman Co. and Safety Co. when the cause was pending before the master and before the district court and in the court of appeals. That the report filed by the master has the language of and appears to have been drawn by the attorneys for Pullman and Safety corporations, and the opinion of the court of appeals closely follows the form and language of the master's report. That inquiry should be made into the authorship of both the said master's report and of the opinion rendered by the court of appeals.

Eighth: That Samuel Alschuler knowingly used his judicial powers as an incident to and an overt act pursuant to a conspiracy to wrongfully and fraudulently take over for the Pullman corporations and the Safety Co. a patent known as the "Chandeysson patent" for the control of voltage in electric current, the same being a patent of very great value and now in wide-spread, world-wide use, and now in use in railroad cars and many other applications. The said patent is basic and of the same importance in the electrical power field as the use of carbon dust is in the telephone world.

The district court held the Pullman and Safety corporations to be infringers, and this ruling the said Samuel Alschuler reversed under the foregoing conditions, which acts and decisions under the existing close personal friendships and unlawful duress, coercion, and influences set

forth constitute judicial misconduct, conspiracy, and high crimes and misdemeanors and subject said Samuel Alschuler to impeachment and removal from office.

Ninth: That Samuel Alschuler, on June 27, 1934, and on October 4, 1934, and at all other times mentioned, was and knew that he was president of the Edward F. Dunne Portrait Association and was a very close friend of Edward F. Dunne, Sr., for many years and that he, said Samuel Alschuler, was biased and partial to said Edward F. Dunne and to Edward F. Dunne, Jr., and toward the Pullman Co. and Safety Co., appellants, and biased against the Marshall Electric Co., appellee, in case no. 5113 then pending for decision by said Samuel Alschuler and said court of appeals and that it was then and there the duty of the said Samuel Alschuler as such justice of the circuit court of appeals to recuse the said cause; that said Samuel Alschuler being so biased and partial to appellants and their attorney Edward F. Dunne, Jr., and being then and there prejudiced and biased against the appellee, Marshall Electric Co., did knowingly and unlawfully fail and neglect to perform said duty to recuse the said cause but on the contrary, well knowing the premises, did unlawfully sit as presiding justice of said circuit court of appeals and did hear and decide said cause with unlawful partiality and favor to the appellants and to the said Edward F. Dunne, Jr., attorney for said Pullman Co. and Safety Co. and by his said failure to recuse and refuse said cause and by his conduct and decisions in said case said Samuel Alschuler knowingly and corruptly brought the administration of public justice into disrepute and the said failure and neglect to recuse and refuse said cause and his acts as presiding justice and decisions in said cause under the existing circumstances constitutes judicial misconduct and high crimes and misdemeanors in said office. That said Marshall Electric Co. did not know that said Samuel Alschuler was president of the said Edward F. Dunne Portrait Association until October 6, 1934, to wit, 2 days after the petition for rehearing was denied by said court of appeals. That said knowledge was not made generally known but was confined to approximately 100 members of the bar. That said Samuel Alschuler unlawfully took a biased and prejudiced and active interest in said cause on behalf of Edward F. Dunne, Jr., and the appellants and thereby made a fair and impartial trial as provided for under the Constitution and laws of the United States impossible and therefore the said Samuel Alschuler is impeached.

Tenth: That the Pullman corporations were at all times represented by said Robert S. Blair and Delos G. Haynes, and in the court of appeals also by said Edward F. Dunne, Jr., and the chief engineer for the Pullman corporations, Frank O. Marshall attended the sessions for the taking of testimony, and assisted the attorneys, agents, and officers of the Safety Co.; that the said Frank O. Marshall and the said attorneys acted in that regard under the directions of D. A. Crawford, president of the Pullman corporations, and the directors of said Pullman corporations, and that the said Dunne, Jr., at all times was in communication with said Pullman officials, and the said Pullman corporations officials and directors were active participants in the several overt acts above set forth, in the execution of said conspiracy, and the said Samuel Alschuler well knew that the said Dunne, Jr., and the said Safety Co. officers and directors, and the officers and directors of said Pullman corporations were each and every one of them engaged in an unlawful conspiracy in the premises, yet knowing said premises decided said pending cause for said corporations, contrary to his said duty above referred to, and thereby committed impeachable high crimes and misdemeanors.

Now, by way of explanation and elaboration, let me say that the Marshall Electric Co., of Elkhart, Ind., of which Thomas Marshall, of Chicago, is the president, held a patent on certain devices for regulating and controlling electric current, which was issued in December of 1925. The use of this patent has spread to such things as battery-charge control on locomotives, oil-electric and gas-electric units, multiple-unit cars, plating generators, generators on ships, volt-

age regulators in lamp and power-consuming devices on ships, radiobeacons, gyroscopic compasses, depth indicators, textile machines, and many other devices, which will indicate that its use involves millions of dollars.

The Marshall Electric Co. filed suit against the Pullman Co., the Pullman Car & Manufacturing Co., and the Safety Car Heating & Lighting Co. for infringement.

The matter was then referred to Mr. Thomas J. Peden, the only active master in chancery in the United States district court at that time. The master took testimony in Chicago, in New Haven, Conn., and again in Chicago, and finished taking testimony on November 13, 1931. He then held the matter under advisement for 17 months without any apparent reason, and when his findings were filed with the Federal district court he found for the Pullman Co. and the Safety Car Co., defendants in the case.

While this matter was pending before Master Thomas Peden, the master in this case asked the plaintiff Marshall to make an affidavit in behalf of William Scott Stewart, of Chicago, who had one time worked with Peden in the State attorney's office of Cook County. Peden described Stewart as his very best friend. The affidavit was intended to aid Stewart, who at that time was under charges in the Supreme Court of Illinois filed by the Chicago Bar Association. Marshall made the affidavit and delivered it to Stewart, and while in Stewart's office, Stewart made the following statement to Marshall:

You know I want to talk to you about this stuff pending before Peden. Peden has lost a lot of money in bank failures and foreclosures. You know that Peden, Judge Wilkerson, and myself are like this [holding fingers close together]. Now, what I want to know is, what you can do. I would not like to see you get the deal that was handed to the Checker (taxi) people. Peden, Wilkerson, and I took \$106,000 away from that mob of taxi drivers and split it three ways and then decided against them anyhow. Now, in your case it ought to be a cut-in for about 10 percent of your net.

This statement came from a close friend of the United States master in chancery at the time the case was pending before that master, a friend who was under charges by the Chicago Bar Association, and a friend who speaks of his close connection with Federal Judge James Wilkerson at a time when this case was on Judge Wilkerson's call. This is the same Judge Wilkerson who was investigated by a subcommittee of the Judiciary Committee of this House under House Resolution No. 145, passed on June 12, 1933. The report of that subcommittee was, of course, limited to bankruptcy and receivership matters, and as to the proposed action of the subcommittee, I quote from the report:

Your subcommittee is of the opinion that the evidence does not warrant the interposition of the constitutional powers of impeachment of the House of Representatives, but in several instances conduct prejudicial to the dignity of the Federal judiciary is disclosed.

From the master the case went to the court of Hon. Charles E. Woodward, judge of the United States District Court, on exceptions and came on for argument on March 30, 1933. Judge Woodward rendered his decision on July 26, 1933, and found for the plaintiff, Marshall Electric Co., on every issue. Judge Woodward was another of the three Federal judges whose conduct in bankruptcy and receivership matters was investigated by the subcommittee of the House Judiciary Committee, and the Members of this House may remember that I made some very caustic comment on the conduct of these Federal judges when the first report of the subcommittee became available and there was an opportunity to examine the findings of that subcommittee. I hold no brief for Judge Woodward and reaffirm what I have said about him and other judges on previous occasions.

Mr. SUMNERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. SUMNERS of Texas. I am not familiar with the precedents, but I have the impression that in preferring charges of impeachment, argumentative statements should be avoided as much as possible. If I am wrong in that statement with reference to what the precedents and custom have established, I of course withdraw the observation.

Mr. DIRKSEN. Mr. Speaker, I have no desire to violate the precedents, and if I have done so it is only because I have not had an opportunity to examine them thoroughly, but if the objection is well taken, I should prefer not to present argumentative matters to the House.

Mr. SUMNERS of Texas. I am sure the gentleman does not purpose to violate the precedents, and unfortunately I do not know about the matter myself. I am not advised as to what the precedents establish, but without looking them up, merely from the standpoint of what would seem to be proper procedure, it occurs to me that all argumentative statements be omitted in preferring impeachment charges.

Mr. DIRKSEN. Mr. Speaker, there are two more pages of explanatory matter which perhaps I should not present to the House at this time if the point is well taken. I would, however, like to put them into the RECORD as elaborating the statement of specific charges that have been made.

The SPEAKER. The Chair thinks it is entirely up to the gentleman from Illinois so far as the propriety of his statement is concerned.

Mr. DIRKSEN. I do not want to violate any of the proprieties of the House, Mr. Speaker.

Mr. SUMNERS of Texas. I do not know what they are myself.

The SPEAKER. The gentleman from Illinois is making his statement on his own responsibility as a Member of the House.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. Permit me to finish this statement first.

Mr. CELLER. Then will the gentleman yield?

Mr. DIRKSEN. Yes.

However, while this patent case was pending before Judge Woodward, a Member of the House of Representatives was quoted in the Chicago papers to the effect that an inquiry into the conduct of Judge Woodward was being contemplated. It is a most singular thing that in March of 1933, just a few days before this case came on for argument before Judge Woodward, that he received the most lavish praise in a Chicago newspaper and that only 6 weeks later, that same newspaper published whole pages of pictures and reading matter with respect to the purported inquiry into his official conduct. Judge Woodward is quoted in a Chicago newspaper as having replied, "I know perfectly what is back of it all and at the proper time the facts will come out." I could mention many names and circumstances in this connection, but properly speaking, those are matters to be ascertained by the committee, if and when it makes an investigation into this matter. I need only say that volumes of conclusive proof are available at the proper time.

The case then went on appeal to the United States Circuit Court of Appeals for the Seventh Circuit sitting at Chicago, Ill., of which the Honorable Samuel Alschuler was the duly qualified presiding justice and the charges of impeachment fully recite the relationships that existed to indicate that there was a breach of duty on the part of Justice Alschuler and warrant a complete and impartial investigation of all the acts and circumstances in connection with this matter.

Federal judges hold office for life, conditioned on good behavior and can be reached only by constitutional action when there is good and substantial reason to believe that there has been a breach of duty and a violation of the integrity of the court. That constitutional action can only be effected by preferring charges, requesting a full and complete inquiry and investigation to ascertain the basis for such charges, and to return an impeachment if the committee to whom such investigation is intrusted finds that the charges are true as alleged. I express no further opinion in the matter except to say that I sincerely believe the matter requires immediate action on the part of the proper committee of this House.

Mr. Speaker, may I add this one feature. As I said at the outset, I have studied over this matter for weeks and months. It occurred with me that there was something

wrong in the picture, and I wondered exactly how it might be attacked, and what relief the gentleman in question might get. I consulted with some of the Members of the House, and perhaps it is not amiss to say that I even consulted with the Parliamentarian in the hope that perhaps there was some alternative procedure that would make it unnecessary for me to stand in the well of this House to-day to impeach a Federal justice of the United States Circuit Court of Appeals in my own State. I want the Members of the House to know that it is a procedure to which I have lent my efforts very reluctantly, but, seeing no other way out and feeling there was incumbent upon me a duty to perform, I have tried this day to perform that duty and lay the facts before the House and before the Committee on the Judiciary for their action and in connection therewith, I submit the following resolution:

House Resolution 214

Resolved, That the Committee on the Judiciary is authorized and directed, as a whole or by subcommittee, to inquire into and investigate the official conduct of Samuel Alschuler, a justice for the United States Circuit Court of Appeals, Seventh Circuit, to determine whether, in the opinion of said committee, he has been guilty of any high crime or misdemeanor which in the contemplation of the Constitution requires the interposition of the constitutional powers of the House. Said committee shall report its findings to the House, together with such resolution of impeachment or other recommendation as it deems proper.

Sec. 2. For the purpose of this resolution, the committee is authorized to sit and act during the present Congress at such times and places in the District of Columbia and elsewhere, whether or not the House is sitting, has recessed, or has adjourned; to hold such hearings, to employ such clerical, stenographic, and other assistance; to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, to have such printing and binding done, and to make such expenditures, not exceeding \$5,000, as it deems necessary.

Mr. CELLER. Will the gentleman yield?

Mr. DOBBINS. Mr. Speaker, a point of order. I have heard no articles of impeachment read. As I have listened to the matter presented by the gentleman from Illinois [Mr. DIRKSEN], it is nothing more nor less than a resolution asking for an inquiry, and not articles of impeachment. It seems to me that it is not a privileged matter, and the gentleman is not entitled to occupy the time of the House in this manner. The gentleman has not offered any articles of impeachment.

The SPEAKER. The gentleman has offered no articles of impeachment. He is simply making charges.

Mr. DOBBINS. I assumed he had finished. There have been no articles of impeachment presented.

The SPEAKER. Charges of impeachment; not articles of impeachment.

Mr. DOBBINS. I have heard no articles of impeachment read.

Mr. DIRKSEN. It seems to me this was in its entirety articles of impeachment.

Mr. DOBBINS. It is nothing more than a resolution of inquiry.

Mr. DIRKSEN. Perhaps the gentleman did not hear the first part of my remarks. I will read the first paragraph of this report:

Samuel Alschuler, justice of the Circuit Court of Appeals, Seventh Circuit, is impeached for high crimes and misdemeanors in said office upon the following specific charges.

Mr. DOBBINS. As I understand articles of impeachment, Mr. Speaker, that does not amount to an impeachment at all.

The SPEAKER. The gentleman does not prepare articles of impeachment. That is done by the committee.

Mr. DOBBINS. It is simply a resolution of inquiry such as we have offered here every day, and is not a privileged matter.

The SPEAKER. The Chair can only state what the gentleman said when he took the floor; that is, that he was preferring charges of impeachment against a certain United States circuit judge.

Mr. DOBBINS. But there have been no such charges; simply a resolution of inquiry.

The SPEAKER. The gentleman is making his charges now.

Mr. DIRKSEN. I am making the charges very specifically.

Mr. IGOE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. IGOE. Does it constitute a charge against a judge of the circuit court of appeals to say of him that he was president of some portrait association which had for its object the purchasing of a picture of a former Governor of one of the States of this Nation?

Mr. DIRKSEN. Mr. Speaker, that is not a parliamentary inquiry.

The SPEAKER. That is a matter for the committee.

Mr. IGOE. That is all there is to this whole charge.

The SPEAKER. That is a matter for the committee to take under consideration.

Mr. CELLER. Will the gentleman yield? I know the gentleman wants to be fair.

Mr. DIRKSEN. I yield.

Mr. CELLER. Judge Alschuler was appointed by President Wilson in 1915.

Mr. DIRKSEN. I am sorry, but I have not examined into that matter.

Mr. CELLER. Will not the gentleman state in all fairness that the circuit court of appeals is composed of three judges, and that there are four judges in that district, namely, Judge Alschuler, of Chicago; Judge Evan A. Evans, of Madison—

Mr. DIRKSEN. Mr. Speaker, I refuse to yield further.

Mr. CELLER. Will the gentleman express the names of the other two judges who heard this case with Judge Alschuler? There must have been three judges hearing the case.

Mr. DIRKSEN. Mr. Speaker, I refuse to yield and I refuse to have any controversy about this matter. I am asking that this matter be referred to the committee.

Mr. CELLER. I would ask the gentleman has there been an appeal in the case to the Supreme Court?

Mr. DIRKSEN. I do not submit to a controversy upon the merits of this matter, Mr. Speaker.

The SPEAKER. Does the gentleman yield; and if so, to whom?

Mr. DIRKSEN. Mr. Speaker, I refuse to yield.

The SPEAKER. The Chair will endeavor to protect the gentleman in his rights on the floor. He has those rights because he has risen to a question of privilege.

Mr. SUMNERS of Texas. Will the gentleman yield?

The SPEAKER. Does the gentleman yield to the gentleman from Texas?

Mr. SUMNERS of Texas. For an observation, if the gentleman from Illinois has finished.

Mr. DIRKSEN. I yield.

Mr. SUMNERS of Texas. I desire at the present time, or just as soon as I may be permitted to do so, to move that the resolution offered by the gentleman, together with the charges, be referred to the Committee on the Judiciary of the House of Representatives. I want to offer that motion at the proper time.

The SPEAKER. That motion is not in order now, of course, until the gentleman has concluded.

Mr. DIRKSEN. Mr. Speaker, I yield back the balance of my time.

Mr. IGOE. Will the gentleman yield for a question?

Mr. DIRKSEN. I do not yield.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

Mr. SUMNERS of Texas. Mr. Speaker, I move that the resolution just read to the House, together with the charges of impeachment, be referred to the Committee on the Judiciary of the House of Representatives.

The SPEAKER. The gentleman from Texas (Mr. SUMNERS) moves that the resolution, together with the charges of impeachment which have just been read to the House, be referred to the Committee on the Judiciary.

The motion was agreed to.

The SPEAKER. The resolution and the charges are referred to the Committee on the Judiciary of the House.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. SABATH. Mr. Speaker, ladies and gentlemen of the House, if I have ever been taken by surprise, I certainly have been a few moments ago when my colleague the gentleman from Illinois [Mr. DIRKSEN] rose to offer a resolution to impeach one of the most honorable, efficient, and honest judges of any court in the Nation. I am still stunned by the accusations he enumerated, but failed to substantiate them. I am still undecided whether to consider this attack as a skirmish to divert the action of the Judiciary Committee in matters of some other judges, or whether my colleague has permitted himself to become an instrument for ulterior designs of someone else. I fear that the real purpose for this unwarranted attack has nothing to do with the honesty or efficiency of the judge in question. I can hardly believe that my colleague would go so far and besmirch a man for political reason or to do so for the purpose of minimizing the serious charges presented to the Judiciary Committee, which is investigating Judges Woodward, Wilkerson, and Lindley. Such an action on the part of my colleague would be undignified for a man of his position and standing.

Mr. Speaker, the accuser has not submitted any proof for his accusations nor have the accusations themselves any real weight. We cannot very well accept seriously the gentleman's statement that Judge Alschuler was a member of an association of some unselfish admirers of former Governor Dunne and a painting was presented at that time. This happened many years ago. The gentleman brings forth that the firm of the former Governor Dunne was interested in certain litigation which was at that time before Judge Woodward. The same case came before the circuit court of appeals of which Judge Alschuler is a member.

I know nothing of this litigation, and this is the first time I hear about it. My colleague says that this matter, which he considers a serious breach, was delayed for 15 months, and that it was before a United States master in chancery. Does not the gentleman know that the matter must have been referred to the master by the judge before whom the case was pending, namely, Judge Woodward? It certainly is clear enough that it was not delayed by Judge Alschuler, and, furthermore, Judge Alschuler could not have known that this case would ever be appealed, nor that it would be referred to him when it reached the circuit court of appeals. Does not the gentleman know that the assignments of cases in the circuit court of appeals are made in rotation? Consequently, Judge Alschuler, even if so willful as the gentleman is trying to portray him, could not have manipulated the matter in the way the gentleman wishes us to believe.

My colleague is mistaken when he states that the three Republican judges have been investigated as a consequence of my resolution. I have been repeatedly requested to offer resolutions of impeachment against Judge Woodward, Judge Wilkerson, and Judge Lindley; but I declined, in view of the fact that the matter is being investigated by the Judiciary Committee. The resolution for this investigation was introduced by my colleague the gentleman from New York [Mr. CELLER], while no action was instituted by me. This attitude of mine was in compliance with the action taken by the committee, in spite of the fact that the Chicago Bar Association made a report against Judge Woodward. It was at the instigation of the Chicago Bar Association that the investigation was initiated. I regret to note that my colleague has seen fit to charge me indirectly to having given interviews about the investigation of Judge Woodward. On the contrary, I refused to offer a resolution of impeachment, in spite of the many real and serious charges supported by evidence and brought out before the House Judiciary Committee against Judge Woodward and the other two Republican Federal judges in the city of Chicago. These are the real facts of my activities in the case.

The gentleman charges that a few weeks before Judge Woodward decided the case in question a certain powerful newspaper or newspapers lauded him and that since he

decided adversely they began to assail him. That as a consequence this powerful newspaper, and I believe he refers to the Chicago American or Chicago Examiner, I do not recall which, printed the charges made against Judge Woodward by the Chicago Bar Association. I am satisfied, however, that this serious charge against one or both newspapers is unfounded. Though not authorized to speak for these papers I am satisfied that they would never lend themselves for any such purpose. Though I do not share the policies of these papers, nor do they always agree with my views, I cannot permit such charges against them to go unchallenged. Not only that these accusations are unfair and unjust, but, I am satisfied, that they are untrue.

Serving with Judge Alschuler on the circuit court of appeals are three other outstanding judges—Judge Evans, Judge Parks, and Judge Fitzhenry. The latter was formerly a Member of this House and as honest a man as can be found anywhere, and a man enjoying a deserved splendid reputation. The same is true of Judge Evans. The fourth, Judge Parks, I do not know personally so well but he also enjoys a great reputation. These four judges enjoy the greatest confidence not only of the bar but of the people in Chicago generally. Never before has there been the slightest implication as to their character and honesty. They are known as gentlemen who cannot be swayed by passion or favoritism in the discharge of their important duties; they are scrupulously honest, upright, and able, and no one can safely dare even to imply that their official actions could be controlled or influenced to a remotest degree.

The circuit court of appeals in the last few months has handed down opinions criticizing the judges of the district court, of which Woodward is one; and I am inclined to fear that this resolution has been instigated and introduced in retaliation and for the purpose of warding off impeachment proceedings against the three Republican Federal judges of Chicago who are under investigation by the Judiciary Committee of this House.

Mr. Speaker, I did not act because I believed that the Judiciary Committee would properly handle the matter, and I believe it will in due time. I have the first report of the Committee; and if I had the time to read it to the House, I know there would be a general demand for immediate affirmative action.

I refrain, however, and shall not be carried off my feet by this nonsensical resolution introduced against a most honorable and outstanding judge just because he happens to be one of the very few Democratic Federal judges in Illinois. As soon as I can find the time to make a full investigation, and to digest thoroughly the evidence that has already been presented against these three Republican Federal judges, I shall act resolutely. I repeat, I did not wish to act before the Judiciary Committee has made its final report, but this resolution will compel me to act without further delay. There is sufficient supportable evidence, as shown in the first preliminary report, that these three district judges who have been investigated are guilty of real compromising offenses and abuses which bring disrepute upon our judiciary.

Mr. Speaker, in conclusion, let me say that there is nothing in these so-called "charges" and "insinuations." The son of the former Governor, a friend of Judge Alschuler, years ago moved to New Jersey and formed a law partnership. There could possibly be no connection between the matter to which my colleague refers in which the Pullman Co. was a party to some patent rights and, I repeat, of which I have never heard and know nothing about. However, I do favorably know former Governor Dunne, who for years was one of our outstanding judges, the mayor of Chicago, and the Governor of our State.

I cannot deny the assertion of my colleague that he has a positive statement from some lawyer who was approached by another lawyer named Stewart, that Stewart could be helpful to him because he—Stewart—is very friendly and close to Judge Wilkerson. Whether true or not, how could that in any way be held against Judge Alschuler, when everybody familiar with conditions in Chicago knows that there is nothing in common between Judge Wilkerson and Judge Alschuler.

I am satisfied that the people of Illinois will in one accord not only disapprove but condemn these defamatory, unfounded charges.

It appears to me that the dissatisfied lawyers who gave these nonsensical charges to my colleague made him believe it was an offense for the circuit court of appeals to reverse Judge Woodward's decision. However, in view of the evidence which has been piled up before the Judiciary Committee on Judge Woodward's actions, I am sure that that will not be the views and belief of the people of Illinois.

There is no favorable comparison between the official standing and confidence reposed in Judge Alschuler and his associates, Judge Evans, Judge Fitzhenry, and Judge Parks, on one hand, and the official conduct of Judge Woodward, on the other, who really merited the inquiry by the House Judiciary Committee.

Mr. Speaker, ladies and gentlemen of the House, saying the least, I am not only surprised but I am amazed that my colleague, with the responsibility of his position, permitted himself to be used in filing these ridiculous alleged charges.

I am certain that Judge Alschuler will not ask for delay, nor will he send emissaries to obtain delay, but he will court fullest inquiry and insist upon an immediate and searching investigation.

I am confident that the Judiciary Committee will find after a most thorough investigation that these insinuations and reckless charges, if they can be thus dignified, are not only unwarranted and baseless but there will not be a scintilla of evidence produced to substantiate them or anything tending to show any wrongful act in connection with this or any other matter in the life of the splendid, courageous, honest, and fearless judge who is beloved by all who have the privilege of knowing him or who are familiar with his laudable, conservative judicial record. [Applause.]

Mr. IGOE. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

Mr. DUFFEY of Ohio. Mr. Speaker, reserving the right to object, and I feel I must object, the specific business before the House today is consideration of bills on the Private Calendar.

Mr. IGOE. Mr. Speaker, I hope the gentleman will not press his objection.

Mr. DUFFEY of Ohio. Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. IGoe]?

There was no objection.

Mr. IGOE. Mr. Speaker, I ask my friend from Peoria if he will kindly listen, because I want to ask him some questions.

Mr. DIRKSEN. Mr. Speaker, I do not care to enter into a controversy with the gentleman from Illinois.

Mr. IGOE. If he does not care to answer them he may remain mute in his seat, but I shall ask them just the same, and he may answer if he desires.

The first question I wish to propound to the gentleman from Peoria, Ill., is this: Is it a fact that the litigation discussed by you and incorporated in the resolution which you read here today is now pending before the Supreme Court of the United States?

Mr. DIRKSEN. It is not.

Mr. IGOE. It is not a fact?

Is it not a fact that the attorney whose name you mentioned specified these charges which are the basis of the charges you made here in a brief which was filed before the Supreme Court of the United States?

Mr. DIRKSEN. Only in part.

Mr. IGOE. Wait a minute, wait a minute; let me finish my question. And the Supreme Court of the United States punished him for the language he used, fined him, and suspended him from practice? Just answer that yes or no.

Mr. DIRKSEN. Not to my knowledge.

Mr. IGOE. Not to your knowledge?

Mr. DIRKSEN. Yes.

Mr. IGOE. Do you not know, my friend, that a petition for certiorari was filed on behalf of this Marshall Electric Co.? Is not that true?

Mr. DIRKSEN. That is true.

Mr. IGOE. And in submitting that motion was not the brief prepared by an attorney in Chicago named Thomas Marshall? Is not this true? Answer yes or no.

Mr. DIRKSEN. I am not sure whether it is true or not. Mr. Speaker, I refuse to enter into a controversy with the gentleman.

Mr. IGOE. Mr. Speaker, so long as he does not care to answer, permit me to make a few remarks.

To begin with, I live in Chicago. I am not a candidate for Governor, which is something that may not be said about the gentleman who brought in this resolution.

Mr. DIRKSEN. Will the gentleman yield?

Mr. IGOE. I do not yield to the gentleman.

Mr. DIRKSEN. The gentleman is not a gentleman or he would not bring that matter up.

Mr. IGOE. I refuse to yield to the gentleman.

Mr. DIRKSEN. And, Mr. Speaker, I refuse to have such insinuations made about myself.

Mr. IGOE. The gentleman's actions now, Mr. Speaker, are typical of the conduct which has characterized his everyday activities in this House.

I am not a candidate for Governor of Illinois. I do not think the gentleman who brought in this resolution can say the same thing about himself. If I were a candidate for Governor, however, I would not be quite so small as to come in here and attempt to attain my ambitious goal by destroying the good name of a fine man. [Applause.] Someone said years ago—

Who hath adjudged of aught
One side unheard, were himself unjust.

I wish the gentleman would take that quotation to heart, analyze it, and try to figure out what it means.

Mr. Speaker, who is this man against whom the gentleman has raised his voice? Samuel Alschuler, justice of the circuit court of appeals in the district in which the gentleman and myself both reside. I live in Chicago less than 100 feet of where this jurist lives. I know him personally. I know the manner of man he is. I know the kind of citizen he has been. I know the reputation he bears throughout the whole of the State of Illinois. The gentleman who brought these charges here today, if he had one ambition, it might be that when he has become as old as Samuel Alschuler now is, the gentleman from Illinois might bear some of the reputation that belongs to Samuel Alschuler today. [Applause.]

Mr. Speaker, let us see how silly these charges are. Let us see how silly the mere presentation of them is. The gentleman says there was something wrong and corrupt because Samuel Alschuler was president of the Edward F. Dunne Portrait Association. Is that not terrible? What does it mean? It means simply this: We have a practice in our State, when a man who occupies a place of honor, particularly upon the bench, retires from that place of honor, funds are gathered together and appropriate pictures are hung in appropriate places. Mr. Dunne has been a Governor of our State, judge of our circuit court, as well as mayor of our city.

Dunne and Alschuler have been friends, as the gentleman truly said, for more than 50 years. Dunne and Alschuler competed politically in times gone by. Back in 1912 Dunne opposed Alschuler as a candidate for Governor. Dunne was nominated and afterward elected. Then on through the years they remained friends. When President Wilson was the Chief Executive of this Nation one of the men who joined with other citizens of our community in asking that Alschuler be placed upon the bench was this same man, Edward F. Dunne.

Mr. Speaker, no one in all of Illinois has a finer reputation than that possessed by both Dunne and Alschuler. Mr. Dunne's son, Edward F. Dunne, Jr., went to New Jersey

many, many years ago, and engaged there in the practice of patent law. It was not at all unusual, therefore, that he should be interested in a patent lawsuit pending in one of the circuit courts of appeals of this country.

The gentleman in this resolution sets out nothing improper on the part of either the father or son, so far as the Dunne family is concerned; but always and ever he is trying to bring into this picture that old Sam Alschuler must be corrupt because foresooth he happens to have been chairman of a group that collected money to hang an oil painting of Edward F. Dunne in the city of Chicago. By the same token I am guilty, too. I am a member of that association. You folks could join also if you want to pay \$10, which is the only requirement. The only thing that Judge Alschuler did in this matter—and an examination of the facts will clearly indicate it—was to permit his name to be used as the honorary chairman of the committee that collected funds for this purpose. That is all he did.

For this gentleman to come in here and make the sly and unsupported charges against a man of Alschuler's character and reputation, Mr. Speaker, I say is something more reprehensible than I thought could be done in a body of this kind. I sincerely hope that Judge Alschuler will join with the Chairman of the Judiciary Committee of this House and insist that these charges be examined quickly in order that a decision may be arrived at as speedily as possible, to the end that justice may be done to Judge Alschuler, and to the end also that no one in the future will run as a candidate for Governor of any State in this Union by means of a crucifixion of a great man in the State in which he lives. [Applause.]

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

Mr. O'BRIEN, Mr. DOBBINS, Mr. MITCHELL, and Mr. DUFFEY of Ohio objected.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a reply to the statement made by the gentleman who just spoke.

Mr. O'BRIEN, Mr. DOBBINS, Mr. MITCHELL, and Mr. DUFFEY of Ohio objected.

COMMITTEE ON IMMIGRATION

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that the Committee on Immigration may be permitted to sit tomorrow during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE PRIVATE CALENDAR

The SPEAKER. This is the day for the calling of the Private Calendar. The Clerk will call the first bill on the calendar.

JULIAN C. DORR

The Clerk called the first bill on the Private Calendar, H. R. 4105, for the relief of Julian C. Dorr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General is authorized and directed to credit the account of Julian C. Dorr, Department of State, formerly American consul at Genoa, Italy, in the sum of \$606.77, such sum having been expended by the Department of State in shipping the household effects of said Julian C. Dorr from Genoa, Italy, to Barbados, British West Indies, in connection with a change of assignment, and such expenditure having been charged to the account of said Julian C. Dorr by the Comptroller General on the ground that such shipment should have been made on an American vessel under the provisions of section 601 of the Merchant Marine Act, 1928. The surety on the bond of the said Julian C. Dorr is hereby released from any liability arising out of such expenditure.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA, INC., A. S. POSTNIKOFF, TRUSTEE

The Clerk called the next bill, H. R. 4178, for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes on this bill and some others that will follow.

Mr. MOTT. Mr. Speaker, reserving the right to object, sometime ago we changed the rules and the procedure with respect to bills on the Private Calendar for the sole purpose, as I understood it, of preventing discussion of bills on the Private Calendar. I did not think it was a good idea at the time the matter was up, and I voted against it. However, a majority of the Members were of the opinion that during the first call of the Private Calendar we should have no discussion on the bills. I therefore feel constrained to object unless some good reason should be given why these bills are entitled to discussion while other important measures are not.

Mr. TRUAX. Mr. Speaker, I would say to the gentleman that this bill involves an authorization of nearly \$1,000,000, and I think this is sufficient reason why the Members should know something about it.

Mr. MOTT. May I ask the gentleman if he intends to object to the bill?

Mr. TRUAX. I shall decide that, I will say to the gentleman, after I make my observations.

Mr. MOTT. Oh, no; that is a fair question. Is the gentleman going to object to the bill when it is called?

Mr. O'CONNOR. Mr. Speaker, I call for the regular order. The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. MOTT. Mr. Speaker, reserving the right to object, I shall object unless the gentleman advises me whether he is going to object to the bill.

The SPEAKER. The regular order has been demanded. Is there objection to the request of the gentleman from Ohio?

Mr. MOTT. I object, Mr. Speaker.

Mr. TRUAX. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and forty-two Members present, not a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 68]

Allen	Duncan	Hull	Ramspeck
Amile	Dunn, Miss.	Johnson, W. Va.	Rayburn
Andrew, Mass.	Eaton	Keller	Reed, N. Y.
Bacon	Elcher	Kennedy, Md.	Robinson, Utah
Bankhead	Ellenbogen	Kerr	Robson, Ky.
Bell	Farley	Kimball	Romjue
Binderup	Fenerty	Kinzer	Sabath
Brown, Mich.	Fish	Lamneck	Sadowski
Buckley, N. Y.	Flannagan	Lee, Okla.	Sanders, La.
Cannon, Mo.	Frey	Lesinski	Schneider
Cannon, Wis.	Fulmer	Lewis, Md.	Scott
Carden	Gambrill	Lloyd	Sears
Cartwright	Gasque	Lord	Seger
Caviechia	Gavagan	McAndrews	Shannon
Clark, Idaho	Gearhart	McClellan	Short
Cochran	Gehrmann	McLean	Smith, Wash.
Colmer	Gingery	McLeod	Somers, N. Y.
Connery	Granfield	McSwain	Stack
Cooley	Gray, Pa.	Mapes	Stewart
Cooper, Ohio	Green	Meeks	Stubbs
Crosser, Ohio	Haines	Montague	Sweeney
Darrow	Halleck	Montet	Thomas
Dear	Hancock, N. C.	Murdock	Thurston
Delaney	Harter	Nichols	Vinson, Ky.
Dempsey	Hartley	Norton	Wadsworth
DeRouen	Hennings	O'Day	Werner
Dickstein	Higgins, Conn.	Palmisano	Withrow
Disney	Higgins, Mass.	Peyser	Wood
Doutrich	Hollister	Rabaut	Zimmerman
Driver	Hook	Ramsay	

The SPEAKER. Three hundred and eleven Members have answered to their names—a quorum is present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that further proceedings under the call be dispensed with.
The motion was agreed to.

INTERNATIONAL MANUFACTURERS' SALES CO. OF AMERICA, INC.

The SPEAKER. Is there objection to the consideration of the bill (H. R. 4173) for the relief of the International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee?
Mr. McFARLANE, Mr. BLANTON, and Mr. TRUAX objected.

The SPEAKER. The bill will be recommitted to the Committee on Claims.

ANTHONY NOWAKOWSKI

The Clerk called the next bill on the Private Calendar, H. R. 4210, for the relief of Anthony Nowakowski.

The SPEAKER. Is there objection?

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. O'CONNOR. That is not permissible.

The SPEAKER. The bill must be either objected to or considered.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Anthony Nowakowski the sum of \$500, being the amount of a bond deposited as security and filed with the inspector in charge of immigration at Detroit and later forfeited because of his failure to depart from the United States.

With the following committee amendments:

Page 1, line 4, after the word "pay", insert "out of any money in the Treasury not otherwise appropriated."

Page 1, line 6, strike out the words "being the amount of" and insert "in full settlement of all claims against the Government of the United States for."

Page 1, line 10, after the word "State", insert "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLAIMANTS WHO SUFFERED LOSS BY FIRE IN THE STATE OF MINNESOTA DURING OCTOBER 1918

The Clerk called the next bill on the Private Calendar, H. R. 3662, for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918.

The SPEAKER. Is there objection?

Mr. YOUNG, Mr. TRUAX, and Mr. BLANTON objected.

The bill was recommitted to the Committee on Claims.

THOMAS STOKES

The Clerk called the next bill on the Private Calendar, H. R. 604, for the relief of Thomas Stokes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Thomas Stokes, late of Company K, First Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 14th day of September 1887: *Provided, That* no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

With the following committee amendment:

Page 1, line 9, strike out "3d" and insert "14th".

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROY BECK

The Clerk called the next bill on the Private Calendar, H. R. 594, for the relief of Roy Beck.

The SPEAKER. Is there objection?

Mr. HOPE and Mr. HANCOCK of New York objected.

The bill was recommitted to the Committee on Military Affairs.

DR. GEORGE E. HOLTZAPPEL

The Clerk called the next bill on the Private Calendar, H. R. 5762, authorizing the President to present in the name of Congress a Medal of Honor to Dr. George E. Holtzapfel.

The SPEAKER. Is there objection?

Mr. MOTT and Mr. HANCOCK of New York objected.

The bill was recommitted to the Committee on the Library.

PERCY C. WRIGHT

The Clerk called the bill (H. R. 2566) for the relief of Percy C. Wright.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized and directed to appoint Percy C. Wright, who formerly was the officer in charge of an armament section of a tactical unit of the United States Army Air Corps and in training for a commission in the Regular Army, a first lieutenant of the United States Army Air Corps and to place him on the retired list for disability from injuries received while on a routine flight in connection with his duties as an officer of a Regular Army tactical organization, at Marshall Field, Fort Riley, Kans., January 29, 1929, dating his commission and benefits therefrom on the date said Percy C. Wright returned to civil life.

With the following committee amendments:

Page 2, line 1, strike out the words "and benefits therefrom."

Page 2, line 3, strike out the period, insert a colon and the words: "Provided, That no bounty, back pay, pension, retirement pay, or allowance shall be held to have accrued prior to the passage of this act."

The committee amendments were agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CAPT. RUSSELL WILLSON, UNITED STATES NAVY

The Clerk called the bill (H. R. 5564) for the relief of Capt. Russell Willson, United States Navy.

The SPEAKER. Is there objection?

Mr. TRUAX. I object.

The SPEAKER. It requires two objections. There being no other objection, the Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Capt. Russell Willson, United States Navy, out of any money in the Treasury not otherwise appropriated, the sum of \$15,000 in full settlement for his invention which has been accepted by the Navy Department for use in connection with naval-communication facilities.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

JOHN E. CLICK

The Clerk called the bill (H. R. 2466) for the relief of John E. Click.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That John E. Click, chief clerk of the administrative office of the Alaska Division, Bureau of Indian Affairs, with headquarters now at Juneau, Alaska, is hereby relieved of reimbursing the United States for credit to the appropriation "Education of natives of Alaska, 1930-31", the sum of \$261.82 paid to the Alaska Steamship Co., of Seattle, Wash., from said appropriation for transporting his personal and household goods from Seattle, Wash., to Juneau, Alaska, upon permanent change of station, under an authorization issued by the Department of the Interior.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

JAMES AKEROYD & CO.

The Clerk called the bill (H. R. 3337) for the relief of James Akeroyd & Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James Akeroyd & Co., of Philadelphia, Pa., the sum of \$3,645.75, with interest from November 1, 1928, to cover a refund on certain wood imported under the Emergency Tariff Act of 1921.

With the following committee amendments:

Page 1, line 7, strike out the words "with interest from November 1, 1928" and insert in lieu thereof "in full settlement of all claims against the Government of the United States."

Page 1, line 9, strike out the word "wood" and insert in lieu thereof the word "wool."

Page 1, line 10, strike out the period and insert a colon and the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

STANLEY T. GROSS

The Clerk called the bill (H. R. 4031) for the relief of Stanley T. Gross.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Stanley T. Gross the sum of \$500, representing the amount of a United States Treasury bond which he deposited in behalf of Stanislaw Walczak, an alien, who has been deported.

With the following committee amendments:

Line 6, after the figures "\$500", strike out the word "representing" and insert in lieu thereof "in full settlement of all claims against the Government of the United States for."

Line 9, strike out the period, insert a colon and the following:

"*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

HARRIET V. SCHINDLER

The Clerk called the bill (H. R. 4290) for the relief of Harriet V. Schindler.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the Employees' Compensation Act of September 7, 1916, as amended, are hereby waived in favor of Harriet V. Schindler, widow of Frederick S. Schindler, deceased, formerly employed at the post office, Utica, N. Y., and the United States Employees' Compensation Commission is authorized and directed to consider and determine her claim for compensation, notwithstanding the limitations in the first paragraph of section 10 of the aforesaid act. The Commission is further authorized and directed to pay such expenses for medical treatment furnished Frederick S. Schindler on account of his injury as it may determine to have been reasonable and necessary.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JOHN J. MORAN

The Clerk called the bill (H. R. 4610) for the relief of John J. Moran.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and paid to John J. Moran the sum of \$296.42, being the amount paid by Mr. Moran as postmaster at Southington, Conn., to Raymond F. Keating and Keron R. Welch, employees at the post office for the period August 16 to September 30, 1918, which amount was not allowed by the Post Office Department, plus interest at the rate of 4 percent per annum.

With the following committee amendments:

Page 1, line 3, strike out "that there is hereby authorized to be appropriated" and insert in lieu thereof "That the Secretary of the Treasury be, and he is hereby authorized and directed to pay."

Page 1, line 6, strike out the word "paid" and insert "in full settlement of all claims against the Government of the United States."

Page 2, line 1, after the figures "30", strike out "1918, which amount was not allowed by the Post Office Department, plus interest at the rate of 4 percent per annum," and insert "1918: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM A. RAY

The Clerk called the bill (H. R. 4630) for the relief of William A. Ray.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William A. Ray, postmaster at Mount Sterling, Ohio, the sum of \$50.74 to reimburse him for the amount of postal funds lost as a result of the failure of the First National Bank of Mount Sterling, Ohio.

With the following committee amendments:

Line 6, after the figures "\$50.74", strike out "to reimburse him" and insert in lieu thereof "in full settlement of all claims against the Government of the United States."

Line 10, strike out the period, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

ESTELLE M. GARDINER

The Clerk called the bill (H. R. 4699) for the relief of Estelle M. Gardiner.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Estelle M. Gardiner the sum of \$10,000 for damages suffered by reason of her brother, John Henry Gardiner, being struck and fatally injured by a Government automobile which was driven by an employee of the Post Office Department.

With the following committee amendments:

Line 6, strike out "\$10,000" and insert "\$5,000, in full settlement of all claims against the Government of the United States."

Line 11, strike out the period, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

YAMATO SESOKO

The Clerk called the next bill, H. R. 4718, for the relief of Yamato Sesoko.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Yamato Sesoko the sum of \$6,000. Such sum shall be in full settlement of all claims for damages against the United States on account of injuries sustained by the said Yamato Sesoko when he was struck during machine-gun practice by the Navy at Pearl Harbor, Territory of Hawaii, on November 11, 1932.

With the following committee amendments:

In line 6, strike out "\$6,000" and insert in lieu thereof "\$2,000." In line 10, after the figures, insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INDIVIDUAL CLAIMS OF MILITARY PERSONNEL

The Clerk called the next bill, H. R. 4798, to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the General Accounting Office be, and is hereby, authorized and directed to pay the following claims of military personnel and civilian employees in the amounts shown which have been approved and recommended for payment by the Secretary of War, for damages to, and loss of, private property of such personnel incident to the training, practice, operation, or maintenance of the Army, and that such payments be made from the present appropriation of the War Department entitled "Claims for damages to and loss of private property": E. M. Burnett, captain, Eighth Regiment United States Cavalry, \$17.70; Haskell H. Cleaves, first lieutenant, Signal Corps, United States Infantry, \$6; James H. Crawley, master sergeant, Air Corps, United States Army, \$8; Henry L. Guertin, first sergeant, Company C, First Regiment United States Engineers, \$25; Oliver L. Spicer, civilian employee, \$35; Charles P. Sugg, staff sergeant, Seventy-third Pursuit Squadron, Air Corps, United States Army, \$13; and Teel D. Whitton, sergeant, Second Ammunition Train, United States Army, \$22.40.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REIMBURSEMENT OF OFFICERS AND ENLISTED MEN ON ACCOUNT OF EARTHQUAKE AT MANAGUA, NICARAGUA

The Clerk called the next bill, H. R. 4799, to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931.

The SPEAKER. Is there objection?

Mr. HANCOCK of New York, Mr. HOPE, and Mr. TRUAX objected, and the bill, under the rule, was recommitted to the Committee on Claims.

CIRIACO HERNANDEZ

The Clerk called the next bill, H. R. 4833, for the relief of Ciriaco Hernandez and others.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed \$232.94, as may be required by the Secretary of the Navy to reimburse Ciriaco Hernandez, Marcial Flores, Luis Enriquez, and Rafael Romero for losses sustained while giving their attention to the rescuing of personnel of the U. S. S. *Tacoma*, following the grounding of that vessel on La Blanquilla Reef, off Vera Cruz, Mexico, on January 16, 1924: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REIMBURSEMENT OF ENLISTED MEN OF THE NAVY ON ACCOUNT OF FIRE AT HAMPTON ROADS, VA.

The Clerk called the next bill, H. R. 4845, to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed by fire at the naval training station, Hampton Roads, Va., on February 21, 1927.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed \$3,500, as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, enlisted men or former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed as a result of the fire which occurred in unit J, naval operating base, Hampton Roads, Va., on February 21, 1927.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF EMPLOYEES OF FOREIGN SERVICE

The Clerk called the next bill, S. 267, for the relief of certain officers and employees of the Foreign Service of the United States who, while in the course of their respective duties, suffered losses of personal property by reason of catastrophes of nature.

Mr. TRUAX and Mr. YOUNG objected, and the bill, under the rule, was recommitted to the Committee on Foreign Affairs.

EDGAR H. TABER

The Clerk called the next bill, H. R. 1963, for the relief of Edgar H. Taber.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Edgar H. Taber, late staff sergeant of the Eighty-eighth Aero Squadron of the Air Service, United States Army, shall hereafter be held and considered to have been honorably discharged March 30, 1921, from the military service of the United States on account of physical disability: *Provided*, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VELIE MOTORS CORPORATION

The Clerk called the next bill, H. R. 2706, to confer jurisdiction upon the Court of Claims to hear, determine, and

render judgment upon the claim of the Velie Motors Corporation.

Mr. YOUNG, Mr. TRUAX, and Mr. COSTELLO objected; and the bill, under the rule, was recommitted to the Committee on War Claims.

A. C. MESSLER CO.

The Clerk called the next bill, H. R. 3101, to confer jurisdiction on the Court of Claims to hear and determine the claim of A. C. Messler Co.

Mr. YOUNG and Mr. TRUAX objected; and the bill, under the rule, was recommitted to the Committee on War Claims.

RALPH C. IRWIN

The Clerk called the next bill, H. R. 4036, for the relief of Ralph C. Irwin.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the appointment of Ralph C. Irwin as regular village letter carrier at Brea, Calif., on the 16th day of March 1929 shall hereafter be held to have been regularly and duly made as of that date and he shall be entitled to compensation from that date in accordance with the laws and postal regulations governing appointments and promotions for length of service.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN CONTRACTORS

The Clerk called the next bill, H. R. 108, to amend the act entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes", approved August 25, 1919, as amended by act of March 6, 1920.

Mr. TRUAX and Mr. COSTELLO objected, and, under the rule, the bill was recommitted to the Committee on Public Buildings and Grounds.

NEWTON C. STALNAKER

The Clerk called the next bill, H. R. 609, for the relief of Newton C. Stalnakar.

Mr. TRUAX and Mr. COSTELLO objected, and, under the rule, the bill was recommitted to the Committee on Military Affairs.

FRANK KROEGEL

The Clerk called the next bill, H. R. 2107, for the relief of Frank Kroegel, alias Francis Kroegel.

Mr. TRUAX. Mr. Speaker, I object.

There being no further objection, the Clerk read a similar Senate bill (S. 51), as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Frank Kroegel, alias Francis Kroegel, who was a member of Company M. Twelfth Regiment New York Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 22d day of July 1898, and notwithstanding any provisions to the contrary in the act relating to pensions, approved April 26, 1898, as amended by the act of May 11, 1908: *Provided,* That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House bill (H. R. 2107) was laid on the table.

JOHN KELLY

The Clerk called the next bill, H. R. 2186, for the relief of John Kelly.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and it is hereby, authorized and directed to waive the limitation for filing claim for compensation in the case of John Kelly, father of Elizabeth R. Kelly, a nurse in the United States Public Health Service, who contracted tuberculosis while employed at the United States Marine Hospital, Buffalo, N. Y., in 1928, and died of said disability on June 17, 1929.

With the following committee amendments:

Strike out all after the enacting clause and insert the following: "That sections 17 and 20 of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, are hereby waived in favor of John Kelley, father of Ruth Rita Kelley, who died on June 17, 1929, as a result of pulmonary tuberculosis allegedly contracted while a civil employee of the United States in the Public Health Service: *Provided,* That no benefits shall accrue prior to the approval of this act."

Amend the title of the bill so as to read: "A bill for the relief of John Kelley."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title of the bill was amended.

A motion to reconsider was laid on the table.

MRS. OLIN H. REED

The Clerk called the next bill, H. R. 4146, for the relief of Mrs. Olin H. Reed.

There being no objection, the Clerk read the bill, as follows:

A bill for the relief of Mrs. Olin H. Reed

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Olin H. Reed, of McAlester, Okla., the sum of \$10,000. Such sum shall be in full settlement of all claims against the United States on account of the death of Olin H. Reed, the husband of the said Mrs. Olin H. Reed, who, at the request of the officers of the Federal Government, accompanied them and assisted in the apprehension and arrest of one Frank Nash; and the said Olin H. Reed, together with others of the Federal officers, were slain at Kansas City, Mo., on June 15, 1933, by forces of gangdom attempting the release of the prisoner, Frank Nash.

With the following committee amendments:

Page 1, line 6, strike out "\$10,000" and insert in lieu thereof "\$5,000."

Page 2, line 2, strike out the figure "15" and insert in lieu thereof the figure "17."

Page 2, line 3, after the word "Nash", insert a colon and add the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SETTLEMENT OF INDIVIDUAL CLAIMS

The Clerk called the next bill, H. R. 4800, to authorize the settlement of individual claims for personal property lost or damaged, arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War.

The SPEAKER. Is there objection to the immediate consideration of the bill?

There being no objection the Clerk read a similar Senate bill (S. 553) as follows:

An act to authorize the settlement of individual claims for personal property lost or damaged, arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Kenneth R. Betts, Chillicothe, Ohio, \$14.45; Frank W. Brunner, Springfield, Ill., \$38.55; W. J. Conley, Dunsmuir, Calif., \$99.80; H. B. Clifton, Savanna, Ill., \$60.75; Frank E. Daley, Severna Park, Md., \$84.70; Mazie J. Donaldson, Oakland, Calif., \$49.10; F. T. H. Kelley, Thompson, Conn., \$7.10; Meriam H. Lyter, Williamsport, Pa., \$5; Robert E. Patnaude, Deer River, Minn., \$25; Van's Battery and Electric Co., Inc., Green Bay, Wis., \$92.28; and Earl W. Williams, Bennington, Vt., \$15.35, in full settlement for damages sustained by reason of the operation of the Civilian Conservation Corps in which claims have been approved by the Secretary of War: *Provided,* That no part of the amount appropriated in this act in

excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider and a House bill (H. R. 4800) were laid on the table.

MATTHEW E. HANNA

The Clerk called the next bill, H. R. 4817, for the relief of Matthew E. Hanna.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the sum of \$921 to cover a disallowance in the accounts for the month of March 1931 of Matthew E. Hanna, former American minister to Nicaragua, for the loss of consular fee stamps suffered by him as the result of an earthquake and fire which destroyed the American Legation Building and its contents on March 31, 1931.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REIMBURSEMENT OF CERTAIN ENLISTED MEN

The Clerk called the next bill, H. R. 4844, to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed by fire at the naval radio station, Eureka, Calif., on January 17, 1930.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$266, or such portion as may be necessary, to enable the Secretary of the Navy to reimburse, under such regulations as he may prescribe, enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed as a result of a fire which destroyed a building at the naval radio station, Eureka, Calif., on January 17, 1930:

With the following committee amendment:

Page 2, line 2, after the figures "1930", insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM KEMPER

The Clerk called the next bill, S. 282, for the relief of William Kemper.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay to William Kemper out of any money in the Treasury not otherwise appropriated the sum of \$600 in full settlement of all claims against the Government for expenses incurred incident to injuries sustained by his son, Irwin Kemper, a minor, in an accident involving a United States mail truck, March 21, 1932.

With the following committee amendments:

Page 1, line 5, strike out "\$600" and insert in lieu thereof "\$891.98."

In line 9 after the figures "1932", insert a colon and add the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount ap-

propriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

SETTLEMENT OF CERTAIN CLAIMS

The Clerk called the next bill, S. 559, to authorize settlement, allowance, and payment of certain claims.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the following claims and certify the same to Congress:

(a) R. D. Jacques in the amount of \$3,332.15 for damage to his furniture, clothing, and effects, and \$6,862.50 for damage to his house; Rudolph J. Gasser, \$2,841.51 for damage to his household goods, wares, merchandise, and personal belongings, these three claims being the result of an airplane accident at Chicago, Ill., on April 30, 1932, when an Army airplane piloted by Second Lt. Charles A. Fargo, Air Corps Reserve, on an authorized flight, crashed into the house of Mr. Jacques, killing the pilot and his passenger and setting fire to the building in which the claimants were then living.

(b) Catalina Portugal de Marino, for damages in the amount of \$1,000 due to the death of her husband, Ramon Marino, who was killed by the propeller of an Army airplane while assisting in releasing the plane from the mire at Legaspi, Philippine Islands, on January 10, 1932.

(c) W. H. Williamson, Paulsboro, N. J., for damages in the amount of \$20.69 to bread and pastries due to sand and water from the body of a soldier drowned in the Delaware River at Penns Grove, N. J., on July 1, 1931, which was transported in claimant's wagon at the request of an Army sergeant, as an emergency measure, to the nearest medical aid in an effort to save life.

(d) Corp. Joseph R. Burdett, \$30, and Pvt. (1st cl.) J. S. Boehn, \$50, for loss of shotguns, private property of the claimants, which were stolen from a storeroom of the Quartermaster Detachment where they had been impounded as the result of an order issued by the Post Commander, Fort McKinley, Philippine Islands.

(e) Pittsburgh Steamship Co., Cleveland, Ohio, in the amount of \$3,368.61 for damages on account of the collision of its steamer *B. F. Affleck* with the Government dredge *General G. G. Meade*, in the St. Marys River near Rains Island on August 29, 1932: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAY STREET TERMINAL, NEW YORK

The Clerk called the next bill, S. 563, for the relief of the Jay Street Terminal, New York.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust, settle, and certify to Congress the claim of the Jay Street Terminal in the sum of \$1,097, on account of damages suffered by reason of a collision with the claimant's bulkhead by the United States Army mine planter *General E. O. C. Ord*, in the East River, on or about September 3, 1929.

Mr. COSTELLO. Mr. Speaker, I offer the usual attorney-fee amendment.

The Clerk read as follows:

At the end of the bill insert the following:

"Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RIO GRANDE SOUTHERN RAILROAD CO.

The Clerk called the next bill, S. 1053, authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of the Rio Grande Southern Railroad Co. for reimbursement of its expenditures for labor and expenses in repairing the damages to the Western Union telegraph line on its right-of-way at milepost no. 85 (between Dolores and Rico, Colo.) and between mileposts nos. 94 and 96 (near Stapleton, Colo.), which line was damaged in 1931 by the blasting during the Government's construction of the Dolores-Rico Forest highway project in Colorado, and to allow in full and final settlement of said claim not to exceed the sum of \$23.01. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$23.01, or so much thereof as may be necessary to pay said claim.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PENNSYLVANIA RAILROAD CO.

The Clerk called the next bill, S. 1057, authorizing adjustment of the claim of the Pennsylvania Railroad Co.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of the Pennsylvania Railroad Co. for the cost of repairing the damages to freight car no. 89713 (owned by the Central Railroad of New Jersey) which were caused by an accident due to condition of Government-owned rails or roadbed while such car was in the Government's care and custody, and to allow in full and final settlement of said claim not to exceed the sum of \$468.82. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$468.82, or so much thereof as may be necessary, to pay said claim: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIRDEN THOMPSON

The Clerk called the next bill, H. R. 1368, for the relief of Virden Thompson.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Virden Thompson, who was a member of Troop E, Second Regiment United States Cavalry, also member of the band of the same regiment, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on June 28, 1899: *Provided,* That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES L. GRAVES

The Clerk called the next bill, H. R. 4372, for the relief of Charles L. Graves.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object.

The SPEAKER pro tempore. There being no further objection, the Clerk will report the bill.

There being no objection, the Clerk reported a similar Senate bill (S. 1502), as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, directed to allow credit in the accounts of Charles L. Graves, superintendent and special disbursing agent at Jicarilla Agency, N. Mex., for payments aggregating \$51,277, made from tribal funds of the Jicarilla Indians to various persons in connection with the purchase of sheep for issue to various members of the tribe, to which payments exception was taken by the General Accounting Office for the reason, as claimed, that there was no authority of law therefor.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House bill (H. R. 4372) was laid on the table.

BRUNO TARZIO

The Clerk called the next bill, H. R. 420, for the relief of Bruno Tarzio.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any moneys not otherwise appropriated, the sum of \$275 in full settlement of all claims against the Government of the United States, to Bruno Tarzio, which sum represents a loss sustained when check was confiscated by the United States Government and deposited to the credit of miscellaneous receipts in the Treasury of the United States.

With the following committee amendments:

On page 1, line 4, after the word "moneys", insert the words "in the Treasury"; and on page 1, line 10, after the words "United States", insert a colon and the following: "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorneys or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELTON FIRTH

The Clerk called the next bill, H. R. 846, for the relief of Elton Firth.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. BLAND. Mr. Speaker, I ask unanimous consent to substitute the Senate bill, S. 728, for the House bill, although the Senate bill is not identical in its terms with the House bill, and if permitted I would be pleased to explain the Senate bill.

The SPEAKER pro tempore. Without objection, the Senate bill will be substituted for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay to Elton Firth, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000 in full payment of personal injuries sustained as a result of the explosion of a bomb dropped by a United States naval airplane near Plum Tree Point, York County, Va., on November 11, 1931, and that Elton Firth shall be admitted to such naval hospital as may be directed by the Chief of the Bureau of Medicine and Surgery of the Navy Department for necessary care and treatment: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding.

Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 846) was laid on the table.

THOMAS J. GOULD

The Clerk called the next bill, H. R. 1315, for the relief of Thomas J. Gould.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$398.80 to Thomas J. Gould, clerk of the post office at Kansas City, Mo., to reimburse him for funds lost through the cashing of forged money orders in September 1923.

With the following committee amendments:

On page 1, line 7, after the word "Missouri", strike out the words "to reimburse him" and insert in lieu thereof "in full settlement of all claims against the Government of the United States" and on page 1, line 10, after the figures "1923", insert a colon and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM SEADER

The Clerk called the next bill, H. R. 2122, for the relief of William Seader.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William Seader, of San Diego, Calif., the sum of \$863.75 in full settlement of all claims against the Government of the United States for reimbursement to him on account of money expended by him for transportation, services of registered nurse, hospital expenses, and doctor's fee for disability incurred in line of duty in the United States Navy: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE WILLIAM HENNING

The Clerk called the next bill, H. R. 2125, for the relief of George William Henning.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$3,000 to George William Henning in full settlement of all his claims against the Government of the United States for injuries received by him on the 14th day of March 1932, when an automobile, being driven by him in a lawful manner, was run into by an ambulance owned by the Navy Department of the United States, then and there being operated by one W. Thomas, a member of the United States Marine Corps, in a negligent and reckless manner.

With the following committee amendment:

At the end of the bill insert the following:

"*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVA S. BROWN

The Clerk called the next bill, H. R. 2553, for the relief of Eva S. Brown.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Employees' Compensation Commission be, and is hereby, authorized to consider and determine, in the same manner and to the same extent as if application for the benefits of the Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof, the claim of Eva S. Brown, on account of disability due to chronic bronchitis alleged to have been proximately caused by her employment in the service of the United States between October 13, 1921, and November 30, 1927: *Provided,* That no benefits shall accrue prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. W. TARRANCE

The Clerk called the next bill, H. R. 2987, for the relief of E. W. Tarrence.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to E. W. Tarrence, former postmaster at Llano, Tex., the sum of \$313.52 to reimburse him for the amount of postal funds lost as a result of the failure of the Llano National Bank of Llano, Tex.

With the following committee amendments:

Page 1, line 7, strike out the words "to reimburse him" and insert "in settlement of all claims against the Government of the United States."

Page 1, line 10, after the word "Texas", insert "*Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM E. SMITH

The Clerk called the next bill, H. R. 3073, for the relief of William E. Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay to William E. Smith, owner in fee simple of a residence located in Fox Hill, Chesapeake Magisterial District, Elizabeth City County, Va., out of any money in the Treasury not otherwise appropriated, the sum of \$5,060 in full settlement of loss and damages to said residence, resulting from an airplane owned and operated by the United States Army Air Corps striking and passing through the said residence on October 31, 1934, without any fault or negligence of the said William E. Smith.

With the following committee amendments:

Page 1, line 8, strike out "\$5,060" and insert in lieu thereof "\$4,564"; and after the word "of" in line 8, page 1, insert "all claims against the Government of the United States for"; and on page 2, after line 2, insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorneys or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

THOMAS ENCHOFF

The Clerk called the next bill, H. R. 4029, for the relief of Thomas Enchoff.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Thomas Enchoff, who is alleged to have suffered injuries on or about January 1924 while in the performance of his duties as an employee of the United States Indian Service, at Crow Agency, Montana: *Provided, That* no benefit shall accrue prior to the approval of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

RICHARD SZYMANSKI

The Clerk called the next bill on the Private Calendar, H. R. 4034, for the relief of Richard Szymanski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any funds in the Treasury not otherwise appropriated, the sum of \$572 for injuries incurred by his infant son when struck by an Army truck on January 16, 1934, at Alenceana and Wolfe Streets, Baltimore, Md.

With the following committee amendments:

On page 1, line 4, after the word "pay", insert the words "to Charles Szymanski."

Page 1, line 5, strike out the word "funds" and insert the word "money."

Page 1, line 6, strike out the sum "\$572" and insert "\$172 in full settlement of all claims against the Government of the United States."

Page 1, line 8, after the word "son", insert "Richard Szymanski."

Page 1, line 10, insert the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended.

ADELPHIA BANK & TRUST CO. OF PHILADELPHIA

The Clerk read the next bill on the Private Calendar, H. R. 4805, authorizing adjustment of the claim of the Adelpia Bank & Trust Co. of Philadelphia.

There being no objection, the Clerk read the bill, as follows:

A bill authorizing adjustment of the claim of the Adelpia Bank & Trust Co. of Philadelphia

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed

to settle and adjust the claim of the Adelpia Bank & Trust Co. of Philadelphia for refund of a fee of 1 percent collected by the clerk of the United States District Court for the Eastern District of Pennsylvania on \$85,000, the face value of securities temporarily deposited by said company with the clerk pending the filing of an increased surety bond required by the court from the bank as depository of funds in bankruptcy estates, said fee having been covered into the general fund, Treasury of the United States, as a miscellaneous receipt, and to allow said claim in an amount not to exceed \$850. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$850, or so much thereof as may be necessary, for the payment of this claim, such sum to be in full settlement of all claims against the Government of the United States: *Provided, That* no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider the vote was laid on the table.

FRANK SPECTOR

The Clerk called the next bill on the Private Calendar, H. R. 4806, authorizing adjustment of the claim of Frank Spector.

There being no objection to the consideration of the bill and no objection to the substitution of the Senate bill, the Clerk read S. 1055, as follows:

An act authorizing adjustment of the claim of Frank Spector

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust a claim of Frank Spector for refund of a deposit of \$1,700 made in connection with the purchase of certain surplus property at an auction sale held February 9, 1922, at the Philadelphia Quartermaster Depot, and to allow in full and final settlement of all claims arising out of the transaction the sum of not to exceed \$1,700. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$1,700, or so much thereof as may be necessary, to pay said claim: *Provided, That* no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RICHMOND, FREDERICKSBURG & POTOMAC RAILROAD CO.

The Clerk read the next bill on the Private Calendar, H. R. 4808, for the relief of the Richmond, Fredericksburg & Potomac Railroad Co.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. I object.

There being no further objection, the Clerk read the bill, as follows:

A bill for the relief of the Richmond, Fredericksburg & Potomac Railroad Co.

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and directed to pay to the Richmond, Fredericksburg & Potomac Railroad Co., out of the appropriation "Public Works, Bureau of Yards and Docks", the sum of \$32,362.24, being one-half of the sum paid out and expended by said railroad company in constructing the railroad bridge over the relocated channel of Chappawamsic Creek, near Quantico, Va.: *Provided, That* payment to and the receipt by the said railroad company of the sum herein authorized to be paid shall be in full settlement of any and all claims and demands against the Government of the United States on account of the construction of said bridge: *Provided further, That* no part of the amount authorized to be paid by this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount authorized to be paid by this act in excess of

10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGE W. MILLER

The Clerk called the next bill on the Private Calendar, H. R. 4811, for the relief of George W. Miller.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the account of Chief Pay Clerk George W. Miller, a special disbursing agent of the Coast Guard, with the sum of \$27.60, such amount representing the sum disbursed by him and disallowed by the General Accounting Office in notice of exception issued July 26, 1934, voucher no. 462.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CARLYSLE VON THOMAS, SR.

The Clerk read the next bill on the calendar (H. R. 4812) for the relief of Mrs. Carlysle Von Thomas, Sr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized and directed to pay, out of the Naval Hospital fund, to Mrs. Carlysle Von Thomas, Sr., the sum of \$168 to reimburse her for money paid by her for nurse services for her son, Carlysle Von Thomas, Jr., yeoman, third-class (F-1), United States Naval Reserve, incident to an operation for appendicitis performed on August 8, 1931, at Saint Luke's Hospital, Chicago, Ill., while Von Thomas was on active duty.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. COL. RUSSELL B. PUTNAM

The Clerk called the bill H. R. 4814, for the relief of Lt. Col. Russell B. Putnam, United States Marine Corps.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the General Accounting Office is hereby authorized and directed to credit the accounts of Lt. Col. Russell B. Putnam, United States Marine Corps, in the amount of \$235.40, which amount represents payments made to First Lt. Walter W. Wensinger, United States Marine Corps, for actual and necessary expenses in connection with orders of the United States Marine Corps, dated October 2 and October 14, 1931.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

L. E. GEARY

The Clerk called the bill, H. R. 4831, for the relief of L. E. Geary.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

The SPEAKER pro tempore. Only one objection is made.

The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of the appropriation "New vessels for Indian Service, Alaska, emergency construction", contained in the First Deficiency Act, fiscal year 1931 (46 Stat. 1070), the sum of \$420 to L. E. Geary, of Seattle, Wash., in full settlement of his claim against the Government for services rendered in preparing preliminary plans and estimates for a new ship for use in Alaska by the Indian Service.

With the following committee amendment:

Line 11, strike out the period, insert a colon, and the following: "Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary not-

withstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SANFORD A. McALISTER AND ELIZA L. McALISTER

The Clerk called the bill (S. 1037) authorizing adjustment of the claims of Sanford A. McAlister and Eliza L. McAlister.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claims of Sanford A. McAlister and Eliza L. McAlister, for the 6 months' death gratuity as provided under the act of December 17, 1919 (41 Stat. 367), as extended to Reserve officers flying the air mail, by the act of March 27, 1934 (48 Stat. 508), in connection with the death April 5, 1934, of John Leland McAlister, late second lieutenant, Air Corps Reserve, and to allow in full and final settlement of said claims an amount not in excess of \$506.25 to each claimant, payable under the appropriation available for payment of the 6 months' death gratuity in the case of Air Corps Reserve officers under the act of March 27, 1934.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WEST INDIA OIL CO.

The Clerk called the bill (S. 1039) authorizing adjustment of the claim of the West India Oil Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of the West India Oil Co. for the rescue at sea of Privates Solomon H. Churchill and John J. Callahan, members of Battery B, First Coast Artillery, Fort Randolph, Canal Zone, and to allow, in full and final settlement of said claim, an amount not in excess of \$123.33. An appropriation of \$123.33, or so much thereof as may be necessary, is hereby made from any funds in the Treasury not otherwise appropriated for payment of the claim.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SCHUTTE & KOERTING CO.

The Clerk called the bill (S. 1056) authorizing adjustment of the claim of Schutte & Koerting Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle the claim of Schutte & Koerting Co., under contract NO-2018, dated December 27, 1926, for certain experimental work in the manufacture of valves for submarines, and to allow not to exceed \$7,337.10 in full and final settlement of said claim. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$7,337.10, or so much thereof as may be necessary, for payment of said claim: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CERTAIN DISBURSING OFFICERS OF THE ARMY

The Clerk called the bill (S. 1302) for the relief of certain disbursing officers of the Army, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General be, and he is hereby, authorized and directed to allow credit in the accounts of any disbursing officer of the Army for any payment heretofore made by him to the following-named officers and former officers of the United States Army based upon a credit for their services as cadets at the United States Military Academy and to remove any direct charge against any such persons on account of such payments: DeRosey C. Cabell, Thomas McF. Cockrill, James N. Caperton, Junius H. Houghton, Otto F. Lange, Paul B. Parker, James DeB. Walbach, and Victor W. B. Wales: *Provided,* That any

amounts previously recouped to the United States on account of payments to the above officers based upon credit for service as a cadet at the United States Military Academy shall be refunded out of current appropriations.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

JACK PAGE

The Clerk called the bill (H. R. 298) for the relief of Jack Page.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

The SPEAKER pro tempore. Only one objection. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Jack Page shall hereafter be held and considered to have enlisted in Company M, First Regiment Alabama Volunteer Infantry, on May 1, 1898, and to have served until honorably discharged as a member of that organization on November 1, 1898, and that the Secretary of War is authorized and directed to issue to said Jack Page an honorable discharge from said unit, which shall recite that such service was rendered from May 1 to November 1, 1898: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

COL. WILLIAM L. KELLER

The Clerk called the bill (H. R. 3158) to give proper recognition to the distinguished services of Col. William L. Keller.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 2024, be substituted. The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk reported the Senate bill, as follows:

Be it enacted, etc., That in recognition of the outstanding service and contribution made to the science of medicine and surgery by Col. William L. Keller, Medical Corps, United States Army, and to provide that his mature professional judgment and long experience may continue to remain available to the public service, the President is hereby authorized to designate the said Col. William L. Keller, upon his retirement from the active list, as consultant in surgery at the United States Army Medical Center (Walter Reed Hospital), Washington, D. C.: *Provided*, That such designation shall be subject to the said Col. William L. Keller's acceptance and terminable at his pleasure; and it is further provided that he shall be entitled to the full active-duty pay and allowances of the grade held by him at the time of his retirement.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill was laid on the table.

ANDREW AMSBAUGHER

The Clerk called the bill (H. R. 2528) for the relief of Andrew Amsbaugh.

Mr. COSTELLO and Mr. TRUAX objected, and the bill was recommitted to the Committee on Military Affairs.

RAYMOND A. WOLF

The Clerk called the bill (H. R. 2532) for the relief of Raymond A. Wolf.

Mr. TRUAX and Mr. DRISCOLL objected, and the bill was recommitted to the Committee on Military Affairs.

JOSEPH GAYTON

The Clerk called the bill (H. R. 5192) for the relief of the rightful heir of Joseph Gayton.

There was no objection, and by unanimous consent a similar Senate bill (S. 1414) was substituted, which the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jean Marcella Mentz Gayton (now Wicks), the rightful heir of Joseph Gayton, deceased Sioux allottee no. 1724 of the Standing Rock Agency in North Dakota, as determined by the Secretary of the Interior pursuant

to existing law, the sum of not to exceed \$4,400.25: *Provided*, That the Secretary of the Interior may deposit the said sum to the credit of the said heir and handle it in the same manner as other individual Indian moneys: *Provided further*, That not to exceed 5 percent of this amount shall be paid to any attorney or attorneys, for services rendered in this case: *And provided further*, That should the person herein named be not living upon the date of the passage of this act the said sum shall be credited to and become a part of her estate.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

CLETUS F. HOBAN

The Clerk called the next bill, H. R. 1703, for the relief of Cletus F. Hoban.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits under the United States Employees' Compensation Act the statute of limitation be, and is hereby, waived in order to consider the claim for compensation on account of disability alleged to have been the result of injury received by Cletus F. Hoban on January 11, 1932, when said claimant was in the performance of duty as conferee in the Internal Revenue Service.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That sections 15 to 20, inclusive, of the act entitled 'An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, are hereby waived in favor of Cletus F. Hoban on account of disability alleged to have been incurred while a civil employee of the United States in the Internal Revenue Service at Los Angeles, Calif.: *Provided*, That no benefits shall accrue prior to the approval of this act."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY DINUCCI

The Clerk called the next bill, H. R. 1864, for the relief of Henry Dinucci.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Henry Dinucci, out of any money in the Treasury not otherwise appropriated, the sum of \$500 as reimbursement of cash bail deposited with former United States Commissioner Arthur G. Fisk at San Francisco, Calif., and misappropriated by said official.

With the following committee amendments:

Page 1, line 6, strike out "as reimbursement of" and insert in lieu thereof "in full settlement of all claims against the Government of the United States for."

Line 10, after the word "official", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum in the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill, as amended, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM H. AMES

The Clerk called the next bill, H. R. 3596, for the relief of William H. Ames.

Mr. TRUAX and Mr. COSTELLO objected, and the bill, under the rule, was recommitted to the Committee on Claims.

ANNA W. AYER

The Clerk called the next bill, H. R. 3599, for the relief of Annie M. Ayer.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER pro tempore. Without objection, a similar Senate bill (S. 896) will be substituted.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Anna W. Ayer, widow of Capt. Asa G. Ayer, deceased, the sum of \$500. Such sum represents the amount of a cash bond forfeited on June 3, 1920, by Capt. Asa G. Ayer for failure to appear as a material witness in the case of United States against H. W. Coffin in the United States District Court for the District of Maine, sitting at Bangor, Maine, such failure to appear being caused by his necessary and unavoidable absence from the United States at such time: *Provided*, That the amount of the forfeited bond has actually been covered into the Treasury: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House bill (H. R. 3599) was laid on the table.

JASPER DALEO

The Clerk called the next bill, H. R. 4815, for the relief of Jasper Daleo.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$98.80 to Jasper Daleo, as reimbursement for fishing equipment lost while giving his attention to the rescue of a Navy aviator who had been forced to alight with a parachute in the Pacific Ocean, near La Jolla, Calif.

With the following committee amendments:

Line 6, page 1, strike out "as reimbursement" and insert in lieu thereof "in full settlement of all claims against the Government of the United States."

Line 11, after the word "California", insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISBURSING OFFICERS OF THE ARMY

The Clerk called the next bill, H. R. 4838, for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Capt. K. W. Slauson, Quartermaster Corps, \$225.07; Capt. H. M. Denning, Finance Department, \$4; Maj. S. R. Beard, Finance Department, \$5.63; and Maj. George Z. Eckels, Finance Department, \$16.92, said amounts being public funds for which they are accountable and which comprise minor errors in computation of pay and allowances due military personnel who are no longer in the service of the United States, and which amounts have been disallowed by the Comptroller General of the United States.

Sec. 2. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts to Maj. J. B. Harper, Finance Department, \$24,882, said amount being public funds for which he is accountable and which represents payment made to the Westinghouse Electric & Manufacturing Co. for electric ranges purchased under specific instructions of the Secretary of War and which amount was disallowed by the Comptroller General of the United States.

Sec. 3. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to R. N. Walker & Co., Nagasaki, Japan, \$74.35, being the amount due this company for storage charges for the period June 7, 1930, to October 19, 1930, on household goods

of an officer of the Army in transit to his new station in the United States.

Sec. 4. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. E. Howard, Island Park, N. Y., \$880, being the amount found due him as damages to his property at Island Park, N. Y., by reason of an Army airplane crash on September 8, 1933.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GERMANIA CATERING CO., INC.

The Clerk called the next bill, S. 41, for the relief of the Germania Catering Co., Inc.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER pro tempore. The Chair will not recognize the gentleman for that purpose.

Mr. TRUAX. Then I make the point of order that there is not a quorum present.

The SPEAKER pro tempore. The Chair will count.

Mr. KVALE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. KVALE. Could such a point of order at this time be regarded as dilatory?

The SPEAKER pro tempore. Not the first time.

Mr. IGOE. Will the gentleman withhold his point of no quorum for a moment until I may prefer a unanimous-consent request?

Mr. TRUAX. I withhold the point of no quorum for the moment.

MEMORIAL ADDRESS

Mr. IGOE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by incorporating an address delivered by our colleague the gentleman from Massachusetts [Mr. CASEY].

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. MOTT. Reserving the right to object, is that in connection with the same matter in which the gentleman from Illinois [Mr. DIRKSEN] asked to extend his remarks and was denied the privilege?

Mr. IGOE. No. This has to do with an address delivered by our colleague [Mr. CASEY] at the Tomb of the Unknown Soldier.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. IGOE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following memorial address of Hon. JOSEPH E. CASEY (Democrat), of Massachusetts, delivered at the Tomb of the Unknown Soldier of the Civil War, Arlington Cemetery, Washington, D. C., Sunday, May 5, 1935:

We are met here today at this hallowed shrine, dedicated to the unknown dead of the Civil War, for the purpose of paying our respects to the veterans of that war who have passed on.

The presence of you men, veterans of the Grand Army of the Republic, who, at great personal sacrifice, have come here to assist in these ceremonies for your departed comrades is particularly touching. I think that one of the sweetest sentiments that comes to mankind is the thought that the spirits of those whom we knew and loved hover near us and look down with tender and approving eyes upon our good deeds. If this be so, then what a heartening message you venerable men send to them—the knowledge that, through all these years, they still live in your remembrances of their affections and their virtues.

The War between the States we now see as a terrible misfortune. I blame here and now no man and no policy for it; I will not say that it was the fault of one man, or one region of the country, or one party more than the other. How appalling it was. What a pity it was that men—brother Americans—rejected opportunities of reconciliation. What hot-tempered speeches were made—all to show how extreme and intrepid an advocate the speaker could be of the extreme northern sentiment or the extreme southern sentiment. And out of these utterances two separate opinions were molded, sectional hatreds were inspired, and a bloody war the result.

The statesmen of that day erred. War was the result. A war that inspired Sherman to exclaim, "War is hell", and Grant to utter, "There never was a good war or a bad peace."

We of this generation cannot censure the leaders of their generation. We had the advantage of their experience and yet since that war this country of ours has engaged in two major conflicts, the last of which was fought as a war to end wars.

Who can say that we are any nearer peace today than we were in 1861? Have we any definite assurance that the time will not arrive when men, by the use of the radio, the press, and by beating on a piece of pigskin, and blowing on a tin horn, will arouse us to a pitch of emotional instability plunging us into a war even more horrible than the last? Some of you may say that there must be some wars that are right and proper. I say that all wars seem right when they begin. It is only after they are over and calm reason returns that we appreciate their utter futility. It is my sincere hope that this great country of ours will not engage in another war unless it is forced upon us and leaves us with no choice except to defend ourselves with honor.

These men whose memories we honor here today were not statesmen. They had no part in the events leading up to war. No man can point an accusing finger of suspicion at their sincerity or impugn their motives. They fought for the right as they saw it. Like knight errants of old they went forth to battle and threw all that men hold dear—including life itself—like a flower at the feet of their country and their country's cause.

It is a matter of no small personal pride that three of these men whose memories we honor were my kinsmen. Men who bore the name of Casey—I see in this gathering Michael Casey, whose father, Michael Casey, whose grandfather, Mathew Casey, Sr., and whose uncle, Mathew Casey, Jr., were veterans of the Civil War.

If there are those among you who harbor the thought that these members of the clan of Casey entered this conflict because they just couldn't resist the opportunity for a fight, then I resent slightly, this soft impeachment. They were men who had experienced the heel of the oppressor in their native land. They had tasted of the liberties of this their adopted country. They knew that this was a land that offered more freedom to the individual than any other government on the face of God's green earth, and they went forth to preserve a Government they dearly loved.

These men of another generation met the issue bravely and courageously. May we find inspiration in their memory to meet the issues of today as unflinchingly. The flag of a free country does not take care of itself. Whether it shall command respect or not is to be determined by the quality of a nation's life. It rests with all the people. Those who fought to preserve our liberties and our Government are no longer with us. The great trust now descends to our hands. Let us cultivate a true spirit of union and harmony. Let us discharge the sacred obligations which devolve upon us in such a manner that when our time comes to pass this banner into another generation's keeping, it will then as now, be the badge of worth as well as power.

THE GUFFEY-SNYDER COAL BILL

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FADDIS. Mr. Speaker, I could not preface my remarks upon this piece of legislation in more able language than that used by Senator GUFFEY in his statement at the beginning of the hearings before the Committee on Interstate Commerce of the United States Senate, in which he said:

Mr. Chairman and gentlemen of the committee, the legislation provided in this bill, in my opinion, will save the bituminous-coal industry of this Nation.

I believe I know something about this industry. I was raised in the heart of the bituminous coal regions of the State of Pennsylvania, and I personally know many of the operators who have engaged in the business. I also have personally seen the struggles of the miners to obtain some semblance of steady employment at wages which might permit them to live in accordance with those American standards of living to which all of our people aspire. The operators have been faced with overproduction and its resulting cutthroat competition, which, in turn, has brought ruin to them and their associate investors. The workmen and their families have suffered and starved. The desolation of their homes has all too often been most pitiable.

In my judgment, this legislation will eliminate these conditions in that it will enable the owners of and the investors in bituminous mines to obtain a fair return on their investments; it will benefit those who labor in and about the mines through the payment of fair wages and the granting of improved working conditions. In addition, it will protect the consumers against unreasonable prices and assure them of an ample supply of coal at all times. It will also result in the conservation of bituminous-coal resources for the use of future generations and the Nation itself in time of need.

This bill is of no mushroom growth, but is the natural result of the findings, reports, and recommendations of various commissions, and of prior legislation introduced upon the subject. The United States Coal Commission, appointed

during the administration of President Harding, wound up its report with the following statement:

It is this indispensable service which the coal mines perform that give the large social service, both to the property and to its product; and in turn that social service, in effect, grants to the public an interest in that use which creates a demand for public control.

In 1928 the bituminous coal situation became so desperate that an investigation was demanded by the United Mine Workers of America; which was held by the Interstate Commerce Committee of the United States Senate. The deplorable conditions of the industry were exposed and remedial legislation was introduced but came to naught. In 1932 the Davis-Kelly coal bill was introduced. While it was pending the N. R. A. was passed, which undoubtedly helped the industry. In 1934 President Roosevelt created the National Resources Board. Its findings and reports concerning bituminous coal served to confirm former investigations. Upon this report, former reports, findings, recommendations, and other similar legislation the Guffey-Snyder coal bill was based.

The bituminous-coal mining industry is perhaps the most overmanned of any of our industries. The labor connected with it comprises almost every known nationality. Coal is an exceedingly bulky commodity and does not lend itself readily to stocking or storing and, being generally consumed as mined, is therefore particularly subject to seasonal and economic fluctuations. Those of our commodities produced by mining are the most difficult to procure. Crops, lumber, textiles, and meat are produced with much more ease than is coal. Let it be remembered that the labor item in producing coal is 65 percent of the cost of the product, as against 23 percent in manufacturing. This high labor item, combined with the cutthroat competition, easily explains the labor strife which has always been associated with the industry. With an oversupply of labor and a continual buyers' market, high fixed charges, and enormous initial investment, what chance has the miner in an unregulated industry? No wonder they are the most exploited class of workers in the Nation.

Our bituminous-coal mines fall under two general classifications: Captive mines and independent mines. Captive mines are those owned and operated as integral parts of manufacturing operations or power companies. The owners of the captive mines objected to their mines being included under the provisions of this act. One of the purposes of this legislation is to better the condition of the coal miners. It requires just as much labor to produce a ton of coal in a captive mine as in any other. It costs just as much to maintain a family, whether the miner works in a captive or a commercial mine. Commercial mines are those which sell coal on the open market.

Some 40 years ago those interested in bituminous coal mining acquired extensive acreages of coal lands. The price per acre ran in some instances into several thousands of dollars. Interest and taxes have weighed heavily upon these investments. Coal in the ground can yield no return. The World War created an unusual demand for coal, which encouraged the opening of many new mines, with expensive equipment. A coal mine is an expensive plant to maintain in idleness. The sulphurous water causes the equipment to deteriorate rapidly; therefore the mine must be continually pumped. The heavy initial investment and the high overhead have encouraged the opening of new mines and the continued operation of those already open in hopes of at least earning taxes, interest, and overhead. The result has been a highly competitive industry with low wages, poor working and living conditions, financial uncertainty, with much industrial strife as the inevitable consequence.

To anyone acquainted with the conditions surrounding coal mining, it is surprising that there has not been even more turbulence. Certainly the conditions surrounding the life of the average miner are far from being inspiring. The average coal-mining town is unlovely, insanitary, and uncomfortable. Row upon row of drab houses, cheaply constructed and similar in design, perched upon bleak hillsides,

exposed to the sulphurous smoke of burning slate dumps or open coke ovens, streets unimproved and sidewalks unknown.

Sporadic employment in the bowels of the earth, exposed to constant danger. Catastrophes which snuff out hundreds of lives. Frantic crowds of women and children gathered around the mouths of the mines, hoping against reason to see their husbands and fathers alive once more. The later constructed towns are of far better character than were the old, but too many of the old still exist. They are not centers calculated to promote the best attributes of citizenship. In justice to the operators it should be said that the economic condition of the industry could afford no better.

Our coal-mining population has made the best of its poor conditions. Their leaders, for the most part, are zealous in combating the spread of communism and similar doctrines. I have spoken on the same platform with P. T. Fagan, president of district no. 5, William Hines, president of district no. 4, and other officials of the United Mine Workers of America many times, and they advocated as fine a brand of Americanism as any speakers to whom I have ever listened. John L. Lewis, president of the United Mine Workers of America, in the hearings on the Guffey coal bill, before the Committee on Interstate Commerce of the United States Senate, made a statement which I believe to be typical of the attitude of the coal miners in this Nation. Speaking of representation for the miners on the proposed National Bituminous Coal Commission, he said: "We want a minority representation. We are willing to yield to the majority rule, the right of the public interest to govern." Those are the sentiments of a man whose philosophy is to live and let live.

It is worthy of note that those who appeared before the committee, either as proponents or opponents of this legislation, were in accord in their opinion that the N. R. A. had undoubtedly substantially aided in the recovery of the bituminous coal industry. Let it be remembered that most progressive legislation is violently opposed at first. Quite often, those who so bitterly oppose legislation at the outset, prove to be enthusiastic supporters, after experiencing its effects. I sincerely believe this will be the result of the Guffey-Snyder coal bill. This bill is justified and necessary, in order to promote the welfare of thousands of employees of coal companies, who must have a living wage in order to live decently, support their families, raise their children, and live as American citizens are entitled to live.

COL. WILLIAM L. KELLER

Mr. REECE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the bill H. R. 3158, which was passed a few minutes ago.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REECE. Mr. Speaker, this bill not only gives recognition to the distinguished services of Col. William L. Keller, but it also continues to make available to the Nation the skill, the knowledge, and the rich experience of this invaluable officer.

One of the tragedies of our political system is the fact that we ruthlessly cast adrift many of our most useful public servants just at a period when experience and the years are making them invaluable.

Age is no barrier in a calling where only experience counts. So long as the mind remains crystal clear, the usefulness of the medical man becomes enhanced and multiplied with the years. The knowledge he has gained from thousands of cases in the past becomes an invaluable book into which only he can dip for the greatest benefit of humanity.

I am sure Colonel Keller will be appreciative of any recognition which Congress may give his services, but he has already won an honor beyond the power of Congress to bestow. He has won the gratitude and admiration of those whom he has served. To his skillful fingers and his brilliant mind, thousands of men owe their lives today, and this humble speaker is one of them. His life is one glorious record of unselfish service to the men who defend the flag.

Rated as one of the half-dozen truly outstanding surgeons of this country, he could have made a fortune in private practice. It is a matter of almost public information that he turned down flattering and lucrative offers from the outside that he might remain in the service of his country and to so play his part that today our medical standards in the United States Army are second to none in the world. The great medical center here at Walter Reed is in no small way proof of his great skill and executive ability.

To support this bill gives me a great deal of personal satisfaction.

CIVILIZATION AS IT FLOWS

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein testimony given before the Committee on Patents by Mr. Borglum.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD, I include the following address made by Gutzon Borglum before the Committee on Patents of the House of Representatives:

Mr. Chairman, it is a great pleasure to me to accept this honorable committee's request that I make a few remarks on civilization as it flowers and as it is represented by its arts.

Our gods—money, power, government, war—all fall away, and with them their votaries disappear, ages before time destroys the record man makes of the experiences of his soul. The labor of civilization, expressed in her efforts to record her struggle out of nothing into consciousness and world dominion.

The fine arts are the language the genius of man has invented through his struggle out of the earth into his nest of leaves, out of his nest of leaves into a golden chair and into imperfect understanding of his own soul hunger into his final dream of heaven—this all wrought in mediums that express each mood best, as he suffers and grows, working out of the chrysalis of unconscious form into warm life, where consciousness awakes.

I understand you are attempting to create a cultural headship in our great political experiment "to direct"—I protest, never direct art; may I suggest, to foster, aid, initiate in art production—or is your purpose simply to establish a haven, a sheltering lean-to on the side of our great economic and political organism, where the hoped-for soul of America may find a protecting roof from sordid commercialism—another bureau that under the label of "fine arts" can become more lifeless even than our political institutions.

Speaking after the manner of statesmen and not as a politician, may I suggest that there is no office that our Government can conceive or create that will require so nice an adjustment of its functions as a department of arts. Just what it may do—how it may do it—what it proposes, and how far it can function outside of the routine of political administration and enter the true field of creative effort, without injury to the tender shoots of growing consciousness that appear wherever the human soul stirs, is a problem that requires gifts—ability, understanding—which few men have the genius or ripened maturity to possess.

No effort to aid such products greatly in civilization is known, comparable to the work of Cheops in Egypt, Pericles in Athens, Augustus and Agrippa in Rome, perhaps even better, Hadrian, later the Popes and the regal dukes of Italy in the Renaissance, in their understanding of the precise needs necessary to foster and aid, complete in all its nobility and splendor, the soul of their times.

No peoples outside of these have succeeded in lifting their civilization above the rank of common existence or adding a single step to the course of culture forward and upward to the height of their predecessors. Even France has not, with all her splendid craftsmanship; she neglected her greatest geniuses, who should have been definitely encouraged, made the mouthpiece of her aspirations, recording and dramatizing her splendid story, in letters, painting, in sculpture and architecture.

What England did, in letters and science, measures mightily with the Greeks; she left little in the plastic arts that was not borrowed from the Continent. The Germanic race gave all western civilization its music—and some heroic letters of her own life. Spain, unsurpassed in her masterpieces of Gothic architecture, reflected chiefly the overflow of the Renaissance of Italy.

Mr. Chairman, dynamically America is as yet a tradesman's land without adequate cultural consciousness. Officially she initiates nothing of distinct cultural character or quality. A nation should beware of placing any political adventurer in a position as high priest of an art she gave to the world so dominating, so compelling in arresting the subtlest forms of movement, voice, and color, recording the passing emotions of race suffering, joy, and growth as is possible on the screen. Otherwise such a nation does not understand the meaning or purpose of drama or art or the gross offense it is to the nation's culture to be interpreted by the inevitable standards he brings to it.

May I tell you and your august committee that no proposal before the Congress—that is before the Nation—can, properly conceived and administered, awaken its mind, affect its life as yours could. It means the establishment sooner or later of the only understanding in our people, therefore in our Government, that can deeply and permanently touch us and teach us finally that our hard times are misguidance, mental failure—failure, breakdown of mind and heart, reason, and courage.

Our ever-growing mass of unemployed is not due to lack of national and human service or long-neglected work that should be done, but to a complete misconception of the kind of service necessary; failure in America to know how to bridge the obstacles and to do greatly, disinterestedly, the waiting work of an organized democracy. Feeding the contented idle has proven about as effective and wise as flipping duck shot into a frog; it has awakened State cupidity, threatened the Union, and will wreck us if not stopped.

Opportunity is crying aloud to us everywhere. Food lies in our way; we've killed our markets; production is being stopped; we are backing down; we're quitting; money milderew in the bursting vaults of a selfish, palsied banking world; the men who create wealth manacled, hamstrung, in grave distress. We lack all cultural, far-sighted, or courageous conception of what civilization means or the will to listen or to act. Paris before Napoleon III reminds me very much of America today—a bewildered mass, a colossal gypsy camp. It took Baron Hausmann, a great organizer, to make out of that confused mass a modern Paris. It took a man, and an idea, and courage. We are fumbling with the philosophy of minds alien, and neither they nor ourselves conscious in the remotest sense of our trouble, or human position and human obligation, unacquainted with the unfinished tasks strewn everywhere over our wounded, ravished, disordered land. We are struggling stupidly, evasively, seeking relief in various forms to pensioned idleness, pampering inability, while we leave the power and health which action and work produce as a negligible consideration. We don't seem to understand what it is to do instead of dreaming things.

I wish it were my high privilege to help in formulating for your committee plans of how you could prepare America's great soul hunger for a great cultural awakening. When I speak of soul I don't mean some intangible dream thing that would quench its thirst on the morning dew, that sits and dreams its time away; I mean the real hunger in all for individual expression and action—healthful, productive action; individual chance for inside maturity; individual mastery of physical and mental gifts that beat in the heart and body eternally for freedom and expression, that have long been welling up within us—fallow, without fruitage, unexpressed, a menace to themselves, unused, a peril to our civilization and to our Government.

For this particular department of science, art, and literature I would like to see you take the three hundred millions of the "works fund", earmarked as the "white-collar allocation", and use it to help America become a democracy with a heart; the soul will take care of itself. I find at my elbow everywhere, here in this room, at afternoon teas, dinners, in the Senate, House, the whispered question, "Where and how to find those among us with creative impulse, how to put them to work, and at what?" There are so many of them and there is nothing to give them to do in our tradesmen's land. What can they do that is worth while?

Gentlemen, the permanently worth-while work that has lifted any civilization in the world's history out of the mud, in which most of it was conceived and born, was never initiated by big business, bankers, or politics. It is always a product of a few creative, constructive individuals.

America has a larger population of unregistered dreamers of great, of greater and more beautiful lives that might be lived usefully if given a chance, under sound leadership, than all Europe put together. Ours is a population made up of the soul hungry of civilization from everywhere.

"Jay Gouldism", "holding companies", worship of the golden calf, intervened, and we became a nation of throw-backs, shopkeepers, whose sole wants are purchasable by pound or yard! We can never rid ourselves of these parasites, but they must cease directly our course or we perish.

Build your department of science, art, literature; make it a conservatory in which to foster the genius of the land and demand administration of much of this big "white collar" fund. Be not afraid of wasting any of it; you—our Congress—have thrown to the dogs of trade five times as much in your pseudo-aircraft debacle without a whimper. Every cent spent on science and literature is our only permanent investment.

In trying to uncover and find an opening into the submerged heart of America, I would not attempt to foster art. I would spend millions in hundreds in getting into the "grass roots" in a still hunt for the cultural outcroppings that try and today die unaided everywhere in our beloved land. I would send out the call in no uncertain terms. I would go into the country where dreamers are born, who know, who live and travel alone. Genius protects itself with space—does not "thrive on the time-worn yoke of other men's opinions." "Heroes are not suckled on sweets"; they are companions of the moon—the stars—heaven their playground—they love storms—lightning—a destroyed giant in the forest is like a murdered friend to them. They are of the elements and as eternal; they immortalized Egypt, Greece, Rome, Italy; they discovered the western world; they invented the Republic; they began the city we are in; are we going to permit its further decay?

The art department's job is scout, not guide. Find the American spirit and help it to its feet; make it look up; tell America

she is great, beautiful, wonderful; give her a chance to be all of these and you won't have to tell her to dance and sing and that there is no big black wolf. She will reorganize and stop the misuse of material power.

You will be amazed at the multitude of men, women, and children who have worlds of beauty up their sleeve, lives of loveliness they live all alone—finally, with unspent tears, abandoned for a job just to get their daily bread and secure shelter. Our civilization is a halting thing; we dare not admit its defects and we don't know how to improve it.

To me the department you have sketched means the correction of the above, if done in this spirit; don't tell anyone what wine to like, what songs to sing, what time of day or night heaven is loveliest. Help America to find her wine, her voice, her heaven—not yours or mine, but each his own—and suddenly this garden you have been preparing will blossom as the world has never blossomed.

In a practical sense I would do many things. I'd buy a million—or ten, if needed—photographs of the masterpieces of civilization of every sort, scatter them in our country schools, rotate them. Confucius said, "A picture is worth 10,000 words." The smallest school child gets mental and heart stimulus from pictures, to point to the things in creation worth while; follow that up with exhibitions, demonstrations, of how great and beautiful language in literature, in music, in the drama, in architecture, in painting, in sculpture can be and what it does to children's imagination—to men and women. Each of these—a dozen words, a dozen lines, a dozen notes, a splash of color, an eye, nose, and mouth trembling in a bit of marble—the cap on a column—each can be, yes, is a message from some fine creative soul somewhere left as his or her message. Those of you who don't see these things have missed most of life's accomplishments.

I would give to every country school, no matter how poor, opportunity of this sort, and in such degree as is possible, through photographs, literature, reports on these national activities—if your efforts extend the horizon of one child in a thousand, you could report 100 percent successful in forming a great cultural background against the sordid materialism that fairly oozes in and out of our bureaucratic life that dominates our trader world.

I believe it entirely possible for you to incorporate your department during this session of Congress—that is, at once; now. Why not? The time is propitious; it should be done; it must be done. Materialism is stranded; it is dragging its soulless body on every highway unable to get upon its feet.

I'd make surveys of every public building in America. First the Federal buildings, then the schools. Leave the municipal buildings for the city to care for and shame them into finishing them.

Then I'd develop plans for completing their decorations, utilizing local talent when and wherever possible. This work would soon determine its own best way of being done. With music and literature and drama we might include the problem of theater building, stadiums, or acquiring in part or entirely existing institutions and establishing open-air theaters.

The European nations purchase direct from the artist and sculptor their masterpieces and have them enlarged, cut in marble, or cast in bronze and placed about the nation. America should do this; the Nation should own all masterpieces. Ways and means would suggest themselves; no preconceived plan can be established.

I would inaugurate what Louis XIV inaugurated in France by example, "quality of workmanship"—all but dead in America through the demand for quantity production, needed in our hastily built civilization.

I would ask of no man, "What do you do?" but, "How well do you do what you do?" America, England, Italy, the Scandinavian Nations, are moving directly and definitely to quality production. Dean Inge published one of his ablest essays on this phase of craftsmanship and pointed out that patent truth, quality alone defeats everything in time. He applied it to industrial products.

Dr. Tugwell has just delivered a prepared speech at the Rochester Teachers' Association, Rochester, N. Y., April 9. He calls his speech the "Third Economy", and it should be read. Dr. Tugwell, whom I consider one of the clearest, most constructive thinkers in the administration, although I disagree with his and Mr. Wallace's theory and practice of farm relief, says: "So far we have not recognized that unemployment is the greatest of our potential resources, yet it is a fact that had we utilized the labor of the unemployed alone during the depression we could have given every family in the country a brand-new \$5,000 house, or we could have scrapped and rebuilt the entire system of railroad, industrial, and utilities properties in the Nation on modern and efficient lines. This is an appalling waste and one which challenges statesmanship."

That statement is not new. I've shouted it for years, until I'm weary of repeating it. The ancients, all of them, when led by men of courage and common sense, gathered these idle together and made them work, build. They planned wisely, greatly, nobly; and the entire nation was carried by the character of these works, by the dissemination of new, greater civilization envisioned, to a new, higher level.

Dr. Tugwell's statement is extremely important because of his closeness to the national administration and, coming at this time, is not without tragedy. I am in the fullest agreement with him—"we could have given every family in the country a brand new \$5,000 house, or we could have scrapped and rebuilt the entire system of railroads, industrial and utilities properties." Does America realize what that means? That statement, "We could have", is in the past; but surely it is not late. We can still do it, or something of equal importance.

I would like to wander for a moment into the tragedy of the great agrarian world, the great supply basket of all America—the great Mississippi Valley, 2,500,000 square miles of fertile, tillable land. Government break-down for 60 years has allowed big business, buccaneers, to establish "the gate" to and from these Elysian Fields, and the Nation has grown fabulously rich on their products. The farmers alone have become serfs; they alone are poor; they alone are in bondage. Everyone else is prosperous; everyone else is helped—and yet this vast territory provided the base of our wealth and still provides it. Politicians should beware these people; they supply the only unowned, incorruptible vote in America. Has the East forgotten that all the incorruptible, free thought in America comes from men who do not herd? I wish I could say something that would shock thinking America, as Tugwell's statement should—"We might have built a \$5,000 house for every family."

I've ridden my pegasus into the heavens in this paper, but, make no mistake—I stable him and groom him here among our people. There are no dreams nor impulses in me that are not indigenous to this great west world where I was born and belong. I simply have tried too long, and at too great a cost, not to know that enemies, selfishness, are everywhere, hand in hand with good, and politics is the medium evil uses to corrupt statesmanship and good law. I know also it invades art in the highest places.

The fine arts, music, literature, and the drama, sculpture and architecture and painting, are the field where the noblest, most beautiful of human awakening finds expression, and from their high command affect all our leisure and working hours. Nothing should be spared by a great people to give aid and strength to their creative impulses.

Nothing is so protected in life, so sacred, as the birth of any creature or plant, the budding of new material life, the hope, the surprise, the phenomena of creation.

How much more wonderful, more sacred, the awakening of conscious new understanding—the appearance among us of thought—of a new thought, the appearance of what may change the course of entire material world—change civilization.

Do you know, gentlemen, to date, civilization has never recognized economically the appearance of the creative soul among us, nor recognized him or her until their broken bodies dropped in its path, clutching some key to some new heaven.

Let us inaugurate and dedicate ourselves and this nebulous department of art, literature, and science into one of helpfulness, sympathetic understanding, and let us determine that this land, where science, invention, discovery, have freed and given such fabulous wealth to this and all the world, there shall no longer be in this land an unfriendly door, no place where the unknown, the unproven, the incomprehensible may be driven away into the unsheltered highway because of failure to be understood.

Gentlemen, I have experienced these conditions over the hard course of a life unafraid of the world's indifference. I am interested in what you propose because I see in your plans a chance for economic freedom, for the students that will follow, protection for them in the tenderest shyest years of those people most valuable to our Nation, on whom will depend our civilization, our culture.

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 530), an act granting compensation to the estate of Thomas Peraglia, deceased, with a Senate amendment, and concur in the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate amendment, as follows:

Page 1, line 5, strike out "\$7,500" and insert "\$5,000".

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SAMUEL KAUFMAN

Mr. DOCKWEILER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 3105, with a Senate amendment, and concur in the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That the President of the United States be, and he is hereby, authorized to summon Samuel Kaufman, late major, Dental Corps, Medical Department, Regular Army, before a retiring board to inquire whether at the time of his resignation, December 15, 1922, he was incapacitated for active service, and whether such incapacity was a result of an incident of service, and if, as a result of such inquiry, it is found that he was so incapacitated, the President is authorized to nominate and appoint by and with the advice and consent of the Senate, the said Samuel Kaufman a major of the Dental Corps, Medical Department, and place him immediately thereafter upon the retired list of the Army, with the same privileges and retired pay as are now or may hereafter be

provided by law or regulation for officers of the Regular Army: *Provided*, That the said Samuel Kaufman shall not be entitled to any back pay or allowances by the passage of this act.

Mr. HOPE. Mr. Speaker, reserving the right to object, I would like to ask the gentleman a question: As I recall, when this bill passed the House it provided that this officer should be given the privilege of the Emergency Officers' Retirement Act. Is my recollection correct?

Mr. DOCKWEILER. That is correct.

Mr. HOPE. This amendment changes the situation so that he now goes before a Regular Army retirement board.

Mr. DOCKWEILER. That is right.

Mr. HOPE. Mr. Speaker, I have no objection.

There being no objection, the Senate amendment was concurred in, and a motion to reconsider was laid on the table.

CONNECTICUT TERCENTENARY

Mr. KOPPLEMANN. Mr. Speaker, I call up Senate Joint Resolution 94, establishing a commission for the participation of the United States in the observance of the three hundredth anniversary of the founding of the Colony of Connecticut, authorizing an appropriation to be utilized in connection with such observance, and for other purposes, and ask for its immediate consideration.

Mr. SNELL. Mr. Speaker, I ask the gentleman if this is the resolution about which he spoke to me?

Mr. KOPPLEMANN. It is.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

Resolved, etc., That there is hereby established a commission to be known as the "United States Connecticut Tercentenary Commission" (hereinafter referred to as the "Commission") and to be composed of 16 commissioners, as follows: Five persons to be appointed by the President of the United States, 5 Senators by the President of the Senate, and 6 Members of the House of Representatives by the Speaker of the House of Representatives. The commission shall serve without compensation and shall elect a chairman from among their number.

Sec. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000, to be expended by the commission for actual and necessary traveling expenses and subsistence, while discharging its official duties outside the District of Columbia.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KENNEDY of New York, for the balance of this week, on account of illness in his family.

To Mr. DRIVER (at the request of Mr. MILLER), for 1 week, on account of pressing business.

To Mr. ROMJUE, indefinitely, on account of illness in his family.

To Mr. ZIMMERMAN, indefinitely, on account of important business.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication, which was read:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ACCOUNTS,
Washington, D. C., May 7, 1935.

Hon. JOSEPH W. BYRNS,

Speaker House of Representatives.

MY DEAR MR. SPEAKER: I herewith tender to you my resignation as a member of the Special Committee to Investigate the American Retail Federation.

I understand that it is necessary for the investigation to get under way. The author of the resolution creating same, Mr. COCHRAN, of Missouri, is now confined by illness in a hospital, and during his absence the duties of chairman would devolve upon me. I am informed that, in order to properly conduct the investigation, funds will be necessary. I doubt very much the propriety of the Chairman of the Committee on Accounts serving as chairman of a special investigating committee, and for that reason this resignation is submitted.

With high esteem, I am,

Sincerely,

LINDSAY C. WARREN.

Mr. KVALE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KVALE. In view of the high character and standing of the gentleman who submits this resignation, is it not within the purview of the Chair to decline to receive the resignation and direct the gentleman to serve in this capacity?

The SPEAKER. The Chair has tried to impress the gentleman from North Carolina with that fact, but it is a matter for the House to determine.

Without objection the resignation will be accepted.

There was no objection.

APPOINTMENT TO COMMITTEE

The SPEAKER. The Chair appoints the gentleman from New York [Mr. MERRITT] on the committee to attend the funeral of the late Senator CUTTING, and the Clerk will inform the Senate of this action.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and joint resolution of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 708. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Velie Motors Corporation; to the Committee on War Claims.

S. 2265. An act extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional officers of the Regular Establishment who served during the World War; to the Committee on Military Affairs.

S. J. Res. 118. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; to the Committee on the Library.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 147. An act to alter the amount apportioned to certain States for public employment offices affiliated with the United States Employment Service;

S. 613. An act to add certain public-domain land in Montana to the Rocky Boy Indian Reservation;

S. 707. An act to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin American Republics in military and naval matters"; and

S. 2145. An act extending the time for repayment of the revolving fund for the benefit of the Crow Indians.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 55 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 8, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

(Wednesday, May 8, 10:30 a. m.)

Committee will hold hearings on various bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

320. A letter from the Chairman of the Federal Power Commission, transmitting pursuant to Public Resolution No. 18, Seventy-third Congress (S. J. Res. 74), three copies of the domestic and residential electric energy rates in effect in the Commonwealth of Massachusetts on January 1, 1935; to the Committee on Interstate and Foreign Commerce.

321. A letter from the Secretary of War, transmitting draft of a proposed bill to authorize the acquisition of land for military purposes in Bexar County, Tex., for use as an

addition to Kelly Field Military Reservation, and to settle certain claims in connection therewith; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DOUGHTON: Committee on Ways and Means. H. R. 6143. A bill to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free; with amendment (Rept. No. 831). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 7314. A bill authorizing a preliminary examination of Point Remove Creek, Ark., a tributary of the Arkansas River; without amendment (Rept. No. 834). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 7600. A bill authorizing a preliminary examination of the Tanana River and Chena Slough, Alaska; without amendment (Rept. No. 835). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 7609. A bill authorizing a preliminary examination of Salt River in Adair County, Mo., with a view to the controlling of floods; without amendment (Rept. No. 836). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 3806. A bill to establish a commercial airport for the District of Columbia; with amendment (Rept. No. 837). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREEVER: Committee on Irrigation and Reclamation. H. R. 6875. A bill providing for the allocation of net revenues of the Shoshone power plant of the Shoshone reclamation project in Wyoming; with amendment (Rept. No. 838). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 6990. A bill to fix the hours of duty of postal employees, and for other purposes; without amendment (Rept. No. 839). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 7147. A bill authorizing a preliminary examination and survey of the San Gabriel and Los Angeles Rivers and their tributaries; to include both drainage basins and their outlets, in Los Angeles County, Los Angeles, Calif., with a view to the controlling of floods; with amendment (Rept. No. 840). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLDEN: A bill (H. R. 7923) to provide for the construction of an immigration station for the Immigration and Naturalization Service in San Pedro, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. RICH: A bill (H. R. 7924) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a bridge across the Allegheny River, at Port Allegany, in the County of McKean, State of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBINSON of Utah: A bill (H. R. 7925) to authorize the Utah Pioneer Trails and Landmarks Association to construct and maintain a monument on the Fort Douglas Military Reservation, Salt Lake City, Utah; to the Committee on Military Affairs.

By Mr. SUMNERS of Texas: A bill (H. R. 7926) to repeal the limitation on the sale price of the Federal building at

Main and Ervay Streets, Dallas, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. THOMASON: A bill (H. R. 7927) to authorize the Secretary of State to lease to citizens of the United States any land heretofore or hereafter acquired under this or any other act, Executive order, or treaty in connection with projects, in whole or in part, constructed or administered by the Secretary of State through the International Boundary Commission, United States and Mexico, American section; to the Committee on Foreign Affairs.

By Mr. GRAY of Pennsylvania: A bill (H. R. 7928) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at or near Ford City, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. DEBOUEN: A bill (H. R. 7929) to authorize the Secretary of the Interior to accept donations of land, interests in land, buildings, or other property for the extension of national parks, national monuments, battlefield sites, national military parks, and other areas administered by the National Park Service, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H. R. 7930) to eliminate certain lands from the Craters of the Moon National Monument, Idaho; to the Committee on the Public Lands.

Also, a bill (H. R. 7931) to establish the San Juan National Monument, P. R., and for other purposes; to the Committee on the Public Lands.

By Mr. DIETRICH: A bill (H. R. 7932) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a bridge across the Susquehanna River at Wyalusing, in the county of Bradford, Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. ELLENBOGEN: A bill (H. R. 7933) to repeal the excise tax on manufactures of furs; to the Committee on Ways and Means.

By Mr. McCORMACK: A bill (H. R. 7934) to provide for allowance for loss during bottling and on account of leaky packages of beer, lager beer, ale, porter, and other similar fermented liquor, and for other purposes; to the Committee on Ways and Means.

By Mr. WARREN: A bill (H. R. 7935) to amend the Agricultural Adjustment Act to make all varieties of potatoes included in the species *Solanum tuberosum* a basic agricultural commodity, to raise revenue by imposing a tax on the first sale of such potatoes, and for other purposes; to the Committee on Agriculture.

By Mr. BURCH: A bill (H. R. 7936) to adjust the salaries of rural letter carriers, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. CONNERY: A bill (H. R. 7937) to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes; to the Committee on Labor.

By Mr. DEBOUEN: A bill (H. R. 7938) to authorize the transfer of the Otter Cliffs Radio Station on Mount Desert Island in the State of Maine as an addition to the Acadia National Park, and for other purposes; to the Committee on the Public Lands.

By Mr. FULMER: A bill (H. R. 7939) to authorize the erection of a Veterans' Administration hospital at or near Orangeburg, S. C., for Negro World War veterans to the Committee on World War Veterans' Legislation.

By Mr. SUMNERS of Texas: A bill (H. R. 7940) to prohibit the interstate transportation of prison-made products in certain cases; to the Committee on Labor.

By Mr. DIRKSEN: Resolution (H. Res. 214) to investigate the official conduct of Samuel Alschuler; to the Committee on the Judiciary.

By Mr. FERGUSON: Joint resolution (H. J. Res. 275) making appropriations for emergency relief in stricken agricultural areas; to the Committee on Appropriations.

By Mrs. GREENWAY: Joint resolution (H. J. Res. 276) authorizing the State of Arizona to transfer to the town of

Benson without cost title to sec. 16, T. 17 S., R. 20 E., Gila and Salt River meridian, for school and park purposes; to the Committee on the Public Lands.

By Mr. RAMSAY: Joint resolution (H. J. Res. 277) proposing an amendment to the Constitution of the United States, limiting the decisions of the courts of the several States and of the United States relative to legislative acts of the Congress of the United States; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Illinois, urging the elimination of the long- and short-haul clause from the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL: A bill (H. R. 7941) authorizing the Secretary of the Treasury to pay L. E. Durham and Margaret E. Durham for rent of premises occupied by Director of Farm Labor; to the Committee on Claims.

By Mr. BEITER: A bill (H. R. 7942) to correct the military record of Ralph Irvin Brown; to the Committee on Naval Affairs.

By Mr. BERLIN: A bill (H. R. 7943) granting a pension to Malissa Agnes McMunn; to the Committee on Invalid Pensions.

By Mr. BREWSTER: A bill (H. R. 7944) granting a pension to Rachel A. Bosworth; to the Committee on Pensions.

By Mr. GRAY of Indiana: A bill (H. R. 7945) granting a pension to Carl L. Bodecker; to the Committee on Pensions.

By Mr. LEA of California: A bill (H. R. 7946) for the relief of Adam Augustus Shafer; to the Committee on Naval Affairs.

By Mr. McGROARTY: A bill (H. R. 7947) for the relief of Rev. Harry J. Hill; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 7948) granting a pension to Mollie Sigmon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7949) granting an increase of pension to Mary Hubbard; to the Committee on Invalid Pensions.

By Mr. SNYDER: A bill (H. R. 7950) granting a pension to David B. Lawson; to the Committee on Pensions.

Also, a bill (H. R. 7951) granting an increase of pension to Ella Dean; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7952) granting a pension to George C. Shuckhart; to the Committee on Pensions.

Also, a bill (H. R. 7953) granting a pension to Michael Gannon; to the Committee on Pensions.

By Mr. SOMERS of New York: A bill (H. R. 7954) for the relief of William S. Wrynn; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8294. By Mr. ARENDS: Petition of V. L. Dally, commander Fred Bennitt Camp, No. 3, United Spanish War Veterans, and members of Livingston County, Ill., asking for passage of House bill 6995, to restore pensions to veterans of the Boxer Rebellion and Philippine Insurrection; to the Committee on Pensions.

8295. Also, petition of residents of Bloomington, Ill., favoring enactment of Senate bill 600 and House bill 5600; to the Committee on the Judiciary.

8296. By Mr. BUCK: Memorial of the California State Legislature, memorializing the President and the Congress to enact legislation declaring Admission Day a holiday for all officers and employees of the United States whose headquarters are in California; to the Committee on the Judiciary.

8297. By Mr. CONNERY: Resolution of the Peabody Chamber of Commerce, Peabody, Mass., opposing the continuance

of the cotton-processing tax; to the Committee on Agriculture.

8298. Also, resolution of the General Court of Massachusetts, urging that the President of the United States be requested to utilize fully the powers vested in him by section 3 (e) of the National Industrial Recovery Act to apply embargoes or establish quotas as a means of protecting American manufacturers and thus American workers against the losses they now suffer from foreign competition; to the Committee on Ways and Means.

8299. By Mr. CULKIN: Petition by four citizens of West Amboy, N. Y., asking that an Executive order be issued which will grant all licensed practitioners of the healing arts equal rights and privileges in any social legislation involving these arts; to the Committee on the Judiciary.

8300. Also, petition of 12 residents of Jefferson County, N. Y., urging Congress to pass a uniform old-age pension law that must be adopted by the States before any Federal aid or relief is available; to the Committee on Ways and Means.

8301. Also, petition of the Watertown Aerie, No. 782, Fraternal Order of Eagles, Watertown, N. Y., urging support of the part of the social-security bill (S. 1130 and H. R. 4142) which provides for Federal monetary assistance to the States paying old-age pensions; to the Committee on Ways and Means.

8302. Also, petition of the Oswego Aerie, No. 498, Fraternal Order of Eagles, Oswego, N. Y., urging support of the part of the social-security bills (S. 1130 and H. R. 4142) which provide for Federal monetary assistance to the States paying old-age pensions; to the Committee on Ways and Means.

8303. Also, memorial of State Assembly of New York, requesting that the President and Congress of the United States repeal the charter of the North River Bridge Co., which was granted by the act of Congress of the United States (ch. 669, 1889-90, 51st Cong., and Public Act No. 350, 67th Cong., 1922); to the Committee on Interstate and Foreign Commerce.

8304. Also, petition of the Senate and the Assembly of the State of New York, requesting the President and the Congress of the United States to give favorable consideration to House bill 6914; to the Committee on Agriculture.

8305. Also, petition of certain residents of Watertown, N. Y., to extend the fundamental principles of the National Recovery Act either indefinitely or for at least another 2 years; to the Committee on Appropriations.

8306. By Mr. DOBBINS: Memorial of the Senate and House of Representatives of the State of Illinois (S. J. Res. No. 21) advocating the modification of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

8307. By Mr. HALLECK: Petition of citizens of Rensselaer, Ind., favoring pending legislation for the regulation of carriers in interstate commerce; to the Committee on Interstate and Foreign Commerce.

8308. Also, petition of Lorain Council, No. 10, Sons and Daughters of Liberty, of Logansport, Ind., favoring House bill 5921, to strengthen law for deportation of aliens; to the Committee on Immigration and Naturalization.

8309. By Mr. TRUAX: Petition of the National Cooperative Council, Washington, D. C., by their secretary-treasurer, Robin Hood, favoring the amending of the Banking Act of 1935 by a mandate to restore the purchasing power of the dollar to the 1921-29 level, and thereafter to maintain it at that level in relation to basic commodities, as contained in an amendment offered by Mr. GOLDSBOROUGH; to the Committee on Banking and Currency.

8310. Also, petition of the Central Region Face Brick Branch, Canton, Ohio, by their secretary, J. Oatis Wilcox, strongly favoring the reenactment of the National Recovery Act in substantially its present form, with such additions and amendments as will compel stricter compliance thereto, as conditions in the Structural Clay Products Code are such that should the industry be deprived of the stabilization of minimum costs granted under the National Industrial Re-

covery Act, within a very short time a demoralized market would result, and many plants of the industry who have had no opportunity to recoup losses covering 5 years of depression would be placed in jeopardy of financial ruin; to the Committee on Labor.

8311. Also, petition of Harry W. Dunn, Toledo, Ohio, endorsing the program of the American Civil Liberties Union, and in accordance therewith protesting against any and all legislation tending to abridge the freedom of speech and press, such as House bills 57, 2866, 2897, 3036, 3056, 4313, and 6427; to the Committee on the Judiciary.

8312. Also, petition of Colonel Crawford Post, No. 181, American Legion, Bucyrus, Ohio, by their adjutant, Ferris H. Mollencopf, favoring House bill 7201, relative to amending section 6 of the National Defense Act of June 3, 1916, as they feel certain that a man who is in charge of an Army band should receive the same recognition as any other leader of a military unit; to the Committee on Military Affairs.

8313. Also, petition of Monroe Pomona Grange, No. 23, Stafford, Ohio, protesting against such Federal regulation as proposed by Senate bill, as unfair, discriminatory, and unnecessary at this time, and as not being for the real interests of either producer or consumer, whether rural or urban, as it is their contention that such proposed Federal regulation of the motor carriers of freight, especially as to rates and practices, would result in serious handicap to the farmer, the stockman, and the horticulturist; to the Committee on Interstate and Foreign Commerce.

8314. By the SPEAKER: Petition of the city of Cairo, Ill.; to the Committee on Banking and Currency.

8315. Also, petition of the American Petroleum Institute, New York City; to the Committee on Interstate and Foreign Commerce.

8316. Also, petition of the citizens of the city of San Diego, Calif.; to the Committee on Ways and Means.

SENATE

WEDNESDAY, MAY 8, 1935

(Legislative day of Tuesday, May 7, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, May 7, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Copeland	La Follette	Robinson
Austin	Costigan	Lewis	Russell
Bachman	Couzens	Logan	Schall
Bailey	Dickinson	Loneragan	Schwellenbach
Bankhead	Dieterich	Long	Sheppard
Barbour	Donahey	McAdoo	Shipstead
Barkley	Duffy	McCarran	Smith
Bilbo	Fletcher	McGill	Steiwer
Black	Frazier	McKellar	Thomas, Okla.
Bone	George	McNary	Thomas, Utah
Borah	Gerry	Maloney	Townsend
Brown	Gibson	Metcalf	Trammell
Bulkeley	Glass	Minton	Truman
Bulow	Gore	Moore	Tydings
Burke	Guffey	Murphy	Vandenberg
Byrd	Hale	Murray	Van Nuys
Byrnes	Harrison	Neely	Wagner
Capper	Hastings	Norris	Walsh
Caraway	Hatch	O'Mahoney	Wheeler
Carey	Hayden	Overton	White
Clark	Johnson	Pittman	
Connally	Keyes	Pope	

Mr. LEWIS. Again I wish to announce the absence of the Senator from North Carolina [Mr. REYNOLDS], being engaged on an official mission to the Virgin Islands.

Mr. AUSTIN. I announce that the Senator from North Dakota [Mr. NYE] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent, and that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness.

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—MOTION TO RECONSIDER

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. What motion is pending before the Senate?

The VICE PRESIDENT. The motion of the Senator from Nebraska [Mr. NORRIS] to proceed to the consideration of Senate bill 2357, relating to an amendment to the Tennessee Valley Authority Act.

Mr. THOMAS of Oklahoma. As a privileged matter, I at this time enter a motion to reconsider the vote by which House bill 3896, the so-called "bonus bill", was passed by the Senate yesterday.

The VICE PRESIDENT. The motion will be entered.

Mr. KING. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KING. Was not a motion to reconsider entered yesterday?

The VICE PRESIDENT. The Senator from Missouri [Mr. CLARK] gave notice that he would enter such a motion, but the Senator from Oklahoma has entered the motion. That is the difference between the two from the parliamentary standpoint.

AMENDED ESTIMATES OF APPROPRIATIONS FOR THE NAVY DEPARTMENT (S. DOC. NO. 59)

The VICE PRESIDENT laid before the Senate a letter from the President of the United States, together with an accompanying letter from the Acting Director of the Bureau of the Budget, transmitting, for the consideration of the Congress, certain amendments of the estimates of appropriations for the Navy Department as contained in the Budget for the fiscal year 1936, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of California, which was ordered to lie on the table:

Senate joint resolution relative to memorializing the President and the Congress of the United States to enact Senate bill 626 and House bill 6909, which bills are proposed to aid the position of hop growers

Whereas the State of California has over 8,000 acres now planted to hops which produced in the year 1934 approximately 61,414 bales of hops or in excess of 12,282,800 pounds of hops and expended in excess of \$1,500,000 for labor; and

Whereas the hop industry is now demoralized by low prices far below the cost of production and the hop growers of the States of Oregon, Washington, and California have asked that hops be made a basic commodity under the Agricultural Adjustment Act; and

Whereas Senate bill no. 626 and House bill no. 6909 were introduced at this session of Congress and said bills if passed will greatly improve the position of hop growers; and

Whereas the hop industry is in great need of protection at this time: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the President and Congress of the United States are hereby respectfully urged to enact the legislation proposed by Senate bill 626 and House bill 6909 as speedily as possible; and be it further

Resolved, That the secretary of the Senate of the State of California send copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that such Senators and Members from California be urged to support such legislation.

The VICE PRESIDENT also laid before the Senate resolutions of the General Court of Massachusetts, favoring the enactment of legislation providing for a national system of

unemployment insurance, which were referred to the Committee on Finance.

(See resolutions printed in full when presented today by Mr. WALSH, p. 7109.)

The VICE PRESIDENT also laid before the Senate resolutions of the General Court of Massachusetts, requesting the National Recovery Administration to grant to Massachusetts boot and shoe manufacturers and others relief from unfair competition, which were referred to the Committee on Finance.

(See resolutions printed in full when presented today by Mr. WALSH.)

The VICE PRESIDENT also laid before the Senate the petition of John Fleming, of Wyoming, Del., praying for the enactment of old-age pension legislation, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted at a mass meeting of citizens of San Diego, Calif., protesting against the enactment of House bill 7260, the so-called "social-security bill", and favoring the so-called "Townsend old-age-pension plan", which were referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the Somerdale Community Baptist Church, of Somerdale, N. J., protesting against the holding of naval maneuvers in the North Pacific Ocean, which was referred to the Committee on Naval Affairs.

He also laid before the Senate petitions of sundry citizens of the States of California and Connecticut, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana (Mr. LONG and Mr. OVERTON), which were referred to the Committee on Privileges and Elections.

He also laid before the Senate the petition of H. L. Hall, of Parkersburg, W. Va., praying for the immediate cash payment of adjusted-service certificates of World War veterans, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the executive committee of the Federal Council of the Churches of Christ in America, favoring the enactment of legislation providing for the relief of share-tenants and share-croppers in the cotton-growing areas, which was referred to the Committee on Agriculture and Forestry.

He also presented resolutions adopted by Charlotte May Council, No. 97, Sons and Daughters of Liberty, of Jamestown; Bay Ridge Council, No. 16, of Brooklyn; and Queensborough Council, No. 86, of Jamaica, all in the State of New York, favoring the enactment of legislation to strengthen present immigration laws pertaining to the deportation of aliens, which were referred to the Committee on Immigration.

He also presented a resolution adopted by the Classis of Poughkeepsie (N. Y.) of the Reformed Church of America, favoring the enactment of legislation to take the profits out of war, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted by the same organization, expressing the hope that in connection with such naval maneuvers as may seem necessary in the Pacific Ocean any demonstrations likely to cause offense to the rulers and people of Japan be avoided, which was referred to the Committee on Naval Affairs.

He also presented a resolution adopted by the Port Henry (N. Y.) Chamber of Commerce, favoring the enactment of legislation to readjust import duties on pig iron and iron ores, so as to make possible the economic and profitable operation of the pig-iron plants and mines located in eastern and northeastern United States, which was referred to the Committee on Finance.

He also presented a resolution adopted by the local retail drug-code authority of the Thirty-sixth Congressional District of New York, of Geneva, N. Y., favoring an extension of the National Industrial Recovery Administration, which was ordered to lie on the table.

RELIEF OF BOOT AND SHOE MANUFACTURERS

Mr. WALSH. Mr. President, I ask that there be printed in the RECORD in full and appropriately referred resolutions from the Massachusetts General Court requesting the National Recovery Administration to grant to Massachusetts boot and shoe manufacturers and others relief from unfair competition.

There being no objection, the resolutions were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Resolutions requesting the National Recovery Administration to grant to Massachusetts boot and shoe manufacturers and others relief from unfair competition

Whereas the boot and shoe manufacturing industry in this Commonwealth is faced with a grave crisis, after long being forced to struggle for existence against low wage scales which prevail in rural sections of Maine and New Hampshire, a situation made acute by the minimum wage scale sanctioned by the National Recovery Administration, which minimum wage scale some of said manufacturers in rural communities have made the maximum wage, thereby creating unfair competition under which Massachusetts manufacturers are undersold in the open market and lose many orders for shoes; and

Whereas employers, employees, factory owners, home owners, merchants, and other citizens suffer from such competition, and the evils of the present secondary post-war depression are thereby aggravated to an unbearable extent: Therefore be it

Resolved, That the General Court of Massachusetts hereby earnestly and respectfully requests the National Recovery Administration to grant speedy relief to the leather boot and shoe industry of this Commonwealth, and respectfully submits that vertical differential in wages is preferable to the existing geographical population and sex differentials, that higher minimum wage scale based on the skill of the shoe workers is preferable to the present minima sanctioned by the National Recovery Administration, that uniform wages for all shoe factories throughout the Nation seem wise; and be it further

Resolved, That copies of these resolutions be forwarded forthwith by the secretary of the Commonwealth to the President of the United States, to the National Recovery Administration, to the presiding officer of each branch of Congress, and to the Senators and Representatives in Congress from Massachusetts.

NATIONAL UNEMPLOYMENT INSURANCE LEGISLATION

Mr. WALSH. Mr. President, I ask that there be printed in the RECORD, in full, and appropriately referred, resolutions from the Massachusetts General Court, seeking national unemployment-insurance legislation.

There being no objection, the resolutions were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Resolutions seeking national unemployment-insurance legislation

Resolved, That the General Court of Massachusetts urges upon the Congress and the President of the United States to exercise their powers to provide for a national system of unemployment insurance; and be it further

Resolved, That the secretary of the Commonwealth forthwith forward copies of these resolutions to the President of the United States, to the presiding officers of both branches of Congress, and to the Members thereof from this Commonwealth.

THE PETROLEUM INDUSTRY—PETITION OF PETROLEUM INSTITUTE

Mr. GORE. Mr. President, I ask unanimous consent to have inserted in the RECORD a petition adopted by the board of directors of the American Petroleum Institute, at Chicago, Ill., on the 3d instant, dealing with the N. R. A., which, for the most part, has my approval.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

A PETITION TO THE CONGRESS OF THE UNITED STATES, SUBMITTED BY THE AMERICAN PETROLEUM INSTITUTE
(Adopted unanimously by the board of directors in meeting at Chicago, Ill., May 3, 1935)

The American Petroleum Institute, with a substantial and representative membership from a \$12,000,000,000 industry, which has more than 2,000,000 owners and over 1,000,000 employees, respectfully petitions Congress to pursue policies which will permit this industry to take its rightful place in the march of recovery.

The institute asks this with full appreciation of the earnest endeavors which have been made by the Federal authorities in the past 2 years to speed recovery. These efforts the petroleum industry has generously supported, recognizing that in a time of such emergency it had a patriotic obligation to cooperate in bringing about reemployment and restoring the country's purchasing power. Its annual pay roll, approximating \$1,569,600,000, is practically equal to the 1929 pay roll and in real wages it is 7.2 percent higher. In fact, the per capita yearly wage paid by most of the oil companies has always ranked high in industry. In the past 2 years the indus-

try reabsorbed 217,200 persons: Taxes on its properties, products, and operation contribute \$1,250,000,000 annually toward the maintenance of Government.

The institute believes that the people who depend upon our 24,600,000 automobiles for transportation, the farmers who cultivate the land with tractor-drawn equipment, the operators of thousands of industrial plants, and the many other users of petroleum products are best served when competition is free, when the operation of economic law is unhampered, and when the profit incentive stimulates initiative and inspires invention. The free operation of these forces inevitably tends to insure quantity, improve quality, and to reduce prices. These are the true tests of the service rendered by any industry to the public.

Gasoline consumers cannot continue to enjoy these advantages if the responsibility of management is transferred from the thousands of individual companies to a Federal bureau.

These advantages can be assured if the Federal and State Governments will remain each in its own sphere, observing the separation and limitation of powers which the Constitution has wisely ordained and the Supreme Court by many decisions and precedents has clearly defined.

Legislative uncertainties, threats of governmental control, and interferences with the legitimate development of a great industry which has served the public satisfactorily are handicapping our business and retarding program toward a constructive solution of our problem.

Out of an intimate knowledge of conditions and a long experience in serving the American people we feel qualified to offer a program of principles, which will materially assist in stabilizing conditions under which the oil industry can operate to the direct advantage of both the makers and users of petroleum products.

We respectfully submit:

First. That there should be a minimum of regulation by Government, State or Federal, to the end that private industry may be free to serve the public most efficiently and economically.

Second. That the State governments, having the power to regulate production of crude oil and natural gas to prevent waste and so conserve a valuable natural resource, should be encouraged in that effort.

Third. That the Federal Government, having the power to deal with interstate and foreign commerce, and to authorize interstate compacts, should supplement the production-control effort of the States:

By making permanent and rigidly enforcing the Connally law (S. 1190) (Public, No. 14, 74th Cong.), prohibiting the shipment in interstate and foreign commerce of oil produced in violation of State laws;

By approving the interstate compact which has already been ratified by the legislatures of five of the principal oil-producing States;

By directing the United States Bureau of Mines, a competent fact-finding agency, to ascertain the crude-oil production necessary to meet the consumptive demand of the Nation and to make its findings available to the interstate compact commission and the respective conservation authorities of the oil-producing States;

By exercising control of imports to a proper ratio to domestic production for such a time as is necessary.

Fourth. That as concerns marketing, the field of greatest competition, there is no reason to single out the oil industry for special Federal intervention. That industrial pacts and agreements when voluntarily made by any industry for the purpose of eliminating unfair methods of competition should be permitted.

Fifth. That any such economic strait-jacket as is contained in S. 2445 or similar proposals for the enlargement of the N. I. R. A. would serve to increase the price of gasoline and demoralize the industry. In support of the foregoing we point to the record of the oil industry during the last 15 years as one of outstanding public service.

But for cheap gasoline many industries which have contributed substantially to American economic progress could not have enjoyed such remarkable development. Notable among these are automobile and tire manufacture and modern road building, with the related industries such as steel, textiles, plate glass, leather, and numerous accessories.

The production, transportation, refining, and distribution of petroleum and its products go hand in hand with the automotive industry. Important as it is that automobiles should meet all reasonable demands upon them, it is equally important that the car owner, wherever he may travel, should have access to a plentiful supply of gasoline and oil, of good quality, and at reasonable prices.

During the last 15 years the efficiency of American-made automobiles has steadily increased while their price has as steadily declined. Today, the United States makes 75 percent of all the automobiles in the world. During the same period the petroleum industry has supplied the car owner with gasoline and oil in ample quantities, of constantly improved quality and at steadily decreasing prices.

In 1920 the average selling price for gasoline exclusive of tax in 50 cities, representing all the States, was 29.7 cents per gallon; in 1934 the figure for the same cities was 13.6 cents—a drop of 54.2 percent. A barrel of crude petroleum now yields about twice as many gallons of gasoline as it did 15 years ago. No consumer of gasoline and oil can reasonably complain that he cannot readily procure a plentiful supply of each, of good quality, at reasonable prices. The average cost exclusive of tax of owning and operat-

ing a motor car today, mile for mile, is about one-fourth of what it was 15 years ago.

The free play of economic conditions under which these two great industries have so well served the consumer has been substantially the same. In both there has always been keen, unrelenting competition; and this, in turn, has stimulated new discoveries and new methods, has led to the development of new markets and has constantly tended to improve quality and reduce prices.

Because it has grown so fast, the oil industry has constantly needed large amounts of new capital. Its investment increased from \$6,350,000,000 in 1921 to \$12,200,000,000 in 1932. During these 12 years \$2.94 of new capital was put into the industry for every dollar that was earned, and the annual average earning of the oil industry on its investment was only 1.66 percent. It is inconceivable that political management could operate a fast-growing and hazardous business on so close a margin as this.

In transportation particularly, which is such an important factor in costs, the oil industry has devised and developed its own unique systems, giving incomparably cheap movement by pipe lines, ocean tankers, and by barges on inland waterways.

Every resource of science and technology has been enlisted in the search for new supplies of oil in the earth. In fact, the chief offense imputed to the industry is that it has been all too successful in finding new pools.

With such a record it is apparent that the hands of the oil industry should not be tied by governmental bureaucracy. The issue between Government and private responsibility for this vast industry should not be obscured by vague declarations that the petroleum industry has become affected with a public interest justifying governmental control just because conservation has come to be recognized as a responsibility of government.

The distinguishing characteristic of petroleum and natural gas is their liquid and fugacious nature. In other mining industries the situations is entirely different; for instance, the owner of coal land is not subject to drainage, for he can keep his coal if he likes and his neighbor cannot take it. But when a well is drilled into an oil-producing area the "law of capture" permits the surface owner to draw the oil from his well even though it may drain the supply of the adjoining landowner. Therefore, the neighbor must drill and produce his share of the oil or lose it; and his neighbor in turn must do likewise. This was a situation beyond the power of the industry to remedy, and in all flush pools, before the conservation efforts of the States were effective, the "law of capture" resulted in unscientific and wasteful practices and overproduction. The oil-producing States and the industry itself have now come to an intelligent conception of what real conservation means. The industry believes that true conservation means the scientific control of production making for greater recovery, as well as efficient and economic utilization of crude oil.

It is the duty of the oil-producing States, in the public interest as well as in the interest of the industry, to prevent waste of crude oil and thereby conserve the supply. This duty is the obligation of government, and when that obligation shall have been discharged, there is nothing in the inherent nature of petroleum or in the conduct of the business which requires or justifies the oil industry being declared a public utility any more than in the case of any other producer or manufacturer of a commodity of general use.

In marketing gasoline, the problems are no different from those in the wholesaling and retailing of other commodities. Whether there are too many filling stations, whether there is waste in the number of retail stores that market clothing, groceries, beverages, or the like, is a problem that concerns our economic welfare as a whole and not particularly any one business. It is self-evident that the problems arising out of competition and the operation of economic laws in every hamlet in the country cannot be solved by a bureau at Washington which undertakes to regulate each minute detail of our vast and complicated business structure. There should be no economic tinkering and no political control.

Unfortunately, governmental agencies, once organized and endowed with some measure of authority, aspire to continue their existence and increase their authority. Any proposal to amend the National Industrial Recovery Act with provisions that convert it from what is theoretically a system of governmentally supervised, industrially self-regulated codes of fair practice into a system of Federal industrial dictatorship becomes a striking example of this tendency to encroach.

We have proceeded on the road to recovery sufficiently to consider methods of orderly development of business as a substitute for devices created in moments of national emergency and desperation. The time has come to consider the long-range view of American economic progress.

The oil industry is prepared to do its part, and demonstrate its confidence in itself and in the future of the country, if it can but know clearly that its efforts are not to be checkmated by constant change, bureaucratic dictation, or usurpation of power.

Congress has an unparalleled opportunity to aid recovery by a frank recognition of separate fields of Federal and State responsibility under the Constitution.

Respectfully submitted by order of its board of directors.

AMERICAN PETROLEUM INSTITUTE,
AXTELL J. BYLES, President.

COMPARISON OF ECONOMIC CONDITIONS IN EUROPE AND THE UNITED STATES

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD a notable address by one of the leading publishers of my State, Mr. Frank E. Gannett, publisher of the Gannett newspapers, at a dinner given by the Committee for the Nation and a group of national farm organizations, at Washington, D. C., May 1, 1935, on a subject which I am sure will be of interest and value to the Senate and to the country.

I have complied with the rule of the Joint Committee on Printing by securing an estimate from the Public Printer as to the cost of its publication.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Only a few months ago I returned from an intensive and extensive study of conditions in Europe. It was my privilege while in Europe to talk with nearly all of the leading figures in government. I had interviews with practically every member of the British Cabinet; with officers of the Holland Government; with Schacht, Dieckhoff, and Hess, of the German Government; with several members of the executive committee of the Soviet Government; with Schuschnigg, of Austria; with Mussolini and several of his subordinates; with Flandin and Laval, of France.

In the countries that I visited I talked also with many business men, with bankers, with newspapermen, and with the able representatives of our own country in Europe and the well-trained members of their staffs.

I wish I could transmit to you my experiences, could picture to you what I saw, and could relay to you the things I heard. Most of my interviews were confidential, so I may not quote anyone on any subject discussed.

One cannot take such a trip without being impressed by the nature of the governments in these countries and with living conditions. What I saw was frightening, and my experience has given me great concern and caused me many sleepless nights. I am not an alarmist, not a pessimist; rather I am conservative and optimistic, but my experience abroad make a deep and lasting impression on me.

No one knows what nazi-ism means until he has been in Germany. No one knows what it means for a nation to be deprived of freedom of speech, freedom of the press, freedom of religious worship until he has seen the way dictators work. It is difficult to describe the atmosphere that prevails. Everyone is terrorized and in fear every minute of the day. Someone may listen in on your telephone conversations. Letters may be opened and spies follow you if there is the slightest suspicion about your movements.

Men came to my room in the hotel who did not dare speak until they had carefully surveyed the room, tried the doors, and put a pillow over the telephone for fear a carefully concealed microphone might betray what they might say, as has happened in many cases. Every German must hail Hitler and salute. No one dares whisper a word against the "leader" to anyone about whom he is not sure. Children even have been accused of betraying their parents on the question of loyalty to the government.

Germany is a nation of 65,000,000 people—a wonderful people. We in America know there are no better citizens, no people with finer characteristics, than the Germans. They have made a great contribution to modern civilization. The German people are not warlike. They want peace as much as we do. Their reactions are much like our reactions would be in the same situations. But what I have said in criticism applies not to the German people as a whole, but to Hitler and his group that now rule Germany.

I saw no smiles in Germany, but I saw everywhere despair, discouragement, worry, depression, and fear for the future.

I left Germany fully convinced that I would never want to live under nazi-ism or a dictator like Hitler.

Then on to Russia. And I should say in all honesty that in going to Russia from Germany I felt as if I were getting out of prison. I sensed a relief in the atmosphere. But Russia is not a country in which you or I would care to live under present conditions. The Russian Government is tyrannical, despotic, dictatorial. There, too, they have taken away freedom of speech, freedom of the press, freedom of thought. The Russian Government is ruthless in driving through its program which, I should add, I think ultimately will be successful.

Slowly but surely progress is being made toward improving the conditions of the Russian people. They have raised the hope that the Russians are to have more food, more shoes, more clothes, better homes, radios, automobiles—some day in the future.

But the condition of the Russian people still is pitiful. They are still in distress, and their standard of living remains miserably low, but they have hope and accept present conditions as at least somewhat better than under the Tsar.

But, with all the emphasis at my command, I want to say I would not care to live in Russia under sovietism.

In Italy I saw that Mussolini, with his charming personality and his forceful character, had accomplished much in the way of bettering conditions. During the first years of his dictatorship, Mussolini, in order to entrench himself, resorted to ruthless meas-

ures. He has been more lenient recently, but in Italy no one dares to oppose Il Duce or openly challenge his authority. And here again, freedom of speech and freedom of the press are abolished and the entire country is under the domination of one man—a dictator. No matter how much Mussolini may do in a material way to improve conditions by cleaning up cities, building playgrounds, bathing beaches, parks, and the like, I can't believe that anyone who has had a taste of democracy would care to live under such a regime.

So I came back to America convinced, as never before, that I don't want to live under nazi-ism, fascism, or communism. Life in these countries is not worth-while, and whatever may be said about a beneficent dictator, no American wants for one minute conditions that prevail under dictators.

I went to Europe primarily to look into the economic situation. I found England prosperous, and as you know, she is still prospering. Everyone seemed happy. Business was booming. The newspapers told of this factory and of that factory taking on more employees. Many new projects are being launched. The stock exchange was booming and speculation was approaching something like that prevailing in America in 1928 and 1929. Trade was improving, and there was evidence everywhere that England has recovered and is going forward.

It is true that Great Britain still has difficult problems in what are called the "depressed" areas—those districts surrounding the coal mines and the shipbuilding centers. In these fields recovery will be slow and even doubtful.

Ask intelligent English business men what brought about the recovery and invariably they will tell you that "going off gold" when they did and adopting a managed currency has been a great factor—probably the greatest factor—in bringing back prosperity.

I discussed monetary matters with many. In England the people seem to understand gold better than does the American business man. I found no one who thought England should return to the old gold standard for a long time, if ever. The managed paper pound is entirely satisfactory to a large percentage of British business men.

What I say about England of course applies to those countries which are closely tied to England and to the pound—the sterling area. Sweden, Norway, Denmark, as well as Australia, and other British colonies are marching along with London and enjoying recovery.

What did I find in the gold-bloc countries? I visited Holland, France, Switzerland, Italy, Germany, and Austria. What a contrast to conditions in England! Holland is still feeling the pinch of deflation. Her bankers insist that she cling to the gold policy of France and conditions continue, I am told, to get worse. Since I was there, Belgium has been forced to devalue the belga. The bankers in Holland said that Holland could stick for a long time on gold, but a walk up and down the streets of Amsterdam shows you that she is doing so at a frightful price.

In all the gold-bloc countries, business conditions are bad, and everywhere is that same evidence of depression, despair, discouragement that I saw in Germany. Look at France! For 2 nights, our party of four were the only people for dinner in the large dining room of the Ritz Hotel in Paris. The shopkeepers in Paris all complain, and all business men admit business conditions in France are bad; but for political reasons, France still clings to gold and again is paying a terrible price. In France, the fall of prices is still under way and will continue until there is devaluation of the franc.

In Italy, the financial situation is worse than is disclosed. You will remember that Mussolini in December called in all outside securities held by Italians. Gold in the Italian Treasury has been decreasing steadily, and sooner or later Italy must take some drastic steps to solve her financial problems. Business conditions in Italy, except as they have been stimulated by the Government, are bad. Price indexes will prove this.

In Switzerland conditions are the same as in the other gold-bloc countries. Business is almost at a standstill and depression is acute. There are no evidences of improvement or recovery.

My experience drove home to me most forcefully that the ills of Europe are due fundamentally to gold. Business conditions there were upset by the violent increase in the value of gold throughout the world. Gold became so valuable that it bought more of everything. In other words, one had to give more of everything for an ounce of gold. This brought a price collapse, and this price collapse which we experienced in America in 1929 likewise brought chaos to Europe. Conditions grew worse and worse, and this economic collapse is what brought revolution and a complete change in the governments of that part of the world.

During just the last few days we have had demonstrated to us what happened in Europe when the value of gold rose to unprecedented heights. We have been bidding for silver, and silver has risen in value with the result that China and Mexico, which are on a silver basis, are suffering terribly. When the monetary unit of value changes materially, an upset economic situation is inevitable, and the consequences can never be measured.

To sum it up, what I discovered was that the nazi-ism, the fascism, the communism which I saw actually in operation, and which so frightened me, really had come about through adversity, as a result of the upset of economic conditions in those countries. So I came back to America impressed by the fact that until we solve our economic problems, restore normal business conditions, and give everyone a chance to work for a living, until we make our economic conditions better, we shall not be safe from the revolutionary changes that have taken place in Europe.

Don't blame the soap-box orator or the long-haired radical or the Red agitator for bringing about these changes. These revolutions, these overthrowings of governments are made possible only by permitting conditions to develop so that the average man or woman becomes oppressed, disheartened, discouraged, and is driven to anything different that may afford a ray of hope. Democracy will never be safe anywhere unless it provides the opportunity for earning a decent living. The necessities of life must be available to all who want to work for them.

I don't pose as an economist or an authority on monetary matters. I am only a newspaper publisher, an ordinary business man who is studying our everyday problems just as you are studying them. To me it has been plain for a long time that these great booms and depressions, which have so upset the world and brought misery and death to millions, are due primarily to a fluctuation in our measure of value.

For some strange reason, people seem to have been ignorant, and many still are ignorant, of the fact that gold changes in value just as any other commodity changes in value, and that if we measure all values by gold we have a measuring stick that changes in length constantly.

Perhaps some fail to appreciate the full importance of prices. But, as a matter of fact, prices affect your life and my life profoundly. Of course, every business man knows the importance of price. When prices are out of line business stops. We can't have normal business until we have proper price adjustments.

During the price collapse which took place in this country from the fall of 1929 to the spring of 1933, we learned two lessons: (1) that prices fell unevenly, (2) that as soon as prices lose their normal relationship to one another, business is retarded, and if the maladjustment becomes sufficiently great business stops.

Beginning in 1929, prices did move far enough out of their normal relationship in this country so that by the fall of 1932 business here was practically at a standstill.

With such a condition existing only two possible courses of action in this country were open: (1) To force down debts, taxes, union wages, and all other prices which had not fallen to the level of those which had fallen, or (2) to bring back to their normal relationship with other prices those prices which had fallen.

We must remember that throughout the world we measure prices in gold. But we must also remember gold is a commodity, the value of which fluctuates with the supply and demand for it. For about 15 years prior to 1929, gold had a very low value and prices were high and in normal relationship. Business accordingly was good. In the meantime, the demand for gold had developed in Europe. It rose rapidly in value, and throughout the world prices measured in money based on gold began to collapse. Actually the prices of those things which were free to move fell very far and very rapidly until they were so far out of their normal relationship to debts and those prices which were held up by administrative control, that business could no longer go on.

Faced with this situation, the United States raised the price of gold. Prior to that, and since, 57 other countries have also raised the price of gold. Only Holland and Switzerland maintain their pre-war price for it. The response to raising the price of gold in every country has been more or less to restore the normal price relationship. By this I mean relationship between those prices which fell because they were free to move up as gold increased in value, and between debts and those prices which did not fall because they were administratively controlled. With the restoration of this price balance, every country which has raised the price of gold has made a start in improved business activity.

To illustrate what happened, between February 1929 and February 1933 the price of copper fell from 17.8 cents a pound to 4.8 cents a pound. From February 1933 to February 1935 it rose to 8.8 cents, or 83 percent. The performance of copper will be found to be duplicated by practically every commodity which had its price set in a free and open market.

Prices which did not fall as much as the price for copper have not risen from their low point as much as has the copper price, and other like prices, for the simple reason that they did not go down as far and therefore there is no reason why they should increase as much, even though the price of gold was raised.

This fact often confuses those who do not realize that changing the price of gold quickly affects only those prices which are subject to a minimum of administrative control.

For example, take the cost of living. This includes so many fixed charges that it changes slowly. The United States Bureau of Labor index of the cost of living in June 1929 was 170. It declined slowly and was 132 in December 1932. By last November, after it had had the opportunity to feel the effect of raising the price of gold, it had risen to only 139, an increase of 5 percent from the low point.

The simple fact that prices which are free to move are immediately affected by raising the price of gold unfortunately is often confused by other conditions. Take the price of cotton for example. From February 1929 to February 1932, cotton fell from 20.2 to 6.1 cents a pound, and by February 1935 had advanced to 12.6 cents a pound. Since a part of the cotton crop was restricted some erroneously believe that this factor alone was responsible for the improvement in the cotton. Yet the significant fact remains that the gold value of cotton throughout the world has increased less than 25 percent while the domestic price has more than doubled.

But I must hurry on to what is really the heart of what I want to say. And, indeed, it is not necessary to spend much time on what has been happening in this country. We are all too familiar

with it. What we are all interested in is the future. And I believe that what our future is to be will be greatly influenced by what we do with our monetary situation.

The price of gold has been raised to \$35 an ounce. The President has the right to raise it to \$41.34 an ounce. However, this delegation of authority by Congress terminates in less than 2 years. Let us carefully consider in the light of these facts the kind of money it is possible for us to have in the future.

1. We can return to a definite price for gold fixed by law. So long as we use this single commodity for money—gold—our money will change in value whenever that commodity changes in value. Such a single commodity money furnishes protection against wild inflation such as Germany had but permits such maladjustments in prices from time to time as we have experienced during the past 50 years. Do we want again to experience such a period of deflation or collapse in prices as we have just been through?

2. We can use both gold and silver as alternates, as we once did, or we can make a fused money of the two. This would be a two-commodity money.

3. We can, as some propose, use 10 commodities for money. For example, the dollar might be composed of a pound of cotton, plus a pound of lard, plus a pound of copper, plus 6 pounds of wheat, plus 1 or 2 grains of gold, plus 50 grains of silver, etc. The value of such a money would be the average value of the given amounts of the groups of commodities used. It would be reasonable to expect that debts, life-insurance policies, etc., if paid in money of this kind, would have values that could be depended upon by both creditor and debtor.

4. In place of 1, 2, or 10 commodities, we can use as a measure of value an index of 50 or more of the most important basic commodities upon which our industrial life depends. We can then change the price of gold in order to keep the index number of such commodities reasonably stable.

Should we adopt such a monetary system—that is, a multiple-commodity dollar in place of a single-commodity dollar which we now have—I feel sure we would all prefer the changes be made by law rather than by administrative act. It would be desirable to design a system that will work automatically. The nearer such a system can be prescribed by law, the more likely it is to operate equitably.

To repeat, such a system automatically and by law would give us a dollar determined by the average value of, say, 50 basic commodities, and it would provide us with the best possible safeguard against inflation.

At present the gold on which our dollar is based is worth too much. Even with our devaluation of the dollar to date those prices which are free to follow the value of money are too much out of line with other prices for normal business activity. This situation may change in time. Gold may conceivably decline in value. If it does, prices will come back to their normal relationship, or might rise too high—then we would have too much of a business boom.

Therefore to prevent both the deflation which we have experienced and the inflation which will probably occur if gold should lose much of its value, we should seriously consider establishing by law a monetary authority which will give us both a sound and a stable currency.

I do not hesitate to say that, in my opinion, nothing is more important in our country today than the setting up of a monetary system that will function, that will restore confidence to business, rebalance prices, and prevent violent and disastrous price changes in the future. It is not as difficult or confusing as some think.

The farmers of the Nation understand gold and its effects on the prices of their commodities and on their lives. But some persons have their minds closed to facts, and blindly and vaguely talk about sound money and an honest dollar without knowing that our dollar of the past has been both unsound and dishonest because it has been a varying measure of value. It has been as if our yardstick were 36 inches today and tomorrow 24 inches.

America physically is not much different today from what it was when we were prospering in 1929. What has happened is that we have had a great collapse in prices and have suffered disastrous consequences. Restore prices that have fallen, stabilize the purchasing power of the dollar—not the price of gold—and commerce will resume its normal flow.

It is true we seem to be experiencing a slow cyclical recovery which ultimately comes when things wear out or get out of date. We have always experienced improvement after depressions, but it is a question whether we can stand the strain of the present situation long enough to wait for the completion of this slow-moving recovery.

Since 1929, each year 4,000,000 youths have come of age. Most of these have never had a job. We must give serious thought to their future and their attitude toward government and our economic system. We must see to it that these young men have a chance, and that normal employment is resumed, not by any artificial stimulation or radical methods, but by getting at the very root of all our troubles; by readjusting prices and reducing our debts so that the dollar we owe will be of the same value as the dollar we borrowed.

I like to dream of the great America that we shall have if we only use our intelligence in solving this basic problem and exercise wisely the liberties and privileges that our sacrificing forefathers passed down to us.

We are a nation great in population, incomparably rich in resources, highly efficient and unequalled in inventiveness. We lead

the world in many lines of production; we have a high standard of living and the benefits of a marvelous educational system. We have enormous wealth, amazing adaptability, and great resourcefulness. Our fertile lands and variety of climate will produce almost everything man needs, while our great industries can fabricate everything manufactured anywhere on earth.

America is one of the most fortunate nations in all the world today. And yet in the midst of great abundance, in the midst of plenty of everything, we have millions on our relief rolls and nearly 12,000,000 unemployed.

It is all wrong, all dead wrong! What an indictment of our intelligence! What an indictment of our management! What stupidity! How shameful!

But I have unwavering faith in the America of tomorrow. We are going to solve our problems. We are going to correct those weaknesses in our system that bring about such unpardonable conditions. We have the brains to do it; all we need to do is to use them.

I can see in the not distant future a triumph of good old American common sense over our difficult problems. I can see the establishment of a monetary system that will make easier an exchange of goods, that will stimulate the flow of commerce, that will create business. I can see our factories going full blast, providing work for all, our farmers getting good prices for all the crops they can grow. I can see more millions enjoying automobiles, radios, and telephones, living in better houses, having their necessities filled, with more time for culture, education, music, recreation, leisure, travel, study, prosperity, and happiness.

All this is possible in this country of abundance, resources, wealth, without resorting to radical revolutionary measures. Indeed, a program that will bring this about is the only real safeguard for our institutions, the only thing that will save democracy. Let present conditions continue long and we, too, will succumb to a dictator, with all the frightful consequences that follow the overthrow of democracy.

God grant that we may see the light and follow the path of wisdom, for if America, too, fails, then freedom and liberty, free speech, freedom of thought, freedom of worship, all perish, and darkness comes over the earth.

REPORTS OF COMMITTEES

Mr. SHIPSTEAD, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2313) to amend the Agricultural Adjustment Act, as amended, with respect to farm prices, reported it without amendment and submitted a report (No. 590) thereon.

Mr. COPELAND, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1874. A bill to provide for the coinage of medals to be presented to Senator A. Harry Moore, certain officers of the New Jersey National Guard, Capt. John Bogan, Sr., and the members of the crew of the fishing boat *Paramount* (Rept. No. 591);

H. R. 65. A bill to provide for the establishment of a Coast Guard station on the coast of Virginia, at or near the north end of Hog Island, Northampton County (Rept. No. 592);

H. R. 2015. A bill for a Coast Guard station at the eastern entrance to Cape Cod Canal, Mass. (Rept. No. 593);

H. R. 3975. A bill to provide for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach (Rept. No. 594); and

H. R. 5444. A bill to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes (Rept. No. 595).

Mr. COPELAND also, from the Committee on Commerce, to which was referred the bill (H. R. 7205) to amend the Ship Mortgage Act, 1920, otherwise known as "section 30" of the Merchant Marine Act, 1920, approved June 5, 1920, to allow the benefits of said act to be enjoyed by owners of certain vessels of the United States of less than 200 gross tons, reported it with an amendment and submitted a report (No. 596) thereon.

Mr. DONAHEY, from the Committee on Commerce, to which was referred the bill (H. R. 7131) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes, reported it with amendments and submitted a report (No. 597) thereon.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LEWIS:

A bill (S. 2777) for the relief of Mildred Moore; to the Committee on Claims.

By Mr. WHEELER:

A bill (S. 2778) to provide for the enforcement of the penal laws of the State of Montana on the Indian reservations in said State; to the Committee on Indian Affairs.

By Mr. HAYDEN:

A bill (S. 2779) to authorize the conveyance of certain lands in Nome, Alaska; to the Committee on Territories and Insular Affairs.

By Mr. CONNALLY:

A bill (S. 2780) to repeal the limitation on the sale price of the Federal Building at Main and Ervay Streets, Dallas, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. WAGNER:

A joint resolution (S. J. Res. 122) granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission; to the Committee on Commerce.

By Mr. TYDINGS:

A joint resolution (S. J. Res. 123) to provide for a balanced Budget; to the Committee on Appropriations.

ADDITIONAL COPIES OF HEARINGS ON ECONOMIC-SECURITY BILL

Mr. HARRISON submitted the following concurrent resolution (S. Con. Res. 14), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Finance of the Senate be, and is hereby, empowered to have printed 1,000 additional copies of the hearings held before the committee during the current session on the bill S. 1130, the Economic Security Act.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. TYDINGS submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was ordered to be printed, and, with the accompanying paper, referred to the Committee on Commerce.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT

Mr. COPELAND submitted an amendment intended to be proposed by him to the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, which was ordered to lie on the table and to be printed.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 7th instant that committee presented to the President of the United States the following enrolled bills:

S. 147. An act to alter the amount apportioned to certain States for public-employment offices affiliated with the United States Employment Service;

S. 613. An act to add certain public-domain land in Montana to the Rocky Boy Indian Reservation;

S. 707. An act to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin American Republics in military and naval matters"; and

S. 2145. An act extending the time for repayment of the revolving fund for the benefit of the Crow Indians.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the following bills and joint resolution of the Senate:

S. 51. An act for the relief of Frank Kroegel, alias Francis Kroegel;

S. 553. An act to authorize the settlement of individual claims for personal property lost or damaged, arising out of

the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War;

S. 559. An act to authorize settlement, allowance, and payment of certain claims;

S. 728. An act for the relief of Elton Firth;

S. 896. An act for the relief of Anna W. Ayer, widow of Capt. Asa G. Ayer, deceased;

S. 1037. An act authorizing adjustment of the claims of Sanford A. McAlister and Eliza L. McAlister;

S. 1039. An act authorizing adjustment of the claim of the West India Oil Co.;

S. 1053. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.;

S. 1055. An act authorizing adjustment of the claim of Frank Spector;

S. 1056. An act authorizing adjustment of the claim of Schutte & Koerting Co.;

S. 1057. An act authorizing adjustment of the claim of the Pennsylvania Railroad Co.;

S. 1302. An act for the relief of certain disbursing officers of the Army, and for other purposes;

S. 1414. An act for the relief of the rightful heir of Joseph Gayton;

S. 1502. An act for the relief of Charles L. Graves;

S. 2024. An act to give proper recognition to the distinguished services of Col. William L. Keller; and

S. J. Res. 94. Joint resolution establishing a commission for the participation of the United States in the observance of the three hundredth anniversary of the founding of the Colony of Connecticut, authorizing an appropriation to be utilized in connection with such observance, and for other purposes.

The message also announced that the House had passed the bill (S. 563) for the relief of the Jay Street Terminal, New York, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 282) for the relief of William Kemper, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 298. An act for the relief of Jack Page;

H. R. 420. An act for the relief of Bruno Tarzio;

H. R. 604. An act for the relief of Thomas Stokes;

H. R. 1315. An act for the relief of Thomas J. Gould;

H. R. 1368. An act for the relief of Virden Thompson;

H. R. 1703. An act for the relief of Cletus F. Hoban;

H. R. 1864. An act for the relief of Henry Dinucci;

H. R. 1963. An act for the relief of Edgar H. Taber;

H. R. 2122. An act for the relief of William Seader;

H. R. 2125. An act for the relief of George William Henning;

H. R. 2186. An act for the relief of John Kelley;

H. R. 2466. An act for the relief of John E. Click;

H. R. 2553. An act for the relief of Eva S. Brown;

H. R. 2566. An act for the relief of Percy C. Wright;

H. R. 2987. An act for the relief of E. W. Tarrence;

H. R. 3073. An act for the relief of William E. Smith;

H. R. 3337. An act for the relief of James Akeroyd & Co.;

H. R. 4029. An act for the relief of Thomas Enchoff;

H. R. 4031. An act for the relief of Stanley T. Gross;

H. R. 4034. An act for the relief of Charles Szymanski;

H. R. 4036. An act for the relief of Ralph C. Irwin;

H. R. 4105. An act for the relief of Julian C. Dorr;

H. R. 4146. An act for the relief of Mrs. Olin H. Reed;

H. R. 4210. An act for the relief of Anthony Nowakowski;

H. R. 4290. An act for the relief of Harriet V. Schindler;

H. R. 4610. An act for the relief of John J. Moran;

H. R. 4630. An act for the relief of William A. Ray;

H. R. 4699. An act for the relief of Estelle M. Gardiner;

H. R. 4718. An act for the relief of Yamato Sesoko;

H. R. 4798. An act to authorize the settlement of individual claims of military personnel for damages to and loss of

private property incident to the training, practice, operation, or maintenance of the Army;

H. R. 4805. An act authorizing adjustment of the claim of the Adelpia Bank & Trust Co. of Philadelphia;

H. R. 4808. An act for the relief of the Richmond, Fredericksburg & Potomac Railroad Co.;

H. R. 4811. An act for the relief of George W. Miller;

H. R. 4812. An act for the relief of Mrs. Carlisle Von Thomas, Sr.;

H. R. 4814. An act for the relief of Lt. Col. Russell B. Putnam, United States Marine Corps;

H. R. 4815. An act for the relief of Jasper Daleo;

H. R. 4817. An act for the relief of Matthew E. Hanna;

H. R. 4831. An act for the relief of L. E. Geary;

H. R. 4833. An act for the relief of Ciriaco Hernandez and others;

H. R. 4838. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

H. R. 4844. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed by fire at the Naval Radio Station, Eureka, Calif., on January 17, 1930;

H. R. 4845. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed by fire at the Naval Training Station, Hampton Roads, Va., on February 21, 1927; and

H. R. 5564. An act for the relief of Capt. Russell Willson, United States Navy.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 530. An act granting compensation to the estate of Thomas Peraglia, deceased; and

H. R. 3105. An act for the relief of Samuel Kaufman.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 20) authorizing the Committee on Banking and Currency of the House of Representatives to have printed for its use additional copies of the hearings on the Banking Act of 1935, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the President pro tempore:

H. R. 530. An act granting compensation to the estate of Thomas Peraglia, deceased;

H. R. 3105. An act for the relief of Samuel Kaufman;

H. R. 4442. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes;

H. J. Res. 272. Joint resolution to enable the Commissioners of the District of Columbia to defray certain expenses incident to the convention of the Imperial Council of the Mystic Shrine, June 8 to June 17, 1935, both inclusive;

H. J. Res. 273. Joint resolution extending the gratitude of the Nation to Admiral Byrd and to the members of his expedition; and

H. J. Res. 274. Joint resolution authorizing the appointment of a special joint committee to meet with other representatives of the Government in greeting Rear Admiral Richard E. Byrd upon his return from his second Antarctic expedition.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 420. An act for the relief of Bruno Tarzio;

H. R. 1315. An act for the relief of Thomas J. Gould;

H. R. 1703. An act for the relief of Cletus F. Hoban;

H. R. 1864. An act for the relief of Henry Dinucci;

H. R. 2122. An act for the relief of William Seader;

H. R. 2125. An act for the relief of George William Henning;

H. R. 2186. An act for the relief of John Kelley;

H. R. 2466. An act for the relief of John E. Click;

H. R. 2553. An act for the relief of Eva S. Brown;

H. R. 2987. An act for the relief of E. W. Tarrence;

H. R. 3073. An act for the relief of William E. Smith;

H. R. 3337. An act for the relief of James Akeroyd & Co.;

H. R. 4029. An act for the relief of Thomas Enchoff;

H. R. 4031. An act for the relief of Stanley T. Gross;

H. R. 4034. An act for the relief of Charles Szymanski;

H. R. 4105. An act for the relief of Julian C. Dorr;

H. R. 4146. An act for the relief of Mrs. Olin H. Reed;

H. R. 4210. An act for the relief of Anthony Nowakowski;

H. R. 4290. An act for the relief of Harriet V. Schindler;

H. R. 4610. An act for the relief of John J. Moran;

H. R. 4630. An act for the relief of William A. Ray;

H. R. 4699. An act for the relief of Estelle M. Gardiner;

H. R. 4718. An act for the relief of Yamato Sesoko;

H. R. 4798. An act to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army;

H. R. 4805. An act authorizing adjustment of the claim of the Adelpia Bank & Trust Co. of Philadelphia;

H. R. 4808. An act for the relief of the Richmond, Fredericksburg & Potomac Railroad Co.;

H. R. 4811. An act for the relief of George W. Miller;

H. R. 4812. An act for the relief of Mrs. Carlisle Von Thomas, Sr.;

H. R. 4814. An act for the relief of Lt. Col. Russell B. Putnam, United States Marine Corps;

H. R. 4815. An act for the relief of Jasper Daleo;

H. R. 4817. An act for the relief of Matthew E. Hanna;

H. R. 4831. An act for the relief of L. E. Geary;

H. R. 4833. An act for the relief of Ciriaco Hernandez and others;

H. R. 4838. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

H. R. 4844. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed by fire at the Naval Radio Station, Eureka, Calif., on January 17, 1930; and

H. R. 4845. An act to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects lost, damaged, or destroyed by fire at the Naval Training Station, Hampton Roads, Va., on February 21, 1927; to the Committee on Claims.

H. R. 298. An act for the relief of Jack Page;

H. R. 604. An act for the relief of Thomas Stokes;

H. R. 1368. An act for the relief of Virden Thompson;

H. R. 1963. An act for the relief of Edgar H. Taber; and

H. R. 2566. An act for the relief of Percy C. Wright; to the Committee on Military Affairs.

H. R. 5564. An act for the relief of Capt. Russell Willson, United States Navy; to the Committee on Naval Affairs.

H. R. 4036. An act for the relief of Ralph C. Irwin; to the Committee on Post Offices and Post Roads.

RECEPTION FOR REAR ADMIRAL RICHARD E. BYRD

The VICE PRESIDENT. The Chair appoints the Senator from Virginia [Mr. GLASS], the Senator from Nevada [Mr. PITTMAN], the Senator from Massachusetts [Mr. WALSH], the Senator from Maine [Mr. HALE], and the Senator from Rhode Island [Mr. METCALF] as the members on the part of the Senate of the special joint committee to greet Rear Admiral Byrd upon his arrival at the Navy Yard on May 10, 1935, as authorized by House Joint Resolution 274, approved today.

INTERNATIONAL TRADE RELATIONS OF THE UNITED STATES

Mr. VANDENBERG. Mr. President, I desire to submit to the Senate this morning some observations respecting the desperately important problem of the international-trade

relations of the United States as affected by contemporary governmental policies.

I wish to call attention at the outset to the letter addressed to the President of the United States and published under date of April 30, 1935, by Mr. George N. Peek, special adviser to the President on foreign trade. Mr. Peek submits certain statistical information to the Executive, and he concludes his document with the following two recommendations:

First, the inauguration of a detailed study of our direct investments abroad and foreigners' direct investments in the United States to supplement studies now in progress of capital movements.

Second—

And I emphasize this recommendation made by the President's special foreign-trade adviser—

Second, a review of all national policies based in whole or in part upon our international creditor status.

Mr. President, I desire cordially to join in Mr. Peek's second recommendation. This indicates no lack of interest in the first, but it seems to me that the second recommendation is of utterly emphatic importance to the United States at the present time.

It seems to me that a review of all our national policies respecting trade is vitally needed because we are trying to go in two opposite directions simultaneously. It never has worked and it never will. We are trying to go in two opposite directions simultaneously, for example, when Mr. Peek, the President's special foreign-trade adviser, is insisting that we can achieve no foreign-trade advantage except by direct barter treaties, whereas the President's Department of State and the Department of Agriculture are proceeding on the diametrically opposite theory that we can achieve a recapture of foreign trade by multilateral so-called "tariff bargains" under the most-favored-nation treaties. These are incompatible objectives.

We are trying to go in two opposite directions simultaneously, furthermore, when we build up our domestic production costs and build them up artificially, and yet deliberately tear down the tariff protection behind which those costs must be reared.

Thirdly, we are trying to go in two opposite directions simultaneously when we artificially build up domestic prices, making foreign sales almost impossible at those domestic levels, and simultaneously pretend to assure our people that their prosperity lies in foreign sales in foreign lands, when it does not lie there at all but continues to lie in a prosperous United States at home.

Mr. LONG. Mr. President—

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Does the Senator from Michigan yield to the Senator from Louisiana?

Mr. VANDENBERG. I yield.

Mr. LONG. What I understand the Senator to say is that we have done a number of things to raise the prices of domestic products, such as imposing processing taxes and many other things, and at the same time we are trying to reduce tariffs on foreign goods coming into the United States.

Mr. VANDENBERG. Yes; and I am going to demonstrate to the Senate the disadvantageous net result of the thing up to date, not in theory but in fact.

Mr. President, there is one other basis for these observations which I want to bring to the attention of the Senate. The Senate passed Senate Resolution 111 on the calendar day of March 29, 1935, at my instance. It called upon the administrative departments of the Government for authentic reports upon agricultural imports in general and respecting wheat and cotton imports, and production at home and abroad in particular. Secretary of the Treasury Morgenthau, Secretary of Commerce Roper, and Foreign Trade Advisor Peek have now responded in effective detail. I want to express my appreciation for the scrupulous attention which they gave to the request of the Senate for this information. I want to advise the Senate that the Peek report is now available as Senate Document No. 46, that the Roper report is now available as Senate Document No. 54, and that the Morgenthau report will be printed immediately and will be similarly available.

All this information is of vital consequence to the Senate and the country in a study of our complex and desperately important economic problems. It bears strongly upon the wisdom, or the lack of wisdom, in the reciprocal-tariff bargains which the Secretary of State already has concluded with Cuba, Brazil, Haiti, and Belgium, and which he officially announced on April 30 he is now negotiating with France. He also announced that a total of 18 such foreign agreements have been initiated.

I desire to submit some conclusions which it seems to me flow logically from this information submitted to us in response to Senate Resolution 111 and from other related sources, including previously reported international balance sheets heretofore created by Mr. Peek and given entirely too little previous attention.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Illinois?

Mr. VANDENBERG. I yield.

Mr. LEWIS. The able Senator from Michigan has recalled to the Senate that the request for information had been responded to quite freely and from his point of view in an admirable manner. I invite attention to the fact that the Senator from Maine [Mr. WHITE] in the presence of the Senator from Michigan a day or two ago made a complaint here in the Senate in which it was insisted that in seeking similar information either the Department of State did not have it to give or was refusing to give it. I cannot permit the suggestion of an intentional discourtesy by our State Department officials. Will the Senator say whether he is met with any such claimed discourtesy and whether he deems such omission as charged was intentional or accidental?

Mr. VANDENBERG. I think the situation confronted by the Senator from Maine and the situation confronted by me were two totally different situations. I have never found the State Department unwilling to give the Senate any information available to them for release. The situation which the Senator from Maine confronted and which I suspect the Senator from Illinois would confront under like circumstances is that the Senator from Maine was asking for information respecting a prospective trade bargain which was in process of negotiation. The Department is not only unable to give that information, but it is my impression that under the implications of the action of Congress, inherent in the reciprocal-tariff law itself, it is not permitted to give the information.

Consequently I think the situation confronted by the Senator from Maine was simply the situation which confronts any American businessman, for example, when he wants to know whether or not the State Department is contemplating a negotiation which affects his economic welfare. He cannot find out until the final announcement of the accomplished fact by the Department, and that necessity is inherent in the operation of the law itself, as I recall. This would imply no lack of courtesy in the State Department. On the contrary, I testify that the State Department always responds to me with prompt, effective, and courteous reply whenever I ask for information. It would not otherwise reflect the character of the able, distinguished, and wholly conscientious gentleman who presides at its head.

Mr. LEWIS. Does the able Senator assume that one who would ask the State Department if they were contemplating some arrangement with another country and suggesting a complete response on what subject was contemplated and in what manner it would be executed, could be served that information merely because somebody might be contemplating asking for something with some nation somewhere sometime? In what way could the mere contemplation be defined, and with any result detailed? What has my able friend to say in response to this situation?

Mr. VANDENBERG. I am not clear that I follow the Senator's inquiry, but if I do, my response is this: Let me personify. The Senator from Maine was interested in knowing whether or not, in the negotiations for a reciprocal-trade treaty with Canada, it was contemplated that any reduction would be made in the American tariff upon potatoes.

The State Department is not only unable but, in my judgment, it is not permitted, under the implications of the law which was enacted by Congress, to state whether or not it is dealing with the potato tariff in its Canadian negotiations, and there can be no effective notification either to Congress or the country—and this is one of the vices of the arrangement—until the treaty is concluded and it is announced as an accomplished fact, and there is no further opportunity for review.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. VANDENBERG. I yield.

Mr. BORAH. I am very much interested in what the Senator has said as to the terms of the law inhibiting information. I think it is exceedingly important, if true. I do not so understand.

Mr. VANDENBERG. Let me restate it. There may be no affirmative pronouncement in the law, but I distinctly recall that we tried to write into the bill on the floor of the Senate language which would provide effective notice to those agricultural or industrial commodities which were about to be victimized by one of these so-called "treaties," and the Senate declined to permit the language to be written into the bill. I conclude from that situation that the State Department might find support for a refusal to give effective notice in situations such as the Senator from Maine confronted, but I wholly dissent from the justification for the situation, and certainly it is the last word in unfair disadvantage perpetrated upon American commerce.

Mr. BORAH. Mr. President—

Mr. VANDENBERG. I yield further to the Senator from Idaho.

Mr. BORAH. Mr. President, without lodging any complaint against the State Department, I understand it to be the practice of the State Department that during these negotiations no information is given out as to just what subjects are being covered.

Mr. VANDENBERG. I think that is entirely correct.

Mr. BORAH. It may be the part of wisdom not to give out the information, but I do not believe it is inhibited by the law. The law leaves the matter entirely to the discretion of the President or Secretary of State. He may deem it unwise, in view of the fact that he is negotiating with a foreign power, to give out the information; but it is wholly a question of policy, and not, in my judgment, an inhibition of the law.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Arkansas.

Mr. ROBINSON. The Senator probably will recall section 4 of the act approved June 12, 1934, commonly called the "Reciprocal Tariff Agreement Act", in which the following language is found:

Before any foreign-trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of this act, reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, under such rules and regulations as the President may prescribe; and before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce and from such other sources as he may deem appropriate.

That is one of the provisions of the act, and it seems to contemplate an opportunity for persons to present their views to the President before any treaty or agreement is concluded. It does not, of course, require the State Department to publish its processes of negotiation. If it did so, that would interfere with the accomplishment of the purpose which might be in mind; but, according to my interpretation of the act, before an agreement is concluded under the act opportunity is afforded persons who believe themselves to be interested in the proposed agreement to present their views.

Mr. VANDENBERG. Yes, Mr. President; in general terms I think the Senator has stated the formula, and of course he has read from the law accurately.

Mr. ROBINSON. Will the Senator yield further?

Mr. VANDENBERG. I yield.

Mr. ROBINSON. The Senator would not advocate requiring separate notice to be given to all those interested in the production or distribution of commodities of the intention to negotiate concerning arrangements which might concern those commodities. The Senator would not go that far?

Mr. VANDENBERG. This would be my viewpoint of the matter, Mr. President: Let us again personify the problem, because it is more easily understood when personified.

I saw this morning an announcement made by the State Department respecting its purpose to negotiate a reciprocal treaty with France. It is a general statement of a purpose to negotiate a treaty with France. Attached to it is a complete statement of all the exports and imports that have passed between France and the United States for a given period. There is a general invitation to any interested person to file his views respecting this contemplated so-called "tariff bargain." I call the attention of the Senator from Arkansas to the fact that if I am a manufacturer, let us say, of automobiles, and I find automobiles on this general list which is attached to the notice, I can assume that my commodity falls within the jurisdiction of these negotiations. Acting upon that general notice, I can submit to the proper authorities any briefs or any arguments I see fit respecting the reciprocal dealings in motor cars with France; but there never comes a time when I am advised respecting any change in my particular status. I have chosen a very inapt example, because there is no tariff on motor cars; but, whatever the commodity, there never comes a time before the actual promulgation of the treaty when I know whether or not any change has been made in my economic status in respect to my protection. I never have any real day in court, as it were.

It seems to me that in sheer elementary, national self-defense, and in basic acknowledgement of the rights of our citizens, somewhere in the process, if I am to be traded out of my protection, I ought to have a specific chance—it need not be a public chance; it may be a private chance; it may be in executive session—it seems to me somewhere in this negotiation I should have an opportunity to confront the specific thing that the Department contemplates doing in my connection, so that perhaps I can rebut the thing that is contemplated, and demonstrate its suicidal tendency; and, if the Senator will bear with me, in a few moments I shall demonstrate precisely how already this failure to permit the presentation of the concrete case has literally threatened to destroy one American industry within the week.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. ROBINSON. The Senator realizes, I assume, that the proposition which he is now advancing was involved in the question as to whether the reciprocal-trade agreements should be submitted to the Senate for ratification.

Mr. VANDENBERG. Yes; I discussed that matter a little while ago.

Mr. ROBINSON. The conclusion on the part of the Senate was that should not be done, because it would occasion such delay as to make impossible the negotiation of agreements within time to conserve the trade interests of the United States.

Under the arrangement which the Senator says prevails, opportunity is afforded in every case to those interested in a given commodity to present their views as to whether, for instance, there should be a change in existing rates, a reduction or an increase. Of course it is probably true that an individual is not served with notice that it is proposed to reduce or raise the tariff on the commodity in which he may be interested, but he is given notice of the fact that such commodity is involved in the negotiation; and the argument comes back to the question as to whether every

reciprocal-trade agreement should be submitted to the Senate, and its ratification consented to.

Mr. VANDENBERG. Yes, Mr. President. Nevertheless, I persist in my feeling that inasmuch as tariff protection is irrevocably vital to many American industries and to much of American agriculture, it is a dangerous as well as a despotic and tyrannical thing to lodge in any department of the Government the power and the authority to strike down that protection without a full, fair day in court, when the striking down of the protection may be the striking down of the industry or the agricultural commodity itself. Furthermore, I remind the Senator that in many instances these reciprocal agreements, so far as the other party to the agreement is concerned, have to be submitted to legislative authority in some other country before they become effective. We are the ones who have declined to continue this basic democracy of protection in respect to our economic welfare.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. ROBINSON. Of course the Senator realizes that our principal competitors in foreign commerce have simple and prompt means of entering into agreements like the reciprocal-trade agreements which are contemplated by the act under discussion.

Mr. VANDENBERG. That is true in some instances, and in other instances legislative consent is necessary.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. VANDENBERG. Just a moment. The last thing I contemplated this morning, Mr. President, was to detour into a discussion of the administrative functions of this proposition, because the thing I wish to lay at the bar of the Senate today is the proof of what is happening to us in our trade, so that we can at least face the consequences with our eyes open.

I yield to the Senator from Louisiana.

Mr. LONG. I am disappointed that the Senator does not make his complaint more with regard to the Department being allowed to change the tariff, because, after all, if we are going to give the bureaucrats the right to wipe out these businesses, as they have been given that right, and strip Congress of this power, the absurd abuses are going to continue.

Mr. VANDENBERG. I entirely agree with the Senator.

Mr. ROBINSON. Mr. President, I may say in reply to what the Senator from Louisiana has just said that I do not think any arbitrary practice in the matter is being pursued, nor do I think it is contemplated. The separate agreements, as they are advanced, receive very painstaking consideration.

Mr. LONG. Mr. President—

Mr. VANDENBERG. Mr. President, let me say that from my point of view they are inherently bound to be arbitrary, and are bound to continue to be arbitrary so long as the power of decision rests with appointed officers of the Government, who are not responsible to the American people by direct mandate.

I yield to the Senator from Louisiana.

Mr. LONG. In reply to my friend from Arkansas, I understand that we imported about as much meat as we paid our people to kill.

Mr. VANDENBERG. I am coming to that, Mr. President. That is one of the facts which I wish to lay before the attention of the Senate this morning; and the contemplation quite transcends the administrative argument, if the Senator will permit me to say so.

Mr. STEIWER. Mr. President, will the Senator yield to me?

Mr. VANDENBERG. I yield to the Senator from Oregon.

Mr. STEIWER. In support of what the Senator is saying with reference to the arbitrary administration of the law, I think I can agree with the Senator from Arkansas [Mr. ROBINSON] that painstaking effort is made by the State Department. I am not, therefore, persuaded that the administration is arbitrary in the sense of deliberate desire to act capriciously; but the fact remains that Congress dele-

gated this power to the President and to the executive department without any rule of conduct, without any provision that the duties arrived at should represent the difference between the cost of production abroad and at home, as was the law under the flexible-tariff provision; and that, because there is no rule, and because the State Department is permitted to make agreements based upon ipse dixit and upon some economist's idea concerning trade advantage, in very necessity every process is arbitrary.

It never will be otherwise so long as this law is continued in force. So, the Senator from Michigan is, in my judgment, completely justified in saying that this procedure is arbitrary. It inevitably must be; it cannot be otherwise.

Mr. VANDENBERG. Mr. President, I concur in the analysis contributed by my able friend the Senator from Oregon.

Let me now get to the kernel of the information I desire to bring to the attention of the Senate, and let me ask the Senate to consider whether this information does not support the following conclusions; and I am stating the conclusions first so that my colleagues can determine for themselves whether the evidence fits into the conclusions, and sustains them.

First. That American agriculture is threatened with the loss of its effective control of its own domestic American market because of foreign agricultural imports which are coming in in greater degree than ever before in the history of the United States, and which must be met by increased tariff protection if American agriculture is to save its domestic market.

Second. That the same jeopardy threatens American industry and American labor, not only in harassed textiles, to which the country is giving wide-spread attention, but also in other exposed commodities.

Third. That this menace is emphasized and increased by the so-called "tariff bargains" which are being negotiated by the State Department in sympathy with free-trade ideas of its distinguished, and, I may say, lovable, Secretary.

Fourth. That the reliance upon the restoration of export trade for the restoration of domestic prosperity is a fallacious conception, because most of this trade is permanently lost to us, in favor of foreign countries, which are rapidly and successfully striving toward their own self-containment.

I intend to submit the proofs, I advise my colleagues, to sustain this conclusion, if I can.

Fifth. That we must develop our own relative self-containment, whether we like it or not; that we must build our policies with constant, paramount concern for the restoration of our own domestic market, which contributes 93 percent of our normal prosperity; and that American agriculture can be saved only by going to a two-price system instead of relying upon a one-price system, which becomes a world-price system whenever we have a surplus.

I ask whether the available evidence which I shall now submit does not trend toward these conclusions. If so, the present administration's policies sharply and dangerously err. The errors are errors of commission where adequate tariff protection is withdrawn and errors of omission where adequate tariffs are not supplied.

Mr. President, one further preliminary word to indicate that this is no one-man contemplation which I am submitting to the Senate. I have already read from the report of George N. Peek, the official foreign-trade adviser to the President, who has indicated himself to be squarely in dissent with much that is going on. I now wish to read just a brief paragraph which recently appeared in the Washington Star, under the column edited by Mr. Paul Mallon, who usually speaks with considerable authority and who suggests that there are some contemporary White House doubts upon the subject. I quote Mr. Mallon:

Five big cotton men went to the White House about 10 days ago to protest to Mr. Roosevelt against the farm-control program. They stressed particularly the big decline in cotton exports and possibly permanent loss of our foreign markets because other nations are planting more cotton. They argued that the cotton industry was facing permanent difficulty because 60 percent of its production has been exported in the past.

Mark this—

The President is said to have left them with the idea that foreign trade was a thing of the past. Whether rightly or wrongly, they got the view that the President believed the United States would eventually have to reconcile itself to the prospect of living largely within itself.

Most foreign-trade experts have come to that view, although they do not dare say so openly.

In whatever degree this may be true, Mr. President, the hour is here to face the facts, and it is the facts, now made officially available in response to a Senate resolution, to which I am undertaking this morning, in a very humble fashion, to direct the attention of my colleagues.

First, just a brief snapshot of the Cuban so-called "tariff bargain", and the net result of it to the United States. I am speaking of the boasted fruits of the recent reciprocal tariff with Cuba. They are the kind of fruit which turn to ashes on the lips, and they have turned already, at least in part.

I do not speak merely of the tender solicitude which the administration has exhibited for Cuban sugar, largely owned in our own Wall Street. That of itself is a sad commentary upon our common sense, as I see it; and I say this with the greatest respect for the able and conscientious and earnest gentlemen who preside in both the State Department and the Department of Agriculture.

We deliberately limit domestic sugar production, and thus deliberately demonetize American agriculture in a commodity which is not on a domestic-surplus basis. We raise but 25 percent of our own sugar consumption, and instead of encouraging the American farmer to produce more we deliberately put him in a strait-jacket and order him to produce less.

Then we reduce the tariff on Cuban sugar, although the President said in his preelection campaign that to reduce the protection upon any agricultural commodity would be ridiculous. So the Cuban sugar flows in, and Cuba rejoices.

Then, under the tariff bargain theory, some other Americans are supposed to get the benefit of these favors which are extended to another country at the expense of our own farmers. That is the theory. Let us see what has happened.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. FRAZIER. It is reported that the Secretary of State in a recent public speech made the statement, in substance, that it was not the policy to increase imports of any product that would come in direct competition with our home products. Has the Senator any information in regard to that?

Mr. VANDENBERG. I shall show the Senator in a very few moments precisely what a broken reed that is to lean upon. Let us see about this Cuban tariff bargain.

Mr. LEWIS. Mr. President, will the able Senator also touch the matter of our relations with Brazil?

Mr. VANDENBERG. I shall hope to do so. At the recent meeting of the United States Chamber of Commerce in Washington, Mr. R. A. Anderson, president of the American Chamber of Commerce of Cuba, at Habana—and I now read from a newspaper report—"praised the Cuban reciprocity treaty, explaining at the United States chamber meeting that trade between the two countries, through last September, October, November, and December, when the pact was in effect, was 90 percent greater than in the corresponding period of 1933."

Mark you, the claim for this particular tariff bargain, to wit, the Cuban bargain, is that in the first 4 months of its existence it succeeded in increasing Cuban-American trade 90 percent.

Very well. Let us examine that. The general fact is true: It did increase Cuban-American trade 90 percent. It increased Cuban-American trade about \$26,000,000. But it resulted in an increase in the Cuban imports coming into the United States by \$16,000,000, and an increase in the American exports going into Cuba by only \$10,000,000. So that at the end of this famous, fertile, fruitful, 4-month demonstration of the utility of this tariff bargain, our trade balance with Cuba was \$8,000,000 worse off than it was

before this beneficial thing was undertaken in behalf of our own foreign trade.

Mr. President, when we contemplate this bargain in that phase I am reminded of nothing quite so much as the final stanza in Southey's poem about the Battle of Blenheim, when he said:

"But what good came of it at last?"

Quoth little Peterkin.

"Why, that I cannot tell," said he;

"But 'twas a famous victory."

Yes, the kind of victory, I think, Mr. President, which Pyrrhus spoke about at Asculum when he said, "Another such victory and we are undone."

In connection with this Cuban treaty, Mr. President—and I mean to attempt to be scrupulously fair in the presentation of these facts—there is no question but that automobile exports to Cuba have increased, and I am supposed to lead the cheering section in behalf of this treaty because my State makes so many automobiles. Mr. President, I am very happy indeed that the State Department is giving solicitous consideration to the automobile export trade in connection with these bargains, because if there is a national commodity it is the motor car, inasmuch as it draws upon the entire country for the supplies which enter into its production. I am very glad that the automobile industry has been able to sell more motor cars in Cuba, and I think I ought to say that the motor industry entirely disagrees with the argument I am making today. It applauds Secretary Hull and his entire policy.

From my point of view, however, Mr. President, I am bound to believe, and I think the motor trade itself ultimately will believe it—I am bound to believe that if we sell more motor cars in Cuba as the result of taking away, for example, the power of domestic farmers to produce sugar, we will lose more automobile sales in 16 sugar States of the United States than we could ever compensate for by a few additional export sales to Cuba; and that same philosophy applies to the entire contemplation. In normal times we depend to the amount of 93 percent upon the domestic market for our business. At the very peak we have never depended upon the foreign market for our prosperity to a greater extent than 7 percent. Yet here is an announced trade policy which undertakes to subordinate the 93-percent domestic market to the 7-percent export market, and to forget the basic welfare of the 93 percent while trying to fish for some of the 7 percent, and, Mr. President, I have indicated by these figures already, in one instance, just how futile the fishing expedition is going to be. I may be wrong; but I cannot escape this conviction.

Before I leave Cuba I desire to say that the very distinguished Assistant Secretary of State, Mr. Sumner Welles, writes me today and insists, from his viewpoint, for which I have great respect, that the reciprocity-treaty arrangement with Cuba still is of advantage to the United States, and he asks to give me some additional figures which I am very happy to present in the RECORD. He says:

Comparing the first 7 months of the agreement, September 1934 to March 1935, with the similar period of a year ago, December 1933 to March 1934, it is found that United States exports to Cuba increased \$14,000,000, or 87 percent, and Cuban exports to the United States only 68 percent.

So that in terms of percentages we arrive at an argument which seems to defend this treaty as a useful thing for the United States. But, Mr. President, percentages may be tricky things. The net result of the application of a percentage depends entirely upon what we apply it to, and here are the figures which I obtained this morning for this same 7 months' period from the Department of Commerce, in dollars and cents, respecting this trade.

Our exports to Cuba increased from \$17,000,000 to more than \$32,000,000, and that, I take it, is the \$14,000,000, or thereabouts, of which Mr. Welles speaks. But how about the imports coming in from Cuba, not in terms of percentages, but in terms of dollars and cents? They increased during this same period from \$36,000,000 to \$60,000,000. In other words, they increased \$24,000,000 against us as com-

pared to \$14,000,000 in our favor. So that again we find ourselves \$10,000,000 worse off in the net final balance of trade, and that is what tells the story as to whether or not one of these arrangements is successful.

Mr. President, let us now look at another of these treaties and see what has happened—the Belgian reciprocity treaty.

Mr. McKELLAR. Mr. President, before the Senator leaves the point he has just been discussing, will he yield to me?

Mr. VANDENBERG. I yield.

Mr. McKELLAR. In what does that increase from \$36,000,000 to \$60,000,000 largely consist?

Mr. VANDENBERG. I have the information, Mr. President, and I am expecting to reach it in connection with another phase of the matter. Perhaps I can find it at the moment, but if the Senator will indulge me I think if I reach it in order I can save time.

Mr. McKELLAR. Very well.

Mr. VANDENBERG. Let us now look at the Belgian treaty. That is only a week old. Let us see what has happened in 1 week in the United States, which, after all, is our primary consideration and our initial responsibility. When this Belgian tariff bargain was written it was evidently decided that it would be a perfectly safe thing to sacrifice the parchment-paper business of this country, because it is such a little industry relatively speaking. I suppose it was considered that the parchment-paper industry was scarcely worthy of consideration in respect to the ultimate complaint which might arise out of trading one American manufacturer out of his market in favor of some other American manufacturer who is designated as a beneficiary of this arrangement.

What happened in connection with the parchment-paper industry in the United States? There are just four parchment factories in the United States: One is at Kalamazoo, Mich., one is at Bristol, Pa., one is at West Carrollton, Ohio, and one is at Los Angeles, Calif. The duty was reduced about one-third in this bargain with Belgium. That was just enough to make it impossible for American industry to make and profitably sell parchment paper in prospective competition with the world.

Furthermore, here enters another phase of the vice of these so-called "multilateral tariff bargains." When the Department made this bargain with Belgium, assuming to get something back from Belgium in return for it, under this present amazing arrangement they had to extend to 60 other nations all the advantages they gave to Belgium, and they did not get anything back from the other 60 nations at all. Britain and Finland, present and prospective parchment-paper makers, get all this same Belgium favor in our markets and give up nothing for it all.

If that is Yankee horse trading, then I do not think I know it.

Mr. LONG. That is the new deal.

Mr. VANDENBERG. Mr. President, it is the "raw deal" also.

Mr. LONG. Yes. They are synonymous.

Mr. VANDENBERG. What happened? Mr. President, I communicated with these four parchment-paper institutions. I find that in every instance within 1 week there has been a general discharge of employees. I quote from the further reply of the West Carrollton Parchment Co.:

We are this morning, because of this treaty, canceling a contract for a \$20,000 addition to our mill, which would have given 60 to 90 days' employment to a number of people and given general employment thereafter to the employees of the mill.

This is what has happened to the vegetable parchment-paper industry in the United States as related to me by one of the representatives of the factory which happens to be in my own State. This is their logic. They say, "We are perfectly sure that Congress in its wisdom within the next 2 or 3 years is going to repeal this sort of fatal tariff legislation and restore the protective theory in American industry. So sure are we of this recuperation of economic common sense that we do not propose, if we can help it, to permit this new foreign parchment paper to establish its trade connections

and its trade habits in the United States. So without waiting for any of these imports to come in we are anticipating the net result by reducing our own prices, striking down all of our own profit, curtailing our production, and maintaining a skeleton of operations, just for the purpose of trying to hang on until this system again changes."

So what is the net result? No advantage to Belgium, because they are not going to sell their stuff after all in this country. Just a net disadvantage to American labor and American capital and American commerce.

In this situation, which has developed within 1 week in respect to one industry which I have been able to probe and define, I wonder what is happening generally as a result of this sort of tariff manipulation? Before I leave the Belgian matter, I wish to read a brief excerpt from a publication called "Steel Facts":

The recent trade agreement between the United States and Belgium, which lowers duties on imports of various iron and steel products, brings a serious threat of less work and smaller earnings for thousands of employees in American steel mills.

The treaty, which goes into effect May 1, 1935, reduces import duties on many steel products from \$1 to \$3 a net ton.

Now—

From 1930 through 1934, imports—

Imports—

of pig iron, scrap, and rolled-steel products amounted to 2,068,935 tons.

This meant that 57,000,000 man-hours of work and \$36,000,000 in wages, at present rates, were lost to American workmen.

These imported products were sold by the foreign steel makers and shipped to the United States to sell at prices ranging from \$5 to as much as \$20 a ton under American prices.

Yet, Mr. President, in face of that exhibit, we now further reduce the differential which is necessary to keep these American workmen employed in their own steel mills and to put back the workmen who have been displaced; and it is perfectly obvious why. Because it is here indicated that the average foreign wage scale in a foreign steel mill is 17 cents per hour, as compared to the average of 65 cents per hour in the United States.

And that is not all. We deliberately passed an N. R. A. law for the purpose, theoretically, of doing something for American industry and American commerce, and under it we add arbitrarily to the American cost of production. Of course, we wrote into that law a provision that the President of the United States could, if he wanted to, offset this arbitrary, artificial factor with comparable tariff protection, but he has never done it.

Not only that, but we wrote the A. A. A. law with precisely the same net result, even more so, because under the A. A. A. law we not only add our processing taxes to the cost of production of American agriculture but we also permit a bureaucrat down at the other end of the Avenue, at his own will and option, to add a so-called "compensatory tax" to any other processed commodity which, in his benign judgment, may seem to be in competition with the commodity which is taxed by a direct processing tax, in each instance adding to the domestic cost.

Not only that, but there is pending here now, Mr. President, so-called "social-security legislation" which intends, under the text of the pending bill, to add 9 percent to the pay rolls of the United States by way of tax with which to pay the security bill. Will Senators tell me how American industry can survive an artificial arbitrary 9-percent payroll tax? We are not discussing the merits of the proposal itself. I am asking how American industry can survive a 9-percent added, arbitrary, artificial, differential as compared to the pay rolls in other countries, and hope to survive and provide pay rolls for anybody in our own country unless we revert to the honest basis of legitimate tariff protection, which does equalize the difference in the cost of production at home and abroad?

Now, Mr. President, there is the Belgian situation. I have discussed the Cuban Treaty and the Belgian Treaty.

Mr. KING. Mr. President, will the Senator permit an inquiry?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Michigan yield to the Senator from Utah?

Mr. VANDENBERG. I yield.

Mr. KING. The Senator has alluded to the four organizations or units engaged in the production of parchment paper. Has the Senator any facts before him to show the profits which have been made by each or all of these institutions during the past 3 or 4 years and anterior to that time, say, from 1923 to 1929?

Mr. VANDENBERG. No, Mr. President, I have not; but I have personal knowledge respecting one of them, and I know that in one instance they have made a brave effort to maintain the operation of their unit through these years of depression, despite the loss which was piling in upon them; and, insofar as the present balance sheet of these lesser institutions generally is concerned, I suspect that there is no possible question left regarding what I know the Senator has in mind, to wit, the making of a tariff-induced profit which is out of line with equity and fair play.

Mr. KING. Mr. President, if the Senator will pardon me for a moment further, without reference to any particular industry, since the negotiation of the treaties referred to the Senator will recall that during the tariff discussions and during the tariff hearings of 1922 and 1929 the evidence was piled mountain high that many of the great industries of the United States had made not only extortionate profits but profits which could not be defended at all by the application of common sense or ethical principles. Those enormous profits were made, as the evidence shows in the cases to which I have referred, by reason of their high tariff duties, which constituted an embargo on imports and permitted them, behind the bulwark of the tariff, to filch the American consumer.

Mr. VANDENBERG. Mr. President, I have not any quarrel with the able Senator from Utah respecting tariff protection which produces the type of result to which he has adverted. I am opposed to it. I stand upon the rule that there can be no America in the terms we have known it for 50 years unless there is a tariff which measures the difference in the cost of production at home and abroad. It is that rule for which I contend, and it is that rule which has been stricken down under the present regime. There is no rule under that regime. The tariff bargain is made without direct respect to the difference in the cost of production at home and abroad, and the Senate declined to order the Department to write its tariff bargainings on the basis of the difference in the cost of production at home and abroad. It is a process of pick and choose; you are lucky if you are picked for a favor, and it is just too bad if the Department down yonder decides to mark you for discrimination and disaster.

Mr. LONG. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. LONG. As an example, Mr. President, the people of southern Texas and Louisiana and of Florida developed a fruit and vegetable business, citrus fruits, and the like. The administration has negotiated them practically entirely out of that business by reciprocal treaties which have been made with Cuba and with other countries. That action has destroyed a business which it took millions of dollars to build up, and it is doubtful if they will ever again be able to restore that business if the reciprocal-treaty arrangements stand for very long.

Mr. VANDENBERG. Now, Mr. President, I wish to come to the other contemplation, which is the general contemplation, that through a failure of adequate protection today our markets are being dangerously flooded from other lands. I shall be very happy to have the considerate attention of my friend from Utah [Mr. KING] as I submit these facts, because I know he is fair-minded in spite of his prejudice against tariff protection, and I know that he will perceive in these facts and figures an irresistible demand that something be done different from what is being done today.

Regardless of incidental and spotted advantages which may come to us from these tariff bargains, every one of which

is founded upon the theory that America cannot fully recover unless she lets in more imports so that she can sell more exports, I submit to the Senate that we have everything to lose and precious little to gain from this type of governmental thinking at the present time; first, because there is a provable and obvious need today for more rather than less protection of the domestic market; second, because foreign trade, at best, constitutes but 7 percent of our economic reliance, and the chances are 14 to 1 against us when we magnify foreign trade at the expense of domestic production; and third, because much of our old foreign trade cannot be captured because it no longer potentially exists. Much of it has been specifically killed off by our own agricultural antics during the last 2 years. Do not misunderstand me. I am eager for foreign export trade. It is highly desirable. We need it. But we do not want it at a net loss.

I do not ask the acceptance of the old-fashioned platitudes upon this score. I ask only for a facing of the facts, particularly in respect to American agriculture, which must prosperously recover before any stabilized prosperity can be available to anyone else.

Now, let us see what is happening, Mr. President. Let me show from the official reports which have been made to the Senate precisely what is going on. Scan these reports for a moment with a serious eye. I submit they prove a trend of competitive agricultural imports, which calls for quick, sharp expedients of domestic protection before the trend develops into a major, devouring, devastating menace.

Now, listen. These figures are from the official reports of Secretary Morgenthau to the Senate of the United States within the week.

During January and February of 1935 alone cattle imports into the United States amounted to \$729,500, as compared with only \$591,000 for all 12 months of the previous year. Cattle are coming into the United States at a time when, up to April 18, we have spent \$111,000,000 at home to destroy cattle and to take care of the destruction of cattle. The imports were nearly 30 percent greater in 2 months than they were in all of last year.

What about canned meats? Canned meats came into the United States in January and February in this year to the tune of 8,390,000 pounds. This is at the rate of 50,000,000 pounds a year of canned meats coming into the United States at a time when we are supposed to have a domestic crisis and have to pay millions of dollars out of the United States Treasury in order to meet the domestic prices.

Butter: During January and February of 1935 butter came into the United States over the tariff wall at the rate of nearly \$4,000,000 a year compared with \$160,000 in all of 1933 and \$183,000 in all of 1934. What are we going to do about that? What is the use of talking about salvation for the dairy farmers in the face of the irresistible and unanswerable fact that dairy products are coming in over the tariff wall at an infinitely greater speed in 2 months of the year than they came in during the whole of the previous year?

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER (Mr. GIBSON in the chair). Does the Senator from Michigan yield to the Senator from Tennessee?

Mr. VANDENBERG. I yield.

Mr. McKELLAR. What about prices? Have not the prices to the American farmer and dairyman advanced considerably during the last 2 years?

Mr. VANDENBERG. I think they have, but what of it?

Mr. McKELLAR. If they have advanced is not that the principal thing? Is it not the principal thing in which the farmer is interested, that he is getting better and better prices for the commodities he raises? Is not that what happened not only as to butter, but as to practically every other farm product?

Mr. VANDENBERG. I am very much obliged for the Senator's question. He is exactly right. The thing that is happening to American agriculture right under the eyes of the Senator from Tennessee is that the domestic prices have increased to a point where they have become so alluring and so advantageous to the foreign importer that he is bringing

in the stuff and now sells it under the nose of the American farmer and takes his market away from him. The American farmer likes the increased prices to which the Senator from Tennessee refers, but that increased price is of no use if the foreigner gets the sale.

Mr. McKELLAR. The foreigner is not selling the stuff.

Mr. VANDENBERG. I have just proved that he is.

Mr. McKELLAR. The American farmer produces the butter and is getting more for it today—I shall have the figures here in a few moments to prove it—than he was getting 2 years ago.

Mr. VANDENBERG. What is the Senator trying to prove?

Mr. McKELLAR. I am proving that the policies which have been made effective by what the Senator contemptuously referred to as the new deal for the benefit of the farmers of the United States are making them infinitely better off than they were when the old conditions existed which the Senator from Michigan wants to restore.

Mr. VANDENBERG. The Senator from Tennessee, as usual, wants to talk politics. I am not interested in politics, and I have not referred to the new deal since I started to speak.

Mr. McKELLAR. I am talking business.

Mr. VANDENBERG. I am talking business, and I am asking the Senator to confront the facts. Here are some more of them.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Louisiana?

Mr. VANDENBERG. I yield.

Mr. LONG. I should like to say to the Senator from Tennessee that, comparing the average amount of products which the farmer can sell today at the prices for which he can sell them today, proves only that he can buy with the money received today less than he could before the "new deal" or the "raw deal" was ever heard of. [Laughter.]

Mr. McKELLAR. The Senator from Louisiana may have that opinion.

Mr. LONG. It is the fact.

Mr. McKELLAR. The truth is the farmers of America know they are getting more now for their products than they were getting 2 years ago.

Mr. VANDENBERG. Mr. President, I decline to enter into that field of argument, because I am not at the moment interested in it. I agree with the Senator from Tennessee in respect to the relative advantage of the farmer today compared to what it was a little while ago, in some fields. This is chiefly due to subsidy payments from the Public Treasury. The thing I am bringing to the Senator's attention is the international situation which now threatens that thing which the Senator boasts to have arrived, and in whatever degree it has arrived I want to see if we cannot save it.

Mr. McKELLAR. It is the American farmer who raises the American products and is selling them at very much better prices than he has for a number of years.

Mr. VANDENBERG. Mr. President, it is the American farmer to whom the Senator from Tennessee and the Senator from Louisiana refers—

Mr. LONG. I represent some of them, and I know what they are doing.

Mr. VANDENBERG. This farmer confronts the following situation in respect to tallow: During January and February of 1935 the imports of tallow were at the rate of nearly \$8,500,000 a year compared with \$7,460 for all of 1923. I know the Senator from Tennessee is not satisfied with that contemplation. In pounds we imported in 2 months, January and February of 1935, 31,615,000 pounds of tallow, compared with 238,000 pounds in all of 1933. I know the Senator from Tennessee is disturbed by that contemplation just as much as I am.

Mr. BLACK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Alabama?

Mr. VANDENBERG. I yield.

Mr. BLACK. I am interested in the figures the Senator gave. Does the Senator have the figures showing the total

amount of tallow consumed by the country during the year, so we can get an idea of the comparative amount of imports?

Mr. VANDENBERG. No; I have not, but I think the Senator, as usual, has put his finger upon a pertinent factor. I think the figures for the time being compared with the total production or consumption figures are not particularly formidable in their ratio. The thing I am calling to the attention of the Senate is that if we observe such a tremendous trend in 2 months in the direction of these agricultural imports, we are upon notice—and that is what I am saying—to inquire whether or not it does not constitute a menace and a hazard to agriculture in the lengthened shadow of this present experience. What is calculated to happen to our agriculture next week and next month and next year? Is it not under progressive threat from abroad?

Corn: We spent \$253,000,000 from the Public Treasury for corn-hog benefits last year; that is, \$253,000,000 in the corn-reduction program. That demonstrates how completely we feel the importance of the corn problem in the United States. In January and February of this year our corn imports were at the yearly rate of 22,000,000 bushels as compared with 160,000 bushels in 1933. I am not asserting that the 22,000,000 bushels imported is a formidable figure in respect to the total corn production or consumption per annum in the United States. I am asserting that when the imports in 2 months can jump from an average of 160,000 bushels per year to an average of 22,000,000 bushels per year, we are put upon notice, as Mr. Peek said in his letter to the President, to find out what is going on and to determine whether it is necessary for the exercise of the power inherent in the A. A. A. Act itself to increase tariffs to compensate for processing taxes and the like.

Mr. BLACK. Mr. President, will the Senator yield for another question?

Mr. VANDENBERG. Certainly.

Mr. BLACK. I am interested to know if the Senator can state what our exports of corn were at that particular time.

Mr. McKELLAR. And the total number of bushels of corn raised in the country. My recollection is it was about 3,000,000,000 bushels.

Mr. VANDENBERG. I make no point of the related figures between the domestic production and the imports at the moment. I am pointing out the trend. I ask Senators who do me the honor to listen to see that this trend seems to apply to everything in agriculture.

Oats: We imported 3,762,000 bushels in 2 months, as compared with 132,000 bushels in all of 1933.

Barley: We imported 1,250,000 bushels in 2 months, as compared with 24,000 bushels in all of 1933.

Mr. LEWIS. Mr. President—

Mr. VANDENBERG. I yield to the Senator from Illinois.

Mr. LEWIS. May I ask the able Senator from Michigan if he has had time to consider how far the imports to which he is now alluding bear relation to the drought in the drought-affected area of the land which completely removed that area from cultivation, leaving us without return from the particular States that were so blistered by the drought?

Mr. VANDENBERG. Yes, Mr. President; I am perfectly sure that both of the droughts affect this matter—one the drought which comes by act of God, and the other the drought which comes by act of the Department of Agriculture.

Just a few more of these exhibits, because I think Senators will find this case sustained by the facts, and all I am asking is consideration of the facts.

Vegetable oils are of particular interest to American agriculture.

Mr. BANKHEAD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Alabama?

Mr. VANDENBERG. I yield to the Senator.

Mr. BANKHEAD. I regret that I was out of the Senate Chamber when the Senator from Michigan began his remarks. Had I known he was going to address the Senate on any phase of agriculture, I should have been happy to be present. I should like the Senator, for my benefit at least,

to state what his point is—what he proposes—so that I may better understand the application of the facts to it.

Mr. VANDENBERG. Mr. President, I hesitate to take the time of the Senate to repeat the formula which I announced at the beginning for the deliberate purpose of permitting the Senate to try to fit the facts into the thesis which I was submitting. In a word, the thesis is, first, that American agriculture is menaced today by inadequate tariffs, if the January and February trend of imports is a typical trend; second, that in the face of the facts it is fallacious to talk about a restoration of American agricultural prosperity by the recapture of an export market at the present time, because, upon the one hand, it is impossible to sell in export on a one-price system when that one price is our artificially stimulated domestic price; second, because of the self-containment in respect to agricultural and industrial commodities in other lands; third, because, in view of these circumstances and in view of the facts which I have submitted respecting specific exhibits resulting from the Belgian and Cuban reciprocity treaties, we are put upon notice to do the precise thing which Mr. George N. Peek, the special foreign trade adviser to the President, recommends in his official letter of the present week, namely, to survey the whole situation to determine whether we are on the right track.

Mr. BANKHEAD. Mr. President—

Mr. VANDENBERG. I yield to the Senator from Alabama.

Mr. BANKHEAD. I will ask the Senator what agricultural commodities are coming in over the present tariff.

Mr. VANDENBERG. I am busily engaged in presenting those figures.

Mr. BANKHEAD. Then, I will ask the Senator what political body established the present agricultural commodity tariff.

Mr. VANDENBERG. The Senator from Alabama wishes to talk politics, as the Senator from Tennessee [Mr. McKellar] did a little while ago. I am trying to present an economic question. If there are any partisan conclusions to be drawn from it, any Senator is welcome to any conclusions he wishes to draw in respect thereto. I am concerned solely about the net result in terms of American trade, and I am undertaking to submit facts which have come officially to the Senate within the week, in response to a Senate resolution introduced by me, which I think put the Senate upon challenge to face these facts and determine whether or not we are on the right track.

Mr. LONG. Mr. President, will the Senator yield?

Mr. VANDENBERG. Not for a political interjection.

Mr. LONG. Inasmuch as my friend from Michigan would not yield to my friend from Tennessee and Alabama to make these erroneous speeches, I shall not ask him to yield to me; but the facts are that the revenues of the farmer for 1934 were one-half of his revenues for 1929, and the dollar he got in 1929 was a 100-cent dollar—

Mr. BANKHEAD. Why does the Senator compare the revenues of 1929 with those of 1934? Why does he not make the comparison with 1931 and 1932—more recent years?

Mr. LONG. I shall be glad to do that also.

Mr. BANKHEAD. Very well; do that.

Mr. LONG. The facts are, however, if the Senator will permit me to finish my sentence, that the revenues of the farmer for 1929 were just twice as much as they were for 1934, and in 1929 he got a 100-cent dollar, while in 1934 he got a 59-cent dollar. The facts are, further, that the farmer could buy less with what he made in 1933—I do not know about 1934; they promised to get up the figures and send them to me, but they never did get them up, and I have not seen them since—in 1933 the farmer could buy less with what he got than at any other time in the history of the United States.

Those are the facts. All this talk about improving the condition of the farmer is just balderdash. Why, you have even got it down to where you will not let the poor devil farm to raise something that he is begging people to give

him to wear. You will not let him raise it, and he cannot get money to buy it.

Mr. BANKHEAD. Mr. President, I will ask the Senator from Louisiana if he did not advocate all over the South not raising a stalk of cotton for a whole year?

Mr. LONG. I advocated the Lord's law; the sabbatical law of the Bible.

Mr. BANKHEAD. It does not make any difference whose law it is; I want to know if the Senator did not advocate that policy.

Mr. LONG. No, sir; on the contrary, when Hoover proposed plowing up every fourth row of cotton, I opposed it.

Mr. BLACK. The Senator from Louisiana wanted to plow it all up.

Mr. LONG. No; I did not do any such thing.

Mr. BLACK. The Senator had a law passed to that effect.

Mr. VANDENBERG. Mr. President, I have the floor.

Mr. BANKHEAD. The Senator had a law passed in Louisiana to prohibit the cotton farmers from raising a stalk of cotton for a whole year when he was dictating the laws of Louisiana.

Mr. LONG. No, sir.

Mr. VANDENBERG. Mr. President, I wish to get away from either the sabbatical law or the Bankhead law for a little while and go ahead with this discussion.

The PRESIDING OFFICER. The Senator declines to yield further.

Mr. VANDENBERG. I am discussing the increasing flow of imports of agricultural commodities over the tariff wall, and I think it is too serious a matter to be detoured. I know my friend the Senator from Alabama will have precisely the same interest in these figures that I have, the interest being solely that of determining what is the state of the Union in respect to agriculture, and whether we are proceeding safely under the existing formula.

To continue the figures—

Mr. BANKHEAD. Mr. President, let me ask the Senator a question. I am going to read his speech. I regret that I have not heard enough of it to follow it as I should like to do, because I respect the Senator's views.

I should like to ask the Senator if he does not believe in the effectiveness of the law of supply and demand as applied to agriculture, the same as applied to the automobile industry in his own State.

Mr. VANDENBERG. Yes; but I fail to understand how the law of supply and demand is being permitted to operate today.

Mr. BANKHEAD. The Senator doubtless knows, if he knows anything about the cotton situation, that we shall have on August 1 a carry-over supply of 9,000,000 bales of cotton against an annual consumption of about 12,000,000 bales.

Mr. VANDENBERG. Yes; but the Senator was discussing the law of supply and demand, which has been entirely abandoned and eliminated under the process of artificial control which we are pursuing in respect to most of our major agricultural staples. I am not proposing to discuss that subject.

Mr. BANKHEAD. Well—

Mr. VANDENBERG. Just a moment.

The PRESIDING OFFICER. The Senator declines to yield further.

Mr. VANDENBERG. Just a moment. Whatever the domestic formula is or ought to be, I submit that the Senator from Alabama will agree with me that in respect to protecting agricultural commodities no home-made formula can work unless we protect the domestic buying market against foreign imports.

Mr. BANKHEAD. That depends upon whether the market is better for domestic consumption or foreign consumption. Take the case of cotton: We are dependent upon foreign markets for the sale of 60 percent of our cotton. When the Senator discusses the agricultural problem I think he certainly ought to distinguish commodities which

are absolutely dependent upon foreign markets from those which may be protected by the tariff, because all the production may be used in this country.

Mr. VANDENBERG. I think that is entirely true, and I should want to make that discrimination and that distinction, and I shall try to do so; but let me continue this demonstration of the flow of imports.

I know of nothing in which agriculture is more interested than vegetable oils. That seems to be a rather universal interest. Coconut-oil cake was imported into the United States during the first 2 months of this year at the rate of 134,000,000 pounds per annum, compared with 21,000,000 pounds in all 12 months of 1933.

Soybean-oil cake was imported into the United States during the first 2 months of the present calendar year at the rate of 136,000,000 pounds per annum, compared to 60,000,000 pounds in 1934.

Mr. McKELLAR. Mr. President, has the Senator included in those figures any imports of oils from the Philippines and Hawaii?

Mr. VANDENBERG. I am unable to answer the Senator's question—not Hawaii. The Philippines may be included, but I think not.

Mr. McKELLAR. I think the Philippines have largely increased their exportations to this country, and, of course, they come in under another plan.

Mr. VANDENBERG. They do; but in contemplating our long-range picture we contemplate the Philippine Islands in a different status in the near future.

Cottonseed-oil cake, which I anticipate is of keen interest in the South—if I am not mistaken, it is of vital concern as a byproduct of the cotton operation—I call the attention of Senators to the fact that cottonseed-oil cake came into the United States, imported from abroad, during the first 2 months of this year, at the rate of 312,000,000 pounds per annum, compared with 7,000,000 pounds in 1933.

There is no use in going into the sugar figures, because those are perfectly obvious, and I have already spoken of them.

The senior Senator from Alabama [Mr. BLACK] asked me for export figures. During the same comparable period which I am discussing, January and February, we exported just 756 cattle in numbers, \$39,000 in value, compared to 15,655 cattle during the preceding calendar year, valued at \$441,000.

Canned-meat exports are down, but not spectacularly down.

Our exports of butter, without burdening the Senate with detailed figures, are at a rate just about one-half of last year's exports.

Our exports of tallow were 24,000 pounds for the 2 typical months we are discussing, compared with 7,347,000 pounds of tallow exported during the 12 months of the year preceding.

Mr. BANKHEAD. Mr. President, I should like to have the Senator's view as to what caused this reduction in exports.

Mr. VANDENBERG. I will be very glad to give the Senator my view when I have completed the list.

Mr. BLACK. Mr. President, will the Senator yield before he goes on with the list?

Mr. VANDENBERG. I yield.

Mr. BLACK. I understood that the figures as to imports were for 2 months. Are the figures for the exports for the same 2 months?

Mr. VANDENBERG. The same 2 months.

Mr. BLACK. The figures the Senator is giving for last year are for the entire year?

Mr. VANDENBERG. That is correct. During the first 2 months of this year we exported 55,000 bushels of corn, or at an annual rate of 330,000 bushels, compared with an export last year of nearly 3,000,000 bushels.

Of cottonseed-oil cake going now to the exhibit we last were discussing in respect to the imports—we exported during the first 2 months of this year just 3 tons of cottonseed-oil cake, compared with 16,979 tons during the 12 months of the preceding year.

The junior Senator from Alabama asked me what I thought was the reason for the decline in exports.

Mr. BLACK. Before the Senator reaches that point, may I ask him just one more question?

Mr. VANDENBERG. Certainly.

Mr. BLACK. The Senator's figures have been as to farm products?

Mr. VANDENBERG. Yes.

Mr. BLACK. There has recently been some discussion about the desirability of trying to increase the export of farm products. Has the Senator the figures as to comparative exports of industrial products during the same period?

Mr. VANDENBERG. No; I have not.

Mr. BLACK. I think it would be interesting to add them to the figures the Senator is giving.

Mr. VANDENBERG. I think those figures would be interesting. I was discussing solely the agricultural problem in this contemplation, the only thing about which the Senate resolution asked information from the departments, and it is the departmental report to the Senate I am now laying before the Senate.

Mr. BLACK. May I ask the Senator, in that connection, if he has investigated this question? It is my recollection that the exports of industrial products have increased. Is that correct?

Mr. VANDENBERG. I think that is true as to a few highly energized commodities, if I may use that phrase, commodities like motor cars. I do not think it is true in respect to the general run of industrial commodities; but I should prefer not to testify, because I have not looked that matter up.

Mr. President, one of the Senators has asked me what I think has happened. The first thing that has happened, in my opinion, is that much of the former export market, which we enjoyed in previous years, no longer exists. It no longer exists because in the post-war period the whole world—and I suspect every country in it—sought to put itself upon the basis of self-containment. This was the period during which all of these tariff walls arose higher than ever before, not only in the United States, but in practically every other country on the globe. This is the period during which the United States exported her capital and exported her methods of industrial mass production, and established herself in branch plants all around the world.

It was a period, in other words, when, under stress of necessity upon the one hand, these other countries were striving to produce for themselves the things which they formerly got from us, and upon the other hand the period when we ourselves were teaching them how to be self-contained, by our exports of machinery, our exports of mass-production methods, our exports of production brains, as it were, and our exports of producing capital.

Let me give the Senate just a few typical examples to indicate what I mean. Let us again revert to the Cuban example.

In 1928—and I think these figures are utterly significant, indeed, they are so spectacular that they are almost unbelievable—in 1928 Cuba bought from the United States 6,102,000 dozen eggs. In 1933 Cuba bought from the United States 26 dozen eggs.

In 1928 Cuba bought from the United States 413,000 pounds of butter. In 1933 Cuba bought from the United States 1,274 pounds of butter.

In 1928 Cuba bought 48,104 hogs from us. In 1933 Cuba bought 32 hogs from us.

In 1928 Cuba bought 11,267,475 pounds of condensed milk and cream from us. In 1933 Cuba bought 296,000 pounds of condensed milk and cream from us.

What had happened? I have a very illuminating letter from the Assistant Secretary of State himself. This is what happened. The Cuban Government and the Cuban people found themselves under precisely the same impulse under which the American people and the American Government found themselves, namely, in the stress of post-war calamity and depression, there was the necessity to strive for a self-containment.

Cuba put her tariff walls up, I think, in 1927. Cuba inspired her department of agriculture and the like to stimulate domestic production, precisely as we undertook to do the same thing, and precisely as every other country on the globe undertook to do it, and precisely as almost every country has pretty well succeeded in doing it. Does anybody believe that we can ever sell those 1928 ratios of commodities to Cuba again, regardless of tariff treaties, regardless of so-called "tariff bargains", and regardless of any aspiration we may have to develop our foreign trade?

Let us carry the same exhibit into a few industrials which I happen to have available upon this score. In 1928 Cuba bought from us 699,000 dozen pairs of cotton hose. In 1933 Cuba bought from us 4,834 dozen pairs of cotton hose.

In 1928 Cuba bought 39,563 dozen pieces of cotton underwear from us. In 1933 Cuba bought from us 527 dozen.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BORAH. Between what years were these comparisons drawn?

Mr. VANDENBERG. 1928 and 1933, inclusive, a 6-year spread.

Mr. BORAH. It could not be possible that Cuba in that time had built up her manufacturing establishments so as to take care of her consumption?

Mr. VANDENBERG. No. I think a break-down of the record will show that she has partially built herself up internally, and she diverts her foreign purchases elsewhere in respect to some of the other fabricated products.

Mr. BORAH. I quite agree with the Senator in the view expressed that these exports are falling off by reason of the fact that the different nations are themselves seeking to produce. But underlying all these treaties, the fundamental thing, to which I presume the Senator will come, is the fact that the purchasing power of the different nations is constantly falling.

Mr. VANDENBERG. Of course, the Senator is entirely correct. Their purchasing power is falling, and meanwhile, reverting to the imports, they find themselves attracted to our markets by our artificially stimulated prices, which are attractive to them even over our tariff wall, and as a result they have us going and coming. That is why I have been urging consideration of the two-price system for American agriculture.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. McKELLAR. The Senator uses the years 1928 and 1929, which we all know were unusual in this and every other country, so far as trade was concerned. Would it not be of greater importance, in showing how we are going now, to have the comparison made between the year 1932 or the year 1933 and the present time? It seems to me that singling out the 2 years which were most remarkable, in the matter of prices, in all our history, perhaps, and undertaking to compare prices in those years with prices at the present time, will not get us very far. What we want to know is whether we are advancing, whether we are going forward, or whether we are going backward, and it seems to me a better comparison would be between the year 1932 or the year 1933, and the year 1934 or 1935.

Mr. VANDENBERG. Mr. President, I am using the statistics of the last available calendar years which are open to me. In other words, I am bringing the contemplation as near down to date as the official figures which I have been able to procure permit.

Mr. McKELLAR. Are not the figures of 1930, 1931, and 1932 available?

Mr. VANDENBERG. Yes; and I have all the figures for 1930, 1931, and 1932, and I shall be glad to give those to the Senator or put them in the Record.

Mr. McKELLAR. I hope the Senator puts those figures in the Record.

Mr. VANDENBERG. Let me give the Senator one typical exhibit to answer his question. I revert to the exhibit of cotton hosiery. Cuba bought 699,000 dozen pairs, as I stated, in 1928. In 1929 that figure had fallen substantially,

to 506,000 dozen pairs. In 1931 it had fallen to 241,995 dozen pairs. The Senator will note a constantly decreasing purchase. In 1931 it had fallen to 74,711 dozen pairs; in 1932 to 28,853 dozen pairs, and then we reach the 1933 figure of 4,834 dozen pairs.

Mr. BANKHEAD. Mr. President—

The PRESIDING OFFICER (Mr. SHIPSTEAD in the chair). Does the Senator from Michigan yield to the Senator from Alabama?

Mr. VANDENBERG. I yield.

Mr. BANKHEAD. I gather from the Senator's statement that he attributes, in large measure, the reduction in the exports of our agricultural commodities to what he calls an artificially high price.

Mr. VANDENBERG. No, Mr. President.

Mr. BANKHEAD. The Senator has frequently referred to the artificially high price.

Mr. VANDENBERG. Yes; I think it is a factor. Pardon me, the Senator said I largely attributed it to that. I largely attribute it to the self-containment of the balance of the world, and, incidentally, to the factor the Senator from Alabama now discusses.

Mr. BANKHEAD. But the Senator from Michigan puts emphasis upon the artificially high price of agricultural commodities. I should like to ask him if he really thinks there should be and if he advocates a reduction in the present price of wheat, oats, butter, eggs, hogs, and the other articles to which he has referred as having been reduced in export? Does the Senator, in order to retain the foreign market, object to the present price, whether artificial or not artificial?

Mr. VANDENBERG. I regret that the Senator has not heard me through. I most certainly do not advocate a reduction of the domestic prices. On the contrary I assert that it is perfect folly to attempt to build up a foreign trade at the expense of this domestic market if we have adequate domestic prices, and in my view the only chance we have is to depend primarily upon our domestic markets.

Mr. BANKHEAD. Then—

Mr. VANDENBERG. Just a moment.

Mr. BANKHEAD. Then the only—

Mr. VANDENBERG. Just a moment. I have the floor and I insist upon answering the Senator's question.

Mr. BANKHEAD. Very well, sir; I will wait 2 moments.

Mr. VANDENBERG. The Senator will wait 2 moments—perhaps 3.

We are dependent physically upon our self-containment, primarily. Therefore, so far as I am concerned I would cease the effort to stimulate foreign trade at the expense of domestic trade. I would concentrate upon efforts to stimulate domestic trade. I do not believe it can be done in agriculture on the one-price system. I think it must be done on the two-price system. Under the two-price system, which may be some paraphrase of the old McNary-Haugen philosophy or something of the sort, I think it is best to create at home the situation which the Senator and I would both like to create, which must be a cost-of-production basis so far as agriculture is concerned, and then take whatever foreign markets as a by-product may be available to us.

I yield to the Senator from Alabama.

Mr. BANKHEAD. Mr. President, in view of the surprising irritation and impatience of the Senator from Michigan, which I never before saw him evince, I do not care to interrupt him any further or to listen to him any further.

Mr. VANDENBERG. Mr. President, I regret to lose the presence of the able Senator from Alabama, but if it is lunch time, he is welcome to depart; and, so far as irritation is concerned, he must not criticize me for declining to allow him in my time to split my sentences in the middle. I have great respect for him, and I would not intentionally offend him.

Mr. HATCH. Mr. President, will the Senator from Michigan yield? I certainly do not want to irritate the distinguished Senator from Michigan.

Mr. VANDENBERG. The Senators do not irritate me. I more than welcome their interruptions.

Mr. HATCH. I have been quite interested in the Senator's remarks, and especially the last statement he made about the two-price system. I was wondering if the Senator was speaking about the antidumping laws. What does the Senator have to say about that subject?

Mr. VANDENBERG. Mr. President, I think the antidumping laws are the great barrier, and always were, to the two-price system. But if we can have barter bargains, bilateral bargains with foreign countries in respect to foreign trade—and that I understand is the program advocated by Mr. Peek—instead of multilateral-tariff bargains applicable to every country alike, I think it is possible to overcome the antidumping laws by direct barter bargains with given countries.

For example, let me suggest to the Senator that it seems to me a bargain between Brazil and the United States, for example, to be of real fundamental advantage to the United States should have been a bargain which, in return for our purchases of Brazil coffee, bound Brazil upon the one hand to stop the expansion of her own cotton planting under which she will soon become self-contained, and to grant to our cotton agriculture a quota portion of her purchases. That is my idea of a bargain which amounts to something, and I think that type of barter bargain is possible in spite of antidumping laws—indeed, the antidumping laws will scarcely apply.

Mr. President, I was indicating the various exhibits which demonstrate the loss; and I think the irrevocable loss of our foreign markets and the futility of building a trade policy upon the empty notion that somehow or other we can fish ourselves back in the oceans of the earth to a domestic prosperity.

Mr. LONG. Mr. President, how is it that Japan is flooding this country with toothbrushes, chinaware, and other products which we used to sell of American manufacture? Has the Senator covered that point?

Mr. VANDENBERG. No, Mr. President; but, of course, they are flooding us with those goods because our tariffs are inadequate, among other reasons.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. VANDENBERG. I yield.

Mr. BORAH. I do not wish to interfere with the Senator's line of argument, but I was very much interested in his explanation of why we were losing our export trade.

Mr. VANDENBERG. I only touched one factor.

Mr. BORAH. I notice the Senator has only touched one factor. I hope before he concludes he will touch the other factor.

Mr. VANDENBERG. I shall. Before I leave the inquiry made by the Senator from Louisiana, in which he asked about Japanese toothbrushes, and so forth, I call his attention to the fact that the Consumer's Guide, published by the Agricultural Adjustment Administration at the expense of the Government of the United States, in its issue for March 25, has a lead article applauding the importation of all these Japanese commodities, and indicating that that is a wonderful thing for the United States, by some sort of distorted logic or other.

Talk about propaganda at the expense of the American people against the best fundamental welfare of the American people!

We were speaking about a loss of these foreign markets, and I was arguing that we ought not to try to make water run up hill by subordinating our entire tariff policy at home to an effort to recapture a foreign trade which does not exist in any such degree as heretofore.

I call attention to the fact that only last week Mr. Oscar Johnston, manager of the A. A. A. cotton pool, on his return from an economic survey abroad, said:

I found in each of the countries visited a growing tendency toward restriction of imports and a tendency toward a strict nationalistic policy resulting from economic reasons and from the necessity of balancing of national budgets.

And here, significantly, is another typical exhibit:

I found an increased use of artificial textiles, particularly in Italy, where the production of artificial silk and cotton is being encouraged to give employment to native labor.

I might add that he could have reported that the spinners of Lancashire, who once were perhaps the greatest single group purchasers of American cotton—that the spinners of Lancashire, England, had a great celebration about 6 weeks ago to mark the day when they completed 12 whole months without the purchase of a single pound of American cotton. If Senators want to know what I think is happening to our export market, there are the indisputable facts in at least one aspect.

Mr. President, I desire to digress from the line of my remarks long enough to apologize to the Senator from Nebraska [Mr. NORRIS] for what is going on here. He has a motion pending to take up a bill in which he is interested, and I told him I was not going to be on the floor more than an hour. I know the Senator did not take it too seriously, but I want to apologize to him and tell him that I would have been through long ago except that my time has been occupied by others infinitely more than by myself, and I am hastening to a conclusion.

Mr. President, as to why our foreign market is gone, I wish to bring to the Senate's attention one more very pertinent exhibit.

In 1932 there were 711 American companies with 1,819 factory branches outside the United States, employing 450,455 men outside the United States, representing an investment of \$2,177,000,000. If there is one reason more than another why we cannot hope to regain the export trade which we once had in the old days, let it be said that in contrast to the above figures in 1898 there was only 1 company with 1 little plant abroad. How can we hope to regain the great export trade which we previously served from our home base but which we now serve from 1,819 factory units which are foreign branches of American factories, employing abroad 450,000 men and representing \$2,000,000,000 of investment? It is perfectly obvious that there goes another great feeder for our export trade.

Mr. President, here is another and final exhibit from the Government's own records which bears conclusively upon the vast change which has come upon world trade and America's participation in it, the proof of another gigantic dislocation chargeable primarily to the World War. We have available the international balance sheet of the United States with the world, issued by Hon. George N. Peek, special adviser to the President on foreign trade, as of August 30, 1934. It is supplemented by the authentic records of the Department of Commerce. This Peek report has had entirely too little attention and publicity. It has had entirely too little influence upon the thinking of the President, of Congress, and of the country. It is the story, in plain arithmetic, of 38 years of our national life in foreign trade. The report is broken down into four important periods; and if Senators will follow me through these four periods they will gather the import of this challenge.

The first period is from 1896 to July 1, 1914; the great normal pre-war period of 18½ years when our exports averaged \$1,720,000,000 as compared with the imports of \$1,204,000,000, an export excess of \$424,000,000.

The second period, from July 1, 1914, to 1922, is the war period of 8½ years, when our exports leaped to an average of \$5,522,000,000, as compared with imports of \$3,031,000,000, an exports excess of \$2,492,000,000.

The third period, from 1922 to 1929, inclusive, was the post-war period of 7 years, the period of stupendous losses by American citizens to the citizens of the world, the period when our exports averaged \$4,816,000,000, as compared with our imports of \$4,105,000,000, an export excess of \$711,000,000.

Finally the fourth period from 1930 to 1933, inclusive, was the maladjustment period in the United States, when our exports were \$2,388,000,000, compared with imports of \$1,981,000,000, an export excess of \$408,000,000.

Let it be noted that our big export trade is in the second period when it is induced by war, and in the third period when it is induced by loans, and that it is induced in both periods by the feverish anxiety of the other nations of the world to build themselves to a basis of self-containment.

I take it that we are not interested in investing in another war or in renewing prodigal European credits for the purpose of fertilizing our foreign trade. I take it no one will deny that we cannot duplicate the exports which have contributed to foreign self-containment, nor the exports which are displaced abroad by the fruits of this self-containment.

In the presence of such circumstances, it seems to me that the pretense and philosophy of relying upon foreign trade primarily for American recuperation become notoriously transparent, and reliance upon these broken reeds becomes a snare and a delusion.

One other point I emphasize in connection with this international balance sheet as bearing pertinently upon the problem. It is always urged that Europe cannot buy our goods unless we buy Europe's goods, and, in the long sweep, that is true; but I point out that Europe seems to find a way to buy from us what she wants to buy, regardless of this direct reciprocity. This is what I mean:

Foreigners bought four and a half billion dollars of our American stocks and bonds from 1923 to 1929, and one and a quarter billion dollars even in the distressed fourth period above outlined; yea, foreigners apparently bought \$970,000,000 of our securities in the year ending December 31, 1934. They have money for what they want from us; we are not going to be able to sell them what they do not want.

With the assistance of experts, I have prepared a brief summary of these four periods of the balance sheet of America's international trade, and, in order to save time, I ask that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, the summary will be printed in the RECORD.

The summary is as follows:

This brief now undertakes to analyze the history of our foreign trade as seen from these reports of Mr. Peek and the Department of Commerce. We note that our foreign trade for the 18½ years prior to 1914 showed the following merchandise imports and exports:

Year	Merchandise		Net excess of United States exports	Deficit of imports
	Exports	Imports		
				Percent
1896.....	823	720	103	
1897.....	1,051	765	286	
1898.....	1,231	616	616	
1899.....	1,227	697	530	
1900.....	1,334	850	545	
1901.....	1,468	823	665	
1902.....	1,352	903	478	
1903.....	1,420	1,026	394	
1904.....	1,461	391	470	
1905.....	1,519	1,118	401	
1906.....	1,744	1,227	517	
1907.....	1,831	1,434	446	
1908.....	1,861	1,194	666	
1909.....	1,663	1,312	351	
1910.....	1,745	1,557	188	
1911.....	2,049	1,507	522	
1912.....	2,204	1,633	551	
1913.....	2,466	1,813	653	
1914.....	2,364	1,824	471	
Total.....	31,033	22,180	8,853	
Annual average.....	1,720	1,204	424	24½

The eighteen and a half years of international trade between the United States and the world, in the years 1896 to July 1, 1914, reveals the relatively satisfactory state of commercial civilization, attained by the world in friendly course of trade, in the peaceful years at the turn of the century.

At the end of 1914 Great Britain had enjoyed 125 years of almost uninterrupted leadership in the markets of the world; Germany and France had had 40 years of peaceful expansion; and the other European countries about the same, while the United States had carried on the development of her foreign trade some 60 years. More than 50 percent of the national turn-over of Great Britain's business was in foreign trade. The corresponding percentage for Germany was 35 and the United States 7. Yet, almost one-half of our 7 percent was most vital, because it was in agricultural products. The great foreign trade of the world consisted largely of moving foodstuffs and raw materials from the scattered peoples of the world to the concentrated populations of Europe, while from those European countries enjoying a higher degree of welfare

and living there was sent out their excess of manufactured products to the raw material and foodstuff producers, scattered and living in the European colonial possession and other nations. A policy of unrestricted exchange of goods between the nations of the world largely existed for years, except in the case of France, Germany, and our own country. These latter maintained a tariff policy to protect their manufactured goods. The European countries largely produced the department store type of goods for the scattered peoples of the world while the United States largely limited its manufactured exports to surpluses created by its great producing industries, such as motors, tires, sewing machines, cash registers, farm implements, refined oil products, and the like.

During and at the end of that period we were a debtor nation, borrowing from Europe, which was largely our customer for our exportable surpluses of especially farm, factory, and mine.

In our foreign trade we were practically on an even keel and a barter basis. The year 1914 was to end a great normal period of international trade which was shortly to be destroyed by war and never reestablished. New world conditions were on the verge of formation, following a catastrophic destruction, which was to throw all the nations of the world on to a new basis of national containment. One of its results was to force Great Britain from her historic condition of free trade to a policy of self-containment and high tariff, with bartering as a basis for her future foreign trade.

The second period from July 1, 1914, to December 31, 1922, a period of eight and a half years, was to give us merchandise exports and imports as follows:

Year	Merchandise		Net excess of United States exports	Deficit of imports
	Exports	Imports		
				Percent
1915 (full year)¹.....	2,769	1,674	1,094	
1915 (6 months).....	1,853	913	940	
1916.....	5,483	2,392	3,091	
1917.....	6,233	2,952	3,281	
1918.....	6,149	3,031	3,118	
1919.....	7,920	3,904	4,016	
1920.....	8,228	5,289	2,950	
1921.....	4,485	2,509	1,976	
1922.....	3,832	3,113	719	
Total.....	46,952	25,766	21,185	
Average, 8½ years.....	5,522	3,031	2,492	45

¹ Fiscal year.

It is a war-time trade sheet with the world. Shortly after the commencement of the war, by submarine and war-time necessities, a steel curtain was drawn about the export trade of the great European nations and held there for 6 years. The scattered populations of the world were forced to build factories within their own confines to take care of the goods formerly furnished by Europe, while we furnished the scattered populations with the machinery to equip those factories.

South America, Japan, and India began buying in the United States the machinery to build for themselves a great portion of the manufactured goods that had formerly been imported into those countries in order to supply their own domestic markets. South America principally interested herself in machinery to provide factories for packing, clothing, hardware, jewelry, farm implements, household furniture, and the like, while Japan and India proceeded to capture the textile needs of eastern Asia, and England lost the bunkering of coal for the boats of the world through the use of oil, thus destroying full round-trip cargoes and cheap carrying rates for her imports. This new move, starting in 1917, proceeded at an increasing rate to 1935. The scattered populations of the world, of the period prior to 1914, proceeded to take care largely of their own manufactured needs. They have gone onto a self-contained national basis and have forced great world merchandising countries to move on their present-day self-contained basis, protected by tariffs, quotas, and special treaties, in order that they might exist. At the same time forcing our great European customers for wheat to increase wheat acreage on the European continent to take care of Europe on a basis of self-containment to the utter destruction of our wheat surplus.

The third period from 1923 to 1929 shows our international trade as a post-war peace-time balance sheet. The merchandise records are as follows:

Year	Merchandise		Net excess of United States exports	Deficit of imports
	Exports	Imports		
				Percent
1923.....	4,167	3,792	375	
1924.....	4,591	3,610	981	
1925.....	4,910	4,227	683	
1926.....	4,809	4,431	378	
1927.....	4,865	4,184	681	
1928.....	5,128	4,091	1,037	
1929.....	5,241	4,400	841	
Total.....	33,711	28,735	4,976	
Average, 7 years.....	4,816	4,105	711	14.7

This 7 years' post-war period was one where the nations of Europe particularly endeavored to reconstruct themselves after a devastating loss. Great urgent necessity, propagandized to United States investors, to provide new capital for the rebuilding of European countries, as well as those of Canada and South America. Great orders for building material and machinery flowed into the United States, and we loaned the world during this period \$7,000,000,000 on long time. The world used but \$2,500,000,000 to take care of its balance with the United States, and invested in the United States during this period \$4,500,000,000, most of which was invested in short-time securities of this country or deposited in our banks, which greatly contributed to the wild speculation from 1927 to 1929 and caused the great financial debacle in 1929, when they withdrew billions of these deposits. In this period is the international balance sheet for the year 1929, which the State Department and the Department of Agriculture are endeavoring to again regain; it shows \$5,240,000,000 of exports, \$4,400,000,000 of imports, with a net excess of United States exports of \$841,000,000. How can it be done in the face of the facts?

We furnished, from 1919 to 1929 the European countries with the money and machinery to go onto a self-contained basis, while from 1914 to 1929 we had furnished South America and Japan and India the money and machinery for those countries to go onto a self-contained basis. The 1929 financial world debacle was the culmination of war effects and of loose international financial policy on the part of the United States, wherein, after the war, it had exported to the world its money, its machinery, its management, and its patents, to establish a new economic basis of nationalism for the countries of the world, a fact that the present administration does not seem to realize.

At the close of the year 1929 the European farmers are in full possession of their peace-time farm acreage and have greatly increased that acreage, to the all-time destruction of the world sale of United States wheat surpluses. Too, the United States has become the great creditor nation of the world, and has exported its excess liquid capital and placed it in unprofitable and bad loans.

International trade balance sheet between the United States and the world from 1930 to 1933—merchandise exports and imports placed it back in a category similar to the 1896-1914 period.

Year	Merchandise		Net excess of United States exports	Deficit of imports
	Exports	Imports		
				Percent
1930	3,843	3,061	782	
1931	2,424	2,909	334	
1932	1,612	1,323	289	
1933	1,675	1,449	226	
Total	9,554	7,923	1,631	
Average, 4 years	2,388	1,981	408	17

During this period Great Britain, after some 75 years, has been forced from her historic position of free trade and gone to a doctrine of self-containment, high tariff, and special-privilege treaties with the several units of her empire and with other countries of the world. Apparently we are about to take up, at least partially, the position abandoned by Great Britain and make it our economic position in the face of the new world economic alignment.

Repeatedly do we hear that the world is unable to buy from us because they cannot create the funds in the United States to pay for goods purchased here. Strange that they should use \$4,500,000,000 to buy our securities from the funds we loaned to them in the 7 years prior to 1929; and strange, too, that again during this 4-year period from 1930 to 1934 the world again invested in this country of our securities \$1,312,000,000. Secretaries Hull and Wallace in March on the radio advised the country of the dangerous condition of our foreign trade, due to the fact that the world was not able during the year 1934 to create balances in the United States with which to pay for more goods, pointing out the great importation of gold on the part of the world to the United States during that year as evidence of the grave necessity of the world customers to the United States to meet their obligations in the United States, and intimating that the gold came here to meet merchandise balances. As I understand it, the position of the administration is that our world customers for agricultural goods are in such a distressful financial condition that they cannot buy our wheat, our cotton, our tobacco, our meat products, and that only by allowing the world to ship more manufactured and farm goods into this country, under low-tariff rates, will they be able to create those balances in the United States with which to buy our wheat, cotton, tobacco, and meats. I point out that again it is strange that Europe principally purchased \$970,000,000 of our securities in the year 1934—long-time securities we sold on the old gold basis. Securities which on the stock market were way below the original sales price, due to the failure of foreign countries to meet their interest were purchased with a 60-cent dollar. It is estimated that \$3,000,000,000 of face-value securities were taken out of this country for the \$970,000,000 of gold brought here. Thus it is conclusively shown that our foreign customers had at hand almost \$1,000,000,000 to buy our cotton, tobacco, wheat, and lard if European countries desired to buy our products.

Under the tariff laws some 200 special treaties are now in existence between foreign countries, and under their doctrine of self-

containment and national planning these foreign countries do not desire and will not buy certain types of our goods.

The record of the purchase of \$4,500,000,000 of our securities on the part of foreigners in the period from 1923 to 1929, and of \$1,300,000,000 in the fourth period, 1930 to 1933, and again the purchase of \$970,000,000 in the year 1934 proves definitely and conclusively that the more we cut our tariff and thus the more competitive products of farm, factory, and mines that are allowed to enter the United States the more credit we furnish to the world to buy more securities in American markets at 60 cents on the dollar. The world had strong power to buy in the United States in the year 1934, and it used its excess power to buy what it wanted and that was low-priced securities, both foreign and American, at 60 cents on the dollar.

It is now proposed that we jeopardize the great American market for American labor in factory, farm, and mine, and office so that the world can have a good slice of it and with their cheap goods drive down the hourly rate for labor to every employee in the United States, thereby creating a lower standard of living and greater distress. Strange national merchandising; billions of dollars spent by this Government to prime the pump of recovery in order that a high standard of living and welfare be maintained in the United States; and, too, as a handmaid and aid to sustain the welfare of the laborer of America we have the scheme of the N. R. A. and the large processing taxes for our farmer. Every national effort spent to decrease our unemployment and to uphold and increase the national welfare of our people. Yet another policy has definitely been fastened on to our national economic system that threatens to knock the very bottom out of the barrel and rapidly undo all the work that has been done in the last 2 years.

With tariff powers and embargo powers in the hands of the President we are witnessing an imported assault on the price structure of the labor of farm, factory, mine, and office.

Let any fair-minded American citizen look over the merchandise exports and imports of the United States for the 18½ years prior to 1914 and find in it, if he can, that the world ever possessed or had any large interest in marketing their imports into the United States. They never possessed our market to any appreciable degree. The annual average merchandise exports for 18½ years was only \$1,720,000,000, and the average annual imports for that period was only \$1,204,000,000, with a net excess of United States exports of only \$424,000,000. Compare this with the 4-year period of 1930 to 1933, where you find that the annual average of our merchandise exports was \$2,388,000,000, and the average annual imports was \$1,981,000,000, and the average net excess of United States exports was \$408,000,000, while for the year 1934 our merchandise exports was \$2,133,000,000 and our imports \$1,655,000,000, with a net excess of exports of \$458,000,000.

The present administration proposes to destroy that natural ratio between exports and imports which existed for many years prior to 1914, and which is in evidence again in the last 5 years. The world, through the war having lost its world markets, now are being offered by the administration, through the State Department, American markets that they never possessed to fill up the void caused by their lost world trade. It must be kept in mind that the President of the United States was granted full power to raise or lower the tariff rates within 50 percent of the established rate; and under the N. R. A. was granted full powers, even unto an embargo, against foreign goods. The President has not exercised his powers, either to protect the price structure or to maintain employment, or to protect the labor of factory, farm, mine, and office in the United States from a large movement of low-price goods into the United States. He has not raised the tariff barriers, nor has he placed an embargo on the entry into this country of these destructive and competitive goods. On the contrary, he negotiates trade treaties which actually reduce our protection.

What is the most recent official information regarding our contemporary trade?

On April 27, 1935, the Department of Commerce released a bulletin on United States Foreign Trade in March. An examination of this bulletin showed that the progressive rate of importation of competitive farm goods into the United States is continuing. The bulletin, among other things, says: "Total export of agricultural products declined, however, mainly as the result of the continued recession in shipments of unmanufactured cotton, although exports at large, fresh apples, and canned fruit were smaller in quantity in March than in the corresponding period of any year since 1924. Because of the higher level of prices, however, March 1935 value of unmanufactured cotton exports were larger than in the same months of 1933, when quantity shipments were 49 percent greater."

Again, "the expansion in value of import trade during March was due to larger purchase of a wide range of commodities. The value of agricultural commodities increased 11 percent, while non-agricultural products showed a gain of 22 percent. Among the agricultural commodities, the percentage increase in the imports of grain, meats, butter, edible vegetable oils, oil seeds, fruits, vegetables, tea, spices, and Cuban sugar were particularly large." * * *

Again quote: "Imports for consumption during the 3-month period ending with March 1935 showed an increase of \$89,000,000, or 22 percent, in comparison with the same period of 1934. Approximately 30 percent of this expansion resulted from an increase in imports of farm products. Imports of farm products began to enter our markets in substantial quantities during the last half of 1934, and during 1935 they have become increasingly heavy."

Again: "Since the first of the year a total of 24,759,000 square yards of cotton cloth has arrived in the United States, of which 16,721,000 square yards, or 68 percent, were from Japan. During

the first quarter total arrivals have represented between 1 and 1½ percent of the total domestic production of countable cotton cloth."

This onslaught on our farm market is similar to the one that is being made on the American markets of labor and industry. It is at once apparent that the prevailing American policies are beginning a new devastation of farm and factory in the United States. Is there anyone so foolish as to believe that a condition like this appearing in Canada, in Great Britain, in France, in Belgium, in Italy, or in Russia would not be checked overnight and a new economic policy installed which would take care of the national welfare?

Again, the preliminary figures for the month of March 1935 show our merchandising trade, by 3-month periods, is as follows:

Exports and imports	3 months ending March—		Increase (+) decrease (—)
	1935	1934	
	1,000 dollars	1,000 dollars	1,000 dollars
Exports.....	524,214	525,839	-1,625
Imports.....	496,750	426,465	+70,285
Excess of exports.....	27,464	99,375	

Again, in this same report we find that during the first 3 months of this year there was imported in this country gold and silver in excess of exports of \$335,409,000. You will note that the excess of merchandise exports over imports for the first 3 months of this year is only \$27,464,000, leaving but one deduction from the above figures, that the excess of gold and silver imports of \$335,409,000 is again being used by foreign purchasers to buy our depreciated securities on a 60-cent dollar basis. This again indicates that the world is not short of funds with which to buy our farm surpluses, but that they do not want our surpluses of cotton, wheat, tobacco, and lard. They are interested in a good bargain, in securities, and are taking advantage of it. The world is not stinting itself on buying such world surpluses as it needs, but is buying those surpluses from other countries, under the doctrine of national containment through direct-barter treaties where these purchasing nations can benefit themselves. Strange that this administration should be beset with the idea that the world is hungry for our wheat, cotton, tobacco, and lard and is so poor that it cannot buy them from us. The fact stands out, as clear as the noonday sun, that all during the last 5 years, while the 200 barter treaties were being made by European countries, with their world customers, they were arranging under their national planning and containment to buy, insofar as possible, agricultural needs elsewhere, where they could make good barter trades.

Mr. VANDENBERG. Mr. President, I have concluded. Perhaps I should add this bit of information, because it is significant and illuminating: It is frequently urged that there is no way by which foreign countries can buy our goods or settle with us for their obligations except by permitting them to sell us more goods. There is a point at which that argument becomes irrefutable, but I want to leave in the Record before I conclude the proof of the very great importance of some other factors which permit foreign contacts with the United States in a trade sense, regardless of whether or not we increase our purchases from them.

I am now discussing foreign credits other than those created by triangular trade. Referring to the international balance sheet which I have just analyzed for the Record, I point out that in the first period of the balance sheet, which is from 1896 to 1914—and this is the only normal period on the balance sheet—the United States had a credit against the remainder of the world totaling \$727,000,000 for shipping and freight charges paid on imports carried in foreign vessels; a credit of \$3,800,000,000 for interest and dividends paid on foreign private capital invested in the United States; a credit of \$3,230,000,000 for American tourists' expenditures in foreign countries; a credit of \$2,850,000,000 for immigrant remittances and charity paid to foreigners; and other incidental items, bringing the total, shall I say, by-product credit available to us abroad to \$11,351,000,000. All this is available to pay for trade with us by foreign nations.

One thing more: Foreign trade is highly advantageous and much to be desired when it can be obtained at a profit to the sum total of our national economy. Let no man interpret me as saying that I would relax any rational efforts to get it. It is still obtainable in some highly energized American specialties. The American motor trade is an example.

Foreign trade is a great asset in times of peace. In times of war it is of vast and unlimited profit in artificial and unwholesome exports; but it is of equal hazard to our neutrality and to our ability to avoid and evade the war contagion itself. Thus, even when we have it, it is not an unmixed blessing. In the large view, it may become an unspeakable curse—precisely as it did in 1914-17. This is another thing to be seriously remembered at this particular moment in troubled world history.

It becomes in turn a peace-time curse, Mr. President, if its lure causes us to turn our faces from the homeland toward an alien mirage. A mirage is something pleasant which seems to be but is not.

Mr. President, in conclusion—and I have now finished—Mr. TYDINGS. Mr. President, will the Senator permit an inquiry?

Mr. VANDENBERG. Yes.

Mr. TYDINGS. I did not hear the beginning of the Senator's address and he probably has covered the field; but may I ask him what conclusions he draws from his observations? Does he favor no foreign trade, or how much foreign trade does he favor, or does he favor increasing the tariff still more?

Mr. VANDENBERG. Mr. President, in 4 minutes I will have been speaking to the Senate 2 hours answering the exact question the Senator now submits, and, if he will forgive me, I will refer him to the Record.

Mr. TYDINGS. I shall not, of course, persist in my inquiry if the Senator has answered it, but I was hoping that he would say whether he favored still higher tariffs or whether he does not favor still higher tariffs.

Mr. VANDENBERG. The Senator from Michigan does favor them.

Mr. TYDINGS. Then, he favors less trade with the world than we now have?

Mr. VANDENBERG. I am not going to answer the Senator's trick question.

Mr. TYDINGS. I do not think there is any trick about it.

Mr. VANDENBERG. I do, because I dissent from the premise. It is like asking a man, "Have you quit beating your wife? Answer 'yes' or 'no.'" It just cannot be done. [Laughter.]

Mr. TYDINGS. If the Senator contends that by putting up tariff barriers that will increase foreign trade, of course, his premise is well taken, but I always thought that the purpose of putting a tariff barrier around the country was to keep foreign commerce from coming in and thereby decreasing it. The suggestion has no more relationship to the story of the man beating his wife than has the answer of the Senator to my question.

Mr. VANDENBERG. I realize that I used a very unfortunate analogy in responding to the Senator, inasmuch as he has no wife and cannot therefore understand what it is I mean. [Laughter.]

In conclusion, Mr. President, let me say that no prudent person will undertake to be dogmatic in diagnosing the present ills of the body politic. Every honest view is entitled to fair assay, but no one is entitled to say with assurance, "This is the way." It is in this spirit that I have submitted to the Senate my analysis of the official reports which the Senate asked from the departments, and their application to other contemporary information and events.

My conclusion follows:

It is impracticable and hazardous doctrine to talk of recapturing American prosperity by primary reliance upon increased foreign trade, because, except in the case of highly energized specialties, the old trade does not and probably will not again exist.

Mr. TYDINGS. Mr. President, will the Senator yield right there just in line with what he is saying?

Mr. VANDENBERG. I yield.

Mr. TYDINGS. One of the highly energized specialties which we should keep on exporting are automobiles, of which we export about 10 percent; would the Senator be willing to lose the foreign trade of 10 percent in automobiles?

Mr. VANDENBERG. Mr. President, I discussed the automobile situation with great frankness before the Senator arrived, and I have indicated my complete disagreement with the automobile-production thinking on the subject of exports, although I have expressed my gratitude to the Secretary of State for taking such excellent care of them if he is going to make any more tariff bargains.

Mr. TYDINGS. Then, the Senator seems to concede in his last observation that, after all the promotion of world trade has helped the automobile industry, and he is willing to throw that great benefit overboard in order to carry out his general policy.

Mr. VANDENBERG. Mr. President, I apologize to the Senator from Nebraska again, but he will understand I cannot permit that observation of the Senator from Maryland to stand without comment.

It is my view that when the automobile industry increased its trade in Cuba under the so-called "bargain" by 450 percent, as the State Department stated, using a most eloquent figure, the percentage must lose some of its magnitude when reduced to actual sales. It is my contention that if and when the automobile industry increases its sales to Cuba to a total of 978 units at the expense of the domestic sugar-beet production in the United States primarily—because that is what happened—it will probably find it has lost far more than 978 sales in the 16 States where that industry has been curtailed.

Mr. TYDINGS. The Senator makes a very wise observation, and I can follow him on that. In effect, it simply means the Senator would transfer the sales of automobiles from the automobile people and supplant those sales with more sales to the sugar-beet people. That is what it boils down to, as I understand. He would take that trade from the automobile manufacturers of Detroit and other places and give it to the sugar-beet people. Is that correct?

Mr. VANDENBERG. My view is that any export trade which the automobile industry can obtain is very much worth while and should be encouraged so long as it is not at the expense of the domestic buying power, because 93 percent of the automobiles are sold in the United States and only 7 percent are sold abroad under any circumstances. I object to a policy which threatens any factor of the 93 percent while just fishing for some of the 7 percent. I do not believe it is good business, in the long run, for the automobile business itself.

Mr. TYDINGS. I appreciate the Senator's viewpoint. I do not want to be insistent, but is it not a fact that what he really advocates is taking the export trade from the automobile manufacturers and transferring that amount of domestic trade to the sugar-beet producers?

Mr. VANDENBERG. Oh, no!

Mr. TYDINGS. I would not find fault with the Senator if he should adopt that policy. I am trying to find out if that is his policy.

Mr. VANDENBERG. No; but I would have the sugar-beet farmers in this particular instance equipped with an income to buy automobiles instead of having the Cuban sugar producers so equipped.

Mr. TYDINGS. In other words, the Senator would take away the export market for automobiles with the idea that it would help the domestic market for automobiles.

Mr. VANDENBERG. No. I would not try to create an arbitrary export market with a so-called "tariff bargain" which does penalize the domestic market and the domestic chances for sale.

Mr. TYDINGS. According to the Senator's reasoning, why not take away all the export markets and keep all the money in this country and have no foreign trade, so we can get all the trade?

Mr. VANDENBERG. The Senator may find himself approximately in that status whether he wants to be or not.

Mr. TYDINGS. I do not want to be, but I am trying to ascertain because I know the Senator is a Presidential candidate and I may want to vote for him. Who can tell?

Mr. VANDENBERG. The Senator from Maryland is the third gentleman who has risen on the other side of the aisle and tried to talk politics to me.

Mr. TYDINGS. The Senator is a very candid man, as a rule, and I was hoping that, with his usual frankness, he would give me an answer to what I thought were pertinent questions, namely, whether he would be better satisfied if we had higher tariff barriers and had no foreign commerce, because if that were the case our people could buy more from our domestic producers than they can now buy as a result of our foreign trade. If I understood the Senator correctly, that is the essence of what he said.

Mr. VANDENBERG. I think the Senator has put a construction upon it which is approximately correct.

Mr. TYDINGS. That is all I wanted to ascertain. I merely wanted to understand the Senator's position. He may be right about it.

Mr. VANDENBERG. I think the Senator has injected into the statement, however, a very shrewdly prejudicial method of submitting the inquiry, and I dissent from some of the implications involved.

Mr. BORAH. Mr. President, may I ask the Senator from Maryland a question?

Mr. TYDINGS. The Senator from Michigan has the floor. I should be glad to answer with his permission.

Mr. VANDENBERG. With further apologies to the Senator from Nebraska, I yield for that purpose.

Mr. BORAH. Upon the answer of the Senator from Michigan, is the Senator from Maryland willing to support him for the Presidency?

Mr. TYDINGS. No; I cannot do so on that platform, but he may come out for some other things that would be even better than that issue.

Mr. VANDENBERG. That is probably not the most serious question mark the Senator has in mind as he contemplates 1936.

Mr. President, I was reciting my conclusions and I am going to finish them without interruption. That involves no suggestion of any hostility because of the conversation I have just had with my very able friend from Maryland.

I start again on these conclusions because I had only related one of them and I should like to preserve their continuity.

First. It is impractical and hazardous doctrine to talk of recapturing American prosperity by primary reliance upon increased foreign trade, because except in a case of highly energized specialties, the old trade does not and probably will not exist.

Second. It is particularly menacing to seek these foreign penetrations at the expense of so-called "tariff bargains" on a multilateral "favored-nation" basis, which open up our domestic markets to new and deadly foreign competition at a moment when our industry and agriculture manifestly require more rather than less protection.

Third. The need for this increased protection is beginning to be clearly demonstrated by contemporary import figures which show a dangerously increasing trend for which we get no possible compensation, but from which we shall get a new deflationary crisis if the trend continues.

Fourth. It is impossible for us to revive agriculture on the legitimate cost-of-production basis, inevitably involving American prices that are higher than world prices on our surplus staples, if we continue to try to sell these surpluses at the domestic price. The world will not buy. The two-price system is the only recourse. No less a spokesman for American business than the retiring president of the United States Chamber of Commerce has recently proclaimed his conviction that a dual price level is the only possible answer for agriculture.

Fifth. Foreign trade is useful in whatever degree it may continue to be claimed as a byproduct. It is fatal as a major quest. The reliance of American agriculture and industry and labor must be the protected American domestic market which gave us 93 percent of our normal prosperity and which can do so again.

With which, Mr. President, I thank the Senate for its attention, and again present my apologies to the Senator from Nebraska for the delay in the consideration of his pending motion.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nebraska that the Senate proceed to the consideration of Senate bill 2357, proposing an amendment to the Tennessee Valley Authority Act.

Mr. McKELLAR. Mr. President, I desire to say to the Senator from Nebraska that I shall not detain the Senate for more than a moment. I am tremendously interested in proceeding with his bill, and shall not delay it.

Mr. President, I have listened with some degree of care to the speech just delivered by the junior Senator from Michigan [Mr. VANDENBERG]. I was greatly interested in it. The burden of his troubles seems to be, as stated by himself, that agriculture is now menaced by an absence of high tariffs. It is also menaced, he claims, by an attempt to recapture our foreign markets for agriculture; and one of his questions was, "What is the state of the Union in respect to agriculture?"

In my judgment, the best way to have the last question answered is to ascertain what the facts are, what the prices of farm products have been within the past 2 years and 3 months.

I have before me, from the Department of Commerce, a table of prices of certain agricultural commodities in this country at various periods. I believe a perusal of these figures will absolutely answer every question which the Senator from Michigan has attempted to raise here today.

First I take corn. In January 1933 corn was worth 23 cents per bushel. In January 1934 it was worth 48 cents per bushel. In January 1935 it was worth 91 cents per bushel—an increase in the price of one of our great agricultural commodities from 23 cents per bushel to 91 cents per bushel! It seems to me all the questions which the Senator raised about corn are answered in those three figures.

Next I take wheat. In January 1933 the price of wheat was 43 cents per bushel. In January 1934 it was 84 cents per bushel. In January 1935 it was \$1.008 per bushel.

Steers, good to choice, in Chicago: January 1933, \$5.09 per hundred pounds; January 1934, \$5.50 per hundred pounds; January 1935, \$10.875 per hundred pounds.

Hogs, January 1933, \$2.94 per hundred pounds; January 1934, \$3.38 per hundred pounds; January 1935, \$7.98 per hundred pounds—practically \$8 a hundred.

Cotton, January 1933, 6 cents per pound; January 1934, 11 cents per pound; January 1935, 12.7 cents per pound.

Tobacco, January 1933, \$10.41 per hundred pounds; January 1934, \$14.08 per hundred pounds; January 1935, \$21.56 per hundred pounds.

Wool, January 1933, 20 cents per pound; January 1934, 42.5 cents per pound; January 1935, 27.4 cents per pound—the only instance of a fall in price of any of these commodities.

Butter, as to which the Senator from Michigan complained that the price was going down: In January 1933 the price of butter was 18 cents per pound; in January 1934, 18 cents

per pound; in January 1935, at the time when these imports were coming in, 30 cents per pound.

Cheese, whole milk, Wisconsin dairies, January 1933, 12 cents per pound; January 1934, 12 cents per pound; January 1935, 16 cents per pound.

Wheat flour, standard patents, January 1933, \$3.79 per barrel; January 1934, \$6.83 per barrel; January 1935, \$7.31 per barrel.

Beef, fresh, January 1933, 10 cents per pound; January 1934, 8 cents per pound; January 1935, 15 cents per pound.

Hams, January 1933, 10.7 cents per pound; January 1934, 11.8 cents per pound; January 1935, 16.5 cents per pound.

Mr. President, these are the principal agricultural products of America. Without a single exception they have all advanced in price. In every case these agricultural products have constantly advanced from 1933 to 1935; and yet the Senator from Michigan is undertaking to find fault with these tremendous advances in all agricultural products, claiming that trade agreements are a menace to the farmers, and present-day policies are hurtful to farmers. I say to him that the farmers of this country who are raising these products will not agree with him in criticising what is being done by the Government in this connection. The policies of the A. A. A. and foreign-trade agreements are all helping to put the farmers in better condition than they have been for years.

Mr. President, I ask unanimous consent that there may be printed in the RECORD a detailed statement, given me by the Department of Commerce, showing these various prices at various dates.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McKELLAR. One other matter, Mr. President: I have before me a table of the principal nonagricultural products, also furnished by the Department of Commerce, showing in like manner a constant increase in prices since January 1933, up to March 1935. I ask unanimous consent that this table may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McKELLAR. Let me say that in my judgment these figures constitute a complete answer to every contention made by the Senator from Michigan. We have tried time and again since I have been in the Senate these shopworn and fruitless policies of higher tariffs on agricultural products. They do not protect. They do not increase prices. Such tariffs have failed the farmer time and again. The new-deal policies have not failed the farmers. They have increased prices. In like manner these trade agreements are giving us additional markets abroad, and thereby enhancing prices. They are aiding the farmers, and I believe the farmers know it.

The tables referred to are as follows:

Wholesale prices
AGRICULTURAL PRODUCTS

Year and month	Corn, No. 3 mixed, Chicago (bushel)	Wheat, No. 2 Hard, Kansas City (bushel)	Steers, good to choice, Chicago (100 pounds)	Hogs, fair to choice, heavy butchers, Chicago (100 pounds)	Cotton, middling, New York (pound)	Tobacco, leaf, aver- age last 12 months, warehouse sales (100 pounds)	Wool, domestic, Ohio, grease basis, medium grades, Boston (pound)	Butter, creamery, firsts, Chicago (pound)	Cheese, whole milk, Wisconsin dairies, New York (pound)	Wheat flour, standard patents, Minne- apolis (barrel)	Beef, fresh, carcass, steers, Chicago (pound)	Hams, cured, Chicago (pound)
1933												
January.....	\$0.234	\$0.431	\$5.090	\$2.940	\$0.062	\$10.418	\$0.203	\$0.180	\$0.122	\$3.795	\$0.106	\$0.107
February.....	.229	.441	5.155	3.405	.061	10.855	.200	.170	.105	3.713	.105	.108
March.....	.254	.490	5.438	3.919	.070	10.940	.198	.167	.111	4.031	.097	.114
April.....	.338	.603	5.519	3.750	.069	11.002	.203	.189	.123	4.538	.092	.116
May.....	.412	.712	6.315	4.570	.086	11.048	.276	.204	.147	4.860	.094	.121
June.....	.434	.792	6.363	4.581	.096	11.082	.334	.196	.149	5.381	.094	.128
July.....	.564	.995	6.500	4.555	.108	11.110	.346	.214	.154	7.550	.094	.135
August.....	.500	.887	6.319	3.944	.096	11.251	.369	.183	.140	7.140	.098	.123
September.....	.479	.878	6.225	4.044	.097	11.326	.389	.182	.134	6.931	.094	.124
October.....	.401	.820	5.770	4.490	.097	12.134	.418	.187	.131	6.750	.096	.122
November.....	.457	.839	5.263	4.150	.100	13.553	.423	.191	.130	6.900	.090	.127
December.....	.469	.811	5.319	3.306	.102	13.987	.425	.161	.120	6.650	.082	.119
Year.....	.397	.724	5.784	3.984	.087	11.647	.315	.186	.131	5.683	.095	.121
1934												
January.....	.489	.846	5.550	3.380	.113	14.084	.425	.180	.128	6.835	.089	.118
February.....	.480	.846	5.831	4.269	.123	14.015	.425	.227	.158	6.831	.090	.120
March.....	.453	.821	6.506	4.331	.123	13.823	.423	.231	.153	6.644	.092	.136

Wholesale prices—Continued
AGRICULTURAL PRODUCTS—continued

Year and month	Corn, No. 3 mixed, Chicago (bushel)	Wheat, No. 2 Hard, City (bushel)	Steers, good to choice, Chicago (100 pounds)	Hogs, fair to choice, heavy butchers, Chicago (100 pounds)	Cotton, middling, New York (pound)	Tobacco, leaf, average last 12 months, warehouse sales (100 pounds)	Wool, domestic, Ohio, grease basis, medium grades, Boston (pound)	Butter, creamery, firsts, Chicago (pound)	Cheese, whole milk, Wisconsin dairies, New York (pound)	Wheat flour, standard patents, Minneapolis (barrel)	Beef, fresh, carcass, steers, Chicago (pound)	Hams, cured, Chicago (pound)
1934—Continued												
April.....	\$0.457	\$0.764	\$7.440	\$3.870	\$0.119	\$13.786	\$0.400	\$0.216	\$0.129	\$6.344	\$.099	\$0.138
May.....	.503	.824	8.225	3.581	.114	13.787	.368	.219	.134	6.840	.123	.136
June.....	.587	.922	8.569	4.344	.123	13.786	.333	.224	.148	7.050	.113	.156
July.....	.645	.949	8.400	4.845	.129	13.774	.322	.217	.135	7.180	.114	.171
August.....	.773	1.067	8.500	6.188	.134	14.772	.310	.239	.145	7.456	.125	.172
September.....	.800	1.070	9.356	7.225	.131	16.750	.308	.235	.136	7.500	.141	.184
October.....	.787	1.021	8.705	5.945	.125	19.418	.294	.238	.135	7.315	.133	.176
November.....	.853	1.020	8.463	5.950	.126	20.100	.283	.257	.144	7.250	.123	.164
December.....	.967	1.052	9.170	6.510	.127	20.262	.280	.270	.149	7.250	.126	.161
Year.....	.648	.932	7.889	5.025	.123	15.716	.348	.229	.141	7.041	.114	.152
1935												
January.....	.910	1.008	10.875	7.988	.127	21.567	.274	.304	.167	7.315	.157	.165
February.....	.865	1.006	11.981	8.488	.126	22.508	.263	.340	.180	7.281	.175	.176
March.....	.800	.965	12.325	9.288	.115	23.172	.250	.294	.170	7.163	.184	.185

NONAGRICULTURAL PRODUCTS

Year and month	Shoes, men's, black, work, medium grade factory (pair)	Hides, native steer, packers' heavy Chicago (pound)	Cotton print cloth 27-inch 64 by 60, mill (yard)	Cotton sheeting, brown 4/4 series no. 1, 2.85 yards to the pound (yard)	Rayon 150 first quality, New York (pound)	Bituminous coal on tracks, destination, mine run, composite price (short ton)	Petroleum crude Kansas-Oklahoma, well (barrel)	Pig iron, basic furnace (gross ton)	Steel sheets, auto body no. 20, mill (pound)	Portland cement, plant, composite (barrel)	Lumber, Douglas fir no. 1, common, sheathing mill (M feet)	Structural steel, mill, (100 pounds)
1933												
January.....	\$1.375	\$0.054	\$0.023	\$0.055	\$0.600	\$3.566	\$0.530	\$13.500	\$0.026	\$1.426	\$8.576	\$1.600
February.....	1.375	.048	.022	.055	.600	3.555	.380	13.500	.025	1.436	9.503	1.600
March.....	1.375	.052	.023	.058	.600	3.549	.380	13.500	.025	1.436	10.665	1.600
April.....	1.375	.062	.026	.057	.500	3.503	.380	13.500	.026	1.436	11.015	1.600
May.....	1.450	.098	.035	.066	.550	3.497	.276	14.200	.026	1.436	11.338	1.600
June.....	1.550	.122	.043	(¹)	.575	3.500	.315	15.000	.026	1.436	13.360	1.600
July.....	1.725	.137	.049	.095	.625	3.572	.460	15.500	.026	1.549	16.198	1.600
August.....	1.775	.150	.050	.129	.650	3.690	.505	16.200	.026	1.586	16.990	1.600
September.....	1.775	.132	.047	.128	.650	3.722	.768	17.000	.028	1.595	16.910	1.613
October.....	1.775	.103	.046	.118	.650	3.929	.940	17.000	.028	1.603	18.390	1.700
November.....	1.775	.103	.044	.104	.650	3.963	.940	17.000	.028	1.603	18.268	1.700
December.....	1.775	.099	.044	.100	.650	3.961	.940	17.000	.023	1.603	18.500	1.700
Year.....	1.592	.097	.038	.088	.609	3.667	.567	15.240	.026	1.512	14.118	1.626
1934												
January.....	1.775	.101	.046	.101	.650	3.972	.940	17.000	.028	1.650	18.560	1.700
February.....	1.775	.103	.050	.105	.650	3.74	.940	17.000	.025	1.650	19.000	1.700
March.....	1.775	.096	.050	.105	.650	3.972	.940	17.000	.028	1.650	19.000	1.700
April.....	1.775	.108	.048	.105	.650	4.134	.940	17.250	.031	1.675	19.000	1.700
May.....	1.750	.104	.046	.105	.578	4.179	.940	18.000	.032	1.570	19.000	1.850
June.....	1.750	.098	.046	.105	.550	4.200	.940	18.000	.032	1.650	19.000	1.850
July.....	1.700	.098	.047	.107	.550	4.185	.940	18.000	.030	1.650	17.800	1.810
August.....	1.625	.088	.049	.113	.550	4.199	.940	18.000	.030	1.650	16.000	1.800
September.....	1.625	.099	.051	.115	.550	4.192	.940	18.000	.030	1.650	16.000	1.800
October.....	1.625	.096	.049	.120	.550	4.190	.940	18.000	.030	1.650	16.000	1.800
November.....	1.625	.099	.047	.119	.550	4.190	.940	18.000	.030	1.650	16.000	1.800
December.....	1.625	.110	.048	.114	.565	4.190	.940	18.000	.030	1.650	16.000	1.800
Year.....	1.703	.100	.048	.109	.587	4.131	.940	17.692	.029	1.637	17.631	1.777
1935												
January.....	1.520	.120	.048	.110	.600	4.180	.940	18.000	.030	1.650	16.000	1.800
February.....	1.550	.111	.047	.110	.600	4.180	.940	18.000	.030	1.650	16.000	1.800
March.....	1.550	.104	.047	.110	.600	4.180	.940	18.000	.030	1.658	16.000	1.800

¹ No quotation.

Source: Bureau of Labor Statistics, U. S. Department of Labor.

Mr. FRAZIER. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield the floor.

Mr. AUSTIN obtained the floor.

Mr. FRAZIER. I wish to ask the Senator from Tennessee a question.

Mr. McKELLAR. I shall be very glad to answer it.

Mr. FRAZIER. I do not think the Senator from Michigan [Mr. VANDENBERG] complained at all about the increase in prices of farm products.

Mr. McKELLAR. He asked, "What is the state of the Union in respect to agriculture?" and, of course, we all know that the principal question in agriculture is what the farmer is going to get for his products.

Mr. FRAZIER. The objection he raised was to the imports that are coming in.

Mr. McKELLAR. Yes; but suppose imports are coming in: We have the indisputable fact that while imports may temporarily be coming in, to a greater degree the prices of farm commodities are constantly going up. Therefore, the American farmer, instead of being injured, is being greatly benefited.

Mr. TYDINGS. Mr. President—

Mr. FRAZIER. Prices have gone up, generally speaking, since 1932 and 1933; but I desire to give some figures from the Agricultural Department for the week ending May 4:

Bonded stocks of other grains in United States, current week: From Argentina, wheat, 855,000 bushels; corn, 678,000 bushels; oats, 1,411,000 bushels; rye, 110,000 bushels.

Then from Poland there were imported 116,000 bushels of oats and 1,115,000 bushels of rye. The importation of rye is well over a million bushels for that week.

I have here a statement from a man connected with the milling trade in New York commenting on these imports.

Mr. McKELLAR. If the Senator will wait just a moment, he has referred to a week's importation. That might have been brought about by the fact that there has been a very great increase, so I am told—I cannot speak from experience—in the demand for rye, because of the fact that the prohibition amendment has recently been repealed. I do not know whether or not that is true. It may be. I do not think the Senator's figures are important, however, because they refer to too short a term. One week's figures about imports do not tell the story. Besides, I am informed that rye has increased enormously in price, to the great advantage of the rye farmers.

Mr. FRAZIER. Mr. President, this man from New York, in the milling business, makes this statement in a telegram:

Note how rye is pouring in from abroad. Note that stocks of rye in the visible are 8,564,000 bushels. The estimated rye crop is 40,000,000 bushels, versus 16,000,000 last year.

That is the estimated crop for the coming season—40,000,000 bushels as against 16,000,000 bushels last year.

This man goes on and makes this statement:

I hear the distilleries are selling their corn and buying rye, due to its cheapness.

The price of rye has not gone up anywhere in comparison with the increase in the price of corn.

Mr. McKELLAR. I will say to the Senator that I do not know as to that; but I desire to ask the Senator a question. Is he in favor of doing away with present administration system of increasing prices for the farmers, or is he in favor of returning to the system of increasing the tariff?

Mr. FRAZIER. I wish to say to the Senator from Tennessee that, of course, I am not in favor of reducing the amount of farm products that can be raised by our own people and letting them be imported from other countries.

Mr. McKELLAR. The Senator recalls perfectly well that until 1932 we undertook to raise the prices of farm products by increasing the tariff rates. I say "we." I did not join in that enterprise—I voted against it—and I do not know whether the Senator did or not; but the Congress undertook to do that. The Senator recalls that.

Mr. FRAZIER. I remember that.

Mr. McKELLAR. And the Senator knows that it did not have that effect, does he not? The Senator does not wish to go back to that high-tariff system, does he?

Mr. FRAZIER. I never thought the farmer got a square deal in that tariff legislation.

Mr. McKELLAR. Whether or not the farmer got a square deal, agricultural prices did not go up, did they?

Mr. FRAZIER. No; they did not.

Mr. McKELLAR. Under the present arrangement, agricultural prices have gone up constantly, have they not?

Mr. FRAZIER. Well, of course, a number of things figure in that matter.

Mr. McKELLAR. I know; but surely the Senator from North Dakota, as strong a friend of the farmer as he is constantly saying he is—and I know he is—is not in favor of turning down a system which has raised the prices of farm products to the farmer, is he?

Mr. FRAZIER. Oh, I want to see the prices stay up.

Mr. McKELLAR. I am glad to hear the Senator say that.

Mr. FRAZIER. I desire to read a sentence from the concluding part of the telegram from this representative of the millers of New York on the subject of rye. He says:

Unless the rye farmers are protected with the proper duty, they are liable to get 25 cents per bushel for their 1935 rye crop.

Mr. McKELLAR. Right there, I recall and the Senator from North Dakota recalls that in 1930, 1931, 1932, and 1933, perhaps, the same cry was raised about wheat—that unless we had a higher tariff on wheat, wheat would go down in price; but wheat went down even when we did put an increased tariff on it. The Senator recalls that?

Mr. FRAZIER. Oh, yes; I know that.

Mr. McKELLAR. Why does the Senator want to try out again a theory which has been repudiated by the facts in agricultural prices?

Mr. FRAZIER. The fact is that I do not like to see rye coming into the United States, cutting down our markets. Rye is worth only about half the price of corn.

Mr. McKELLAR. That simplifies the situation very much. The Senator, then, is talking about rye, and he is in favor of the splendid increases in the prices of all other agricultural products. Is not that true?

Mr. FRAZIER. I certainly am in favor of increases in prices, but I should like to see the rye farmers protected, and the flax and other farmers protected.

Mr. McKELLAR. Does the Senator still have faith that they might be protected by a protective tariff?

Mr. FRAZIER. Of course; there is no question that if the tariff on rye were higher—it is only 15 cents a bushel—if it were double what it is it would result either in the price of rye being raised or a good deal of the imports of rye being kept out.

Mr. McKELLAR. The Senator recalls the situation several years ago in connection with the tariff on wheat. His recollection about the tariff rate will be better than mine. Let us assume that it was 21 cents a bushel.

Mr. FRAZIER. It was 42 cents.

Mr. McKELLAR. Forty-two cents a bushel. It was 21 cents, and the Congress raised that to 42 cents, according to the recollection of the Senator?

Mr. FRAZIER. That is the figure to which it was raised.

Mr. McKELLAR. It was about half that, and we raised it to 42 cents, and the price of wheat went down the next day.

Mr. TYDINGS. Mr. President, will the Senator from Tennessee yield to me?

Mr. McKELLAR. I yield.

Mr. TYDINGS. I take it for granted that the Senator is making an answer to the remarks of the Senator from Michigan, and in that connection may I ask the Senator from Tennessee whether the Senator from Michigan referred to the international balance sheet prepared by Mr. Peek?

Mr. McKELLAR. Yes; he did.

Mr. TYDINGS. Anyone who will read that document will see that we have a visible and invisible balance of trade with the world of \$381,000,000. Yet Mr. Peek claims that because we bought gold we turned that favorable balance of trade into an unfavorable balance of trade.

Let me point out that, in my judgment, that is an error on the part of Mr. Peek, because when we bought that gold we gave paper money, in effect, for the gold, and we have the gold. In the gold we have an asset. Mr. Peek counts our gold as a liability. Certainly, if we gave our money for that gold and put the gold into the Treasury, we still have the gold, and that asset offsets the liability; so we still have a favorable balance of trade of \$381,000,000 according to Mr. Peek's own statement. Therefore the remarks made by the Senator from Michigan were not accurate if they were based on this statement, because, in spite of Mr. Peek's own reasoning, we maintained a favorable balance of trade of \$381,000,000 for the year 1934, and there cannot be set up as a liability the gold we bought, as Mr. Peek attempts to do, unless he, at the same time, sets up that gold as an asset, because we have the gold which we bought, and we could sell that gold tomorrow and get our money back.

Mr. McKELLAR. Mr. President, I thank the Senator, and I agree with him entirely. My judgment is that if this country should undertake to do away with its foreign trade, it would make the most monumental mistake it would be possible to make.

Mr. TYDINGS. Will the Senator permit one more interruption?

Mr. McKELLAR. Yes.

Mr. TYDINGS. A simple illustration of what I have been attempting to point out would be a case such as this: Suppose a grocer bought two and a half dozen eggs for a dollar; he would give the farmer a dollar for the eggs; he would have the two and a half dozen eggs in his store ready to be sold at some future time. But under Mr. Peek's reasoning, he would set up the dollar as a liability, because the grocer

paid a dollar for those eggs, and he would not set up the two and a half dozen eggs which he had in his store as an asset, which he could immediately sell, and get back his dollar, and probably some profit. That is the reasoning in this whole matter, and it is specious. I think Mr. Peek is sincere, but he is not accurate. In spite of Mr. Peek's statement, we still have a proven visible and invisible balance of trade with the world of \$381,000,000, and the Senator from Michigan [Mr. VANDENBERG], who is a Presidential candidate, I understand, would throw away that favorable balance; he would stop trading with the world, he would have less commerce, and if we had less commerce, we would have less employment. He is proceeding on the theory that everything the administration has done has been wrong because it has constricted our market; yet he would go still further by lopping off our foreign trade.

Mr. BLACK. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

The PRESIDING OFFICER. The Senator from Vermont has the floor.

Mr. McKELLAR. I did not understand that. Of course then I yield the floor and take my seat.

Mr. BLACK. I thought the Senator from Tennessee had the floor.

Mr. NORRIS. A point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. I make the point of order that the Senator from Vermont cannot farm out the time without losing the floor himself.

Mr. TYDINGS. I beg the Senator's pardon.

Mr. McKELLAR. I did not know I had yielded the floor. I have just yielded to the Senator from Alabama [Mr. BLACK] to ask the Senator from North Dakota [Mr. FRAZIER] a question, which I think ought to be asked.

Mr. NORRIS. The Senator from Vermont has had the floor a long time, but other Senators have been doing the talking. What I am objecting to, and I think it is hardly necessary to call it to the attention of Senators, is that they are simply helping the Senator from Vermont to carry on a one-man filibuster. He is doing that without himself talking. We ought to compel him to do the talking.

Mr. BLACK. Will the Senator from Vermont yield to me for a question?

Mr. AUSTIN. I yield for a question.

Mr. BLACK. The Senator from North Dakota made a statement about rye and its value, and he said he was fearful the producers of rye would get only 25 cents a bushel next year. All I wanted to find out was what the price of rye is today, and if the price did not go down to 7 cents when it was at its lowest.

TENNESSEE VALLEY AUTHORITY

Mr. NORRIS. I raise a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. I object now to the Senator from Vermont yielding the floor for other Senators to make speeches unless the Chair holds that he loses the floor by doing so.

The PRESIDING OFFICER. The point of order is sustained. The question is on the motion of the Senator from Nebraska [Mr. NORRIS], that the Senate proceed to the consideration of Senate bill 2357, proposing to amend the Tennessee Valley Authority Act. The Senator from Vermont will proceed in order, and can yield only for a question.

Mr. LEWIS. Mr. President, will the Senator yield to me for only a moment?

Mr. AUSTIN. Certainly.

Mr. LEWIS. I overheard the Senator from Maryland [Mr. TYDINGS] referring to the Senator from Michigan [Mr. VANDENBERG] as seeking the Presidency, or the nomination. I ask, Should not my able friend from Maryland secure the presence of the Senator from Michigan, if there is to be a reflection on his character and intellect, by the intimation that he would be so unwise as to take the Republican nomination for the Presidency? [Laughter.]

Mr. AUSTIN. Mr. President, if that question were addressed to me, I am inclined to think that I should answer in the affirmative.

WASHINGTON-LINCOLN MEMORIAL-GETTYSBURG BOULEVARD

The PRESIDING OFFICER (Mr. SHIPSTEAD in the chair) laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 43) for the establishment of a commission for the construction of a Washington-Lincoln Memorial-Gettysburg Boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield of Gettysburg in the State of Pennsylvania, which were, on page 2, line 1, to strike out "10" and insert "13"; on the same page, line 8, after "Senate", to insert "the Chief of the Bureau of Public Roads, Department of Agriculture; the Director, National Park Service, Department of Interior; Engineer Commissioner of the District of Columbia"; on the same page, line 20, after the word "plans", to insert "in cooperation with the Bureau of Public Roads, Department of Agriculture; the Highway Departments of Pennsylvania, Maryland, and District of Columbia", and on page 3, line 17, after the word "enacted", to insert a comma and "provided such enabling legislation stipulates that the said highway or boulevard shall be constructed by the Highway Departments of Pennsylvania, Maryland, and District of Columbia, under the supervision of the Chief of the Bureau of Public Roads, Department of Agriculture, from funds provided by the said State of Pennsylvania, the said State of Maryland, and the District of Columbia, including any future allocation of Federal-aid highway funds or grants to the said States of Pennsylvania, Maryland, and to the District of Columbia. The passage of this act does not commit the United States to build the said highway or boulevard at Federal expense, and if authorized the Federal funds for the construction of the said highway or boulevard will be the allocations that may accrue to the said States and the District of Columbia in future appropriations of Federal-aid highway and grant funds. Any appropriations under the authority of this act shall be deducted from the next regular apportionment or allocation of Federal-aid highway funds or Federal-grant highway funds, under existing or future authorizations as determined by the Secretary of Agriculture, to Pennsylvania, Maryland, and the District of Columbia."

Mr. TYDINGS. I am familiar with the amendments made by the House of Representatives to this joint resolution. It is a local matter, and I, therefore, move that the Senate concur in the amendments of the House.

The motion was agreed to.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON BANKING ACT OF 1935

The PRESIDING OFFICER laid before the Senate the concurrent resolution (H. Con. Res. 20), which was read, as follows:

Resolved by the House of Representatives (the Senate concurring). That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Banking and Currency of the House of Representatives be, and is hereby, empowered to have printed for its use 1,000 copies of the hearings held during the current session before said committee relative to the bill (H. R. 5357) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes.

Mr. HAYDEN. I am familiar with the subject matter of the concurrent resolution just read, and I am prepared to state that the printing of additional copies of the hearings is necessary. I therefore move that the Senate concur in the concurrent resolution.

The motion was agreed to.

TENNESSEE VALLEY AUTHORITY

The Senate resumed the consideration of the motion of Mr. NORRIS to proceed to the consideration of the bill (S. 2357) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to

provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes", approved May 18, 1933.

Mr. AUSTIN. Mr. President, the Senator from Vermont is not conducting a filibuster at all. Up to this time he has not had an opportunity to address the Senate respecting the pending question.

The matter before us is whether the Senate will agree to proceed with the consideration of Senate bill 2357, which is a measure introduced by the Senator from Nebraska [Mr. NORRIS] for the purpose of amending the Tennessee Valley Authority Act of 1933.

I object to proceeding to the consideration of that bill for certain reasons which I shall endeavor to present to the Senate with as much moderation and self-control and fairness as the place and the occasion and the consideration of this question permit. I make that comment by way of introduction because I believe that, upon consideration of the bare facts, the Senate should feel impelled unanimously to object to the consideration of this measure.

What is it, to begin with, we are asked to proceed to consider? If the Senate were to accept the report filed by the committee, it would come to the conclusion that the measure is most inconsequential and unimportant. The report consists of two small paragraphs filling the center of one sheet of paper of the customary size used for such reports, and the report is as follows:

The Senate Committee on Agriculture and Forestry, to whom was referred Senate bill 2357, amending Public, No. 17, of the Seventy-third Congress, the Tennessee Valley Authority Act of 1933, having had the same under consideration, beg leave to report thereon as follows.

All I have read so far constitutes one of the two paragraphs, and it merely identifies the bill. Now we come to the report:

We recommend the passage of the bill S. 2357. The bill amends the Tennessee Valley Authority Act of 1933. None of the amendments are of very great importance, but all are desirable in carrying out the intent and purposes of the act. It has been found in practical operation that these amendments are necessary in order to clear up any doubt as to the operation of the law and to clarify and make plain some of the provisions of the act. It is believed that this bill will accomplish that result.

Mr. President, the bill which the Senate is asked to take up and proceed with embraces 13 pages. I need only to point to one or two features of the bill to show how very unfair is the report on it and to what extent the Senate of the United States and the people of America would be misled if they should accept the report and proceed to act upon this proposed legislation.

Consider for just one moment that section 9 of the bill reads in part as follows:

That section 15 of said act be, and the same is hereby, amended to read as follows:

"Sec. 15. With the approval of the Secretary of the Treasury, the Corporation is authorized to issue bonds not to exceed in the aggregate \$100,000,000 outstanding at any one time"—

"Upon what meat doth this our Caesar feed", that he has grown so great that he will take into his roomy maw \$100,000,000 and regard it as a matter of no very great importance?

However, that is only one of the features of the bill. Let me call the Senate's attention to the fact that the whole plan of T. V. A. came to the Congress with a view of a limited power in the Corporation to do certain definite things and then stop, unless upon an examination and report to the Congress the Corporation were further authorized to proceed.

Now what do we find the situation to be? This private corporation, this institution into which the Government converted itself—for when we passed the T. V. A. Act, the Government of the United States converted itself into a private business corporation—has gone ahead under that limited grant of the T. V. A. and undertaken the construction of works not contemplated by the act; it has entered upon a social program not authorized to be entered into; it has acquired money not authorized by the act; it has

deviated from the authority granted by the act to capitalize itself, and has exceeded its rights even as a private corporation to such an extent that it has had to be enjoined in a court of law for an ultra vires act. Now, we, the Senate of the United States, have brought before us, upon the slightest consideration—almost no consideration by any standing committee of the Senate—a bill which undertakes to patch up and to plaster here and there these defects, these breaches, and to fix up these defalcations, these excess expenditures, these violations of the law, by an act of Congress.

I ask the Senate, if I proceed no further in an analysis of what the bill proposes to do, what is the Senate's answer to the question whether this bill, as reported by the committee, is a matter of no very great importance, one that we should take up at once on a motion to proceed to its consideration? And when a single Senator rises from his chair and asks for the floor for the purpose of opposing a motion to proceed with the consideration of that kind of bill, he is charged on the record with conducting a one-man filibuster.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield for a question, though I am under a sort of cloture.

Mr. TYDINGS. The Senator is more familiar than I am with the bill under consideration. I understand, and I ask the Senator to tell me whether or not my understanding is correct, that of the money allocated for this project, the T. V. A., \$50,000,000 remains unexpended or unused, the authorization remains unused, and under this bill \$100,000,000 more would be added to the project. Is that correct?

Mr. AUSTIN. Mr. President, I understand it is not correct, and that the total amount would be \$100,000,000; but, if the Senator will observe the language of the bill, that is an open-end mortgage. It runs to \$100,000,000 at any time in the future; and, regardless of whether or not we retire any of the bonds, if we do retire any of them we still have this running authority to place upon the homes of the people of the United States a mortgage for \$100,000,000; and yet, forsooth, we must at once adopt a motion to proceed with the bill on the ground that it is a wholly unimportant affair.

Mr. TYDINGS. Mr. President, will the Senator yield for another question?

Mr. AUSTIN. I yield.

Mr. TYDINGS. I am asking merely for information, because I am not familiar with the matter, and I know the Senator from Vermont is; and I may say that I am in agreement with much that he says. May I ask the Senator if the fund originally authorized has been used in full? If not used in full, how much of the fund remains to be used in the future?

Mr. AUSTIN. Mr. President, I am glad to treat of that subject immediately, although I intended to take it up in a different order.

Mr. TYDINGS. Then I shall not interrupt the Senator.

Mr. AUSTIN. In answer to the question, I will say graphically and briefly that advantage has never yet been taken of the \$50,000,000 authorization for a bond issue. On the contrary, the Tennessee Valley Authority—this private corporation, consisting of three persons—saw fit to take out of the Treasury of the United States, by other and devious and unauthorized means, treble the amount authorized in the T. V. A. Act, and never touched the \$50,000,000 really authorized by the act; and they had the boldness to admit that their object in doing that was to get all they could before they had to rely on the \$50,000,000 bond issue. So they have done, and so they have expended in the brief time since June 1933, \$250,000,000, in round numbers, which is five times the amount of the authority contained in the act; and all this huge expenditure of money has taken place in the 2-year period from June 1933 to the present time—if we extend it to June 1935.

Mr. TYDINGS. Mr. President, will the Senator yield to me for another question?

Mr. AUSTIN. I yield.

Mr. TYDINGS. As I understand, then, the \$50,000,000 of unused authorization, plus the \$100,000,000 of new authorization, would make \$150,000,000 altogether, would it not?

Mr. AUSTIN. Mr. President, I do not construe the amendment in that manner. I regard the amendment as in the nature of a substitute for the \$50,000,000 authorized in the original act.

Mr. TYDINGS. That was the point upon which I desired to be clarified. I thank the Senator for doing so.

Mr. AUSTIN. However, on the question of whether we should now proceed to the consideration of the bill, we cannot overlook the fact that the limitations placed in laws undertaking to keep within legal bounds an authority that is delegated and limited amount to nothing. We have already seen that by means of the various experiments upon which the Government of the United States has entered it has become possible, and is therefore taken advantage of, for a private business corporation which represents the United States of America to exceed its authorization five times over in the course of 2 years. So what is the significance of the limitation in the proposed act of \$100,000,000?

Mr. President, before proceeding to a more detailed statement of facts, which I feel sure will shock the Senate into a determined opposition to any further procedure on this bill until it can be referred to a committee of the Senate and considered as all substantial and important business of the people of this country ought to be considered, I wish to call attention to the course the bill has pursued. It was, after being introduced in the Senate, referred to the Committee on Agriculture, although it purports to have to do, as a primary purpose, with the national defense and navigable rivers, of which the War Department and the Military Affairs Committee of the Senate have the normal, natural, usual jurisdiction. When the bill went to the Agricultural Committee, what consideration was given to it, carrying as it does an authorization of \$100,000,000 of bonds, besides other powers to which I shall later refer?

The committee met on the 10th day of April at 10 o'clock in the forenoon; it adjourned at 12 o'clock noon that day; and during those 2 hours it considered this bill and one other, and reported, with the very illuminating explanation which I read at the outset of my remarks. Was a witness heard? Were the views of the War Department considered? Were the interests of John Citizen in the placing of a mortgage on his house consulted? Who knew anything about it? Did you, my colleagues, hear of it? Yet, in the confusion immediately following the vote on the bonus bill, a motion is made to proceed to the consideration of the bill and there is resentment at the opposition of any Senator who tries to stop this headlong course for a sufficient length of time to enable the people of the country to know what the Senate is doing with such an important matter.

That is not the only reason why the Senate should oppose the pending motion. There is another very important reason to be considered before we come to the shocking details. A bill which corresponds to this bill in almost every detail, introduced in the House of Representatives by Representative McSWAIN, was referred in that body to the Military Affairs Committee to which such a bill normally, usually, and properly is referred. That committee held hearings on March 28, 29, and 30, and April 2, 3, 9, and 10. They took the testimony of witnesses.

Has there been any report on that bill? No. That committee of the House of Representatives is considering the House bill. It has also called upon the Tennessee Valley Authority for additional information, which that Authority has promised to furnish but has not as yet furnished, although nearly a month has elapsed since the last date of hearing.

Now, my colleague, I ask you, in view of that situation, in view of our obligation to our country, ought we to proceed to the consideration of this bill, which corresponds to the bill to which I have just referred, without waiting for the publication of the hearings on the latter bill? Ought we not at least to take a course deliberate enough to enable Sen-

ators to have the advantage of the testimony taken before the committee of the House of Representatives? What harm will ensue by waiting for that testimony?

I have taken pains to ascertain, so far as I could, what are the prospects of obtaining printed copies of the hearings, and have been advised that perhaps in a week such copies may be obtained. What would be the injury to this private corporation, in connection with whose activities so much interest and anxiety is shown here for speed, if the Senate should await the publication of those hearings and have an opportunity to learn some of the facts, something of the interest behind this measure and of its probable effects?

I am informed and believe that the testimony, if we could have it, would tend to show a most astonishing and shocking situation of affairs. I am informed that the testimony would tend to put us on guard as trustees of the public welfare and cause us to pause ere we give greater authority than we have already given to three men, organized into a private business corporation to act in the capacity of the Government of the United States—a form of deviation from our powers and our rights which I regard as one of the most dangerous ventures upon which a government can ever enter.

I am informed that there was an audit by the Comptroller General, which will be found in the evidence taken by the House committee and which should be available to the Senate before we proceed to grant this authority to issue bonds, bonds which will fall not upon the private corporation alone, as they generally do in the case of other private corporations, but bonds which will fall upon the individual taxpayer, as was not the case under the first bill, the Tennessee Valley Authority Act of 1933. This bill, apparently so innocent and so unimportant, carries over from this private corporation to the backs of the people of America the obligation of those bonds.

I am advised that when we obtain that evidence we will find that the Comptroller General found abuses, excesses of authority, violations of the law, overpayment of salaries, contracts made in the teeth of the law, overpayment of contractors, the most astounding state of affairs that has ever occurred in the handling of the public money of the United States, and cautioning us that whenever we are asked to turn over such authority as was turned over to the T. V. A., to be administered by three citizens incorporated into a corporation, we are doing an extremely hazardous act. We are asked to injure the people of this country financially and morally.

Listen, Mr. President, to what I believe this evidence will show—and this is only a paragraph of it:

The nature of exceptions—

Meaning the exceptions by the Comptroller General—

established consists of purchases without competition, in violation of section 3709 of the Revised Statutes—

Which, if I have time, I will read into the Record, and which requires bids. Purchases may not be made save in instances of emergency without taking bids—

Emergency purchases unsupported by showing of emergency; modifications of specifications—

It seems as though we have previously heard something about that type of violation of good faith—

awards on basis of personal preference; dual compensation; excessive allowances and reimbursement of traveling expenses to prospective employees; payment of per diem at designated posts of duty; allowance of overtime to annual employees; allowance of charge for personally owned motor vehicles without prior authorization; overpayment on pay rolls; payment of pay rolls without administrative approval; subscription to newspapers and periodicals in excess of statutory limitations; payment for rented office equipment lost or stolen; payment for power plants, transmission lines, and real estate acquired without having clear title thereto; rent for land occupied by Civilian Conservation Corps camps paid at rates higher than for land purchased outright; lump-sum payments under cost-plus contracts and fees without original invoices and in excess of reported progress of work; claims paid for loss and damage to property; apparent overpayments on electric equipment under annual agreements; cost of reconditioning plant agreed by contract to be for payment account of losses; rent for buildings without evidence showing that payments are not in excess of 15 percent of fair market value; pre-audited certified vouchers increased and payments made to vendors in excess of amounts shown

on the invoices; allowances in expense accounts for bridge toll ticket books before such books have been used; loans to cooperative associations without security; hire of special conveyances, such as busses and airplanes, for visitors and students; and noncompliance with contractual provisions for insurance protection covering personal injury.

Mr. President, I have read a quotation of but one paragraph of a quite voluminous record which I am informed will show to the Senate in detail an astonishing situation resulting from the legislation which the bill proposes to amend.

Let us consider the vital question of capital set-up. When I came to the Senate in 1931 my ears were filled with voices criticizing public-utility corporations, particularly on the ground that they were carrying their properties at an overstatement of actual value. All kinds of bills and proposals came before us with the view of knocking the value out of them. It was called "water", it was called "inflation", it was called various things, but the whole purpose was to discredit and injure the status and the good will of private corporations engaged in producing electrical energy and gas. I have believed from time to time that it did have that effect.

Of course the argument made at that time was that these capital figures had been made out and had been written up in order that the income of the corporations might be represented to the public and to employees as being at a lower rate of return. That awful crime, if it were such, was made the most of. As a matter of fact, it was answered by showing that the shares of stock had gone out into the world and been paid for with hard cash of people here and there all over the world, so that actual money in most instances was behind every dollar invested.

But what do we find the same critics doing here? One of the objects stated on the platform and in the public press from time to time by those who are interested in the T. V. A. service has been that "it is a yardstick." "This will furnish a standard of measure by which we will club down private enterprises. We will beat them in competition for the business of America. Ultimately we will destroy them and drive them out of the market and supplant them with electrical energy and gas produced by the United States of America."

Here is the first experiment. It has been operating in the most experimental manner for only 2 years. The very first and only balance sheet that has ever been produced shows what with respect to capitalization? Oh, the pendulum has swung clear to the other extreme. Regardless now of what the Government paid for these properties, regardless of what the properties are actually worth, they have been written down until it was hoped to bring about a standard or a yardstick so low that no private corporation on earth could ever equal it or compete with it.

Let us see about that. Is it so or is it a mere general statement?

The bill should not be proceeded with because we expect that the record, when published and brought to the Senate, will show the following data extracted from page 394 of the audits of accounts of the Tennessee Valley Authority by the Comptroller General of the United States for the fiscal year ending June 30, 1934:

Plant transferred to the Tennessee Valley Authority

Cost of plant no. 1.....	\$13,757,807.58
Cost of plant no. 2.....	71,181,526.57
Total.....	84,939,334.15

Mr. President, at the very first shot we find that the limit of authority under the Tennessee Valley Authority's Act of 1933 has been broken—\$84,900,000, whereas the limit prescribed in the act was \$50,000,000. The people of the United States of America never before knew that this private corporation was about to enter upon an enterprise whose capitalization would exceed \$50,000,000, the amount limited by the act.

Oh, but this is just the beginning—"only the beginning"! I proceed:

Wilson Dam, power plant and equipment—not including the locks—\$46,971,995 and some cents.

Warrior-Sheffield transmission line, including Gorgas steam plant, \$5,012,643 and some odd cents.

Making a total of \$136,923,973 plus. That is almost three times \$50,000,000, but that is not the end of it.

Less sale Warrior-Sheffield properties, \$3,472,487—not reading the cents.

Balance, \$133,451,486.

Add inventories, \$880,963.

Total, \$134,332,450.

Less loss on Warrior-Sheffield properties sale, \$1,540,156.

Balance, net transfer to T. V. A., \$132,792,294.

It is safe to assume, is it not, that this was a transaction between a willing vendor and a willing purchaser, and that that valuation probably was correct? What did they do, however, in order to carry out the objective of having a yardstick? Of course, they were confronted with the question of whether they could ever make a return on that amount of money invested in their capital structure that would show in the black. So what do they do? They write it down, and they account for it all on their books with a set-up of 38 percent of the cost of the property transferred; that is to say, \$51,000,000. Now, they are almost down to the authority granted by the act.

Mr. President, every business man knows that there is another thing connected with that set-up, and that is the subject of depreciation; and when annually that Corporation set down in its books, in an honest and fair manner, the amount of depreciation which naturally, economically should be set down, if it was based on that large valuation it would take the heart right out of any earnings the T. V. A. ever should make.

Mr. President, they were not content, so far as depreciation went, with writing down arbitrarily to \$51,000,000 this property which was actually worth \$132,000,000 plus—oh, no! They must deviate from the customary method of figuring depreciation, and so they do not take a certain percentage annually of their capital investment of \$51,000,000. They took even so low a rate of depreciation as 2 percent as the annual sum they would have to deduct and set aside before they declared their profit would be a million dollars. Do you expect the Government in business to earn a million dollars out of T. V. A.? No; so they do not use that method at all. They undertake an arbitrary and a new rule of figuring depreciation based on their income, a percentage of their income.

If we should proceed no further, Mr. President, we have arrived at the point where we know that in the Military Affairs Committee of the House there is a fund of information of the utmost value for the Senate to consider before proceeding to the consideration of the bill which is the subject of the motion of the Senator from Nebraska; but the fact is that I intend to bring to the attention of the Senate, before I take my seat, 23 other pages of specifications which, in my opinion, become more interesting, more exciting to our caution, than the writing down of the capital of this great Corporation.

Let us inquire where this Corporation got the money that it spent. We know that it regarded and treated the bond-issue authorization as a backlog, and did not intend to use it, and did not use it. Therefore, where did the Corporation get its money? Let us see.

First. They dipped into the National Industrial Recovery Act. That is, there was an allotment made by the National Industrial Recovery Administration, under the act approved June 16, 1933, of \$50,000,000, equal to the entire authorization contained in the original act. Did Congress have any idea that that money ever would be used to finance a private business corporation which was going to be engaged, among other things, in producing electrical appliances and marketing them to the ultimate consumer? I doubt it. That is just one item.

Mr. GORE. Mr. President, what was the date?

Mr. AUSTIN. The date of the act was June 16, 1933. I am informed that the allotment was made in July of that year.

Second. This amount came out of another fund. By the Emergency Appropriation Act for the fiscal year 1935, approved June 19, 1934, there was appropriated \$25,000,000.

Third. By allotment to Electric Home and Farm Authority, incorporated under the laws of the State of Delaware, for invested capital, allotment from the N. I. R. A. fund, \$1,000,000.

Fourth. Loans to Electric Home and Farm Authority from Reconstruction Finance Corporation, \$10,000,000.

Fifth. By allotment from Emergency Relief Administration funds to Tennessee Cooperatives, a corporation organized under the laws of the State of Tennessee, \$300,000.

Eighth. Revenue from sale of power, and interest thereon, according to annual report of T. V. A., \$824,892.11; less current operating expense of \$276,234.53; net, \$548,657.58.

These figures total \$86,848,657.58, but they do not represent all. Items 6 and 7, which I skipped, are as follows:

Sixth. Use of C. C. C. workers, variously reported as from 5,000 to 6,000 men, figures not available, but paid through the C. C. C. organization.

Seventh. Civil Works Administration employees, figures on number and cost not available.

Of course, we should consider, on a motion to proceed with this bill, the probability that if the law had been observed, if the T. V. A. Act had been followed, we should not now be confronted with the necessity of patching it up, and fixing up these breaches in the wall.

Mr. President, I desire to observe, in passing, something which has struck me not only as of literary value but as a profound truth, something which was brought to my attention when I was in the Orient, namely:

Rotten wood cannot be carved, nor walls of sand be plastered.

That bill, as originally drawn, exceeded any power Congress had. It stepped out into the realm where three men were enabled to take the taxes of the people and transmit them here and there without their being budgeted, and without the safeguards which the people wrote into the covenant by which the Congress was authorized to do business for them.

Mr. President, this is a quick retribution for the action of Congress. Within 2 years we are now confronted with 5 or 6 days of evidence before the Committee on Military Affairs of mismanagement, of waste of the people's money, of violation of the statutory law, and at present by a motion to proceed to the consideration of the bill which would make those things all white, and all clean, and all right, and perfectly lawful.

I say the Senate should pause long enough to let John Citizen know what is about to take place as affecting his rights and his property.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield for a question. I have been limited to yielding for a question.

Mr. CONNALLY. I was not able to hear the Senator's last statement and I wish he would repeat it. He said the Senate should pause long enough to do something.

Mr. AUSTIN. Long enough to let John Citizen know what is proposed.

I was trying to personify that great group whose houses are about to be mortgaged by this bill; that is all.

If we wait long enough before we proceed to the consideration of the bill, we will have a balance sheet of assets and liabilities of the corporation. We will learn how much money, if any, the United States makes when it enters into business.

I am informed that we will learn that the United States operated at a loss of \$62,910 in that business, which consisted of the production and sale of electrical energy, and that it never sold one dollar's worth of fertilizer.

Although we were led to believe, when we enacted the T. V. A. Act, that the corporation would have definite and specific powers, and limited purposes, curiously enough the corporation has become an eleemosynary corporation, a social organization, and it has entered upon all kinds of activities outside those named in its authority. Thus we find donations appropriated by it to various activities like the C. W. A. I find a record of a donation of \$58,338.91 made by this corporation, which now comes in and asks us to proceed to the consideration of a bill to permit it to borrow

\$100,000,000, to be payable by the people of the United States, if this corporation fails to earn money enough to pay the debt.

Mr. President, I am speaking at some disadvantage, not having the records. They have not yet been printed, and I have been obliged to take the minutes of someone else who could get only extracts for my use today. This matter came up suddenly last evening.

I find an item of power production expense of \$252,556.17, to which must be added depreciation, \$82,618.74; taxes, \$41,573.07; maintenance and operation, \$447,594.65, making a total of power production expense of \$824,342.64.

Deducting from that the return from power transmitted to United States agencies, amounting to \$25,675.56, we find that the net expense is \$798,667.08. The income was such that there was a net loss of \$62,910.17.

Mr. President, on the motion to proceed to the consideration of the bill, should we not pause and consider that in the Committee on Military Affairs there is evidence which we are informed and believe will show that loss was greater than that represented on their books, which have been kept in the manner in which they saw fit to keep them, and not according to the standard method required of public-utility companies in nearly every State of the Union. We ought to know whether that loss was really \$62,000 or was \$1,062,000, figured according to the standards applied to private corporations engaged in a similar enterprise and not backed by the Government, because it is said that this activity is to be the yardstick applied to private corporations.

When we obtain the evidence it will tend to show that this corporation has engaged in all kinds of activities not contemplated by the original act. I have mentioned only a few of them; time will not permit me to mention them all.

Apparently those in charge believed that because the original act did not enable them to engage in the business of selling refrigerators, curling machines, household aids of various kinds operated by electrical energy, nevertheless they had the power to go up into Delaware and form another corporation which would have that authority. So we find them spreading out, the shadow of their great hand falling over a large part of the United States of America, with a threat that they not only intend to have this a yardstick, but a model and a form for all communities in this great land of ours.

They will force competitors in the immediate neighborhood out of business by writing down their properties, bought at millions and millions of dollars, to a point where the return is so low that, when measured with the return of an honest corporation, it makes the honest corporation appear before the public as looting the public, thereby destroying its good will, and ultimately destroying its ability to serve. Thus they will reach out and cover the whole land with a network of these T. V. A.'s.

They will secure reports on how to develop every river in the United States. Did we not hear something of that before in the Senate—that a report is to be obtained as to how all the rivers of the United States may be developed in order to put the Government into business at the expense and at the cost of the death of legitimate private enterprise?

Here is an interesting extract which I believe will be found in the records of the Military Affairs Committee of the House, and ought to be considered, among other things, before the Senate proceeds to the consideration of this bill. The following is an extract from the minutes of the board of directors of T. V. A. at its meeting on October 24, 1933, and was introduced in evidence in the case of Ashwander against T. V. A., in the Federal court at Birmingham, as plaintiff's exhibit 41-k:

1. The Authority will cause to be put into effect, through agencies buying its current, rates low enough to produce a favorable market for the purchase and utilization of heavy-use appliances. The Authority further will seek to provide means to finance on a large scale the manufacture of standard equipment of this class and will seek, through promotion, etc., to facilitate the sale and utilization of this equipment.

Mr. President, I ask whether there is anything in the language of the T. V. A. Act which justifies the interpreta-

tion that the Government of the United States, through its Congress, was entering into such a business as that, even under the guise of a corporation? Of course, I am a firm believer in the principle that what the Government cannot do directly it cannot do indirectly, and that it matters not whether the Government undertakes to deal through one corporation or a string of them, as it has tried to do and is doing today with T. V. A. and its subsidiary corporations; it has no authority under the sun to engage in such business as that which the board of directors of the Tennessee Valley Authority launched upon in that resolution.

That resolution is a vital organic act of the Government of the United States. Of course, I believe such action to be wrong; but until it runs its course, and some such great jurist as Judge Grubb, of the northern district of Alabama, has the courage to stand up and pronounce such acts unconstitutional and void, they will be administered with devastating effect, frightening business, and destroying any possible hope of recovery; for we may be sure, Mr. President, that just so long as this sword hangs over the head of business, there will be no recovery.

There can be no recovery without confidence. There can be no recovery without the flow of capital into the channels of trade. There can be no recovery without reemployment, and there can be no reemployment without the flow of capital into trade. Capital will stay in hiding just so long as there is the threat of the great and powerful Government of the United States invading its field and destroying it. That is more than a threat. That is the execution of a purpose not contained in the act of Congress which is sought to be amended by this proposed amendment which we are asked to proceed to the consideration of without any opposition!

I now call the attention of the Senate to another piece of evidence as to what may be expected to be found in the record which the Senate should have, and the people of America should know about, when we come to the consideration of this bill.

The following is taken from the minutes of the Board of Directors of T. V. A. at its meeting on October 13, 1933, which was introduced in evidence in the case of Ashwander against T. V. A. in the Federal court at Birmingham as plaintiff's exhibit 5. Just remember that we have here the directors of the Tennessee Valley Authority sitting around the table, and what they do by resolution is a vital act of the United States, acting through Congress. Here it is:

The question was raised as to whether or not the power program which is being set up will provide a yardstick which can be applied with accuracy to the power industry. The consensus of opinion was that an accurate yardstick might be developed within 3 or 4 years if the Authority's power operations can be centered in a delimited area.

Arthur E. Morgan suggested that the Authority issue a statement of policy which would put it in a position of making a fair and practical attempt in a delimited area to develop a real yardstick which could be applied to the power industry.

David E. Lillenthal stressed the fact that the Authority must work toward an increase in the use of electricity as its main power outlet, and that increased usage of current would benefit both utility companies and the Authority. He called attention to the possibility of marketing electrical appliances and suggested that the Authority get permission from Congress to do this. This proposal met with the general approval of the board members.

Mr. President, that is a very important declaration. They knew they had no right or power or authority to engage in the enterprise spoken of in the resolution of October 24. This was only 11 days subsequent to the time when they were telling themselves, "We know it is wrong to do that. We know the Congress of the United States had no right to vest in us such an authority. There is not a word in the T. V. A. Act which expressly or impliedly gives us any right to do this thing. If we are going to do it, we must conform to the part of the T. V. A. Act which permits a study and a plan; and when we make the plan to include this power—which we have not—we must go back to Congress and ask Congress for the authority to do this thing."

That is what they knew. On October 13, 1933, they made such a declaration, which can be found in this evidence which we so much need; and on October 24, within 11 days thereafter, we find them putting into effect this thing which they

doubted they had the authority to do, and which they decided unanimously they must go to Congress to get the power to do.

What happened, Mr. President? Where is the authority? Where did they go when in doubt? When they all agreed, as they did, that they had no right, no power, no authority to do a certain thing, what do Senators suppose happened between the 13th of October and the 24th which caused them to do just exactly the thing which they all said they had no right to do? I do not know, but I have an idea that before we proceed with the consideration of this bill we should examine the evidence before the committee, and perhaps we should call witnesses who will tell us what they did, from whom they got the right and the power to do that which is set forth in the following:

The Authority will cause to be put into effect, through agencies buying its current, rates low enough to produce a favorable market for the purchase and utilization of heavy-use appliances. The Authority further will seek to provide means to finance on a large scale the manufacture of standard equipment of this class, and will seek, through promotion, etc., to facilitate the sale and utilization of this equipment.

Before we consider the proposal to increase the grant of power as provided in the terms of the proposed amendment to the T. V. A. Act, let us know, and let the citizens of the country know, what was the effect of the act we passed in 1933 when we created the T. V. A. What was its effect? Did it give a limited authority which would be adhered to, or was it regarded by the administration as an open sesame, as an opportunity to increase and grow and become great and strong and encompass all the things that might be necessary or unnecessary in order to put out of existence private enterprise engaged in public utilities?

Mr. KING. Mr. President—

The PRESIDING OFFICER (Mr. BACHMAN in the chair). Does the Senator from Vermont yield to the Senator from Utah?

Mr. AUSTIN. I yield.

Mr. KING. I regret that I have been compelled to attend a meeting of the Judiciary Committee of which the Senator is a member, and so I have not heard any of his statements except during the past few minutes. I assume from what the Senator has said, and from what I have heard that this organization projected a very comprehensive plan not only to develop power at the place in question but to penetrate distant areas so far as it could transmit power; also to engage in manufacturing articles and commodities, and also to form a corporation for the purpose of engaging in the buying and selling of electrical appliances. Has the Senator discovered whether any such power, which apparently is outlined in these minutes, has been exercised by this organization?

Mr. AUSTIN. It has, and the extent to which it has been exercised should be before the Senate before we undertake to consider the amendment of the T. V. A. Act contemplated by the bill of the Senator from Nebraska. I am unable to state, and I could not possibly carry in my memory, the details. There is a vast enterprise down there which keeps growing more Gargantuan all the time. One power breeds desire for another power. They had authority to build 2 dams and already they have launched upon the building of 5 dams. We are told there is evidence which tends to show it is their purpose to build 20 or 30 dams. Mr. President, it is of great interest to the taxpayers of the country to know what kind of a giant has the citizen by the neck at the present time.

Mr. KING. Mr. President, may I ask the Senator another question?

Mr. AUSTIN. I yield.

Mr. KING. Where would the organization obtain the means with which to purchase, as I assume it must purchase, the additional land which would be overflowed in the construction of the additional dams, and where would it get the money with which to purchase the additional land which would be overflowed if they should erect 8 or 10 dams or the number of dams indicated by the Senator?

Mr. AUSTIN. Great versatility has been shown by the Tennessee Valley Authority in obtaining funds. The Corpo-

ration was organized with authority for a bond issue of \$50,000,000 under the original T. V. A. Act. Does not the Senator know that not one dollar of money has been raised under the authority granted in that act? Probably he does not know that, but it is a fact. They can get money today. When the purse strings of the people are put into the hands of the Chief Executive, with almost unlimited authority over the purse of the people, we have the example of a private business corporation organized by the Government reaching into that purse at any time for any purpose. Thus they took out of that purse, as I have shown in detail, \$130,000,000 in just the short period of time they have been in existence, from June 1933.

What do they say about it? "Oh, well, we are going to get all the money we can in this manner before we resort to the bonds. The bonds are a backlog. We hold them there in order to keep the fire going. We do not need them. We can get the money all right."

Now they come here with a bill to amend the act. The bill is reported as being quite innocent. The report from the committee informs the Senate and the people of the United States that—

None of the amendments are of very great importance, but all are desirable in carrying out the intent and purposes of the act.

One of the amendments proposes to double the amount of money and to broaden out the time and the power so that this may be an open-end mortgage and there can be in existence at any time from now ad infinitum \$100,000,000 of those bonds.

Mr. KING. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Vermont yield further to the Senator from Utah?

Mr. AUSTIN. I yield.

Mr. KING. Is there anything in the bill, or in any of the hearings which have been had, where authority is given to execute bonds for \$100,000,000, by which it is planned to repay the fund from which the \$130,000,000 has been drawn? I did not know about that.

Mr. AUSTIN. That question brings to the front the importance of not proceeding to the consideration of the bill until we secure that evidence or until we find the facts from an investigation through a committee of the Senate, because no committee of the Senate has investigated it. I do not know and I cannot answer the question of the Senator from Utah. We do know there was no security given for any of these funds. Whether there exists a note or promise which differs from a bond, I do not know. Certain it is that the Corporation had no authority from the Congress to give any obligation except to the extent of \$50,000,000. If it did, that obligation is ultra vires and in the hands of some claimants it could be blocked. I am not saying that in the hands of the Treasurer of the United States it could be blocked.

Mr. KING. Mr. President, may I ask the Senator another question?

The PRESIDING OFFICER (Mr. Minton in the chair). Does the Senator from Vermont yield further to the Senator from Utah?

Mr. AUSTIN. I yield.

Mr. KING. Assuming the validity of the act under which the T. V. A. was incorporated and authorized to borrow \$50,000,000, would it have the authority to borrow money without executing bonds—to borrow money on notes or on credit, or to borrow money from the public-works fund without giving security consisting of the bonds which it was authorized to execute?

Mr. AUSTIN. That is a legal question. I have an impression that it is an incident of its power as a corporation to make such loans as might be temporary in their nature and necessary to anticipate its income from time to time, but beyond that, when it undertook to make a capital loan, if it ever did, then it would be limited to the authority expressly given to it, and to no other authority. No other authority did it have, and no other type of security could it issue, save that which the Congress directed. We are all

familiar with the custom and practice throughout the life of our Nation of municipal corporations borrowing for a short period in anticipation of the collection of taxes, without any special act of the legislature; but whenever a municipal corporation undertakes to make a capital loan, we know that invariably it is necessary for the legislature to grant authority and to tell the municipal corporation how it must and can do it.

Mr. KING. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. KING. I think perhaps the statement just made by the Senator requires the qualification that a municipality may not borrow for temporary purposes or for capital investment unless authorized, and within the limits authorized by its charter.

Mr. AUSTIN. Certainly. I should have interpolated the parenthetical statement that it must keep within the authority granted to it, and the authority must be contained in its charter.

In further answer to the question of the Senator from Utah with respect to these activities, I call attention to the fact that in carrying out the purpose expressed in the resolution of the board of directors, which I have twice read, a corporation was created, without the consent of Congress, in the State of Delaware and by its authority. The purpose of this corporation was to encourage people to purchase electrical appliances on the installment plan, one of the practices which experts say helped to bring on the depression. The corporation discounts the notes, chattel mortgages, or conditional sales agreements for the manufacturers. The corporation is financed with Government funds, and the Government must take the loss of all unpaid installments. The invested capital of the corporation is \$1,000,000, made available from emergency relief funds, and a credit of \$10,000,000 has been set up by the Reconstruction Finance Corporation for its use.

That is "some" corporation as we know corporations in this country. I know that in my own State we should regard that as a very great corporation; but, of course, this Gargantuan enterprise regards that as a very insignificant and commonplace thing—a corporation with a capitalization of \$1,000,000 and an authorized borrowing power of \$10,000,000. What earthly hope is there for private enterprise, or the capital of private individuals, brought together with great pains, representing in most instances the sweat of the brow and a few dollars a month put into the savings bank, and many, many accounts of this kind put together, representing the toil of John Citizen, representing his thrift, his disposition to be economical and to save money, his willingness to work, his desire for freedom and the right to work unmolested, unlimited by his Government at Washington?

What hope is there for him? What hope is there for any aggregation of citizens who pool their brains and their muscles and their sacrifices in order to serve the people, in the hope that they will have those rewards which a just society has always granted, namely, a financial profit for both the capital that works and the laborer who works? What chance is there for them if they must compete with a corporation of that kind which, with a capital of a million dollars only, can have from the Reconstruction Finance Corporation a credit of \$10,000,000?

I might call the attention of Senators further to this corporation. Mind you, Mr. President, I am not undertaking to name all the important facts concerning which we will find evidence in the record about to be printed, and which should be available to us before we proceed with the consideration of this bill. These matters are brought to the attention of the Senate in order to convince it that this is indeed a very important amendment, concerning which we should have the facts before we proceed.

I call attention to one other of these outside and collateral activities to which this great corporation, the Tennessee Valley Authority, bears the relation, perhaps, of father. I do not know when we may hear the Senator from Nebraska talking about grandfather, great-grandfather, great-great-grandfather, and all the grandchildren and great-grand-

children and great-great-grandchildren of the T. V. A. Who knows? If in 2 years there can be produced such a family of corporations as this, who knows what the number will be in the near future?

The Authority has also organized a corporation under the laws of the State of Tennessee known as the "Tennessee Valley Associated Cooperatives, Inc.", the invested capital of which—\$300,000—was contributed by the Emergency Relief Administration. The salary of the administrator is \$6,800 per year. The annual report of the Authority refers to their activities as members of this corporation as follows:

The activities of this Corporation were designed primarily to improve the winter diet of as many persons in need of relief as possible. The prevalence of tuberculosis and pellagra showed the necessity for a more correct diet, particularly the use of more green vegetables and dairy products. The cooperative project aided during the initial period, therefore, included 1 cannery, 2 existing canneries, and a creamery. A regional farmers' cooperative was established in a group of four western North Carolina counties to promote the development and marketing of crops especially suited to the high altitudes of these counties, and began activities with the production of certified seed potatoes for the lowland market. Studies are under way of the possibilities of cooperatives as a way to increase the degree of economic self-support of the region.

Mr. President, did you ever see put together in one paragraph such a succotash of purposes as that? However much we may be interested, as the Congress of the United States, in the relief of the poor—as we have proved we are—the question before us is whether we shall proceed with the consideration of an amendment to an act which has been so maltreated by those who are the trustees of the faith of Congress as to go outside the purposes of the act and to engage in relief, as shown in that statement. The statement itself is a quotation from the report of the board of directors of the Tennessee Valley Authority, a corporation which has gone outside and engaged in cooperative farm projects; not only cooperation in seeding the ground, in raising the crop, in producing cattle, horses, sheep, dairy products, and such things, but cooperation in the difficult and, from an economic point of view, hazardous field of marketing farm products.

Let me ask, Mr. President, is there any relationship between marketing farm products and the production of electrical energy?

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from New York?

Mr. AUSTIN. I yield for a question. I am speaking under a rule which will not permit me to yield except for a question.

Mr. COPELAND. Then, I will not ask the Senator to yield.

Mr. AUSTIN. I am willing to have the Senator proceed if the Senator from Nebraska is willing.

Mr. COPELAND. I will confer with the Senator from Nebraska.

Mr. NORRIS. Is the Senator from Vermont propounding a question to me?

Mr. AUSTIN. No; I stated a fact to the Chair.

Mr. NORRIS. If the Senator has any question to propound to me, I am ready to answer him if I can.

Mr. BARBOUR. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum, without his losing the floor?

Mr. AUSTIN. I yield for that purpose.

Mr. BARBOUR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Brown	Copeland	Glass
Ashurst	Bulkley	Costigan	Gore
Austin	Bulow	Couzens	Guffey
Bachman	Burke	Dickinson	Hale
Bailey	Byrd	Dieterich	Harrison
Bankhead	Byrnes	Donahey	Hastings
Barbour	Capper	Duffy	Hatch
Barkley	Caraway	Fletcher	Hayden
Bilbo	Carey	Frazier	Johnson
Black	Clark	George	Keyes
Bone	Connally	Gerry	King
Borah	Coolidge	Gibson	La Follette

Lewis	Minton	Robinson	Trammell
Logan	Moore	Russell	Truman
Loneragan	Murphy	Schall	Tydings
Long	Murray	Schwellenbach	Vandenberg
McAdoo	Neely	Sheppard	Van Nuys
McCarran	Norris	Shipstead	Wagner
McGill	O'Mahoney	Smith	Walsh
McKellar	Overton	Stelwer	Wheeler
McNary	Pittman	Thomas, Okla.	White
Maloney	Pope	Thomas, Utah	
Metcalf	Radcliffe	Townsend	

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AUSTIN. Does the transaction of the business of the roll call set aside the pending question?

The PRESIDING OFFICER. No; it does not.

Mr. AUSTIN. At the time the roll call was ordered I was calling attention to one of the children of the Tennessee Valley Authority, known as "the Tennessee Valley Association Cooperatives", and to the great variety of activities of that corporation, of such a character as to cause citizens of the United States to blush with shame at the consciousness that their Government is undertaking them under the pretext that the Federal Constitution permits them.

Let me call attention in detail to these activities, as represented by the amount of money involved in them. Of course, this would be regarded as a very small corporation, having a capital of only \$300,000, and I have already shown that it obtained that capital from F. E. R. A. funds. Let us see what became of those funds. Those funds were allotted to various activities, and allotted without security; and, of course, if there is any promise to pay, it probably is an implied promise, and nothing more.

Dairy and poultry, \$20,000.

Think of the United States of America engaged in raising cattle and poultry. Taken on its face, and considered alone and independently and coldly, right out in the open, I venture to say there is not a single citizen of the United States who would consider that we had any right or authority, as a Federal Government, to take the taxpayers' money through a devious course—that is, through a pretense of Federal emergency relief—bestow it on a private corporation, and engage in the business of raising cattle and chickens; but that is what we are doing.

Seed potatoes: That interests the Senator from Maine [Mr. WHITE], for here is Uncle Sam getting squarely into competition with a basic industry of the northeastern section of the United States, which has fared very poorly during the past few years, and which last year found its crop backed up upon it at prices which would not pay for one-half the cost per bushel of raising and harvesting. Yet Uncle Sam, in the name of relief, engages in competition with its citizen who raises seed potatoes. Of course, he does it in a devious way. That helps to fool somebody. He goes around through F. E. R. A. and Tennessee Valley Associated Cooperatives, Inc., and by that means allots \$20,000 to people in the Carolinas to raise seed potatoes.

Here is the milling business. Who ever thought Uncle Sam would be engaged in competition with the millers of his country? Yet we find here:

Newport Flour Mill, \$15,000.
Farmers Federated Knitting project, \$7,500.

So we are knitting things.

Murphy Cannery Association, \$6,000.

Mr. BARBOUR. Mr. President, will the Senator yield to me for a question?

Mr. AUSTIN. I yield for a question.

Mr. BARBOUR. Does the Senator know what character of knitting undertaking this is?

Mr. AUSTIN. Mr. President, I am glad that question has been asked, because I have reason to believe that when the evidence before the committee is published we shall find there the answer to the Senator's question; and if we should not find it there we can ascertain through a standing committee of the Senate if this bill is given the fair opportunity

which important legislation ought to have in every and all cases.

I am glad the Senator asked the question, because it makes perfectly obvious one of the reasons why we should not give this bill a particular right-of-way, and special and different consideration than is accorded other important legislation. It brings out into bold relief the importance of our denying consideration to this measure until it shall have been referred to the appropriate committee, the Committee on Military Affairs. If I do not change my mind before the opportunity is offered, I believe I shall, when and if the occasion arises, move to commit the bill to the Committee on Military Affairs, so that a committee of this body may investigate the situation, may investigate the bill, and report to the Senate before we proceed to consider a report which states that "none of the amendments are of very great importance."

Proceeding with the varied and colorful businesses engaged in by the United States through the Tennessee Valley Authority, we come to Haywood County Cannery Association, \$7,500; next, Farmers Confederated Cannery, Hendersonville, \$6,000; Norris Town Stores Consumers' Corporation, \$10,000; Shady Grove Cannery, \$2,500. Thus we have all of these diverse activities summed up at a cost in money to the taxpayers of \$94,500.

Mr. President, I invite attention to the following, which I believe will appear in the evidence if we ever have an opportunity to study it:

Arthur T. Jackson is a paid executive of the Authority and serves the association as administrator, together with assistants in his office whose salaries are also paid under the Tennessee Valley Authority appropriation. The administrative expenses of the association approximate \$90,000 per annum, based on June 1934, during which month there was expended approximately \$7,400, of which \$6,400 was for salaries and travel, and about \$1,000 for material and supplies, which have been accounted for and capitalized on the records of the Tennessee Valley Authority as "regional development."

The minutes of Tennessee Valley Authority record approval by the Board of continued payment of salary and expenses of Arthur T. Jackson, administrator of association, and his force, from the Tennessee Valley Authority funds.

There is an example of what has been characterized by the Comptroller General as dual payments to one officer.

Mr. President, the building of the town of Norris is another illustration of the manner in which a huge amount of money is being expended and how little attention is being given to estimating costs and adhering to costs. Of course in the handling of public funds, the money of the taxpayers, the people supposed they had safeguards, supposed their Constitution required that no money should be removed from the Treasury without an appropriation made by the Federal Congress, and that that meant they should know in advance that any money which would be assessed on them as a tax, whether it came immediately and directly as a tax through the course of a bond issue, should be earmarked in advance. Experience has led the Government to adopt a method of further earmarking funds in advance by a budgeting plan and system. But does Tennessee Valley Authority have to submit itself to any such ignominious thing as having its funds earmarked in advance and being required to adhere to a budget? Let us see. Certainly it is not done in the manner that other taxes of the people are earmarked and limited. But do they in any way attempt to protect the people by advance earmarking?

Mr. President, I want it understood that I am reading a quotation from the report of the Tennessee Valley Authority, as follows:

The camp and town were originally planned to cost about \$2,000,000 and to include dormitories for 700 men, cottages for 250 families, buildings for the operation of a training program for workmen, community buildings, and other necessary incidental facilities.

Prices of materials and prevailing rates of wages advanced sharply while the town was under construction, and the construction schedule of the dam was advanced, requiring more housing both in dormitories and dwellings. It appeared at the end of the fiscal year that the total cost of the camp and town, including all overhead, would be about \$3,500,000.

Speaking of the first group of houses the report says:

Experience in the construction of these houses indicated costs considerably in excess of estimates, due to advancing material prices, wage rates, and the pressure for rapid completion. The direct cost of construction for labor and material averaged about \$5,200 per house, including direct cost in connection with electrical heating and major electrical equipment of about \$750. All overhead items will eventually be allocated, and the basis of allocation to be used is being studied. In view of the depression level of rents in surrounding areas, monthly rents were set initially to average about \$31 per house.

In other words, we find that the building of the town of Norris actually cost 75 percent in excess of its estimated cost; that rentals were based on depression levels in surrounding areas, and not on the cost of construction or on a reasonable charge for the accommodations provided; and the Authority states that the basis of allocation of overhead "is being studied."

Mr. President, before taking my seat I am very anxious to have the RECORD contain a sufficient specification of the shocking misuse of the powers granted by the original T. V. A. Act, to cause the Senate to pause before entering upon the consideration of an amendment which would increase those powers, broaden the authority, and extend the scope of that act, and double the amount of money involved, to pause long enough either to investigate the facts by a standing committee of its own, or to have the advantage of the investigation by a standing committee of the House.

As hearing upon what is likely to be disclosed by such an investigation, consider the carelessness, the violation of law, the breach of absolute statutory provisions in the handling of these funds in the particular to which I am about to refer. I mention something that is found in the report of the Comptroller General. Listed among other items are overpayments on salary to members of the Tennessee Valley Authority Board as follows:

A. E. Morgan, \$1,124.97.

H. A. Morgan, \$1,124.97.

D. E. Lilienthal, \$1,091.61.

Mr. President, if those three men, who constitute in a sense, the trustees of the fidelity of the Congress of the United States—those three men, who are the directors of the T. V. A.—have so little regard for punctiliousness in handling other people's money, that they may take to themselves, for their own use, excessive overpayments or any overpayments of their salaries, what do you say as to whether the Senate should approve a motion to proceed with the consideration of an amendment which will increase their powers, and increase the amount of money of which they will have the custody, and in handling which they should be faithful to the last cent?

Did Congress intend that the taxes of the American people should be expended by these men for the perpetuation of their figures in history? Was that included in the scope of the T. V. A.? Was it intended that any part of that \$50,000,000 should be spent for photographs of these men? This audit, at page 287, shows various expenditures of Government funds for other than official business, included in which are items aggregating \$31.65 for photographic prints of Arthur E. Morgan and D. E. Lilienthal. Was that Government business?

It makes very little difference to me whether the amount is \$31 or \$31,000 as bearing upon the pending question. We are now asked to proceed to the consideration of an amendment of the T. V. A. Act which will increase the amount of money of which these men shall have the custody, and in the expenditure of which they should be faithful. I say before the Senate proceeds to the consideration of the kind of amendment proposed that we should have an investigation of these men and of their conduct. At least we should have the benefit of such investigation as has been made by the Committee on Military Affairs of the House of Representatives. If we cannot, as Senators of the United States of America, pause long enough before taking up this bill to consider those things, what account shall we render to the people for fidelity?

Mr. President, I am informed and I believe that the evidence will show that the statutes requiring the letting of contracts by bids and not by negotiation have been persistently, almost in every case, violated, and that the evidence will tend to show that such violations resulted in damage and injury to the United States.

Mr. GORE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Oklahoma?

Mr. AUSTIN. I yield for a question.

Mr. GORE. I desire to ask to have an insertion made in the RECORD.

Mr. AUSTIN. I should be very glad to yield, but the Senator from Nebraska obtained a ruling of the Chair that the Senator from Vermont could not yield, without losing the floor, for any other purpose than the asking of a question. I regret that that is the situation.

Mr. GORE. I appreciate the situation. I was not aware that that was the parliamentary status. I will say to the Senator that the portion of his speech I have heard has been well worth hearing, and I am glad to know the Senator is not to be interrupted.

Mr. AUSTIN. I thank the Senator from Oklahoma. I have only begun what I wish to say, and I should like to fortify the suggestion I have last made with respect to the misuse of power by the Tennessee Valley associates in the manner to which I have alluded.

Mr. President, on November 18, 1933, a cost-plus contract of 8 percent was given to the Stone & Webster Engineering Corporation for work in connection with electric and blast furnaces for phosphoric acid. I call attention to the estimated cost of this work as bearing upon a point which I have already made; that when unlimited authority such as this is delegated, it will certainly be used; and we find the transactions carried on subject to the infirmities that are well known among mankind, which infirmities have required the use of devices to protect the public and the Treasury of the Public from their effect.

I call particular attention to the estimated cost of this work, which was \$615,000, and on which the company had been paid \$89,586.22 up to June 20, 1934. I shall recur to that figure later. It is a very significant figure as bearing upon the pending question.

The Comptroller General, in his audit, said about this matter:

No evidence was available at the Knoxville office showing that invitations for bids were solicited but, on the contrary, the contract was entered into with Stone & Webster on the basis of cost plus 8 percent, the estimated cost to amount to \$615,000. The contractor was to design, construct, or supervise the construction of all work covered therein. The contract provided that payment of the 8-percent fee should be made by paying \$20,000 in five monthly payments of \$4,000 each, beginning December 31, 1933, the total compensation not to exceed \$48,600.

I know that it is difficult to carry figures in memory, so I am going to recur to that figure of \$89,586.22 and compare it with \$48,600, because that comparison speaks of the carelessness, the improvidence, the lack of business sense and the violation of the statutes of the United States.

It was represented to the Board that if the work is all done on a cost-plus basis the whole program would be under the control of the Authority. However, an audit conducted by the Authority of the books of account of the Stone & Webster Engineering Corporation at nitrate plant no. 2 disclosed charges of \$108,536.05 against the contract through April 1934, and it was stated that this cost would be further augmented by items used by Stone & Webster from the Authority storehouse which were not taken up on the contractor's books.

The Comptroller General further discloses that although the Stone & Webster Co. were to receive a total of \$48,600, the records show that at the period indicated, when the work was about one-sixth progressed, they had been paid \$89,586.22.

Now I call attention to something very small, but very significant, something which should excite us to refuse to assent to the pending motion.

The Comptroller details an excess payment of \$355.57 on a purchase of various items of desks from the Roberts Co.

The bid prices and the prices paid by groups are as follows: Sixty-eight desks; bid price, each \$24. Does the Senate understand that that is the bid price, that the desks could have been had, by mere acceptance of the bid, by the Government paying \$24 only? Of course, the Senate understands that. But they paid for those 68 desks \$26.95 each.

Here is another item, of 20 desks, bid price, \$29 each; amount paid for each desk, \$31.95.

Another item: 35 desks, bid price, each, \$34; amount paid for each, \$36.95.

Should we not pause a little before we give men twice as much money to squander in that manner as they had when they misused their power in this way?

I think we should at least consider the evidence before we adopt an amendment which increases their power and increases the amount of money they have to expend.

Mr. ROBINSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Arkansas?

Mr. AUSTIN. I yield.

Mr. ROBINSON. I think I should advise the Senator that I asked him to yield for the purpose of stating that it is my intention to move that the Senate proceed to the consideration of executive business, and, at the conclusion thereof, that the Senate take a recess.

Mr. AUSTIN. I yield if by so doing I do not lose the floor.

WILLIAM KEMPER

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 282) for the relief of William Kemper, which were, on page 1, line 5, to strike out "\$600" and insert "\$891.98", and on the same page, line 9, after the figures "1932" to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. BULKLEY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the following nominations:

Alvin Mansfield Owsley, of Texas, now Envoy Extraordinary and Minister Plenipotentiary to Rumania, to be Envoy Extraordinary and Minister Plenipotentiary of the United States to the Irish Free State;

Leland Harrison, of Illinois, to be Envoy Extraordinary and Minister Plenipotentiary of the United States to Rumania; and

John R. Putnam, of Oregon, now a Foreign Service officer of class 3 and a consul, to be a consul general of the United States.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the same committee, reported adversely the nomination of George W. Carrier to be postmaster at New-castle, Ind., in place of S. J. Bufkin, resigned.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nomination of Maj. John M. Arthur to be a lieutenant colonel in the Marine Corps from May 1,

1935, and also the nominations of several other officers in the Marine Corps.

He also, from the same committee, reported favorably the nominations of sundry officers in the Navy.

The PRESIDING OFFICER (Mr. MINTON in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of Armond W. Scott to be judge of the municipal court of the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered; and the nominations are confirmed en bloc.

That completes the calendar.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 12 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Thursday, May 9, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 8 (legislative day of May 7), 1935

JUDGE OF THE MUNICIPAL COURT, DISTRICT OF COLUMBIA

Armond W. Scott to be judge municipal court, District of Columbia.

POSTMASTERS

CALIFORNIA

Frances Luna, Alvarado.
Ira H. Grim, Campbell.
Manuel W. Lewis, Centerville.
Frank Micheletti, Colma.
William M. Kincaid, Cucamonga.
Loyal E. Crosby, Del Rey.
Lee A. Harris, Holtville.
Arthur J. Haycox, Hueneme.
Joseph M. Arnold, King City.
William Clyde Rothermel, Kingsburg.
Pauline New, La Crescenta.
Ada E. Purpus, Laguna Beach.
Mae A. Cheda, Point Reyes Station.
Elizabeth B. Knowlton, Randsburg.
Joseph P. Quinlan, South San Francisco.

CONNECTICUT

Julius H. Berglund, Georgetown.
Walter G. Barker, Niantic.
Joseph T. McCarthy, Plainville.
W. Gardiner Davis, Pomfret Center.
Frank R. Stevens, Rowayton.
William B. Hanley, Stafford Springs.
Robert E. A. Doherty, Winsted.

GEORGIA

Walter G. Hodges, Hartwell.
George S. Gardner, Montezuma.
Grady Adams, Moultrie.

ILLINOIS

Clarence O. Dreher, Atlanta.
Walter C. Vass, Centralia.
Martin W. Robertson, Creal Springs.

Hazel A. Richmond, Fillmore.
Henry Swanson, Geneva.
Frank H. Morgan, Okawville.

MARYLAND

Edward Lynch Gross, Brunswick.
Harry R. Price, Rock Hall.
H. Genevieve Long, Stevensville.

NEW JERSEY

Della Young, Singac.

NEW YORK

May T. Powers, Essex.
Harold O. Denegar, Germantown.

NORTH DAKOTA

Coral I. Ware, Amidon.
Harry L. Morrow, Drake.
Evelyn L. Swank, Egeland.
Cecil Wigness, Fortuna.
Jeannette A. Siegel, Goldenvalley.
Francis A. Gallagher, Oakes.
Ruth Cooper,* Parshall.
Lena Kremer, Sykeston.
Hulbert L. Olsen, Van Hook.
Richard L. Hawes, Wahpeton.

OHIO

Clarence D. Hindall, Ada.
Franzo D. Miller, Alliance.
Lulu M. Helphinstine, Amsterdam.
Henry J. Walter, Archbold.
Ray W. Senn, Attica.
William H. Fike, Bloomville.
Edward F. Lawler, Carrollton.
Herman H. Montooth, Lelpsic.
Dell M. D. Waterman, Madison.
Daniel J. Griesser, Sr., Marblehead.
Katherine H. Baxter, Newcomerstown.
Morton A. Houghton, Oberlin.
Frank F. Wyman, Pioneer.
Fred G. Wetmore, Stow.
Agnes M. Goll, Stryker.
Carroll Williamson, Sunbury.
John Kenneth Faist, Woodville.

OREGON

Sanford Adler, Baker.
Burt E. Hawkins, Klamath Falls.

TEXAS

Eli H. Perkins, Bastrop.
Clarence H. Nobles, Deport.
Henry D. Young, Fort Worth.
Will A. Ham, Jacksboro.
William F. Rayburn, Lovelady.
Percy L. Walker, Luling.
William H. Wentland, Manor.
Edward F. Springer, Matador.
Henry D. Wintz, Meridian.
Alva O. Dannelley, Mirando City.
Manda R. Fields, Ponta.
Pennie S. Langen, Premont.
William A. Graham, Tulia.

VERMONT

Foster C. Parmenter, Chester.
Clair W. Crowley, East Barre.
Nina L. Heldger, Greensboro.
Daniel F. Aher, Springfield.
Francis J. Mullin, Wallingford.

VIRGINIA

Joseph S. Hutcheson, Chase City.
H. Thornton Davies, Jr., Manassas.
Robert E. Fifer, Staunton.
Thomas B. Cochran, The Plains.

WASHINGTON

Mark L. Durrell, Deer Park.
 William F. Downs, Elma.
 William E. Kier, Mason City.
 Albert P. Tolefson, Oakville.
 Benjamin S. Sawyer, Olympia.
 Ronald L. Chard, Pomeroy.
 William H. Ruetters, Washougal.
 Royce H. Mitchell, Woodland.

WISCONSIN

Earle D. Bush, Brodhead.
 Norman H. Adams, Minong.
 Stannie Sigurdson, Sister Bay.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 8, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Wait thou on God. Heavenly Father, in Thy holy presence may we have thoughts and feelings which are not inspired by false haste; let spirits be hushed and subdued as we linger in composure and tranquillity. With great peace bless us with a wonderful detachment from undue care and worry. Enable us to preserve our hidden and spiritual power; may it be renewed, sustained, and nourished. In the school of public service let us most assuredly pass from stage to stage, having expanding visions of our Republic and a growing realization of the essential need of a firm faith in the God of our fathers. With eagerness and with glad contemplation send us forth to the fields of duty, having energy with sight, force with a song, and a jubilant march of strength. In the name of our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment joint resolutions of the House of the following titles:

H. J. Res. 273. Joint resolution extending the gratitude of the Nation to Admiral Byrd and to the members of his expedition; and

H. J. Res. 274. Joint resolution authorizing the appointment of a special joint committee to meet with other representatives of the Government in greeting Rear Admiral Richard E. Byrd upon his return from his second Antarctic expedition.

RELIGIOUS PERSECUTION IN MEXICO

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of Mexico and Catholic persecution.

Mr. BLANTON. Mr. Speaker, is this document attacking the present Government of Mexico?

Mr. CELLER. It is.

Mr. BLANTON. I think it is untimely for a Member of the House to print documents attacking a sovereign government that is our close neighbor and our friend. My district, when I first came here, joined several hundred miles of Mexican territory.

Mr. CELLER. Does the gentleman object to my own remarks in the RECORD?

Mr. BLANTON. No; I do not object to the remarks of any Member, but I do object to outsiders' documents attacking Mexico. I think we ought to keep peace with Mexico.

Mr. O'CONNOR demanded the regular order.

Mr. CELLER. These are my own remarks.

Mr. BLANTON. Mr. Speaker, I did not understand these were the gentleman's own remarks. I have no objection to Members' own remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my answer to remarks of Hon. Eduardo Villaseñor, consul general of Mexico, at New York, May 5, 1935:

The present persecution of Catholics on our own continent—in Mexico—dismays and frightens all liberty-loving citizens. This reversion to medieval methods is most discouraging. To Americans, intolerance of any variety is especially obnoxious. Complete personal freedom in all phases of our daily lives is an integral part of the American birthright, and it is, therefore, with actual horror that we witness the present Mexican scene.

It is well to recall the famous reply of George Washington to the parishioners of the Portuguese Synagogue at Newport, R. I., which in 1789, had congratulated General Washington upon his elevation to the Presidency. Washington states that he now rejoiced that every man could worship his God under his own vine and fig tree, and there shall be none to make him afraid—there shall be none to make him afraid.

It is refreshing also to note that when Thomas Jefferson wrote his own epitaph, which is found upon the base of the monument erected to his memory at the portals of the University of Virginia, he was insistent upon including therein the fact that he was the author of the Virginia statute of religious freedom.

And when the Constitution was ratified, it is well to recall that Jefferson opposed it because it failed to contain a bill of rights, including religious freedom. He labored incessantly until the nine first amendments including the amendment concerning religious freedom were embedded in the Constitution.

On March 31, 1935, Dr. Luis Quintanilla, counselor of the Mexican Embassy, Washington, said: "Religious liberty was one of the fundamental features of American life. It undoubtedly contributed to the amazing growth of your great country."

What a far cry it is from Jefferson, Washington, and Quintanilla, how contrary to the spirit of our institutions and government is the Catholic persecution now rampant in Mexico.

It might be asked what concern is it of ours? Why should we not be a good neighbor and disregard what is happening below the Rio Grande? To apply this policy of good neighborliness is, as was said by Archbishop Curley, like trying to be a good neighbor to a man living next door who comes home drunk, beats his wife, keeps his children in rags, and sometimes throws them out of the window.

To vary the simile, if my neighbor's house is on fire, I must take the uttermost precautions to see to it that the conflagration doesn't spread to mine.

Religious liberty is too infinitely valuable to us to allow it to be impinged upon at so close a range.

Make no mistake about this: Catholic persecution is official in Mexico. For example, Prof. Raymond V. Moley reports that on the wall in the reception room of Tomas Garrido Canabal, Minister of Agriculture and leader of the Government's antireligious campaign, hangs a placard bearing this inscription: "Belief in God has been the cause of the oppression and backwardness of the people."

The fact that the rulers of Mexico, the National Revolutionary Party, may be themselves antireligious is no concern of ours. But when these rulers attempt to stamp out and crush the religious freedom of their compatriots, the entire aspect changes, and we can regard such a policy as a definite threat to the security of our own freedom.

The Mexican foreign service emphatically denies that there is even any attempt to persecute Catholics. It claims that if there is any misfortune, if there is any difficulty, it is due to the Catholic Church and the Catholic Hierarchy. Any complaints lodged against them are foreign fictions and propaganda against the National Revolutionary Government. This identical method is being used by Hitler in Germany in a similar campaign against the Jews. In fact, the denial by the Mexican authorities of Catholic persecution is so palpably weak that I cannot resist the temptation of repeating the story that emanates from Germany. A family of Jews in Germany wrote to relatives in the United States as follows:

"We have a wonderful life. Not a hair on the head of any Jew has been touched, and Hitler is bringing us to a better future."

"Uncle Morritz, who expressed the opposite opinion, is being buried tomorrow."

It is so easy to deny. It is so easy to charge propaganda.

Let us look into the record. The Living Church, the organ of the Anglican Episcopalian Church in America, several months ago declared that the hatred of those in control of the Mexican Government for religion of any sort, Catholic or Protestant, has been increasingly manifest during the past decade. It speaks of a Mexican governmental body blow to Christianity.

Many other responsible representative journals of religious opinion in this country have unanimously condemned the Mexican situation as a major scandal in world affairs. Amongst these are the Christian Century, the Christian Science Monitor, the American Hebrew, as well as leading publications of the Baptist, Presbyterian, and Methodist faiths.

Many resolutions of inquiry, many resolutions of condemnation of Mexico, have been introduced in the House of Representatives and the Senate. Among them are resolutions by Senators BARBOUR, of New Jersey, BORAH, of Idaho, and WAGNER, of New York. The latter has presented resolutions demanding suspension of trade relations with Mexico and urging tourists not to visit that country because of atrocities against Catholics. Certainly these distinguished men are not fools. They are not going to be stam-

peded into action by mere rumors, nor are they to be influenced by self-serving declarations and propaganda of the Mexican authorities. Mexican naive denials, without proof, are as useless and ineffectual to them and to other right-thinking Americans as snow falling upon an iceberg.

Late in November of the past year, the National Conference of Jews and Christians published a statement of protest against Mexican tyranny and persecutions against Catholics, signed by 500 clergymen of the Catholic, Protestant, and Jewish faiths. Newton D. Baker, Prof. Carlton J. Hays, and Roger W. Strauss were cochairmen of the conference. Nine-tenths of the signatures were Protestant ministers and Jewish rabbis, representing 26 Protestant and 3 Jewish denominations in 41 States, and in Canada. Grave concern was expressed over the situation in Mexico, the report said, where many unprejudiced observers indicated that in the endeavor to secure social justice and political reforms otherwise desirable, religious liberty was being imperiled.

On October 19, 1934, the Mexican Chamber of Deputies voted to deport all Catholic bishops and archbishops throughout the country. Unbiased observers, returning from Mexico, report that there has been rioting and atrocities.

The Herald Tribune for Sunday, November 11, reported: "Authorities of Las Casas, in Chiapas State, gathered, last night, and burned in public all images of saints taken in raids on Roman Catholic churches. Priests in the town were recently deported to Guatemala."

Raiding by police, without warrants, of private homes where, in absolute privacy, religious devotions are being held, is a common occurrence. There are only 25 priests allotted to Mexico City to administer to 1,000,000 Catholics.

The mails are now closed to any material directed toward the diffusion of any religious creed. Not even the Bible is permitted to be circulated through the Mexican mails.

Robert Hammond Murray, resident of Mexico most of the time since 1909, newspaper correspondent and former representative in Mexico of our own Department of State, recently writing in the magazine *Today*, stated:

"Catholics say that their church, their religion, and their co-religionists in Mexico are being persecuted. The Mexican Government insists, with vehemence, that they are not. I say they are. I say this as a Protestant * * *"

"In 11 of the 30 States and Territories of Mexico in January of this year not a clergyman was in service, except surreptitiously, and only a handful of churches were open for worship. Every priest had been expelled from six of the States. One Territory, Lower California, was legally entitled to one priest to preach and administer the sacraments to a population of 95,000—and he had been driven out of the country.

"Only 372 priests were licensed to officiate in all Mexico, with its 18,000,000 inhabitants, or 1 to every 43,010 persons; and of these priests probably more than half were not permitted to officiate, had been terrorized into silence, or had been forced to flee the country subsequent to the recrudescence of antireligious intolerance within the past year. 'Conspiring against the Government and the revolution' is the stock charge advanced to justify the arrest and expulsion of priests."

These are not mere whimsical atrocity tales made up for the occasion, as Dr. Quintanilla charges.

George Creel, noted correspondent, in *Collier's*, March 16, 1935, gives evidence of ruthless persecutions against Catholics and banishment of nuns and priests and closing of churches. F. V. Williams testifies similarly in the *Washington Post*.

Jacques D'Armand, United Press staff correspondent, claims that one-third of Mexican States and Territories prohibit all church services. He reports that, in general, the Catholic Church has submitted to all Mexican laws while protesting against their alleged injustice.

Are these trusted writers liars and cheats? No. They are reflecting actual conditions. Naive denials are useless and ineffectual as snow falling upon an iceberg.

Incidentally the Mexican Government has set up a new diplomatic post called "attaché for propaganda." Already the Mexican Government is flooding this country with literature and pamphlets, all in the nature of defenses of the activities of the Mexican revolutionary government and in derogation of the rights of the Catholic Church. I have drawn the attention of the Postmaster General, Mr. Farley, to the fact that most of these letters and circulars, sent in our domestic mails under the diplomatic and consular "frank", are in violation of the Postal Convention between the United States and Mexico, as well as a violation of our postal laws. I warn the Mexican authorities that unless this flood of propaganda through our mails under the "frank" ceases, I shall leave no stone unturned to have the Postal Convention abrogated.

It is interesting to note that the British Secretary of State for Foreign Affairs, Sir John Simon, has promised the members of the House of Commons that he would instruct the British Minister at Mexico City to institute an inquiry as to the facilities for divine worship available to British citizens resident in Mexico—all indicative of the fact that Great Britain is gravely concerned over the antireligious attitude of the Mexican Government.

What about our own nationals resident in Mexico who are unable to attend mass and partake of the Catholic sacraments?

Answering the distinguished Mexican Consul General, Mr. Villaseñor, if the Catholic Church was at any time in the past intolerant, this should be no reason for governmental intolerance and persecution in the present. Two wrongs do not make a right.

I applaud Mexico's attempt to solve the problem of democracy. I inveigh only against its spoliation of the Catholic Church and ostracism of its adherents.

Indeed the illiberalism of the Holy Inquisition and the Conquistadors is no justification for the intolerance of the national revolutionary government.

Mr. Villaseñor cites provisions of the Mexican Constitution. He fails to cite article 24 of the 1917 constitution, which reads as follows:

"Every man is free to profess the religion of his choice and to practice the rituals, devotions, and acts of the respective creed in temples or in his home, provided they do not constitute a crime or offense punishable by law."

That provision has been flagrantly violated.

I agree with the consul general that education should be non-religious. Unfortunately, in Mexico it is antireligious.

Why were Government employees questioned as to their religious persuasions? Was that not most suspicious? Does not my adversary convict his government of the very religious intolerance he denies? What has religion of employees to do with civil service except to make them marked men?

The good consul general admits all Government employees were compelled to parade in October, as an act of "collective discipline." (Rather ominous method—sounds sinister to me.) Although most of these employees are Catholic, they were thus compelled, under penalty of dismissal, to do homage to the national revolutionary government, which has pillaged their church and hunted and hounded their prelates.

In the light of Mexican tyranny and irreligious practices, the time must, indeed, be soon at hand for the United States to indicate, officially, in no uncertain terms, that it views with grave concern this distressing situation. There is ample precedent for such an American pronouncement. We interceded in connection with the persecution of the Jews in Damascus in 1840. In 1850 President Millard Fillmore interceded to secure full religious liberty for the Jews in Switzerland. In 1853 we interceded to prevent the persecution of Christian missionaries in Greece. In 1870 Secretary of State Hamilton Fish interceded in behalf of Christian missionaries in Hawaii. In 1895 Secretary of State Olney vigorously protested the massacre of Christians at Aleppo and at other Turkish cities. In fact, we dispatched three warships by way of backing up our protest. Many similar illustrations of our diplomatic intervention can be cited, even where our nationals were not involved.

I give warning that diplomatic remonstrance will soon come unless Mexican cruelties to Catholics cease.

PERMISSION TO ADDRESS THE HOUSE

Mr. EKWALL. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, may I ask on what subject the gentleman is going to talk?

Mr. EKWALL. I am going to speak on the subject of the impeachment articles that were filed here yesterday.

Mr. O'CONNOR. Mr. Speaker, I think the whole proceeding yesterday was improper and the method by which we bring these things before the House is improper. I think the Chairman of the Judiciary Committee agrees with this view. To walk in here and not have courage enough to impeach a judge but just file alleged charges against him which are referred to a committee, washing all that dirty linen in public, is not the way to conduct a prosecution of this sort.

Mr. EKWALL. That is what I want to speak about.

Mr. O'CONNOR. I think the whole proceeding of yesterday was an insult.

Mr. EKWALL. Does the gentleman object to my proceeding?

Mr. O'CONNOR. If the gentleman is going to attempt to cure the unseemly exhibition here yesterday, I shall not object.

Mr. EKWALL. That is what I am going to try to do.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. DUFFEY of Ohio and Mr. DIRKSEN objected.

HISTORY AND ACCOMPLISHMENTS OF THE UNITED STATES MARINE CORPS

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOUSTON. Mr. Speaker, having served with the United States Marines for almost 2 years during the late World War, I believe that few persons outside of the naval service have any real knowledge or appreciation of the value of the United States Marine Corps in many of the more

important events which go to make up the history of our country. The idea prevailing in the minds of most of our citizens, when the marines are mentioned, is a picturesque organization of young fellows struggling through tropical jungles fighting a tatterdemalion rebel army which was on the verge of overthrowing a government that had borrowed a lot of money from Americans.

While this picture is by no means entirely erroneous, the episodes of Latin American intervention give an inadequate impression of a branch of the naval service whose importance has not met with the general recognition which it merits.

Since an organization, like an individual, cannot properly be evaluated without some comprehension of its historical background, I propose briefly to review part of the history and accomplishments of this famous military organization.

Five centuries before the Christian Era the employment of infantry as part of the regular complement of vessels of war was common to the maritime states of the Mediterranean Sea. As naval science progressed, and as the size of vessels increased, a sharp differentiation was made in the duties of the seamen, who managed the vessel, and the marines, who were the fighting men.

Great maritime powers have always found it necessary to maintain a corps of marines, and England was no exception to the rule. In the time of Queen Elizabeth, after the destruction of the Spanish Armada, England first clearly saw that her destiny was on the sea. Soon thereafter the British Corps of Marines was founded, the ancestor of our own Marine Corps, whose equally glorious traditions our corps inherited.

The United States Marine Corps is no mere modern upstart among the military and naval organizations of the United States. Its origin runs back to the earliest days of the Nation and even earlier. The first authentic record of marines in America bears the date of 1740, when the American Colonies still yielded cheerful obedience to the British Crown. At that time three regiments of American marines were raised for service in the British Navy on this side of the Atlantic.

On November 10, 1775, before a single vessel was sent to sea, the Congress passed a resolution organizing a Marine Corps of two battalions, and prescribing also the number of officers and their ranks as well as the general qualifications of the enlisted men. Not until a month later, when the Congress commissioned several small war vessels, did the American Navy have its true beginnings. Wherefore the marines find a certain proud satisfaction in pointing out that their organization antedates that of the Navy itself.

In considering this resolution of the Congress it is of interest to note that it specified that "none should be enlisted in the Marine Corps except such as were good seamen." That is a qualification long since discarded. Although at times they served ship's guns, in the old Navy of yardarm-to-yardarm conflicts their battle service was mainly to board the adversary or to repel boarders and with their muskets to keep up a continuous fire, picking off, so far as possible, conspicuous officers.

Always, the marines have been the police of the men-of-war, serving as the captains' orderlies, mounting guard, and maintaining order. The early erroneous conception of the marine as a seaman persisted until recent years and was accompanied by a curious lack of understanding of their true function and real value.

From the hour of their earliest organization the marines made a noble record for themselves and for their country, furnishing conclusive evidence of the wisdom of the legislation which called their corps into existence. In the early naval fights they played a most important part, everywhere present and everywhere doing their duty. While the records of the Revolutionary War are but scanty and fragmentary, they show the presence on the ships of the infant American Navy of a considerable body of marines, a total of about 3,000.

These marines were distributed among the ships in detachments ranging in size from a sergeant's guard of 12 or

15 men up to 60 men with 2 commissioned officers. The roll of the officers and men of the Marine Corps killed in the naval engagements of the Revolutionary War, although short, is impressive in view of the small number in the corps at that time. In the famous action between the *Bon Homme Richard* and the British ship *Serapis* 49 of John Paul Jones' marines were killed or wounded, one-third of the total number of marines in the crew.

Within a year after the founding of the corps it was engaged in a landing operation on foreign soil, an enterprise which foreshadowed a multitude of similar operations in the years which followed.

An American naval squadron of eight vessels, under Commodore Esek Hopkins, proceeded to a rendezvous in the Bahamas in 1776. There Commodore Hopkins determined to make a descent upon New Brunswick, a British naval base, in an effort to capture military stores. A battalion of 300 marines in small boats landed under cover of the fire from the warships *Providence* and *Wasp*, which had been sent in to cover the landing.

The marines captured the forts by assault, together with a hundred cannon, a large quantity of stores, the Governor, and a number of prominent citizens. The official report of the action stated that "the marines behaved with spirit and steadiness."

This early amphibious operation against a naval base is of particular interest in that it embodied so many points of general similarity to the present-day methods of conducting operations from the sea against fortified bases ashore.

At the conclusion of the Revolutionary War the Navy, and with it the Marine Corps, was disbanded in accordance with the theory that in time of peace we need not prepare for war.

In 1798, as a result of the hostile actions of French ships against American merchant vessels and the impressment of American sailors by the French, the Navy Department was formally organized and a Secretary of the Navy was appointed. Previously naval activities had come under the jurisdiction of the Secretary of War. A few months later, in the same year, a law was passed authorizing a permanent Marine Corps.

During the hostilities which were conducted between the United States and France for more than 2 years without a declaration of war, 84 French ships were captured and the Marines took part in practically all of these naval actions. In the battle between the American ship *Constellation* and the French ship *La Vengeance*, one-eighth of the *Constellation's* crew of 310 were killed, of whom more than one-fourth were marines.

In the War of 1812 marines fought in nearly every engagement, afloat and ashore, invariably suffering heavy casualties. The sea fights in which they took part are among the most glorious incidents of American history—the *Constitution* and the *Guerriere*, the *United States* and the *Macedonian*, the *Wasp* and the *Frolic*, the *Constitution* and the *Java*, the *Hornet* and the *Peacock*, the *Shannon* and the *Chesapeake*, the *Enterprise* and the *Boxer*, the Battle of Lake Ontario, the Battle of Lake Erie, the Battle of Lake Champlain, the *Constitution* and the *Cyane*, the *Hornet* and the *Penguin*.

As for the operations on land, the marines and sailors played a creditable part in the Battle of Bladensburg, which preceded the burning of Washington, and were the only troops that stood their ground when the militia fled, until the British turned their rear. One-third of the marines at Bladensburg were casualties.

Detachments of marines served with the Army and were commended for their services at the Battle of Fort Mifflin in Baltimore and at the Battle of New Orleans under Gen. Andrew Jackson.

The service of the Marine Corps during the Mexican War was one both of quality and quantity. Members of the corps served in detachments afloat in the Gulf Squadron, in the Pacific Squadron, and ashore as part of the Army under General Scott. From their participation in the assault on

Chapultepec came the inspiration for the initial lines of their famous hymn, the Halls of Montezuma.

After the Mexican War the Government largely reduced the armed forces, and the Marine Corps suffered with the rest. But the service of the corps was not unappreciated. In 1859 the Secretary of the Navy said:

The Marine Corps is an indispensable branch of the naval service. At home we have had occasion to appreciate its prompt and disciplined energy in maintaining law, order, and government against outbreaks of illegal violence. It is a gallant little band upon which rest the most widely extended duties at home and in every sea and clime, without sufficient numbers to perform them.

The services of the marines in the Civil War were rendered "nobly and well" afloat and "admirably in camp and field." The Marine Corps, for the most part, serve afloat with the Navy, participating in the exhausting labors of blockade and assisting the Army in attacks on fortifications along the rivers and the seacoast. The services of the Navy and Marine Corps in the Civil War, although less spectacular and attracting less attention than those of the Army, were no less arduous and contributed in equal measure to the final success of the Federal arms.

In the latter half of the nineteenth century and early years of the twentieth century Central and South America and Cuba were particularly active in giving military employment to the Marine Corps. Turbulence, insurrection, revolution, and disorder have necessitated intervention by American arms on numerous occasions. Filibustering expeditions and gun running by American citizens were suppressed by the marines with a heavy hand, and numerous landings were made on foreign soil to quell riotous outbreaks.

The Marine Corps has fallen heir to this kind of duty, because international law permits such forces to be landed on foreign soil without the necessary existence of a state of war. American marines have been landed 72 times on foreign soil during the past 50 years.

The list of foreign countries where such wars, military occupations, and expeditions were participated in by the Marine Corps reads like a gazetteer of romance. This list, even though not complete, is so impressive in its implications of the world-wide scope of positive American diplomatic activity during the past century, that I cannot refrain from reading it. It is as follows:

China, Japan, Siberia, Korea, Formosa, Philippines, Sumatra, Samoa, Fiji Islands, Drummond Islands, Navassa Islands, Hawaiian Islands, Nicaragua, Honduras, Colombia, Argentina, Chile, Panama, Mexico, Cuba, Bahamas, Haiti, Dominican Republic, Egypt, Tripoli, Abyssinia, Syria, Russia, France, and Germany.

There have been several interesting occasions where marines assisted in suppressing domestic disturbances. In 1857 the famous Washington riot took place here in the District of Columbia, the story of which is an echo from a dead political past. The so-called "Know-Nothing" Party imported a gang of hired ruffians, armed with clubs and revolvers, to take possession of the polls, and terrorize the citizens, preventing them from voting. The murderous crowd rushed the police who, although they fought valiantly, were driven from the polls. Thereupon the mayor called upon the President of the United States for assistance, and two companies of marines were ordered out of the Washington Navy Yard. Proceeding to the polls, surrounded by a threatening crowd of rioters, and amid the reckless firing of revolvers by the crowd, the marines suppressed the disorder, firing only a single volley.

Another interesting domestic disorder in which the marines participated was at Harpers Ferry, Va., where 40 marines from Washington under command of Col. Robert E. Lee, of the United States Army, stormed the fire-engine house to arrest John Brown, the abolitionist, and his band of followers.

During the draft riots in New York City in 1863 a battalion of marines patrolled the city for a week, making arrests and guarding public buildings, quelling by force of arms the strong resistance to the draft being made by lawless elements.

In times of public calamity also, as during the earthquakes at San Francisco in 1906, at Messina, Italy, in 1908, and in Long Beach, Calif., in 1933, the Marines have proved their

worth in saving life, in guarding public and private property, and by assisting the citizens in every possible manner.

The present Italian difficulties with Abyssinia recall a picturesque expedition made by a body of 18 marines to the then-unknown town of Addis Ababa in Abyssinia. The State Department desired to negotiate a treaty with King Menelik and asked for an escort to convoy a diplomatic agent to the monarch's court. Landing at Somaliland, the party proceeded by means of camels and mules across a desert and over a mountain range, successfully accomplishing their mission.

In 1916 the population of Santo Domingo was in bloody revolution and a considerable expedition was sent in, which gradually placed the principal ports of the island under American control. The people fought savagely. A regiment of marines marching some 75 miles inland to Santiago had to fight every step of the way, finding all bridges destroyed and the roads blocked by the retreating natives. Not until the revolutionists laid down their arms and agreed to the formation of a provisional government under the auspices of the Marine Corps were hostilities ended.

The problems which confronted the marines in Haiti were much the same as those in Santo Domingo. There, too, native politicians sought to carry elections by force or by assassinations. In policing Haiti the marines were in constant danger of murderous and treacherous attack. Not infrequently a few men would be established at some outpost and would have to beat off great mobs of natives who thought to rush them and overwhelm them by numbers.

When peaceful conditions were again established the marines devoted their attention and energies to peaceful undertakings. In Santo Domingo and the adjoining Republic of Haiti they demonstrated that a body of men trained primarily for fighting purposes and acknowledged to be at the head of the military profession could adapt themselves to the task of restoring peaceful institutions and bringing order out of chaos.

They established sanitary and hygienic regulations, so necessary in the Tropics, and enforced them. Wagon tracks were developed into real roads, telephone and telegraph wires were strung, and their proper management was taught to the natives. Railroads were put in order and maintained schedules. Schools were opened and children compelled to attend them, while parents were taught to keep themselves and their offspring reasonably clean. Wandering bands of brigands were suppressed and property protected. Customs were collected and used for the benefit of the people or the foreign creditors of the country. Finances were put in order, while trade and industry took on new life. The marines were leaders in all this work, acting not merely as policemen but as guides, philosophers, and friends of the people.

When the United States entered the World War on April 6, 1917, the strength of the Marine Corps was nearly 14,000 officers and men. When the war ended the corps had been expanded to five and one-half times that number, to an actual strength of 75,000. Despite this great expansion, the high standard of the corps was never lowered. Within 1 year after the outbreak of the war the Marine Corps placed as many troops in France as there were in the entire corps when war was declared. Before the war ended 30,000 marines were sent overseas to join the American Expeditionary Forces.

Although upon the outbreak of the war slightly more than half of the total number of officers and men were on duty beyond the continental limits of the United States and serving on board cruising vessels of the Navy, only 5 weeks later the fifth regiment of marines, 70 officers and 2,689 enlisted men, one-sixth of the entire corps, organized, equipped, and ready for active service sailed for France, forming one-fifth of the first expedition of American troops; a remarkable demonstration of readiness and efficiency.

Soon afterward this regiment was joined by the Sixth Regiment of Marines and the Sixth Machine Gun Battalion, the whole being organized into the Fourth Marine Brigade. As one of the brigades of the Second Division, this famous

brigade engaged in battle in no less than eight distinct operations in France, suffering approximately 12,000 casualties, of which nearly 3,000 died on the battlefield.

Notwithstanding its splendid contribution to the success of American arms in France, the Marine Corps performed the naval duties required of it in a highly satisfactory manner. No call was made for additional marines for naval purposes that was not fully met, and this is of especial interest, as the Marine Corps is essentially a part of the Naval Establishment, and its first duty is to fill all naval needs and requirements.

In this connection I desire to quote from a report of the House Committee on Naval Affairs in the Thirty-ninth Congress:

From the establishment of the Marine Corps to the present time it has constituted an integral part of the Navy, has been identified with it in all its achievements, ashore and afloat, and has continued to receive from its most distinguished commanders the expression of their appreciation of the effectiveness as a part of the Navy.

Like every other part of the Navy, the Marine Corps exists for the fleet. While amphibious operations have not been of frequent occurrence in recent years, it is believed that such operations involving the seizure or defense of outlying naval bases will be part of the task of the American Navy in any future war in which we may be engaged.

With this in mind the Marine Corps has organized and now keeps in readiness a highly trained and very mobile fleet marine force composed of infantry, artillery, aviation, and auxiliary troops on both the Atlantic and Pacific coasts. This force conducts frequent exercises with the fleet on both coasts and in the West Indies. Officers and men must be accustomed to the conditions which will confront them while afloat, and it is essential that their training differ from that of either sailors or soldiers.

In addition to the fleet Marine force the Marine Corps maintains its time-honored garrisons at navy yards and naval stations within and without the United States, as well as detachments on board men-of-war. A regiment of marines is stationed in the troubled area at Shanghai, China, while a marine guard protects our legation at Peiping.

In every corner of the world these faithful men well sustain the high reputation for steadfast courage and unsullied honor handed down to them by their predecessors. The ancient marine tradition of duty and self-sacrifice is a noble heritage, and it has been nobly maintained. For 160 years, ashore and afloat, in war and in peace, on every continent and on every sea their stubborn loyalty and devotion to duty have added glory to their country's history and luster to their corps.

RELIEF IN OKLAHOMA

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. KENNEY. Mr. Speaker, reserving the right to object, the gentleman from Oregon, I believe, asked unanimous consent to proceed for 10 minutes. An objection was made, but was later withdrawn, so that I understand that his request is before the House at the present time.

The SPEAKER. Does the gentleman object to the request made by the gentleman from Oklahoma?

Mr. KENNEY. Not at all.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FERGUSON. Mr. Speaker, for the last 3 months I have been calling the attention of this body to the dust storms in western Oklahoma, Kansas, Colorado, New Mexico, and Texas. I have exhausted the resources of aid and relief for those people by contacting every department that I thought might be of some help and might be able to meet the situation. Since I have had this experience I have drawn a bill that I introduced yesterday, and at this point, Mr. Speaker, I ask unanimous consent to have the bill inserted in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The bill referred to is as follows:

House Joint Resolution 275

Joint resolution making appropriations for emergency relief in stricken agricultural areas

Resolved, etc., That the Congress hereby declares that there exists an acute emergency and an urgent necessity for relief in agricultural areas stricken by severe drought, dust storms, and crop failures; that the urgency is at the present time greatest in the States of Texas, Oklahoma, Kansas, Colorado, and New Mexico, within which States the drought and dust storms are most severe, and from which dust storms pass to other States; that in the designated States there is an existing or threatened deprivation of a considerable number of families and individuals of the necessities of life; and that it is imperative that the farm operators in the stricken areas be furnished relief and be assisted to modify their land-use practices so as to lessen the likelihood of recurrence of similar dust storms.

SEC. 2. In order to meet the said emergency and necessity for relief, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be immediately available and to remain available until June 30, 1937, the sum of \$50,000,000 to be used in the discretion and under the direction of the President, in the stricken areas of the said States and in any other States in which the President may find and declare that the emergency and necessity for relief from drought, dust storms, and crop failures has become aggravated, for: (1) Furnishing relief in the form of money, services, materials, and/or commodities to provide the necessities of life, including hospitalization and medical care, to persons in need; (2) making loans and grants for, and/or the purchase, sale, gift, or other disposition of, seed, feed, livestock, farm implements, and machinery, freight, soil preparation, summer fallowing, and similar purposes; (3) making loans and grants for the making of needed repairs to farm buildings and farm machinery; and (4) making loans and grants for the performance of such work and the carrying out of such engineering operations, methods of cultivation, growing of vegetation, changes in use of land, and such other measures as are necessary to conserve soil resources and to prevent soil blowing. The provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5) shall not apply to any purchase made or service procured in carrying out the provisions of this joint resolution when the aggregate amount involved is less than \$500.

SEC. 3. As a condition to the extending of any benefits or assistance under this act, the President may require agreements or covenants on the part of the owners and/or occupiers of lands upon which any work is to be done under the provisions hereof, as to the permanent use of such lands, to the end that improper land-use practices contributing to soil blowing and soil erosion may be discontinued, and appropriate soil-conserving land-use practices, cropping programs, and tillage practices may be employed.

SEC. 4. In carrying out the provisions of this joint resolution, the President is authorized to—

(a) Utilize and prescribe the duties and functions of the Soil Conservation Service of the Department of Agriculture, the Federal Emergency Relief Administration, the Farm Credit Administration, or other agencies within the Government, and to delegate to such agencies powers herein conferred;

(b) Authorize expenditures for supplies and equipment; travel expenses; rental at the seat of government and elsewhere; purchase, operation, and maintenance of motor-propelled passenger-carrying vehicles; printing and binding; and such other expenses as he may determine necessary to the accomplishment of the objectives of this joint resolution;

(c) Perform such acts and prescribe such regulations as he may deem proper to carry out the provisions of this joint resolution.

SEC. 5. If during the present drought and dust-storm emergency, a carrier subject to the Interstate Commerce Act shall, at the request of any agent of the United States authorized so to do, establish special rates for the benefit of drought and dust-storm sufferers, such a carrier shall not be deemed to have violated the Interstate Commerce Act with reference to undue preference or unjust discrimination by reason of the fact that it applies such special rates only to those designated as drought and dust-storm sufferers by the authorized agents of the United States or of any State.

Mr. FERGUSON. Mr. Speaker, to substantiate the proof that the present organizations are not meeting the existing emergency in a country that has absolutely no resources, I desire to read to the House a letter from the State administrator of relief in Oklahoma to one of the relief clients. The letter is as follows:

Upon receipt of your recent letter of complaint relative to O. E. R. A. relief work, forwarded to us by Congressman PHIL FERGUSON, this office investigated your case and found that since February you have been called for work regularly. For the past 3 months you have averaged 2 days' work each month, and in April you received a garden-seed order for \$2, also a grocery order for \$3.

This would indicate that you have not been discriminated against but that you have been given fair treatment in the distribution of both work and direct relief in your county.

For your information, funds allocated to Oklahoma are so limited that 2 or 3 days' work per month is the average amount received by each client, most of whom have very large families, with no resources whatever except their pro rata share of work relief with some commodities. Until larger allocations are received, there is no way we can increase the proportionate share of relief to each client.

Those are the efforts that have been made by existing agencies to meet a situation that is as bad as any flood or tornado or physical catastrophe that may happen to a country. If the agencies in existence are not in a position to take care of starving people and livestock in those dust areas, I think it is the duty of this House to undertake the problem. Therefore I have introduced the above resolution.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. EKWALL. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. DIRKSEN. Mr. Speaker, reserving the right to object, is this on the impeachment matter?

Mr. EKWALL. It is.

Mr. DIRKSEN. Mr. Speaker, I object.

Mr. EKWALL. If the gentleman does not want my statement in the RECORD, it is all right.

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

RAILROAD RETIREMENT ACT

Mr. MONAGHAN. Mr. Speaker, I rise to call attention to what I consider a very fine and splendid dissenting decision handed down by Chief Justice Hughes and Justices Brandeis, Stone, and Cardozo, of the Supreme Court of the United States, pointing to the reasons why they believe the Railroad Retirement Act to be constitutional.

Realizing that many may not have taken the trouble to obtain the decision or scan it as contained in this morning's CONGRESSIONAL RECORD, inserted therein by Senator WAGNER, of New York, I take the liberty of pointing out a few of the splendid arguments advanced by Chief Justice Hughes.

A study of his decision convinces that the majority opinion was unprogressive, unconstitutional, and not correct. It should also convince the Democratic side of the House that it acted unwisely when it failed to favorably act upon H. R. 5161, which would have encouraged retirement of some of the reactionary judges of that Court by guaranteeing them a pension and by passing the bill which was presented to this Congress some weeks back and which would, it was believed, have created an opportunity for the President of the United States to appoint men more in accord with the great principles of progress of this day and age and of the new-deal policy of placing human rights above property rights.

I do not believe the decision of the majority endangered the security legislation at all as proposed by the administration, because it was even admitted by the President in his last splendid fireside chat to be for the future and not for the present. He said:

The program for social security now pending before the Congress is a necessary part of the future unemployment policy of the Government.

And again—

Provisions for social security, however, are protections for the future.

It is hardly conceivable that any employer or any industrialist, or any of those who usually challenge legislation enacted by the Congress of the United States, would submit themselves to the great cost of testing the security legislation, since it would not for some time to come, if ever, affect them favorably. It is regrettable, however, and I realize

that it is possible, but not necessarily unavoidable under the Constitution of the United States, for one man, after thorough and scholarly consideration of legislation in committee, further consideration in the House, more study before signature by the Speaker, later judicial attention in committee of the Senate, study and debate for days and days or weeks and weeks on the floor of the Senate, and, finally, mature, complete, and deep analysis preceding signature by both the Vice President and the President of the United States, for one man to be able to virtually nullify the action of this entire group that represents the demos of democracy, if such exists, the voice of the people of the United States. I am saying it may be possible under the Constitution of the United States but it is unfortunate and regrettable and should be corrected.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. MONAGHAN. I yield to the distinguished Chairman of the Rules Committee.

Mr. O'CONNOR. One man can do that here. If the vote were 216 to 216, one man could stop any legislation in this country, let alone in this House.

Mr. MONAGHAN. I agree with the gentleman, and that is equally regrettable. [Laughter.]

However, the decision of dissent is worthy of note, and I am going to call your attention to excerpts taken from that masterful decision.

Mr. SISSON. Mr. Speaker, will the gentleman yield?

Mr. MONAGHAN. Yes; I yield to the gentleman from New York.

Mr. SISSON. Would the gentleman, perhaps, include in his argument—and I sympathize with it to a great extent—that the power of the Supreme Court to set aside an act of Congress is without express authority in the Constitution?

Mr. MONAGHAN. I agree with the gentleman. There is no express authority in the Constitution. The power is only implicit. Some students of the Constitution believe that the constitutional fathers intended it to exist. I will further say, however, if such constitutional power exists by precedent that tyrannical dictatorship could be at least partially cured by enactment of the bill presented yesterday by Mr. RAMSAY, which provides that the inferior courts of the United States and the courts of the several States shall have no jurisdiction to declare any act of Congress unconstitutional. This power shall only be exercised by the Supreme Court of Appeals of the United States whenever three-fourths of the membership of said court shall decide that an act of Congress is in violation of the Constitution or one of its amendments.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. MONAGHAN. I yield to the gentleman from Ohio.

Mr. TRUAX. The gentleman from New York [Mr. O'Connor] stated that one vote in the House could set aside legislation or defeat it. That is not quite true when it comes to the Private Calendar. Under the revision of the rules by the gentleman from New York it now takes two. [Laughter.]

Mr. MONAGHAN. I will say to the gentleman from Ohio that I am very delighted that that revision of the rules occurred, and for that the gentleman from New York [Mr. O'Connor] deserves great credit.

[Here the gavel fell.]

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. MONAGHAN. I yield to the distinguished, liberty-loving, and liberty-championing gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Constitutional questions cannot be considered by the House. A bill could be unconstitutional, and everyone would know it, and yet you could not raise that question here in the House when the bill was passed. So it is necessary that there should be a court that can hold the Constitution intact and free from legislative assault.

Mr. MONAGHAN. Would it not save a great deal of the time of the Congress and of the President, however, and would it not save a great deal of the moneys of the people of the United States if we could call that august body before the committee that considered legislation and ask, "What do you think of this legislation?", and let them point out specifically whether they are going to finally nullify or negative such legislation? Such is done in Massachusetts, I understand. In other words, the court is required to give an advisory opinion.

Mr. BLANTON. You cannot try a case until it reaches the Court.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. MONAGHAN. I yield.

Mr. MARCANTONIO. Would it not be far better to have a constitutional amendment passed to the effect that the Supreme Court of the United States shall have no right to declare any law unconstitutional and do away with the precedent set by the decision in the *Marbury* against Madison case, which is the worst piece of autocracy ever legislated by any court into the constitution of a country?

Mr. BLANTON. Then we would have no government at all. We would have a Communist affair that would be worse than Russia. [Loud applause.]

Mr. MARCANTONIO. I would rather take my chances with the representatives of the people than with nine men appointed for life.

Mr. MONAGHAN. Mr. Speaker, I agree with the gentleman from New York regarding a constitutional amendment and hope it is adopted. Returning to the Supreme Court's decision in the Railroad Retirement Act we find that the Court reverses itself. Justice Hughes says in that connection:

We have sustained a unitary or group system under State compensation acts against the argument under the due-process clause of the fourteenth amendment (*Mountain Timber Co. v. Washington, supra*).

The due-process clause which has been used to destroy American liberty rather than to preserve it. He continues:

The Washington Compensation Act established a State fund for the compensation of workmen injured in hazardous employment, and the fund was maintained by compulsory contributions from employers in such industries. While classes of industries were established, each class was made liable for the accidents occurring in that class. The Court described the law as so operating that "the enforced contributions of the employer are to be made whether injuries have befallen his own employees or not, so that however prudently one may manage his business, even to the point of immunity to his employees from accidental injury or death, he nevertheless is required to make periodical contributions to a fund for making compensation to the injured employees of his perhaps negligent competitors" (id., pp. 236, 237). The statute was sustained in the view that its provisions did not rest upon the wrong or neglect of employers, but upon the responsibility which was deemed to attach to those who conducted such industries. The Court concluded "that the State acted within its power in declaring that no employer should conduct such an industry without making stated and fairly apportioned contributions adequate to maintain a public fund for indemnifying injured employees and the dependents of those killed, irrespective of the particular plant in which the accident might happen to occur" (id., p. 244). We followed the reasoning which had led to the upholding of State laws imposing assessments on State banks generally in order to create a guaranty fund to make good the losses of deposits in insolvent banks (*Noble State Bank v. Haskell*, 219 U. S. 104. See *Abie State Bank v. Bryan*, 282 U. S. 765).

But, aside from these analogies, this Court has directly sustained the grouping of railroads for the purpose of regulation in enforcing a common policy deemed to be essential to an adequate national system of transportation, even though it resulted in taking earnings of a strong road to help a weak one. This was the effect of the recapture clause of Transportation Act, 1920, which required carriers to contribute their earnings in excess of a certain amount in order to provide a fund to be used by the Interstate Commerce Commission in making loans to other carriers.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. MONAGHAN. Yes.

Mr. HOFFMAN. If the gentleman thinks there is too much arbitrary power vested in one man, what about granting the Secretary of Agriculture the power to fix prices for the farmers and to license farmers—is that proper?

Mr. MONAGHAN. No; I do not agree with that policy. I believe if we were to pass laws here that would create demand for the farmers' commodities, we would not have to be indulging in the various useless and vain act of destroying the crops of the country. To continue the subject under discussion:

Within a space of 40 years the Supreme Court—

Says Dr. John A. Ryan in *Declining Liberty and Other Papers*—

has read into the words "liberty and property", in the fifth and fourteenth amendments, a new meaning, namely, an excessive and unjust freedom of contract. Owing to this process of amending the Constitution by judicial construction, 8-hour laws, minimum-wage laws, and other legislation for the protection of labor have been nullified. So profound and far-reaching has been the effect of these decisions that Prof. Arthur N. Holcombe, of Harvard, feels justified in describing the change in these terms: "Thus the Supreme Court read into the Federal Constitution an interpretation of the liberty of the due-process clause by which the utilitarians' philosophical idea of liberty was substituted for the specific juristic liberty of the men who wrote the Constitution."

It is clearly a process of supporting legal economic oppression under the guise of safeguarding individual liberty. Decisions of the Supreme Court dealing with progressive legislation almost invariably have been unfavorable and their declaration of unconstitutionality based upon a wrong philosophy of life—a philosophy of rugged individualism on bare 4- to 5-decisions. Outstanding cases of this character are: *Lochner v. New York*; *Coppage v. Kansas*; *The Hitchman Coal & Coke Co. v. Mitchell et al.*; and the District of Columbia minimum-wage case. In these cases the Supreme Court decided that laws for the protection of the weak were unconstitutional and in violation of the fifth and fourteenth amendments to the Constitution. They speak in high-sounding phrase of the freedom of the employer; but what of the freedom of the employee? The employee is not free to work or not. There are millions of unemployed and man is not a drudge. Thus the protection of private interest was promoted by declaring a law unconstitutional which prevented bakers from being employed more than 10 hours a day, which prohibited employers to dismiss employees because of membership in labor unions, and forbidding the employment of women at less than living wages. These laws supposedly deprived the employer of his great liberty. What liberty? The liberty to crush the weak under the iron heel of oppression, of greed, and of selfishness?

Chief Justice Hughes points out the apparent inconsistency of setting aside the contributory-negligence and fellow-servant rule and assumption-of-risk doctrine which occurred in the case of the *St. Louis & Iron Mountain Railway Co. v. Taylor*, *Baltimore & Ohio R. R. Co. v. Interstate Commerce Commission*, *Wilson v. New*, and *Texas & New Orleans R. R. Co. v. Railway Clerks*, and at the same time failed to permit protection of the employees who have reached a retirement age. To note his language, he specifically states:

If Congress may supply a uniform rule in the one case, why not in the other? If affording certainty of protection is deemed to be an aid to efficiency, why should that consideration be ruled out with respect to retirement allowances and be admitted to support compensation allowances.

In that connection he further pursues his reasoning to its logical conclusion and says:

An attempted distinction as to pension measures for employees retired by reason of age because old age is not in itself a consequence of employment, is but superficial. The common judgment takes note of the fact that the retirement of workers by reason of incapacity due to advancing years is an incident of employment and that a fair consideration of their plight justifies retirement allowances as a feature of the service to which they have long been devoted. What sound distinction, from a constitutional standpoint, is there between compelling reasonable compensation for those injured without any fault of the employer and requiring a fair allowance for those who practically give their lives to the service and are incapacitated by the wear and tear of time, the attrition of the years?

The false philosophy which motivated the majority decision is no better illustrated than by the weakness pointed to by Chief Justice Hughes, when he says:

Congress may, indeed, it seems to be assumed, compel the elimination of aged employees. A retirement act for that purpose might be passed. But not a pension act. The Government's power is conceived to be limited to a requirement that the railroads dismiss their superannuated employees, throwing them out helpless, without any reasonable provision for their protection.

And he concludes the opinion with the following language:

The power committed to Congress to govern interstate commerce does not require that its government should be wise, much less that it should be perfect. The power implies a broad discretion and thus permits a wide range even of mistakes. Expert discussion of pension plans reveals different views of the manner in which they should be set up, and a close study of advisable methods is in progress. It is not our province to enter that field, and I am not persuaded that Congress in entering it for the purpose of regulating interstate carriers, has transcended the limits of the authority which the Constitution confers.

It was the belief of the Chief Justice and he so stated on the first page of his opinion that the majority finally raise a barrier against all legislative action of this nature by declaring that the subject matter itself lies beyond the reach of the congressional authority to regulate interstate commerce. In that view, no matter how suitably limited a pension act for railroad employees might be with respect to the persons to be benefited, or how appropriate the measure of retirement allowances, or how sound actuarially the plan, or how well adjusted the burden, still under this decision Congress would not be at liberty to enact such a measure.

Referring to the proposal that an act of Congress passed by the Congress and signed by the President, or over his veto, shall not become invalid unless declared so by three-fourths of the Supreme Court, permit me to refer back to the opinion wherein Supreme Court Justice Sutherland said:

This Court, by an unbroken line of decisions from Chief Justice Marshall to the present day, has steadily adhered to the rule that every possible presumption is in favor of the validity of an act of Congress until overcome beyond rational doubt. (Minimum-wage case of the District of Columbia.)

When 4 justices hold tenaciously to constitutionality, how can 5 believe the matter to be beyond rational doubt? Surely they believe their associates to be reasonable men, and if such, then the matter of constitutionality is in such case a matter of rational doubt. Again, if every possible presumption is to be accorded the constitutionality of a measure, then we should place around that presumption safeguards that would make it real and not a matter of mere majority opinion. It is true, however, that the constitutional amendment suggested of compelling the decision to at least be by a three-fourths vote may not guarantee the presumption, but it would at least remove a measure of the injustice that does exist. In fact it would seem that the better way to guarantee the presumption would be to require that the Court be unanimous in its decision in order to make a statute unconstitutional.

It is believed by Dr. John A. Ryan, a very astute student of this problem, that this difficulty, especially as it affects industrial or labor legislation may be overcome by direct legislative action of the Congress without resorting to constitutional amendment, and with that in mind I shall introduce shortly a bill which so provides.

The basis of this hope—

Says Dr. Ryan—

lies in article III, section 2, paragraph 2 of the Federal Constitution, which declares: "In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the Congress shall make." It should be noted that cases involving the constitutionality of minimum wage laws and all other forms of industrial legislation come before the Supreme Court on appeal from an inferior tribunal. When the Court pronounces such a law, constitutional or unconstitutional, it is exercising "appellate jurisdiction." Since the words just quoted from the Constitution declare that this jurisdiction shall be exercised by the Court "with such exceptions, and under such regulations, as the Congress shall make", there is very good reason to hold that Congress has the constitutional power to regulate the procedure of the Court. Congress apparently can require a seven-ninths or an eight-ninths, or even a unanimous vote, in order to declare laws unconstitutional. At any rate, the Supreme Court could construe this provision in this sense, without stretching its meaning as far as it has expanded the content of many other clauses in the Constitution.

It is for that reason that I raise my voice today. I believe one of two things should be done, and in this emergency I say that which some believe to be the more drastic thing, but which was done for a less noble purpose during the administration of President Grant, and that is that the President of the United States should add to that all-wise and omnipotent body a sufficient number of new members to give force and effect to the decrees and policies of economic recovery and the progressive principles which the American people so emphatically declared to be their will in the last election.

[Here the gavel fell.]

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein such excerpts from the dissenting opinion of the Supreme Court as I may select.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

UNFAIR CRITICISMS OF THIS ADMINISTRATION

Mr. BEITER. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BEITER. Mr. Speaker, in recent months I have often been impatient with unfair criticisms and misrepresentations of the policies and purposes of the national administration. But I have tried also to realize that many, confused and uncertain as to what is actually being done and what are the objects of the Government, are honestly in fear of the destruction of liberty by public officials who are in fact just as honestly doing all in their power to preserve our constitutional liberties.

It makes me writhe to see the propaganda being spread by former President Herbert Hoover which would lead us to believe we are in danger of losing our individualism.

Recently he addressed the California Conference of Social Workers in which he said:

The people must be taught to cling to their family life, to their homes, to their individual self-respect, to their rights, to their individual liberties.

They must be taught not to change their souls and spirits for the fallacious promises of material comforts. It is the unfailing record of mankind that in such an exchange the individual finds himself robbed of all that he had, both spiritually and materially.

Our people are not ready to be turned into a national zoo, our citizens classified, labeled, and directed by a form of self-approved keepers.

I rest content that the people of the country will decide for themselves whether they care to intrust their sacred liberties to the reckless crew of pirates who ran riot with the destinies of the people in the Hoover period of quicksand prosperity, or whether they will trust their destiny to the understanding leadership of Franklin D. Roosevelt.

With 4 years of dreadful ruin behind him, and because of him, Mr. Hoover now assumes that he alone knows what should be done today.

There is scarcely a single family between the seas that does not recall his record while he was engaged in "the elimination of poverty" and in putting "two chickens in every pot."

And when the financial structure of the Nation was tottering, when industry was languishing, when agriculture was in bankruptcy, when 14,000,000 breadwinners were denied their right to work, what had this pretentious prophet, Mr. Hoover, to propose?

Where was his wisdom then?

Who is this solemn-faced gentleman who warns our people by saying they are not ready to be turned into a national zoo and directed by a form of self-approved keepers?

You will remember the vicious greed of the greatest wild-cat market speculation that this country has ever known. You will recall the bulls and the bears with their "rule or ruin" policy.

What the elephant—the symbol of the Old Guard—wants is "parrotlike" men in office who will be "satisfac-

tory." What they want is a "gorilla" grip on affairs of the country for the profit of a few of the large bankers.

You will recall that powerful banks, custodians of the people's hard-earned money, were so busy with speculation that they had no money to loan for legitimate business enterprise. You have not forgotten how that false prosperity on paper, in which a few grew rich on the credulity of the many, was held forth as a proof of the capacity of these critics to rule. You must remember that instead of seeking to moderate the madness, the Government, dominated by these critics, gave every possible encouragement to the debauch by issuing officially false and misleading statements. And you will remember the inevitable crash, for the page that records that tragedy will ever remain one of the blackest in our history.

You will remember—for you cannot forget such things in 2 short years—the resulting crash of banks, crushing the hopes of millions whose life savings were thus swept away.

And in those days of despairing misery in this land of plenty, what single intelligent plan did Mr. Hoover or any other of his minor figures in the mockery of present-day criticism advance to meet the gravest crisis we have ever known?

I challenge contradiction—they did not advance a single idea, and I offer the national zoo of the former administration stocked with its elephant, its wildcat, its bulls and bears, its parrot-like advisers for observation and amusement.

Let me stir your memory again: is it not true that this old gang of the Old Guard that now urges you back to the sterile days of Hooverism, sat dazed by the magnitude of the ruin their lack of policy had wrought, silent in their fear, twirling their thumbs, in the nervous apprehension of their utter helplessness?

Do they want to go back to a system of cutthroat competition which rewards the sweatshop operator? Do they want to chance another period of economic stagnation in which employees are turned into the streets, bereft of purchasing power or hope? Do they prefer a society in which the aged are paupers and nonconsumers of industry's goods?

Only last week, one after another, speakers mounted the rostrum at the United States Chamber of Commerce meeting and assailed the new deal, which rescued American business from bankruptcy.

The gratitude of these business orators is exceeded only by their short-sightedness.

"We cannot have recovery and reform both, Mr. President", they say. "Let us alone and we will give you recovery. Then reform can come later. Quit meddling with the banks. Quit bothering the utilities. Quit spending so much money."

Strangely the speakers never attempt to explain how, if reforms had not come first, business could ever have gained the measure of recovery that now blesses it. They do not mention the obvious truth that the Nation's banks are today open and doing business with a confident public largely because the administration first overhauled the banking structure.

Business was left alone by the Hoover administration. Did it bring recovery? What was the status of the farm industry and the oil industry before the new-deal production control reforms? What was the value of farm and home mortgages before the Government stepped in? What confidence did the public have in the securities market before the Government put check reins on the manipulators?

Recovery, these business men admit, depends largely upon public confidence. They have not yet discovered that public confidence depends largely upon reforms.

But in justice to their mentality I sometimes wonder if they were as dumb as they seemed. I have sometimes thought that they preferred to stand pat on their policies, which built up a system of privilege whereby a small group waxed wealthy while the average man lost his birthright, rather than correct the wrongs on which they thrived, in

the desperate hope that the storm would pass, and that with the system of privilege intact the exploitation of the millions might go on.

At any rate, you well remember how the army of the unemployed increased, how the bank failures constantly accelerated, how the bankruptcies of merchants multiplied; how hard-earned homes were swept away; how month by month more factory wheels stopped turning; how day by day the farmers were dispossessed, and week by week the line of jobless lengthened.

The other type of opposition is the pettifogging insistence upon the right of one individual to have his special economic interest protected against the overwhelming mass of general economic interests which must then be sacrificed for his particular benefit. The distress of one person may make an appealing newspaper story. It may permit a political or judicial demagogue to make a stump speech upholding the rights of the "little fellow." But when millions of men walk the streets unemployed and millions have been put to work principally by establishing decent labor standards, it is mighty poor citizenship to attempt to strengthen the powers of individuals, to break down such standards of wages and hours, on the specious plea that in a particular instance a few more men might be employed at sweatshop wages. [Applause.] To preserve the liberty of a few to work under bad conditions and thereby to sacrifice liberty of the many to work under decent conditions, is to strain at a very small gnat and swallow a very large camel. Two more animals to be added to Mr. Hoover's zoo.

It will not be necessary for me to recite the story of the Roosevelt administration; how it came to the rescue of the banking situation; how it came to the rescue of the distressed home owner; how it came to the rescue of the impoverished farmer; how it came to the rescue of business; how it swept away the fog of unreasoning fear and gave the average man the feeling of hope that here at last was a leader who could lead, a President who would pilot us out of the storms that were shaking the ship of state from stem to stern.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. BEITER. I yield.

Mr. DUNN of Pennsylvania. The gentleman should not forget to mention that under President Roosevelt over 800,000 homes of poor people have been saved.

Mr. BEITER. Charges have been made recently that the Democratic Party has taken away the liberty of the American people. What a ridiculous charge to make against a party of which human liberty has always been one of the most important aims. One hundred and forty years ago Thomas Jefferson first formulated the liberal doctrines that definitely established the principles from which the Democratic Party was organized. That party has survived. It has lived through 1 domestic and 4 foreign wars. It has lived through economic depressions; it has lived through periods of business prosperity. It has lived because it has served. Wealth has not dulled its conscience, nor want subdued it.

The freedom which we must seek and must preserve in the modern world is not the freedom of a wild beast to hunt alone and fight a world of enemies. It is the freedom of a civilized man to live in a well-organized community where he works with and for his fellow men, where he fulfills obligations to them and they in turn fulfill their obligations to him. Those ancient liberties for which mankind has always struggled are just as precious, just as well worth fighting for today as they ever were. But we must restrain and discipline ourselves more and more in order to enjoy the advantages of modern life and to preserve our freedom and security in this modern world. [Applause.]

BANKING ACT OF 1935

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7617) to provide for the sound, effective, and unin-

interrupted operation of the banking system, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. WOODRUM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk began the reading of the bill.

Mr. HANCOCK of North Carolina. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HANCOCK of North Carolina. Is the bill to be read by subdivisions or sections?

The CHAIRMAN. By sections.

Mr. HOLLISTER. Does the Chair mean that the 43 pages of title I will be read before any amendment is offered?

The CHAIRMAN. Yes.

Mr. WOLCOTT. Title I is section 101.

Mr. McCORMACK (interrupting the reading). Mr. Chairman, everybody knows what title I is, and I ask unanimous consent that further reading of that title be dispensed with and it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Title I is as follows:

TITLE I—FEDERAL DEPOSIT INSURANCE

SECTION 101. Section 12 B of the Federal Reserve Act, as amended (U. S. C., Supp. VII, title 12, sec. 264), is further amended as follows:

1. By striking out subsection (a) and inserting in lieu thereof the following:

"(a) There is hereby created a Federal Deposit Insurance Corporation (hereinafter referred to as the 'corporation'), which shall insure, as hereinafter provided, the deposits of all banks which are entitled to the benefits of insurance under this section, and which shall have the right to exercise all powers hereinafter granted."

2. By adding at the end of subsection (b) the following: "In the event of a vacancy in the office of the Comptroller of the Currency, and pending the appointment of his successor, the Acting Comptroller of the Currency shall be a member of the board of directors in the place and stead of the Comptroller. In the absence of the Comptroller of the Currency any Deputy Comptroller of the Currency, as designated from time to time by the Comptroller, may, within the limits prescribed by the Comptroller, act as a member of the board of directors in his place and stead. In the event of a vacancy in the office of the chairman of the board of directors, and pending the appointment of his successor, the Comptroller of the Currency shall act as chairman. The Comptroller of the Currency shall be ineligible during the time he is in office and for 2 years thereafter to hold any office, position, or employment in any insured bank. The appointive members of the board of directors shall be ineligible during the time they are in office and for 2 years thereafter to hold any office, position, or employment in any insured bank, except that this restriction shall not apply to a member who has served the full term for which he was appointed. No member of the board of directors shall be an officer or director of any bank, banking institution, trust company, or Federal Reserve bank or hold stock in any bank, banking institution, or trust company; and before entering upon his duties as a member of the board of directors he shall certify under oath that he has complied with this requirement and such certification shall be filed with the secretary of the board of directors. No member of the board of directors serving on the board of directors at the effective date shall be subject to any of the provisions of the three preceding sentences until the expiration of his present term of office."

3. By inserting a new subsection to read as follows:

"(c) As used in this section—

"(1) The term 'State bank' means any bank, banking association, trust company, savings bank, or other banking institution which is engaged in the business of receiving deposits and which is incorporated under the laws of any State or the Territory of Hawaii or Alaska or which is operating under the Code of the District of Columbia (except a national bank).

"(2) The term 'State member bank' means any State bank which is a member of the Federal Reserve System, and the term 'State nonmember bank' means any other State bank.

"(3) The term 'District bank' means any State bank operating under the Code of the District of Columbia.

"(4) The term 'national member bank' means any national bank located in the States of the United States, the District of Columbia, or the Territories of Hawaii or Alaska, except a national nonmember bank as hereinafter defined.

"(5) The term 'national nonmember bank' means any national bank located in the Territories of Hawaii or Alaska which is not a member of the Federal Reserve System.

"(6) The term 'mutual savings bank' means a bank without capital stock transacting a savings bank business, the net earnings of which inure wholly to the benefit of its depositors after payment of obligations for any advances by its organizers.

"(7) The term 'savings bank' means a bank, other than a mutual savings bank, transacting a strictly savings bank business under State laws imposing special requirements on such banks governing the manner of investing their funds and of conducting their business: *Provided*, That the bank maintains, until maturity date or until withdrawn, all deposits made with it, exclusive of funds held by it in a fiduciary capacity, as time savings deposits of the specific term type or of the type where the right to require written notice before permitting withdrawal is reserved: *Provided further*, That such bank to be considered a savings bank must elect to become subject to regulations of the corporation respecting the redeposit of maturing deposits and prohibiting withdrawal of deposits by checking except from specifically designated deposit accounts totaling not more than 15 percent of the bank's total deposits.

"(8) The term 'insured bank' means any bank the deposits of which are insured in accordance with the provisions of this section, and the term 'noninsured bank' means any other bank.

"(9) The term 'new bank' means a new national banking association organized by the corporation to assume the insured deposits of an insured bank closed on account of inability to meet the demands of its depositors and otherwise to perform temporarily the functions prescribed in this section.

"(10) The term 'receiver' shall include a receiver, liquidating agent, conservator, commission, person, or other agency charged by law with the duty of winding up the affairs of a bank.

"(11) The term 'board of directors' means the board of directors of the corporation.

"(12) The term 'deposit' means the unpaid balance of money or its equivalent received by a bank in the usual course of business and for which it has given or is obligated to give unconditional credit to a commercial, checking, savings, time or thrift account, or which is evidenced by its certificate of deposit, and trust funds held by such bank whether retained or deposited in any department of such bank or deposited in another bank, together with such other obligations of a bank as the board of directors shall find and shall prescribe by its regulations to be deposit liabilities by general usage: *Provided*, That any obligation of a bank which is payable only at an office of the bank located outside the States of the United States, the District of Columbia, and the Territories of Hawaii and Alaska shall not be a deposit for purposes of this section or be included as a part of total deposits or of an insured deposit. The board of directors may by regulation further define the terms used in this paragraph.

"(13) The term 'insured deposit' means such part of the net amount of money due to any depositor for deposits in an insured bank, after deducting offsets, as shall not exceed the maximum prescribed by paragraph (1) of subsection (1) of this section. Such amount shall be determined according to such regulations as the board of directors may prescribe. In determining the amount due to any depositor there shall be added together all deposits in the bank maintained in the same capacity and the same right for his benefit either in his own name or in the names of others, except trust funds which shall be insured as provided in paragraph (8) of subsection (h) of this section.

"(14) The term 'transferred deposit' means a deposit in a new bank or other insured bank made available to a depositor by the corporation as payment of the insured deposit of such depositor in a closed bank, and assumed by such new bank or other insured bank.

"(15) The term 'effective date' means the date of enactment of the Banking Act of 1935."

4. By striking out in subsection (c) "(c)" and inserting "(d)"; by striking out in said subsection (c) that part of the third sentence following the words "Federal Reserve banks" in said sentence and inserting a period; by striking out in subsection (d) "(d)" and the first four sentences of said subsection (d); and by striking out in the fifth sentence of said subsection the following: "class B"; and by inserting at the end of subsection "(d)" the following: "The capital stock of the corporation shall consist of the shares subscribed for prior to the effective date. Such stock shall be without nominal or par value, and shares issued prior to the effective date shall be exchanged and reissued at the rate of one share for each \$100 paid into the corporation for capital stock. The consideration received by the corporation for the capital stock shall be allocated to capital and to surplus in such amounts as the board of directors shall prescribe. Such stock shall have no vote and shall not be entitled to the payment of dividends."

5. By striking out subsection (e) and inserting in lieu thereof the following:

"(e) (1) Every operating member bank, including a bank incorporated since March 10, 1933, licensed on or before the effective date by the Secretary of the Treasury shall be and continue without application or approval an insured bank and shall be subject to the provisions of this section.

"(2) After the effective date any national member bank authorized to commence or resume the business of banking, State bank converting into a national member bank, or State bank be-

coming a member of the Federal Reserve System shall be an insured bank from the time the certificate herein prescribed shall be issued to the corporation by the Comptroller of the Currency in the case of such national member bank, or by the Federal Reserve Board in the case of such State member bank: *Provided*, That in the case of an insured bank admitted to membership in the Federal Reserve System or insured State bank converting into a national member bank, such certificate shall not be required, and the bank shall continue as an insured bank. Such certificate shall state that the bank is authorized to transact the business of banking in the case of a national member bank, or is a member of the Federal Reserve System in the case of a State member bank, and that consideration has been given to the factors enumerated in subsection (g) of this section."

6. By striking out subsection (f) and inserting in lieu thereof the following:

"(f) (1) Every bank not a member of the Federal Reserve System which on the effective date is a member of the Temporary Federal Deposit Insurance Fund or of the Fund for Mutuals created pursuant to the provisions of the Banking Act of 1933, as amended (48 Stat. 168, 969; chs. 89, 546), shall be and continue without application or approval an insured bank and shall be subject to the provisions of this section, unless in accordance with regulations to be prescribed by the board of directors such bank shall give to the corporation and to the Reconstruction Finance Corporation, if it owns or holds as pledgee any preferred stock, capital notes, or debentures of such bank, within 30 days after the effective date written notice of its election not to continue after June 30, 1935, as an insured bank and shall give to its depositors, by publication or by any reasonable means, as the board of directors may prescribe, not less than 20 days' notice prior to June 30, 1935, of such election: *Provided*, That any State nonmember bank which was admitted to said Temporary Federal Deposit Insurance Fund or Fund for Mutuals but which did not file on or before the effective date on October 1, 1934, certified statement and make the payments thereon required by law as it existed prior to the effective date, shall cease to be an insured bank on June 30, 1935: *Provided further*, That no bank admitted to the said Temporary Federal Deposit Insurance Fund or the Fund for Mutuals prior to the effective date shall, after June 30, 1935, be an insured bank or have its deposits insured by the corporation, if such bank shall have permanently discontinued its banking operations prior to the effective date. Deposits of the bank giving such notice shall continue to be insured until June 30, 1935, and the rights of the bank shall be as provided by law existing prior to the effective date, and such bank shall not be insured by the corporation beyond June 30, 1935.

"(2) Subject to the provisions of this section, any national nonmember bank, on application by the bank and certification by the Comptroller of the Currency in the manner prescribed in subsection (e) of this section, and any State nonmember bank, upon application to and examination by the corporation and approval by the board of directors, may become an insured bank. Before approving the application of any such State nonmember bank, the board of directors shall give consideration to the factors enumerated in subsection (g) of this section and shall determine, upon the basis of a thorough examination of such bank, that its assets in excess of its capital requirements are adequate to enable it to meet all of its liabilities as shown by the books of the bank to depositors and other creditors."

7. By striking out subsection (g) and inserting in lieu thereof the following:

"(g) The factors to be enumerated in the certificate required under subsection (e) and to be considered by the board of directors under subsection (f) shall be the financial condition of the bank and the adequacy of its capital structure."

8. By striking out subsection (h) and inserting in lieu thereof the following:

"(h) (1) The assessment rate shall be one-eighth of 1 percent per annum based upon the average of the total amount of the liability of the bank for deposits (according to the definition of the term 'deposits' in and pursuant to paragraph (12) of subsection (c) of this section, without any deduction for indebtedness of depositors). The average of such total shall be determined as of the close of business on one day of each of 3 or more months preceding July and January of each year, such days to be designated by the directors in the manner provided in the next succeeding paragraph. In the event a separate fund for mutuals be established, the board of directors from time to time may fix a lower rate operative for such period as the board may determine applicable to insured mutual savings banks only.

"(2) During the months of June and December of each year the board of directors shall designate 3 or more dates, one in each of 3 or more months of the current semiannual period, for which the insured banks shall report their deposit liabilities for the purpose of assessment. On or before the 15th day of July of each year, each insured bank shall file with the corporation a certified statement under oath showing the total amount of its liability for deposits as of the close of business on the 3 or more days so designated and shall pay to the corporation the portion of the annual assessment equal to one-half of the annual rate fixed by this subsection (h) multiplied by the average of its total deposits for such days as are designated. On or before the 15th day of January of each year each insured bank shall file a like statement showing the total amount of its liability for deposits as of the close of business on the 3 or more days designated as hereinbefore provided, and shall pay to the Corporation the portion of the annual assessment equal to one-half of the annual rate fixed

by this subsection (h) multiplied by the average of its total deposits for such days as are designated.

"(3) Every bank which becomes an insured bank after the effective date shall be admitted without liability for the current semiannual payment but it shall file with the corporation a certified statement under oath showing the total amount of its liability for deposits at the close of business on the fifteenth day after it becomes an insured bank and it shall pay to the corporation as an initial assessment the prorated portion for the period between the date such bank became an insured bank and the next succeeding last day of June or December, as the case may be, of an amount equal to one-half the annual assessment rate provided in this section multiplied by such total deposits. The first semiannual payment after the initial payment shall be made according to the provisions of paragraphs (1) and (2) of this subsection in all cases where the bank shall have been in operation throughout the preceding semiannual period and in all other cases according to its certified statement under oath showing the deposit liability at a date designated by the board of directors.

"(4) Each bank which shall be and continue without application or approval an insured bank in accordance with the provisions of subsection (e) or (f) of this section, shall, in lieu of all right to refund, be credited with any balance to which such bank shall become entitled upon the termination of said temporary Federal deposit-insurance fund or the fund for mutuals. The credit shall be applied by the corporation toward the payment of the assessment next becoming due from such bank and upon succeeding assessments until the credit is exhausted.

"(5) Any insured bank which fails to file such certified statement or statements as it is lawfully required to file in connection with determining the amount of assessment or assessments due the corporation, may be compelled to file such statement or statements by mandatory injunction or other appropriate remedy in a suit brought by the corporation against the bank and any officer or officers thereof, for the purpose stated, in any court of the United States of competent jurisdiction in the district or territory in which such bank is located.

"(6) The corporation, in a suit brought at law or in equity in any court of competent jurisdiction, shall be entitled to recover from any insured bank any unpaid assessment or assessments lawfully due from such insured bank to the corporation, regardless of whether or not such bank shall have filed the certified statement or statements it is lawfully required to file, and regardless of whether or not suit shall have been brought to compel such statement or statements to be filed.

"(7) Should any national member bank now or hereafter organized, or should any national nonmember bank which is now or hereafter becomes an insured bank, omit to file any certified statement required to be filed by such bank under any provision of this section, or to pay the assessment required to be paid under any provision of this section by such bank on any certified statement filed by it, and should any such bank not correct such omission to file or to pay within 30 days after written notice has been given by the corporation to an officer of the bank, citing this paragraph, and stating that the bank has omitted to file or pay as required by law, all the rights, privileges, and franchises of the offending bank granted to it under the National Bank Act or under the provisions of the Federal Reserve Act, as amended, shall be thereby forfeited. Whether or not the penalty provided in this paragraph has been incurred shall be determined and adjudged in the manner provided in the sixth paragraph of section 2 of this act, as amended. The remedies provided in this paragraph and in the two preceding paragraphs shall not be construed as limiting any other remedies against any bank, but shall be in addition thereto.

"(8) Trust funds held by an insured bank in a fiduciary capacity, whether held in its trust or deposited in any other department or in another bank, shall be insured subject to a \$5,000 limit for each trust estate, and when deposited by the fiduciary bank in another insured bank shall be similarly insured to the fiduciary bank according to the trust estates represented. Notwithstanding any other provision of this section, such insurance shall be separate from and additional to that covering other deposits of the owners of such trust funds or beneficiaries of such trust estates: *Provided*, That where the fiduciary bank deposits any of such trust funds in other insured banks, the amount so held by other insured banks on deposit shall not for the purpose of the certified statement required under paragraph (2) or (3) of subsection (h) of this section, be considered to be a deposit liability of the fiduciary bank, but shall be considered a deposit liability of the bank in which such funds are so deposited by such fiduciary bank. The board of directors shall have power by regulation to prescribe the manner of reporting and of depositing such funds."

9. By striking out subsection (1) and inserting in lieu thereof the following:

"(1) (1) Any insured bank (except a national member bank or State member bank) may, upon not less than 90 days' written notice to the corporation, and to the Reconstruction Finance Corporation if it owns or holds as pledgee any preferred stock, capital notes, or debentures of such bank, terminate its status as an insured bank. Wherever the board of directors shall find that an insured bank or its directors or trustees have continued unsafe or unsound practices in conducting the business of such bank or have knowingly or negligently permitted any of its officers or agents to violate any provision of this section or of any material regulation made thereunder, or of any law or material regulation made pursuant to law to which the insured bank is subject, the board of directors shall first give to the Comptroller of the Currency in the case of a national bank or district bank, to the au-

thority having supervision in case of a State bank, and also to the Federal Reserve Board in case of a State member bank, a statement of such violation by the bank for the purpose of securing a correction of such practices or conditions. Unless such correction shall be made within 120 days or such shorter period of time as the Comptroller of the Currency, the State authority, or Federal Reserve Board, as the case may be, shall require, the board of directors, if it shall determine to proceed further, shall give to the bank not less than 30 days' written notice of intention to terminate the status of the bank as an insured bank, fixing a time and place for a hearing before the board of directors or before a person designated by it to conduct such hearing, at which evidence may be produced, and upon such evidence the board of directors shall make written findings which shall be conclusive. Unless the bank shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the termination of its status as an insured bank. If the board of directors shall find that any violation specified in such notice has been established, the board of directors may order that the insured status of the bank be terminated on a date subsequent to such finding and to the expiration of the time specified in such notice of intention. The Corporation may publish notice of such termination and the bank shall give notice of such termination to its depositors, in such manner and at such time as the board of directors may find necessary and may order for the protection of depositors. After termination of the insured status of any bank under the provisions of this paragraph, the insured deposits of each depositor in the bank on the date of such termination, less all subsequent withdrawals from any deposits of such depositor, shall continue for a period of 2 years to be insured and the bank shall continue to pay to the corporation assessments as in the case of an insured bank for such period of 2 years from such termination, but no additions to any deposits or any new deposits shall be insured by the corporation, and the bank shall not advertise or hold itself out as having insured deposits unless in the same connection it shall state with equal prominence that additions to deposits and new deposits made after the date of such termination, specifying such date, are not insured. Such bank shall in all other respects be subject to the duties and obligations of an insured bank for the period of 2 years from such termination and in the event of being closed on account of inability to meet the demands of its depositors within such period of 2 years, the corporation shall have the same powers and rights with respect to such bank as in case of an insured bank.

"(2) Whenever the insured status of a member bank shall be terminated by action of the board of directors, the Federal Reserve Board in the case of a State member bank shall terminate its membership in the Federal Reserve System in accordance with the provisions of section 9 of this act, and in the case of a national member bank, the Comptroller of the Currency shall appoint a receiver for the bank (to be the corporation whenever the bank shall be unable to meet the demands of its depositors).

"(3) When the liabilities of an insured bank for deposits shall have been assumed by another insured bank or banks, the insured status of the bank whose liabilities are so assumed shall terminate on the date of receipt by the corporation of satisfactory evidence of such assumption with like effect as if terminated on said date by the board of directors after proceedings under paragraph (1) of this subsection (1): *Provided*, That if the bank whose liabilities are so assumed gives to its depositors notice of such assumption within 30 days after such assumption takes effect, by publication or by any reasonable means, in accordance with regulations to be prescribed by the board of directors, the insurance of its deposits shall terminate at the end of 6 months from the date such assumption takes effect and such bank shall be relieved of all future obligations to the corporation, including the obligation to pay future assessments."

10. By adding at the end of paragraph "Fourth" of subsection (j) the following: "All suits of a civil nature at common law or in equity to which the Federal Deposit Insurance Corporation shall be a party shall be deemed to arise under the laws of the United States: *Provided*, That any such suit to which the corporation is a party in its capacity as receiver of a State bank and which involves only the rights or obligations of depositors, creditors, stockholders, and such State bank under State law shall not be deemed to arise under the laws of the United States. No attachment or execution shall be issued against the corporation or its property before final judgment in any suit, action, or proceeding in any State, county, municipal, or United States court. The board of directors shall designate an agent upon whom service of process may be made in any State, Territory, or jurisdiction in which any insured bank is located"; and by inserting at the end of said subsection the following:

"Eighth. To make examinations of and to require information and reports from banks, as provided in this section.

"Ninth. To act as receiver.

"Tenth. To prescribe by its board of directors such rules and regulations as it may deem necessary to carry out the provisions of this section."

11. By striking out in subsection (k) the following: "(k)", and inserting in lieu thereof "(k) (1)"; and by adding to said subsection three new paragraphs to read as follows:

"(2) The board of directors shall appoint examiners, who shall have power on behalf of the corporation (except as to a District bank) to examine any insured State nonmember bank, State nonmember bank making application to become an insured bank, or closed insured bank, whenever considered necessary. Such examiners shall have like power to examine, with the written consent

of the Comptroller of the Currency, any national bank, or District bank and, with the written consent of the Federal Reserve Board, any State member bank. Each examiner shall have power to make a thorough examination of all of the affairs of the bank and in doing so he shall have power to administer oaths and to examine and take and preserve the testimony of any of the officers and agents thereof under oath and shall make a full and detailed report of the condition of the bank to the corporation. The board of directors in like manner shall appoint claim agents who shall have power to investigate and examine all claims for insured deposits and transferred deposits. Each claim agent shall have power to administer oaths and to examine under oath and take and preserve testimony of any persons relating to such claims. Any such examiner or claim agent in relation to any such examination, investigation, or taking of testimony may apply to any judge or clerk of any court of the United States to issue subpoenas and to compel the appearance of witnesses and the production and taking of any such testimony and to punish disobedience in like manner as provided in sections 184 to 186 of the Revised Statutes (U. S. C., title 5, secs. 94 to 96).

"(3) Each insured State nonmember bank (except a District bank) shall make to the corporation reports of condition in such form and at such times as the board of directors may require of such bank. The board of directors may require such reports to be published in such manner, not inconsistent with any applicable law, as it may direct. Every such bank which fails to make or publish any such report within such time, not less than 5 days, as the board of directors may require may be subject to a penalty of \$100 for each day of such failure, recoverable by the corporation for its use.

"(4) The corporation shall have access to reports of examinations made by and reports of condition made to the Comptroller of the Currency or any Federal Reserve bank, and may accept any report made by or to any commission, board, or authority having supervision of a State nonmember bank (except a District bank), and may furnish to the Comptroller of the Currency, or any such Federal Reserve bank, commission, board, or authority, reports of examinations made on behalf of and reports of condition made to the corporation."

12. By striking out all of subsection (l) preceding the last paragraph thereof and inserting in lieu thereof the following:

"(1) (1) The Temporary Federal Deposit Insurance Fund and the Fund for Mutuals are hereby consolidated into the permanent insurance fund for deposits created by this section, and the assets therein shall be held by the corporation for the uses and purposes of the corporation: *Provided*, That the obligations to and rights of the corporation, depositors, banks, and other persons arising out of any event or transaction prior to the effective date shall remain unimpaired. From the effective date the corporation shall insure the deposits of all insured banks as defined and provided in this section. The maximum amount of the insured deposit of any depositor shall be \$5,000. The corporation, in the discretion of the board of directors, may open on its books, solely for the benefit of mutual savings banks and depositors therein, a separate fund for mutuals. If such a fund is opened, all assessments of each mutual savings bank shall be made a part of such fund, and the other permanent insurance funds of the corporation shall cease to be liable for losses sustained in mutual savings banks: *Provided*, That the capital assets of the corporation shall be so liable and all expenses of operation of the corporation shall be allocated on an equitable basis.

"(2) An insured bank shall, for the purposes of this section, be deemed to have been closed on account of inability to meet the demands of its depositors in any case where it has been closed for the purpose of liquidation without adequate provision for payment of its depositors.

"(3) Notwithstanding any other provision of law, whenever any insured national bank or insured District bank shall have been closed by action of its board of directors or the Comptroller of the Currency, as the case may be, on account of inability to meet the demands of its depositors, the Comptroller of the Currency shall appoint the corporation receiver for such closed bank and no other person shall be appointed as receiver of such closed bank.

"(4) It shall be the duty of the corporation as such receiver to realize upon the assets of such closed bank, having due regard to the condition of credit in the locality; to enforce the individual liability of the stockholders and directors thereof; and to wind up the affairs of such closed bank in conformity with the provisions of law relating to the liquidation of closed national banks, except as herein otherwise provided, retaining for its own account such portion of the amount realized from such liquidation as it shall be entitled to receive on account of its subrogation to the claims of depositors and paying to depositors and other creditors the net amount available for distribution to them. With respect to such closed bank, the corporation as such receiver shall have all the rights, powers, and privileges now possessed by or hereafter given a receiver of an insolvent national bank.

"(5) Whenever any insured State bank, except a District bank, shall have been closed by action of its board of directors or by the authority having supervision of such bank, as the case may be, on account of inability to meet the demands of its depositors, the corporation shall accept appointment as receiver thereof, if such appointment be tendered by the authority having supervision of such bank and be authorized or permitted by State law. With respect to such insured State bank, the corporation shall possess the powers and privileges given by State law to a receiver of such State bank.

"(6) When an insured bank shall have been closed on account of inability to meet the demands of its depositors, payment of the insured deposits shall be made by the corporation as soon as possible, subject to the provisions of paragraph (7) of this subsection (1), either (a) by making available to each depositor a transferred deposit in a new bank in the same community or in another insured bank in an amount equal to the insured deposit of such depositor and subject to withdrawal on demand, or (b) in accordance with any other procedure adopted by the board of directors: *Provided*, That the corporation, in its discretion, may require proof of claims to be filed before paying the insured deposits, and that in any case where the corporation is not satisfied as to the validity of a claim for an insured deposit, it may require the final determination of a court of competent jurisdiction before paying such claim.

"(7) In the case of a closed national bank or District bank the corporation, upon payment of any depositor as provided in paragraph (6) of this subsection (1) shall become and be subrogated to all rights of the depositor to the extent of such payment. In the case of any other closed insured bank, the corporation shall not pay any depositor until the right of the corporation to be subrogated to the rights of such depositor on the same basis as provided in the case of a closed national bank under this section shall have been recognized, by express provisions of State law, by allowance of claims by the authority having supervision of such bank, by assignment of claims by depositors, or by any other effective method. Such subrogation in the case of any closed bank shall include the right to receive the same dividends from the proceeds of the assets of such closed bank and recoveries on account of stockholders' liability as would have been payable to such depositor on a claim for the insured deposit, such depositor retaining his claim for any uninsured portion of his deposit: *Provided*, That the rights of depositors and other creditors of any State bank shall be determined in accordance with the applicable provisions of State law.

"(8) As soon as possible, the corporation, if it finds that it is advisable and in the interest of the depositors of the closed bank or the public, shall organize a new bank to assume the insured deposits of such closed bank and otherwise to perform temporarily the functions provided for in this section. The new bank shall have its place of business in the same community as the closed bank.

"(9) The articles of association and the organization certificate of the new bank shall be executed by representatives designated by the corporation. No capital stock need be paid in by the corporation. The new bank shall not have a board of directors, but shall be managed by an executive officer appointed by the board of directors of the corporation and who shall be subject to its directions. In other respects such bank shall be organized in accordance with the existing provisions of the law relating to the organization of national banking associations. The new bank may, with the approval of the corporation, accept new deposits, which shall be subject to withdrawal on demand and which, except where the new bank is the only bank in the community, shall not exceed \$5,000 from any depositor. The new bank, without application or approval, shall be an insured bank and shall maintain on deposit with the Federal Reserve bank of its district the reserves required by law for member banks, but shall not be required to subscribe for stock of the Federal Reserve bank. Funds of the new bank shall be kept on hand in cash, invested in securities of the Government of the United States, or in securities guaranteed as to principal and interest by the Government of the United States, or deposited with the corporation, or with a Federal Reserve bank, or, to the extent of the insurance coverage thereon, with an insured bank. The new bank, unless otherwise authorized by the Comptroller of the Currency, shall transact no business except that authorized by this section and such business as may be incidental to its organization. Notwithstanding any other provision of law, it, its franchise, property, and income shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.

"(10) On the organization of a new bank, the corporation shall promptly make available to the new bank an amount equal to the estimated insured deposit of such closed bank plus the amount of its estimated expenses of operation and shall determine as soon as possible the amount due each depositor for his insured deposit in the closed bank, and the total expenses of operation of the new bank. Upon determination thereof, the amounts so estimated and made available shall be adjusted to conform to the amounts so determined. Earnings of the new bank shall be paid over or credited to the corporation in such adjustment. If any new bank, during the period it continues its status as such, sustains any losses with respect to which it is not effectively protected except by reason of being an insured bank, the corporation shall furnish to it additional funds in the amount of such losses. The new bank shall assume as transferred deposits the payment of the insured deposits of such closed bank to each of its depositors. Of the amount so made available, the corporation shall transfer to the new bank, in cash, such amount as is necessary to enable it to meet expenses and immediate cash demands on such transferred deposits and the remainder shall be subject to withdrawal by the new bank on demand.

"(11) When in the judgment of the board of directors it is desirable to do so, the corporation shall cause capital stock of the new bank to be offered for sale on such terms and conditions as the board of directors shall deem advisable, in an amount sufficient, in the opinion of the board of directors, to make possible the

conduct of the business of the new bank on a sound basis, but in no event less than that required by section 5138 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 51), for the organization of a national bank in the place where such bank is located, giving the stockholders of the closed bank the first opportunity to purchase any shares of common stock so offered. Upon proof that an adequate amount of capital stock in the new bank has been subscribed and paid for in cash, the Comptroller of the Currency shall require the articles of association and the organization certificate to be amended to conform to the requirements for the organization of a national bank, and thereafter, when the requirements of law with respect to the organization of a national bank have been complied with, he shall issue to the bank a certificate of authority to commence business, which shall thereupon cease to have the status of a new bank and shall be managed by directors elected by its own shareholders and may exercise all the powers granted by law and shall be subject to all of the provisions of law relating to national banks. Such bank shall thereafter be an insured national bank, without certification to or approval by the corporation.

"(12) If the capital stock of the new bank shall not be offered for sale, or if an adequate amount of capital for such new bank is not subscribed and paid in, the board of directors may offer to transfer its business to any insured bank in the same community which will take over its assets, assume its liabilities, and pay to the corporation for such business such amount as the board of directors may deem adequate; or the board of directors in its discretion may change the location of the new bank to the office of the corporation or to some other place or may at any time wind up its affairs as herein provided. Unless the capital stock of the new bank is sold or its assets acquired and its liabilities assumed by an insured bank, as provided above, within 2 years from the date of its organization, the corporation, shall wind up its affairs, after giving such notice, if any, as the Comptroller of the Currency may require, and shall certify to the Comptroller of the Currency the termination of the new bank, and thenceforth the corporation shall be liable for its obligations and be the owner of its assets. The provisions of sections 5220 and 5221 of the Revised Statutes (U. S. C., title 12, secs. 181 and 182) shall not apply to such new banks."

13. By inserting before the said last paragraph of subsection (1) the following: "(n) (1)"; and by striking out the comma after the words "United States" in the first sentence of said paragraph and inserting before the word "except" the following: "or in securities guaranteed as to principal and interest by the Government of the United States,"; and by transposing said paragraph to subsection (n) as amended, as paragraph (1) thereof.

14. By striking out in subsection (m) the following: "(m)"; and by striking out in said subsection the word "herein" and inserting in lieu thereof "in this section"; and by transposing said subsection to subsection (n), as amended, as paragraph (2) thereof.

15. By inserting a new subsection to read as follows:

"(m) (1) The corporation as receiver of a closed national bank or District bank shall not be required to furnish bond and shall have the right to appoint an agent or agents to assist it in its duties as such receiver, and all fees, compensation, and expenses of liquidation and administration thereof shall be fixed by the corporation, subject to the approval of the Comptroller of the Currency, and may be paid by it out of funds coming into its possession as such receiver. The Comptroller of the Currency is authorized and empowered to waive and relieve the corporation from complying with any regulations of the Comptroller of the Currency with respect to receiverships where in his discretion such action is deemed advisable to simplify administration.

"(2) Payment of an insured deposit to any person by the corporation shall discharge the corporation, and payment of a transferred deposit to any person by the new bank or the other insured bank shall discharge the corporation and such new bank or other insured bank, to the same extent that payment to such person by the closed bank would have discharged it from liability for the insured deposit.

"(3) Except as otherwise prescribed by the board of directors, neither the corporation, such new bank, nor such other insured bank, shall be required to recognize as the owner of any portion of a deposit appearing on the records of the closed bank under a name other than that of the claimant, any person whose name or interest as such owner is not disclosed on the records of such closed bank, or on its outstanding certificates or passbooks, as part owner of said account, where such recognition would increase the aggregate amount of the insured deposits in such closed bank.

"(4) The corporation may withhold payment of such portion of the insured deposit of any depositor in a closed bank as may be required to provide for the payment of any liability of such depositor as a stockholder of the bank, or of any liability of such depositor to the bank or its receiver, not offset against a claim due from the bank, pending the determination and payment of such liability by such depositor or any other person liable therefor.

"(5) If, after the corporation shall have given at least 3 months' notice to the depositor by mailing a copy thereof to his last known address appearing on the records of the closed bank, any depositor in a closed bank shall fail to claim his insured deposit from the corporation within 18 months after the appointment of the receiver for the closed bank, or shall fail to claim or arrange to continue the transferred deposit with the new bank or other bank assuming liability therefor within such 18 months' period, all rights of the depositor against the corporation in respect to the insured deposit or against the new bank and such other bank in respect to the transferred deposit shall be barred,

and all rights of the depositor against the closed bank, its shareholders or the receivership estate to which the corporation may have become subrogated shall thereupon revert to the depositor. The amount of any transferred deposits not claimed within such 18 months' period, shall be refunded to the corporation."

16. By striking out in subsection (n) the following: "(n)" and inserting "(3)"; and by retaining said subsection in paragraph (3) of subsection (n), as amended; and by striking out in said subsection (n) the words "member banks which are now or may hereafter become insolvent or suspended" and inserting in lieu thereof "insured banks closed on account of inability to meet the demands of depositors"; and by striking out "State member" and inserting in lieu thereof "insured State"; and by striking out the period at the end of the first sentence and inserting in lieu thereof "or District banks"; and by adding at the end of said subsection two new sentences to read: "The corporation, in its discretion, may upon application make loans on the security of or may purchase and liquidate or sell any part of the assets of an insured bank which is now or may hereafter be closed on account of inability to meet the demands of its depositors. In any case where the corporation is acting as receiver of such insured bank such loan or purchase shall not be made without approval of a court of competent jurisdiction."; and by adding to subsection (n), as amended, a new paragraph to read as follows:

"(4) Until July 1, 1936, whenever in the judgment of the board of directors such action will reduce the risk or avert a threatened loss to the corporation and will facilitate a merger or consolidation, or facilitate the sale of the assets of an open or closed insured bank to and assumption of its liabilities by another insured bank, the corporation may, upon such terms and conditions as it may determine, make loans secured in whole or in part by assets of such open or closed insured bank, which loans may be in subordination to the rights of depositors and other creditors, or it may purchase such assets, or may guarantee any other insured bank against loss by reason of assuming the liabilities and purchasing the assets of such open or closed insured bank. Any insured national bank or District bank or, with the approval of the Comptroller of the Currency, any receiver thereof is authorized to contract for such sales or loans and to pledge any assets of the bank to secure such loans.

17. By striking out subsection (o) and inserting in lieu thereof the following:

"(o) (1) The corporation is authorized and empowered to issue and to have outstanding its notes, debentures, bonds, or other such obligations, in a par amount aggregating not more than three times the amount received by the corporation in payment of its capital stock and of the first annual assessments. Notes, debentures, bonds, or other such obligations issued under this subsection shall be redeemable at the option of the corporation before maturity in such manner as may be stipulated in such obligations, and shall bear such rate or rates of interest, and shall mature at such time or times as may be determined by the corporation: *Provided*, That the corporation may sell on a discount basis short-term obligations payable at maturity without interest. The notes, debentures, bonds, and other such obligations of the corporation may be secured by assets of the corporation in such manner as shall be prescribed by its board of directors. Such obligations may be offered for sale at such price or prices as the corporation may determine.

"(2) Such of the obligations authorized to be issued under this subsection, as the corporation, with the approval of the Secretary of the Treasury, may determine, shall be fully and unconditionally guaranteed, both as to interest and principal, by the United States and such guaranty shall be expressed on the face thereof. In the event that the corporation shall be unable to pay upon demand, when due, principal of or interest on notes, debentures, bonds, or other such obligations issued by it and guaranteed by the United States under this paragraph, the Secretary of the Treasury shall pay the amount thereof, which is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, and thereupon, to the extent of the amounts so paid, the Secretary of the Treasury shall succeed to all the rights of the holders of such notes, debentures, or other obligations.

"(3) The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the corporation which are guaranteed by the United States under this subsection, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the corporation's obligations hereunder. The Secretary of the Treasury may, at any time, sell any of the obligations of the corporation acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the corporation shall be treated as public-debt transactions of the United States.

"(4) The Secretary of the Treasury, at the request of the Corporation, is authorized to market for the corporation such of its notes, debentures, bonds, and other such obligations as are guaranteed by the United States under this subsection, using therefor all the facilities of the Treasury Department now authorized by law for the marketing of the obligations of the United States. The proceeds of the obligations of the corporation so marketed shall be deposited in the same manner as proceeds derived from the sale of the obligations of the United States, and the amount

thereof shall be credited to the Corporation on the books of the Treasury."

18. By inserting in subsection (s) following the words "purchase any assets" the following: "or for the purpose of obtaining the payment of any insured deposit or transferred deposit or the allowance, approval, or payment of any claim."

19. By striking out in subsection (v) the following: "(v)", and inserting in lieu thereof "(v) (1)"; and by striking out in said subsection "class A stockholder of the Federal Deposit Insurance corporation" and inserting in lieu thereof "insured bank."

20. By striking out the second paragraph of subsection (v) and inserting in lieu thereof the following:

"(2) Every insured bank shall display at each place of business maintained by it a sign or signs, and shall include in advertisements relating to deposits a statement to the effect that its deposits are insured by the corporation. The board of directors shall prescribe by regulation the forms of such signs and the manner of display and the forms of such statements and the manner of use. For each day an insured bank continues to violate any provision of this paragraph or any lawful provision of said regulations, it may be subject to a penalty of \$100, recoverable by the corporation for its use."

21. By adding to subsection (v) five new paragraphs, to read as follows:

"(3) No insured bank shall pay any dividends on its capital stock or interest on its capital notes or debentures (if such interest is required to be paid only out of net profits) while it remains in default in the payment of any assessment due to the corporation: *Provided*, That if such default is due to a dispute between the insured bank and the corporation over such assessment, this paragraph shall not apply, if such bank shall deposit security satisfactory to the corporation for payment upon final determination of the issue.

"(4) Unless, in addition to compliance with other provisions of law, it shall have the prior written consent of the corporation, no insured bank shall enter into any consolidation or merger with any noninsured bank, or assume liability to pay any deposits made in any noninsured bank, or transfer assets to any noninsured bank in consideration of the assumption of liability for any portion of the deposits made in such insured bank, and no insured State nonmember bank (except a District bank) without such consent shall reduce the amount or retire any part of its common or preferred capital stock, or retire any part of its capital notes or debentures.

"(5) The corporation may require any insured bank to provide protection and indemnity against burglary, defalcation, and other similar insurable losses. Whenever any insured bank refuses to comply with any such requirement, the corporation may contract for such protection and indemnity and add the cost thereof to the assessment otherwise payable by such bank.

"(6) Whenever an insured bank, except a national bank or District bank, for a period of 120 days after written notice of the recommendations of the corporation, based on a report of examination of such bank by an examiner of the corporation, shall fail to comply with such recommendations, the corporation shall have the power, and is hereby authorized, to publish any part of such report of examination in such manner as it may determine: *Provided*, That such notice of intention to make such publication shall be given at the time such recommendations are made, or at any time thereafter and at least 90 days before such publication.

"(7) The board of directors shall by regulation prohibit the payment of interest on demand deposits in insured nonmember banks and for such purpose may define the term 'demand deposits', provided such exceptions from said prohibition shall be made as are now or may hereafter be prescribed with respect to deposits payable on demand in member banks by section 19 of this act, as amended, or by regulation of the Federal Reserve Board. From time to time the board of directors shall limit by regulation the rates of interest or dividends payable by insured nonmember banks on deposits other than demand deposits, provided such regulations shall be consistent with the contractual obligations of such banks to their depositors. For the purpose of fixing rates the board of directors may classify deposits according to maturities, conditions respecting receipt, withdrawal, or repayment, and may classify banks according to locations or kinds of banking business chiefly done as it may deem necessary in the public interest. It may prescribe different rates for different classes of deposits or different classes of banks, provided such different rates are reasonable when the bases for the classifications are considered. The board of directors by regulations shall define what constitutes savings deposits in an insured nonmember bank. Such regulations shall prohibit insured nonmember banks from paying deposits prior to maturity and from waiving any notice requirement with respect to withdrawal of deposits: *Provided*, That exceptions may be prescribed where by reason of special circumstances the prohibitions respecting withdrawal would cause unnecessary hardship to depositors and provided the prohibitions respecting withdrawal shall not apply to savings deposits. For each violation of any provision of this paragraph or any lawful provision of the Corporation's regulations relating to paying interest or dividends on deposits or to withdrawal of deposits the offending bank shall be subject to a penalty of \$100, recoverable by the corporation for its use."

22. By striking out all of subsection (y) preceding the last paragraph thereof and inserting in lieu thereof the following:

"(1) For the purposes of this section, and notwithstanding any other provision thereof, any unincorporated bank which continues to be an insured bank without application or approval under the provisions of paragraph (1) of subsection (f) of this section shall be included in the term 'State bank' and 'State nonmember bank.'"

23. By inserting at the beginning of the last paragraph of subsection (y) the following: "(2)."

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. HANCOCK of North Carolina: On page 2, line 5, after the figure 2, insert the following language:

"(b) The management of the corporation shall be vested in a board of directors consisting of five members, one of whom shall be the Comptroller of the Currency, one of whom shall be the Chairman of the Reconstruction Finance Corporation, and three of whom shall be citizens of the United States to be appointed by the President by and with the advice and consent of the Senate. One of the appointive members shall be the chairman of the board of directors of the corporation, and not more than three of the members of such board of directors shall be members of the same political party. Each such appointive member shall hold office for a term of 6 years, and shall receive compensation at the rate of \$10,000 per annum, payable monthly out of the funds of the corporation, but the Comptroller of the Currency and the Chairman of the Reconstruction Finance Corporation shall not receive additional compensation for their services as such members. The directors now serving shall continue to serve under their present appointments, and one additional director shall be appointed to make up the board of five members. And—"

Mr. HANCOCK of North Carolina. Mr. Chairman, ladies and gentlemen of the Committee, in addressing myself to the amendment which I have just sent forward to the Clerk's desk, I shall be very brief. This same amendment, in substance, was presented by me to our committee but failed of adoption by a considerable vote. The amendment, as the language clearly indicates, is designed to increase the directors of the Federal Deposit Insurance Corporation Board from 3 to 5 members. As you know, the present Board is composed of the Comptroller of the Currency, who is an ex-officio member, and two citizens of the United States appointed by the President and confirmed by the Senate. Under the law, this Board is nonpartisan; and in this respect it remains the same under my amendment.

I want it clearly understood that in presenting this amendment it is in nowise intended to reflect upon the present able and conscientious directorate. The present chairman, Mr. Crowley, and the Comptroller of the Currency, Mr. O'Connor, have rendered an extraordinarily splendid service to the Government and to the depositors in banks throughout the country. The work done under their direction and supervision in building up this organization will go down in history as one of the outstanding administrative achievements of our day. It is my reasoned judgment, however, that since we are making this organization permanent and adding to it increased responsibilities, the membership of the Board should be enlarged. Those who have carefully examined and studied the provisions of title I of the bill will readily see that the work of the corporation is being greatly extended and expanded and that many new problems will arise from time to time by virtue of these additional duties and responsibilities. Few governmentally operated corporations could possibly have more important tasks to perform.

I am suggesting in my amendment that the Chairman of the Reconstruction Finance Corporation shall be ex officio a member of the board and that one other citizen be appointed in the usual way. All of you understand that the Reconstruction Finance Corporation has been working hand in hand with officials of the Comptroller's office and the Federal Deposit Insurance Corporation in the rehabilitation of the capital structure of thousands of banks throughout the country, with the result that this corporation now has actually distributed and subject to distribution approximately a billion dollars invested in the capital of banks, all of which are members of the Federal Deposit Insurance Corporation. It is therefore my considered thought that the chairman of this corporation should have a voice in the formulation of the policies of the Federal Deposit Insurance Corporation. I am satisfied in my own mind that this arrangement would

bring about a closer and more interested working arrangement between the three departments and tend to provide mutual safeguards. The cost involved in this amendment would only be \$10,000 and when we consider the magnitude of the corporation and the tremendous amount of finances involved it does not seem to be worthy of consideration as a factor in passing on the merits of the amendment.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes; I yield.

Mr. GOLDSBOROUGH. Was the amendment voted down in the committee as it is now proposed?

Mr. HANCOCK of North Carolina. It is the language of the first amendment which I proposed in the committee on this phase of the bill; but if memory serves, the amendment as voted on was somewhat different.

Mr. GOLDSBOROUGH. Was the Chairman of the Reconstruction Finance Corporation a member of the board in the amendment presented to the Committee?

Mr. HANCOCK of North Carolina. I think that is the only change in the amendment.

Mr. GOLDSBOROUGH. Of course, the Reconstruction Finance Corporation is a temporary corporation. Personally, I would not oppose an amendment to increase the board, but I did not know that the gentleman intended to have more than one ex-officio member.

Mr. HANCOCK of North Carolina. I hope the prophecy of my good friend the gentleman from Maryland about the Reconstruction Finance Corporation's life will turn out to be correct; but, in view of its far-reaching ramifications and its outstanding obligations and interests, I can hardly join in his prophecy. Though I greatly hope that private organizations may soon be able to take over its active lending functions, I believe that this Corporation will be with us for many years to come. We certainly do not want to put it out of business as long as it continues to render a real service to business, and particularly the depositors in closed banks.

In conclusion, let me say that I believe it will be for the best interests of the public, the Government, and the Federal Deposit Insurance Corporation if this amendment is adopted. It is for you to decide.

Mr. FORD of California. Mr. Chairman, I rise in opposition to the amendment. I do not suppose there has ever been an activity organized by the Government which has done such an efficient job as has the Federal Deposit Insurance Corporation. It has accomplished the tremendous task of creating a system of bank-deposit insurance for the banks of the United States, and it has done it in a rapid and efficient way. That board consists of three members. We are asked by this amendment to increase it to four. The gentleman from North Carolina [Mr. HANCOCK] has said that no board in the Government has a greater responsibility. I agree thoroughly with that statement. They have a tremendous responsibility, and by the terms of this bill we are tremendously increasing that responsibility. It seems to me that the splendid manner in which they have met these responsibilities and carried on their work would indicate that it is not exactly in keeping with courteous appreciation or good policy to alter the situation now and increase or diminish the membership of the board. I believe the board is entitled to the support of the Members of this House for the splendid job they have done. The Member who offered the amendment admits the fact that it has done good work. That being so, why should we make any changes in the present set-up? I do not believe that a board of five could or would do any better than a board of three. It seems to me that with a board of five there would be more differences of opinion to be composed whenever they got together. In view of the great success with which they have operated in the past, I think it is the part of wisdom on the part of this House to keep the membership at three to permit it to continue to function in the future as it has in the past.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. HANCOCK of North Carolina) there were—ayes 8, noes 70.

So the amendment was rejected.

The Clerk read as follows:

TITLE II—AMENDMENTS TO THE FEDERAL RESERVE ACT

SEC. 201. (a) Section 4 of the Federal Reserve Act, as amended, is further amended by striking out the paragraph which commences with the words "Class C directors shall be appointed by the Federal Reserve Board" and the next succeeding paragraph, and inserting in lieu thereof the following:

"Class C directors shall be appointed by the Federal Reserve Board. They shall have been for at least 2 years residents of the districts for which they are appointed, except that this requirement shall not apply to the governor and vice governor of the bank. Each class C director shall hold office for a term of 3 years except that the governor's term as a class C director shall expire when he ceases to be Governor of the bank and, if the vice governor be designated as a class C director, his term as a class C director shall expire when he ceases to be vice governor. One of the directors of class C shall be appointed by the Federal Reserve Board as deputy chairman to exercise the powers of the chairman of the board when necessary. In the case of the absence of the chairman and deputy chairman, the third class C director shall preside at meetings of the Board.

"Effective 90 days after the enactment of the Banking Act of 1935, the offices of governor and chairman of the board of directors of each Federal Reserve bank shall be combined. The governor shall be the chief executive officer of the bank and shall be appointed annually by the board of directors. His first appointment shall be subject to the approval of the Federal Reserve Board. He shall not take office until approved by the Federal Reserve Board and thereupon he shall become a class C director of the bank for the unexpired portion of the term held by his predecessor as chairman of the board of directors or, if such term was completed, then for the next regular term of 3 years. At the expiration of such term as a class C director, and of each term of 3 years thereafter, his continuance in office shall be subject to the approval of the Federal Reserve Board, and he shall cease to be governor at the expiration of any such term unless his reappointment be approved by the Federal Reserve Board. Upon such approval he shall become a class C director for the ensuing term of 3 years. He shall be ex-officio chairman of the board of directors and chairman of the executive committee; and all other officers and employees of the bank shall be directly responsible to him. For each Federal Reserve bank there shall be appointed annually in the same manner as the governor, a vice governor, who shall, in the absence or disability of the governor or during a vacancy in the office of governor, serve as the chief executive officer of the bank and act as chairman of the executive committee of the bank. His appointment and reappointment shall be subject to approval by the Federal Reserve Board in the same manner as that of the governor. He may be appointed by the Federal Reserve Board as a class C director of the bank and, in such case, may be appointed as deputy chairman of the board of directors. Whenever a vacancy shall occur in the office of the governor or vice governor of a Federal Reserve bank, it shall be filled in the manner provided for original appointments; and the person so appointed shall hold office until the expiration of the term of his predecessor.

"Effective 90 days after the enactment of the Banking Act of 1935, any Federal Reserve agent who shall not have been appointed governor of the bank shall cease to be a class C director and chairman of the board of directors. All duties prescribed by law for the Federal Reserve agent shall be performed by the governor of the bank or by such other person or persons as he shall designate.

"No member of the board of directors of a Federal Reserve bank, other than the governor and vice governor, shall serve as a director for more than two consecutive terms of 3 years each, but nothing in this paragraph shall prevent the present incumbents from serving out the remainders of their present terms."

(b) The last paragraph of such section 4 is amended by striking out the words "Thereafter every director of a Federal Reserve bank chosen as hereinbefore provided shall hold office for a term of 3 years" and substituting the words "Thereafter each director of class A and each director of class B chosen as hereinbefore provided shall hold office for a term of 3 years."

(c) The paragraph of such section 4 which commences with the words "Such board of directors shall be selected" is amended by striking therefrom the words "holding office for 3 years, and."

Mr. HOLLISTER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOLLISTER: Page 44, line 25, after the word "directors", strike out the rest of that line and all on page 45, through the word "years" in line 14; also the words "and reappointment" in line 23.

Mr. HOLLISTER. Mr. Chairman, in this amendment I am attempting to strike out that provision which gives to the Federal Reserve Board the right to approve those who are appointed as governors of the various Federal Reserve banks; that is, their chief executive officers. At the present

time the governors of the Federal Reserve banks are appointed by their boards of directors. Those boards of directors are appointed, 6 by the member banks whose money has gone into the investment in the capital stock of the banks, and 3 by the Federal Reserve Board. Each board of directors of nine elects a governor, who is the chief executive officer of that bank.

There is no provision in the law at the present time for this office of governor. It has merely grown up to be the usage that the board of directors of the bank, as the board of directors of any other corporation, has the right to appoint a man who shall be the chief executive officer of the bank and perform the usual functions of such individual. This amendment which I suggest will take out of the bill the change which is put in, which gives to the Federal Reserve Board the right practically to dictate to the Federal Reserve bank who shall be its governor or chief executive officer.

I consider this the first of the dangerous steps which this bill contains, because by this the Federal Reserve Board, which is in turn largely controlled by the Executive, will have much greater powers over the operation of the Federal Reserve banks than it has today.

Mr. REILLY. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. REILLY. Would the gentleman's amendment restore the law as it is now?

Mr. HOLLISTER. It will not, but I shall be very glad to restore the law that way if the gentleman desires to offer such an amendment.

Mr. REILLY. Under the gentleman's amendment, would there still be a governor and an agent?

Mr. HOLLISTER. The governor and the agent and the chairman would all be combined under my amendment.

Mr. STEAGALL. Will the gentleman yield?

Mr. HOLLISTER. I will be glad to yield to the chairman of the committee.

Mr. STEAGALL. In other words, the gentleman would take out of existing law all the powers that the Federal Reserve Board possesses with reference to the governor or chairman of the board of a Federal Reserve bank?

Mr. HOLLISTER. It was stated to us in committee by Governor Eccles that the chief reason for this change was because of the fact that there was somewhat of a conflict between the duties of the chairman of the board appointed by the Federal Reserve Board and the governor appointed by the directors. The object of the changes in the bill was chiefly to combine those two functions. Under the amendment I have suggested those two functions would be still combined.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. FITZPATRICK. Who would select the governor—the board of directors?

Mr. HOLLISTER. The board of directors.

Mr. FITZPATRICK. And the Federal Reserve Board would only have approval?

Mr. HOLLISTER. They would not have approval under my amendment.

Mr. FITZPATRICK. But they would under the new bill?

Mr. HOLLISTER. They would under the new bill.

Mr. FITZPATRICK. The only difference, then, is that they would have approval and now they do not?

Mr. HOLLISTER. The new bill would make it impossible for the board of directors to designate whomsoever they wished. It would still have to be approved by the Federal Reserve Board at Washington.

Mr. FITZPATRICK. But the directors can select the governor.

Mr. HOLLISTER. The directors can select the governor, subject to approval.

It would be unwise to bring about a situation whereby the board of directors, who are trying their best to conduct the affairs of the regional bank, would be in such position that they might have to take whomsoever the Federal Reserve Board might select. By the right which the Federal Reserve Board has to veto the selection of any governor by the

directors of the regional bank, the directors would be compelled to accept only someone who was satisfactory to the Federal Reserve Board. As I have stated, this is the first of a series of steps which increases greatly the power of the Federal Reserve Board over the Federal Reserve banks.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. HOLLISTER] has expired.

Mr. STEAGALL. Mr. Chairman, I rise in opposition to the amendment.

I think it should be understood that under the original Federal Reserve law the Federal Reserve Board was empowered to name the chairman of the board of each Federal Reserve bank to be its executive officer. There grew up a practice by which each of the banks selected a governor, who was the executive officer, and the practice has become a general rule. This bill would surrender the right of the Federal Reserve Board to name the chairmen of the boards of directors of the Federal Reserve banks, and would validate the practice that has grown up of permitting each bank to select a governor to be executive officer; but under this bill a governor selected by the Federal Reserve bank would be subject to approval of the Federal Reserve Board. That is all the power they will have over the governor, under the bill before the House.

I cannot feel that it is the desire of Members who have kept fully abreast of the developments of this legislation to have any further surrender of authority over these banks on the part of the Federal Reserve Board. I hope the amendment will not prevail.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. HOLLISTER].

The question was taken; and on a division (demanded by Mr. HOLLISTER) there were—ayes 32, noes 70.

So the amendment was rejected.

The Clerk read as follows:

SEC. 202. Section 9 of the Federal Reserve Act, as amended, is amended by inserting after the tenth paragraph thereof the following new paragraph:

"Upon application to the Federal Reserve Board by any non-member bank which at the time of such application has been admitted to the benefits of insurance by the Federal Deposit Insurance Corporation under section 12-B of this act, the Federal Reserve Board, in its discretion, in order to facilitate the admission of such bank to membership in the Federal Reserve System, may waive in whole or in part the requirements of this section relating to the admission of such bank to membership: *Provided*, That if such bank is admitted with a capital less than that required for the organization of a national bank in the same place and its capital and surplus are not, in the judgment of the Federal Reserve Board, adequate in relation to its liabilities to depositors and other creditors, the Federal Reserve Board may, in its discretion, require such bank to increase its capital and surplus to such amount as the Board may deem necessary within such period prescribed by the Board as in its judgment shall be reasonable in view of all the circumstances: *Provided, however*, That no such bank shall be required to increase its capital to an amount in excess of that required for the organization of a national bank in the same place."

SEC. 203. Section 10 of the Federal Reserve Act, as amended, is further amended in the following respects:

(1) By striking out the second sentence of the first paragraph and substituting the following: "In selecting the six appointive members of the Federal Reserve Board the President shall choose persons well qualified by education or experience or both to participate in the formulation of national economic and monetary policies. Not more than one of the appointive members shall be selected from any one Federal Reserve district, except that this limitation shall not apply to the selection of the governor."

(2) By adding, at the end of such first paragraph the following: "Each appointive member of the Federal Reserve Board heretofore appointed may retire from service upon reaching the age of 70 or at any time thereafter, and all members hereafter appointed shall retire upon reaching the age of 70. Each member of the Board so retired from service who shall have served for as long as 12 years shall, during the remainder of his life, receive an annual retirement pay in an amount equal to his annual salary at the time of retirement: *Provided*, That, if he shall have served for as long as 5 years but less than 12 years, his annual retirement pay shall be at the rate of one-twelfth of such annual salary for each year served and for any fraction of an additional year of such service: *Provided further*, That any member whose term expires and who is not reappointed shall receive retirement pay upon the same basis as if he had been retired under the provisions of this paragraph, except that, if his term expire before he reaches the age of 65 and he be offered and decline to accept reappointment, he shall not receive any retirement pay. The funds necessary for such retirement pay shall be provided by the Federal Reserve banks in such

manner as the Federal Reserve Board shall prescribe. Nothing in this section shall prevent the President from reappointing any member of the Federal Reserve Board holding office on July 1, 1935.

(3) By striking out the fourth sentence of the second paragraph and inserting in lieu thereof the following: "Of the 6 appointive members of the Board, 1 shall be designated by the President as governor and 1 as vice governor of the Federal Reserve Board, to serve as such until the further order of the President, and the provisions of the next preceding sentence of this paragraph shall not apply to the member designated as governor. If the governor's designation as such be terminated, he may continue to serve as a member of the Board for the remainder of his term as such; but, if he resign within 90 days from the date of the termination of his designation as governor, he shall not be subject thereafter to any restriction of this section with respect to holding any office, position, or employment in any member bank."

(4) By adding at the end of the second paragraph the following: "Upon the expiration of their terms of office, members of the Federal Reserve Board shall continue to serve until their successors are appointed and have qualified."

Mr. HOLLISTER. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. HOLLISTER: Page 48, line 13, after the word "persons", strike out the rest of the sentence and insert "who have had adequate training and experience in banking."

Mr. HOLLISTER. Mr. Chairman, section 203, to which I now suggest an amendment, reads that in selecting the six appointive members of the Federal Reserve Board the President shall choose persons well qualified by education or experience or both to participate in the formulation of national economic and monetary policies.

My amendment is that in selecting the six appointive members of the Board they shall be persons who have had training and experience in banking.

We are discussing the subject of banking. This is a bill which deals with banking. The Federal Reserve Board is set up as a supervisory board over the operation of the various Federal Reserve banks which, in turn, are made up of members of the Federal Reserve System in each particular district. The question here presented is whether we want the Federal Reserve Board, the advisory board to which, incidentally, this bill gives much greater powers than it ever had before, whether we want that Board to be made up of a lot of theorists on the subject of economics or of men who have had some experience in banking. As the bill now reads, they may be persons well qualified by education or experience to participate in the formulation of national economic and monetary policies. Do we want the Federal Reserve Board to be made up of people qualified solely by education, perhaps, with no training whatsoever, no experience; or do we want people who have had some experience in the various problems which they are to attempt to solve? Secondly, irrespective of the disjunctive, the word "or", which certainly should not be there, do we want to define the nature of the appointment to include such broad terms as "the formulation of economic policies" as well as "monetary policies"? Are we not perhaps embarking the Federal Reserve Board on a sea on which it was never expected to sail, and on a sea which is highly dangerous? After all, this is a board, as I have stated, to supervise the central banking system of the country. This is not a planning board to discuss economic planning, to discuss the more abundant life, to consider what high social measures might perhaps be adopted to make this country a better place in which to live. This is a board to supervise the central banking system of the country, the credit system, the lifeblood of the country. We should fill it with men who have had banking experience and not with a lot of theorists on the subject of economics.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. O'CONNOR. Does not the gentleman think any provision in this piece of legislation as to qualifications may be superfluous and of no effect for the reason that it is not usual to put such descriptions in legislation? Suppose the appointing power does not follow them, what can be done about it?

Mr. HOLLISTER. I agree with the gentleman on that. It should not be in the bill.

Mr. O'CONNOR. It should not be in the bill at all.

Mr. HOLLISTER. Exactly; and if the gentleman will move to strike it out I will support his motion. If the language is to stay in the bill, however, it should be so modified as to prevent the appointment of a lot of professors who do not know the first thing about the practical end of banking.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. McCORMACK. What does the gentleman mean by education?

Mr. HOLLISTER. I wish I could tell the gentleman what education is.

Mr. McCORMACK. Suppose a young man started in a bank at 14, 15, or 16 years of age; denied a college education, but working in the bank for many years he has educated himself and has acquired valuable experience. There are many such men in the United States. My question is whether or not such a man would not be precluded from appointment by the requirements of education and experience.

Mr. HOLLISTER. I agree such requirements should not be in the bill.

Mr. McCORMACK. If the word "education" is retained in the bill the quantum of education must be determined by someone and probably will be construed as meaning that the man should have a college education. If such were the case this young man I have used as an example would be precluded although he was thoroughly qualified otherwise.

Mr. HOLLISTER. I think the gentleman is correct. I think experience should be sufficient. If the gentleman desires to modify my amendment in this respect, I will be glad to accept the modification.

Mr. McCORMACK. When the gentleman says "education and experience", he has not remedied the situation. As a matter of fact the language of the bill "education or experience" gives greater latitude in qualifying.

Mr. HOLLISTER. I believe the language of my amendment is sufficient.

Mr. McCORMACK. I am afraid it may not be construed as the gentleman anticipates.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, this whole issue was fought out from every angle when the original Federal Reserve Act was adopted. In my remarks in the House last week I quoted from the book of the Senator from Virginia [Mr. GLASS], in which he recited the conferences with the President of the United States at the time the original Federal Reserve Act was under preparation. It will be remembered that in that conversation the President of the United States insisted that the Federal Reserve Board was to represent the people of the Nation, the national welfare, as distinguished from any particular class, and that a requirement that bankers be included on the Board was undesirable and contrary to the purposes of the act. The language of the existing law requires that regard in the appointment of the Federal Reserve Board shall be paid to a fair representation of the financial, agricultural, industrial, and commercial interests and geographical divisions of the country. The bill under consideration would depart even from those broad directions and base the appointment of the Federal Reserve Board upon experience or education as qualifications for the proper exercise of sound judgment in the establishment of national economic and monetary policies.

Under the amendment offered by the gentleman from Ohio every man on the Board would have to be a banker, and we would have complete banker control not only of each of the 12 Federal Reserve banks, two-thirds of the members of which are elected by bankers, but complete banker control of the Federal Reserve Board itself. All the interests of the public would be intrusted to officials made up of bankers selected by bankers, with no representation of any other class.

The amendment offered by the gentleman from Ohio [Mr. HOLLISTER] strikes at the very heart of the fundamental purpose of this legislation.

Mr. HOLLISTER. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Ohio.

Mr. HOLLISTER. May I point out to the gentleman the discussion in reference to the word "education", and I would like to call the attention of the gentleman from Massachusetts [Mr. McCORMACK] to the fact that the amendment which I suggested did not use the word "education." It uses the words "training and experience", which I think will satisfy the objection of the gentleman from Massachusetts.

Mr. STEAGALL. The gentleman's amendment did not limit the language to "training and experience", but said in effect "training and experience in banking", which means that the Federal Reserve Board as well as all 12 banks would be absolutely under the control of bankers.

Mr. TABER. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from New York.

Mr. TABER. Does the gentleman feel that the primary qualifications for membership on this Board ought to be ignorance of banking?

Mr. STEAGALL. No. There is nothing in the bill to prevent the President from selecting men trained in banking, if he sees fit. But, on the other hand, it does not restrict him to the appointment of bankers which would mean banker control of the Federal Reserve Board and of the entire system. The gentleman's amendment would nullify the chief purpose of the act.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. HOLLISTER].

The amendment was rejected.

Mr. MARTIN of Colorado. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Colorado: Page 48, line 14, preceding the word "experience", strike out the word "or" and insert "and"; and following the word "experience" in line 14, strike out the words "or both."

Mr. MARTIN of Colorado. Mr. Chairman, I do not propose to take 5 minutes in a discussion of this amendment. The other day I fell under the influence of the gentleman from Ohio [Mr. HOLLISTER], when he discussed this provision, to the extent of feeling that at least one conjunction ought to be changed, which was from "or" to "and." I asked the gentleman at that time whether he would offer an amendment to that effect, and he stated he would have so many more important amendments to offer he might not offer an amendment on this point. However, he did offer an amendment today, but it was very much broader than the amendment I have just offered, because he limited the eligibles to bankers.

I feel that perhaps it would not be asking too much that a man should have both education and experience. His education might be limited and his experience large, or vice versa. I thought I would make that much of a concession at least to the gentleman from Ohio by offering an amendment which would require that a man for such an important position should have both an education and experience along the lines required; that is to say, in national economics and monetary policies; so that it could not be claimed that some braintruster who never had any experience whatever but a vast amount of university culture and theory could be selected for membership on this highly important board.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. MARTIN].

The question was taken; and on a division (demanded by Mr. MARTIN of Colorado) there were—ayes 20, nays 55.

So the amendment was rejected.

Mr. HOLLISTER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. HOLLISTER: On page 49, line 44, after the word "Board", strike out the words "to serve as such until the further order of the President."

Mr. HOLLISTER. Mr. Chairman, this is the second of the points to which I object, particularly as being a cumulative

increase in power, first, the power of the Federal Reserve Board over the operation of the Federal Reserve banks, and now an increase in the power of the Chief Executive over the Federal Reserve Board. I am pointing this out because it is one of a series of steps.

The wording which I ask to be stricken out of this bill is that wording which makes the appointment of the Governor of the Federal Reserve Board, and his continuation in office, solely at the will of the President. The law at the present time is to the effect that of the membership of the Board one shall be designated by the President as Governor. It has been stated by a number of representatives of the Federal Reserve Board that at the present time the President has full right to remove the Governor of the Federal Reserve Board at will. The only answer that can be made to that is, that if that is so, why are we asked to state specifically in this bill that the President shall have that right? There has been no attempt made by any President to remove a Governor. There has been no suggestion that he has this right, and if it is true that this bill makes no change whatsoever in existing law, then there can be no harm whatsoever on striking this provision from the bill.

Mr. Chairman, may I point out to the members of the committee that of the Federal Reserve Board of eight, at the present time, the President has the appointment of the Governor and the Vice Governor. There is also the Secretary of the Treasury, who is, of course, an appointee of the President, serving ex officio. There is also the Comptroller of the Treasury, who is generally considered an administration man, serving ex officio. If it is stated specifically that the President has the right of removal of the Governor and Vice Governor, it really puts in his hands the control of 4 out of 8 members of the Federal Reserve Board, and when we increase, as we are asked to do in this bill, the power of the Federal Reserve Board over not only the executive operation of the Federal Reserve banks, but also over various functions of the banks with respect to credit, then I say we are enormously increasing the possible executive power over the whole banking structure of the country, as well as the credit system.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Does the gentleman think it is wise to leave the law in an uncertain condition? By the gentleman's statement he has indicated that he thinks it is an uncertain condition at the present time.

Mr. HOLLISTER. I would, of course, prefer to have it understood that the Governor was not removable.

Mr. BROWN of Michigan. Does not the gentleman think the matter would be set forth clearly if his amendment was that the President should not have the right?

Mr. HOLLISTER. I know there are a number of gentlemen on that side who have some thoughts along this line. If they have amendments which they think would cover this situation better than my amendment, I suggest that they offer their amendments. I am objecting to the existing language in the bill. I know there is little chance of getting in a further provision of that kind.

Mr. BROWN of Michigan. I am such a warm admirer of the gentleman's ability as a legislator that I think his amendment ought to be in proper form instead of indefinite form as it is.

Mr. HOLLISTER. I thank the gentleman for the compliment, and the gentleman will at least go a certain distance with me if he will accept my amendment to take out the language I suggest.

Mr. BROWN of Michigan. No; I do not want it to be uncertain.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. HOLLISTER) there were—ayes 30, noes 55.

So the amendment was rejected.

Mr. ENGEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ENGEL: Page 48, line 19, strike out subsection (2) of section 203.

Mr. ENGEL. Mr. Chairman, section 203 (2), which I would strike from the bill, provides that a pension be paid to the members of the Federal Reserve Board after having served 5 years or more, the amount of such pension varying from \$5,000 a year paid to a member who has served 5 years and increasing automatically at the rate of \$1,000 for each year additional service until the sum of \$12,000 a year is reached after such member served 12 years. The committee report attempts to justify the payment of such pension in the following language:

This amendment is for the purpose of making the members of the Board more independent by eliminating the possibility of their official actions being influenced by the necessity of seeking positions in the banking world after the expiration of their terms as members of the Board if they are not reappointed.

In other words, in order to prevent a member of this Board from granting special favors to certain banks with the hope of getting a job, they are going to pension him for the rest of his life. Any man who is subject to pressure of this kind is not fit to sit upon the Board and should not be appointed. Remember, we are appointing six men who are expected to be experts in their field who must be financiers—men who have had enough banking experience to be able to run successfully the entire banking system of the United States. If these men are successful men—as they should be—they should not, and do not, need this pension. If a man during his entire lifetime, including the 12 years' service on the Board, for which he has been paid a total sum by the Government of \$144,000, has not accumulated sufficient assets to make him independent without depending upon a pension for a livelihood, then he cannot be such a successful business man as would qualify him to sit upon this Board.

Assuming a man under this section were appointed at the age of 32 years (William Jennings Bryan was candidate for President at 35), and that man served 12 years at \$12,000 a year, receiving a total of \$144,000, and then were pensioned at \$12,000 a year; assume further that he lives until the age of 74 (a possible and a probable case), he would then have received from the Government more than one-half million dollars—to be exact, \$504,000 for that 12 years' service. Again assuming a man were appointed at 32 years of age to fill a vacancy, served 5 years at \$12,000 a year, and were not offered reappointment, and lived to the age of 74, that man would have received \$60,000 for the 5 years' service and \$185,000 for the 37 years' pension at \$5,000 a year, or a total of \$235,000 for 5 years' service.

On Tuesday the gentleman from Maryland graciously yielded to me for a question on this subject. When I timidly ventured the statement during the discussion of this problem that I was thinking of the other fellow down the line to whom we expected to pay a pension of \$15 a month, the gentleman from Maryland said that I made a demagogic statement; in other words, he charged me with being a demagogue. If advocating a proposition which would pay to these financiers, after 12 years' service at \$12,000 a year, a pension of \$12,000 a year, making it possible for one of these men to receive more than one-half million dollars in cash for his 12 years' service—I repeat, sir, if advocating such a proposition makes the gentleman from Maryland a statesman, he is welcome to be called such. If, on the other hand, the mere fact that I ventured to express a thought for the great mass of people to whom we expect to pay \$15 a month under this old-age-pension law; if a thought of them makes me a demagogue, I am proud of the name. If trying to speak a word for these poor people, who, like Lazarus, are hoping that a few financial crumbs may fall from the table of Dives; if, sir, thinking about them makes me a demagogue, I glory in the name.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. FORD of California. Is it the gentleman's understanding that the Government pays this pension?

Mr. ENGEL. The Federal Reserve bank pays it.

Mr. FORD of California. And it does not come out of the Government.

Mr. ENGEL. But why should they be paid this money?

Mr. FORD of California. But the fact is that the Government does not pay it.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. Yes.

Mr. McFARLANE. In answer to the gentleman from California let me say that this comes out of profits made by the use of the credit of the Government of the United States, so that indirectly it does come out of the profits of the Government of the United States.

Mr. ENGEL. Mr. Chairman, to me the very idea of offering a man who is qualified to operate the banking system of the United States a pension is an absurdity.

A few weeks ago, 253 Democrats voted down a Republican proposition—only 1 Republican voted with the Democrats—to increase the amount paid under the old-age-pension law from \$15 to \$20 a month. I am giving these 253 Members an opportunity to vote to eliminate a proposition which gives these financiers from \$5,000 to \$12,000 a year pension after having served from 5 to 12 years at \$12,000 a year. I am wondering whether these 253 Democrats who voted down this \$5 increase in the old-age-pension law will now vote to retain a \$12,000 pension to be paid these financiers as provided in this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. ENGEL) there were—ayes 48, noes 52.

Mr. ENGEL. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. STEAGALL and Mr. ENGEL.

The Committee again divided; and the tellers reported that there were—ayes 92, noes 81.

So the amendment was agreed to.

The Clerk read as follows:

Sec. 204. (a) Subsection (1) of section 11 of the Federal Reserve Act, as amended, is amended by adding the following at the end thereof: "The Board may assign to designated members of the Board or officers or representatives of the Board, under rules and regulations prescribed by the Board, the performance of any of its duties, functions, or services; but any such assignment shall not include the determination of any national or system policy or any power to make rules and regulations or any power which under the terms of this act is required to be exercised by a specified number of members of the Board."

(b) Section 11 of the Federal Reserve Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"(c) It shall be the duty of the Federal Reserve Board to exercise such powers as it possesses in such manner as to promote conditions conducive to business stability and to mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of monetary action and credit administration."

Mr. GOLDSBOROUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GOLDSBOROUGH: On page 51, strike out everything from lines 4 to 10, inclusive, and in lieu thereof insert the following:

"(c) It is hereby declared to be the policy of the United States that the average purchasing power of the dollar as ascertained by the Department of Labor in the wholesale commodity markets for the period covering the years 1921 to 1929, inclusive, shall be promptly restored; and that after such restoration shall have been achieved, the purchasing power of the dollar shall be maintained substantially stable in relation to a suitable index of basic commodity prices which the Federal Reserve Board shall cause to be compiled and published in complete detail at weekly intervals."

"The Federal Reserve Board, the Federal Reserve banks, and the Secretary of the Treasury are hereby charged with the duty of making effective this policy. To this end it shall be the duty of the Secretary of the Treasury to establish or cause to be established in the United States a free and open market in which gold and silver may be bought and sold for use, investment, or trade, and to determine, without limitations, and with the advice of the Federal Reserve Board, the amounts and the prices at which the Treasury shall buy and sell gold and silver."

Mr. STEAGALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask unanimous consent to proceed for 15 minutes.

The CHAIRMAN (Mr. WEAVER). Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STEAGALL. Mr. Chairman, I wish to direct the attention of Members to the question of constitutionality which has been raised in connection with this legislation.

In his remarks before the House of Representatives on May 4, 1935, the gentleman from Kentucky [Mr. SPENCE] expressed the opinion that section 205 of the Banking Act of 1935, H. R. 7617, is unconstitutional for the reason that the bill contains a delegation by Congress of its legislative power to coin money and regulate the value thereof, that the bill does not state any policy or standard to guide or limit the Board in exercising such power, and that, therefore, the attempted delegation of authority is invalid.

This contention is completely refuted by section 204 (b) of the bill which declares that it is the policy of Congress that the Federal Reserve Board shall exercise its monetary powers in such manner as to promote conditions conducive to business stability and to mitigate unstabilizing fluctuations in the general level of production, trade, prices, and employment. This statement constitutes a guiding principle and merely leaves to the Federal Reserve Board the administration of the policy of Congress and the application of such policy to such conditions as may arise from time to time. An examination of the decided cases on this point shows that the guiding principle stated in this bill is much more definite than those contained in similar grants of authority to the executive branch of the Government which have been upheld by the Supreme Court.

The recent decision in *Panama Refining Co. v. Ryan* (293 U. S. 388), the so-called "hot oil case", is readily distinguishable on the ground that Congress stated no policy or standard whatever to guide or limit the President in exercising the power granted, but instead left to the Executive absolute discretion as to whether or not the prohibitions of the act should be put into effect. It is interesting to note that all of the cases cited by the Supreme Court in the "hot oil" case were cases in which the Supreme Court had upheld the constitutionality of laws granting authority to the executive branch of the Government.

A reading of the hearings before the House Banking and Currency Committee discloses that the specific provision of the bill which Mr. SPENCE regards as containing an unconstitutional delegation of legislative power is section 205, which relates to the open-market operations of the Federal Reserve System. Mr. SPENCE infers that the bill contains some new delegation of legislative power not found in the Federal Reserve Act as it now exists. It is submitted, however, that an examination of the existing law and of the provisions of section 205 of the bill will clearly demonstrate that there is no delegation in the bill different in principle from that now contained in the present law and that the only change is in the group to which the power is delegated.

Under the provisions of section 12 (a) of the existing Federal Reserve Act, the open-market operations of the System are vested in the Federal Open Market Committee, the Federal Reserve Board, and the Federal Reserve banks. Section 205 of the proposed bill would give the Federal Reserve Board complete control over the open-market operations of the System except for the requirement that the Board must consult the Open Market Advisory Committee before making any change in open-market policy. Thus it may be seen that

there is no change in the power granted but merely a change in the group to which it is delegated.

Accordingly, it seems that Mr. SPENCE's charge of unconstitutionality should be directed against the existing Federal Reserve Act rather than against the proposed banking act. In this connection, however, it should be observed that open-market operations of the Federal Reserve System constitute only 1 of 3 instruments of credit control exercised by that body, the other 2 being the power to fix discount rates and to establish reserve requirements. The grant of the first two of these powers has been held constitutional in the case of *Raichle v. Federal Reserve Bank of New York* (34 Fed. (2d) 910 (C. C. A. 2d, 1929)).

The only guiding principle stated in the existing Federal Reserve Act is that certain action shall be taken "with a view of accommodating commerce and business." Since the statement of objectives contained in the proposed banking act is much more definite and comprehensive than the statement in the existing law, the enactment of the bill would render the constitutionality of the grant of power to control open-market operations, fix the discount rate, and establish reserve requirements even clearer than it is in the existing law.

In his attack on the constitutionality of section 205 of the bill, Mr. SPENCE ignores the fundamental question at issue, namely, whether the statement of policy in section 204 (b) of the bill is sufficiently definite and comprehensive in the light of the decisions of the Supreme Court passing upon similar questions. Mr. SPENCE apparently places considerable reliance upon the "hot oil" case—*Panama Refining Co. v. Ryan* (293 U. S. 388)—which he states is "right in point." The most casual reading of that case discloses that the Supreme Court found that nowhere in the statute under consideration had Congress declared or indicated any policy or standard to guide or limit the President in exercising the delegated powers. In this connection the Court stated:

The Congress left the matter to the President without standard or rule to be dealt with as he pleased.

The situation existing in that case is readily distinguishable from that presented by the proposed banking act which contains a clear and definite statement of objective. In this connection, it is respectfully suggested that the cursory manner in which Mr. SPENCE passes over the statement of policy in section 204 (b) of the bill may indicate that his objection to the bill is not actually based upon the absence of a guiding principle but instead upon a preference for some other guiding principle.

Another point of distinction between the bill and the statute involved in the "hot oil" case is the kind of power delegated. In that case Congress granted to the President power to prohibit the shipment in interstate commerce of oil produced in violation of State quotas and attached criminal penalties to violations of the President's orders. But the power granted by the proposed banking act is merely a power to control the purchase and sales by Federal Reserve banks of certain securities. Although such transactions may have an influence upon the volume and cost of credit they are not matters over which Congress ordinarily exercises control. In the statute involved in the "hot oil" case the President could determine whether or not the prohibition would be effective at all, whereas in this bill the only power granted is that to control a function which the Reserve banks have exercised since their organization.

A review of the leading cases decided by the Supreme Court upon this question shows conclusively that the guiding principle stated in the bill is much more complete and definite than the statements which have previously been held to be sufficient.

In *Field v. Clark* (143 U. S. 649), the Court considered a statute authorizing the President to suspend the free introduction of certain articles into the United States "when- ever, and so often as the President shall be satisfied" that the governments producing them imposed duties which in view of the free list established by the act, the President "may deem to be reciprocally unequal and unreasonable."

The court upheld the statute and stated that the only discretion granted to the President related to the enforcement of the policy established by Congress.

In the above case the only principle for the guidance of the President was whether the duties were "unequal and unreasonable." These words do not express anything like as definite a principle as that contained in section 204 (b) of the bill which directs the Board to promote business stability and to mitigate unstabilizing fluctuations in the general level of production, trade, prices, and employment.

In *Buttfield v. Stranahan* (192 U. S. 470), the Court upheld an act which authorized the Secretary of the Treasury to "establish uniform standards of purity, quality, and fitness for the consumption of all kinds of teas imported into the United States." In its opinion, the Court said:

This in effect was the fixing of a primary standard, and devolved upon the Secretary of the Treasury the mere executive duty to effectuate the legislative policy declared in the statute. * * * Congress legislated on the subject as far as was reasonably practicable, and from the necessities of the case was compelled to leave to executive officials the duty of bringing about the result pointed out by the statute. To deny the power of Congress to delegate such a duty would, in effect, amount but to declaring that the plenary power vested in Congress to regulate foreign commerce could not be efficaciously exerted.

Certainly the direction to "establish uniform standards of purity, quality, and fitness" for tea is no more definite than the direction to mitigate unstabilizing fluctuations in the general level of production, trade, prices, and employment. The statement of the Court that Congress legislated on the subject "as far as was reasonably practicable" is especially significant in the present situation. It is submitted that it would be no more feasible for Congress to attempt to lay down specific and detailed directions as to the course to be followed by the Federal Reserve Board in exercising credit control than it would be for Congress to enact specific and detailed standards of purity, quality and fitness for tea.

The statute upheld in *United States v. Grimaud* (220 U. S. 506) authorized the Secretary of Agriculture to "make such rules and regulations and establish such service as will insure the objects of such reservation, namely, to regulate their occupancy and use and to preserve the forests thereon from destruction; and any violation of the provisions of this act or such rules and regulations shall be punished", as provided in other sections. In upholding this statute against the charge that it constituted an unlawful delegation of legislative power, the Court made the following statement:

From the beginning of the Government various acts have been passed conferring upon executive officers power to make rules and regulations—not for the government of their departments but for administering the laws which did govern. None of these statutes could confer legislative power. But when Congress had legislated and indicated its will, it could give to those who were to act under such general provisions "power to fill up the details."

The cases upholding the grant of authority to the Secretary of War to determine whether bridges constitute unreasonable obstructions to navigation illustrate the extent to which the courts have gone in upholding the sufficiency of statements of policy for the guidance of the executive branch of the Government. The only principle for the guidance of the Secretary of War is that he "shall have reason to believe" that any bridge "is an unreasonable obstruction to the free navigation of such waters." *Union Bridge Company v. United States* (204 U. S. 364). Likewise, the grant of authority to the Interstate Commerce Commission to enforce reasonable rates is accompanied by a statement of policy much less specific than that contained in the proposed Banking Act. The principle established for the guidance of the Interstate Commerce Commission is that rates shall be just and reasonable considering the service given, and not discriminatory. The Supreme Court, however, has repeatedly upheld the validity of the Interstate Commerce Act against charges that it contained an unconstitutional delegation of legislative power. *St. Louis & Iron Mountain Railway v. Taylor* (210 U. S. 281); *Intermountain Rate Cases* (234 U. S. 476).

It is respectfully submitted that the guiding principle stated in the banking bill is fully as definite and compre-

hensive as any of the above statements of principle and, accordingly, that the grant of power in the bill is in accord with the principles of the Constitution as construed by the Supreme Court.

A reading of the hearings before the House Banking and Currency Committee discloses that the specific provision of the bill which Mr. SPENCE regards as containing an unconstitutional delegation of legislative power is section 205, which relates to the open-market operations of the Federal Reserve System. In referring to such section at the hearings, Mr. SPENCE several times uses the word "new", apparently to convey the impression that the bill contains some new delegation of legislative power not found in the Federal Reserve Act as it now exists. However, an examination of the existing law and of the provisions of section 205 of the bill clearly demonstrates that there is no grant of power in the bill different in principle from that now contained in the present law and that the only change is in the group to which the power is granted.

Under the provisions of section 12 (a) of the existing Federal Reserve Act, as interpreted by the Board's regulation M, the open-market operations of the Federal Reserve System must be initiated by the Federal Open Market Committee through a recommendation of a particular open-market policy to the Federal Reserve Board. Such a recommendation becomes effective only when and to the extent that it is approved by the Board. When an open-market operation has been recommended by the Federal Open Market Committee and approved by the Federal Reserve Board, each Federal Reserve bank then has the right to decide whether or not it will participate in such operation. As will be seen, the above arrangement constitutes a grant of the power to carry on open-market operations to three different groups. Although the Federal Reserve Board does not have exclusive control of open-market operations under existing law, it nevertheless does have such control that no open-market operation can be carried on without its approval.

Under the provisions of section 205 of the proposed bill, the Federal Reserve Board would have complete control over the open-market operations of the Federal Reserve System with one qualification, that the Board must consult the Open Market Advisory Committee, consisting of five representatives of the Federal Reserve banks, before making any change on its own initiative in the open-market policy. It thus appears that the power to engage in open-market operations is changed from the Federal Reserve Board and two other groups to the Federal Reserve Board alone. If this can properly be called a delegation of legislative power, it certainly cannot be called a new or different delegation. Accordingly, it seems that Mr. SPENCE's charge of unconstitutionality should be directed against the existing Federal Reserve Act rather than against the proposed banking act which embodies no change from the existing law in the amount or kind of power delegated.

It should be observed that the open-market operations of the Federal Reserve System constitute only one of three instruments of credit control exercised by that body. The Board's power to fix discount rates and its power to establish reserve requirements are also important instruments of credit policy. The case of *Raichle v. Federal Reserve Bank of New York* (34 Fed. (2d) 910 (C. C. A. 2d, 1929)) brings out clearly the relation of control of open-market operations and the fixing of the discount rate as instruments of credit control and upholds the constitutionality of the grant of these powers to the Federal Reserve Board and the Federal Reserve banks. In that case the plaintiff sought to restrain the Federal Reserve Bank of New York from engaging in open-market operations and raising the discount rate on the ground that such action by the bank was an unlawful violation of plaintiff's rights. The court dismissed plaintiff's bill and held that the action of the Federal Reserve bank was lawful. In its opinion, the court stated:

The foregoing provisions enable the Federal Reserve banks, without waiting for applications from their member banks for loans or rediscounts, to adjust the general credit situation by purchasing and selling in the open market the class of securities that they are permitted to deal in. The power "to establish from

time to time, subject to review and determination of the Federal Reserve Board, rates of discount to be charged by the Federal Reserve bank", appears in the act (12 U. S. C. A., sec. 357) with the open-market powers. The two powers are correlative and enable the Federal Reserve banks to make their rediscount rates effective.

Certainly it was lawful to engage in open-market transactions by the sale of securities, to fix the rediscount rate, and to decline to rediscount eligible paper. Purchases and sales in the open market are specifically authorized by the act.

With regard to the constitutionality of the Federal Reserve bank's power to fix the discount rate, the court said:

While it is alleged in the bill that the rediscount rate "has been arbitrarily and unreasonably raised", it was for the defendant, subject to the supervision of the Federal Reserve Board, to determine what would be a reasonable rediscount. It is not contended that the provision for fixing rates of discount is unconstitutional, nor would it seem even reasonable to argue that it is, after such decisions as *First National Bank v. Fellows ex rel. Union Trust Co.* (244 U. S. 416, 37 S. Ct. 734, 61 L. Ed. 1233, L. R. A. 1918C, 283, Ann. Cas. 1918E, 1169), and *Westfall v. United States* (274 U. S. 256, 47 S. Ct. 629, 71 L. Ed. 1036), as well as the *Legal Tender* cases (110 U. S. 421, 4 S. Ct. 122, 28 L. Ed. 204), *Farmers' & Mechanics' National Bank v. Dearing* (91 U. S. 29, 23 L. Ed. 196), and *McCulloch v. Maryland* (4 Wheat. 316, 4 L. Ed. 579).

The act being constitutional, we are asked to hold that the bank may not sell its own securities and fix the rates at which it will discount or rediscount paper, when it is given the power by the specific terms of the Federal Reserve Act to do all of these things.

The grant of power over open-market operations contained in the new bill is not a new or different delegation from that contained in the present Federal Reserve Act, which has been held valid on numerous occasions. The new bill is even more clearly constitutional than the existing law, since the bill contains a statement of policy more definite and comprehensive than the statements upheld in many cases by the Supreme Court.

The language of the law upon which the appellate court predicated this decision in the New York case was "accommodation of commerce and business." Is there any man who will say that this language is any more specific for the guidance of the Federal Reserve Board than to require the Federal Reserve Board to ascertain whether or not policies in operation are conducive to business stability and to mitigate unstabilizing fluctuations in the general level of production, trade prices, and employment?

I believe that a fair legal interpretation of the language of the bill before the House is that it gives a broader definition of policies than that contained in the law upon which the decision of the court in the New York case was based.

Mr. SHORT. Mr. Chairman, if the gentleman will yield, the distinguished Chairman of the Committee on Banking and Currency will admit, however, that without the Goldsborough amendment there is serious question as to the constitutionality of this particular provision, but that if the Goldsborough amendment is adopted it will at least tend to make more certain the constitutionality of the bill.

Mr. STEAGALL. I do not claim a place among the able lawyers of the House, but if the gentleman wishes my opinion, I would say that I have not the slightest doubt of the constitutionality of this act as written or as it would be written if the Goldsborough amendment should be adopted.

I do not desire to address myself further to the question of the constitutionality of this act.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. MOTT. I was not quite sure, although I listened carefully to the gentleman's citation of this case, if the gentleman seriously contends that the case cited is in point, as against the argument made by the gentleman from Maryland.

Mr. STEAGALL. Absolutely. It sustained the constitutionality and the validity of the powers conferred in the present Federal Reserve law which are less specific and less comprehensive than the language employed in the pending bill which I have just read.

Mr. Chairman, no one questions the fact that wide fluctuations in prices are calamitous and that all efforts directed toward keeping price fluctuations within reasonable limits

should be made. But changes in prices are only part of the picture. The maintenance of the national income and of full employment is more important to the national welfare than is the maintenance of a specified average of prices of a selected group of commodities in wholesale or retail markets. When unemployment prevails there is a lack of buying power and, in the absence of an adequate demand for goods, a decline in prices inevitably follows. Maintenance of employment in turn depends on the maintenance of a reasonably constant level of production. In setting up a standard to guide the Federal Reserve Board in the determination of monetary policy, therefore, it has been proposed not to confine the instructions to the maintenance of prices but to make them broad enough to cover all the important elements in economic life, including in addition to prices the volume of production and of employment, which are the factors on which the national income ultimately depends.

Experience has demonstrated that prices alone are not a satisfactory basis for Federal Reserve policy. There have been periods since the war when prices on the average were stable while the volume of production went up or down by as much as 20 percent. The entire orgy of speculation in 1928 and 1929 occurred with a relatively stable level of commodity prices. In fact, it was the stability of commodity prices that prevented a prompt realization of the fact that a dangerous situation was rapidly developing in the security and real-estate markets.

Price changes, furthermore, are likely to reflect conditions that had developed in earlier phases of an economic cycle. By the time that prices begin to move, either up or down, the forces that have caused them to rise or fall may have spent themselves, and monetary policy, in the interest of economic stability and even of price stability, should be reversed, so that the price index is not a satisfactory guide to monetary policy even for the maintenance of price stability itself.

Proposals for price stability as a guide to monetary policy necessarily refer to some index or average of prices, because stability of prices of individual commodities is neither feasible nor desirable. Changes in prices are in fact the mechanism through which economic stability tends to be maintained. This is often misunderstood. Those interested in price stability are thinking for the most part in terms of the prices of their products. For example, the cotton grower is interested primarily in the prices of the cotton which he has to sell and the prices of the goods that he has to buy. A stable general level of prices would not satisfy the cotton grower if it represented, for example, the net effect of a fall in the price of cotton, which is what he has to sell, offset by a rise in the price of food which he has to buy. Nevertheless, under the proposed mandate the Federal Reserve Board would be under obligation to use its influence toward this method of achieving stability. Let us take a concrete example. In 1926 when there was a sharp drop in cotton prices owing to a bumper crop, it would have been the duty of the Board under this proposal to use its influence in attempting to raise the prices of other commodities so as to maintain the stability of the general level of prices. The Board would receive little thanks for that from the cotton growers or from the country as a whole, and its efforts would not be used in the public interest.

For another example, at a time like 1927 when oil prices were declining as the result of new fields being discovered and improved methods of production introduced, it would have been a poor consolation to the producers of oil with falling prices that prices of other commodities, some of which they had to buy, were advancing because of a faithful performance of its mandatory duties by the Federal Reserve Board.

On the other hand, when the price of wheat in 1924 advanced on account of a world shortage, which the Federal Reserve Board could not control or counteract, it might have been satisfactory to the wheat growers if price stability were maintained through a decline in such commodities as they must buy, such as shoes, for example. But would there be justice to the producer of shoes in a sacrifice

of the price of his product to the principle of stability, when this stability had been disturbed by a rise in the price of the food that he must buy?

What producers are concerned with, furthermore, is not the price of their product alone, but the net return on the sale of their products, which is the result of the volume produced, times the price, less the volume of materials and other elements of cost, times their prices. In manufacturing industries production is under control, but the volume of sales depends on the market, and prices are often reduced in order to increase sales, and to achieve a maximum return. When profits decline, manufacturers curtail output, and their losses may be diminished by reducing the volume of operation. In agriculture, however, production is less easily influenced because it depends in larger part on natural forces, and changes in buying power of the public are reflected chiefly in price fluctuations. Farmers, therefore, have a direct interest in sustained industrial employment and national income, which are essential for the marketing of crops at profitable prices.

A good illustration of different circumstances that may be reflected in the course of the price level occurred in recent months. Since the early part of last November, the general wholesale price index has gone up from 76 percent of the 1926 average to 80 percent. This has represented the net result of an advance of 17 percent in the price of farm products and of 13 percent in the price of foods, while other commodities during all this period showed little change. This recent rise, furthermore, has not been general for farm products and foods. It has been largely in livestock and meats. The rise in prices of these commodities has reflected the influence of complex factors, including the activities of the Agricultural Adjustment Administration and last summer's drought. In such a case, should the Board be required to use its influence toward reduction of the prices of other products because the prices of livestock are advancing? And yet the maintenance of price stability would make this course of action compulsory.

Or, again, should prices of domestic articles be depressed because prices of imported goods advance? This would mean that the American people would have to be content with less for what they sell, because they would have the privilege of paying more for what they buy; certainly a doubtful source of satisfaction.

A similar question arises when a technological improvement results in the lowering of prices for commodities, like automobiles or electric refrigerators, for example. Would it be desirable to offset this by raising other prices in order to maintain the sacredness of stability in the general price average? Would it not be better for the country as a whole to take advantage of lower prices to increase consumption, production, and employment, without disturbing other prices?

If the Board were required to work out policies on the basis of a price average alone, without reference to other conditions, the selection of a suitable price index would be a difficult problem. It would occasion debate and would result in dissatisfaction on the part of various groups that would think that some other index than the one selected might have indicated the desirability of a policy more favorable to the particular group. The decision in the end would have to be arbitrary, and yet this decision would make a great deal of difference. Between the middle of 1925 and the middle of 1927, for example, the cost of living index for this country showed little change, while wholesale prices declined by 9 percent. In a period like that, which should the Board try to stabilize? In Sweden an attempt was made to stabilize the cost of living, and, in order to do that, policies were pursued which resulted in an advance of wholesale prices, particularly for imported commodities. In February 1935 the cost-of-living index in Sweden was the same as in September 1931, while the index of wholesale prices was up 6 percent and prices of imported commodities were up 19 percent.

In the final analysis, the object of enforcing price stability is the effect that such stability would have in moderating

fluctuations in business and in assuring justice between creditors and debtors. Price stability, therefore, is not so much an end in itself as a means to an end. What is proposed in the pending bill is to direct the Federal Reserve Board to use such powers as it has in attempting to bring about the desired end itself, namely, a more stable level of production and employment, as well as prices. It is believed that this objective is better, not only because it is more general and, therefore, is not beset by the numerous technical difficulties that have just been described, but also because it is more direct and aims at what must be the ultimate objective of monetary policy, namely, a condition of sustained prosperity for the people of the entire country. Of course, this is the desire of the author of the pending amendment; a desire cherished by all of us.

I wish to pay tribute to the gentleman from Maryland [Mr. GOLDSBOROUGH].

He and I have labored for many years as Members of the Banking and Currency Committee of the House. No one here has a deeper appreciation of the gentleman's splendid ability, the high quality of his patriotism, his devotion to his convictions or a more affectionate regard than I have for my beloved friend, the gentleman from Maryland. Anything I may say about this legislation relates to the legislation itself and involves no criticism of my warm friend, the gentleman from Maryland.

Mr. Chairman, this question has been before the Banking and Currency Committee for many years. We have had before us many of those who are regarded as the best experts in the country. We had the Strong bill, an entirely different measure than that proposed here today, but we were told in 1927 that the Strong measure would work the same magical achievements that have been outlined so eloquently before you this afternoon.

Later we had another bill known as the "Goldsborough bill", which was considered by our committee for quite a time and on which hearings were held. That was still another measure different from the proposal now presented but likewise put forth as a sane remedy for our economic ills.

In 1932 this House passed what was known as the "Goldsborough bill" by a large vote. I want to say that the Members need not imagine that they are voting for this same bill when they support the amendment now proposed to the pending bill. Just here let me say that when that measure was before us gold was selling at \$20 an ounce. It is now selling at \$35 an ounce. The bill in 1932 provided that it should be the duty of the Federal Reserve Board and the Federal Reserve banks to use their power to reestablish the price level of the period from 1921 to 1929 as disclosed by the index of commodity wholesale markets of the Department of Labor and to stabilize prices upon that basis. That is not the proposal before us this afternoon as embodied in this amendment.

We were told by the experts in 1932 that the provisions of the Goldsborough bill and the stabilization of prices at the 1926 level was the answer to our problem. A little later the same experts came before us and told us that the remedy was to be found in the devaluation of the dollar by reduction of the gold content. Later on the same experts told us that the commodity index sought to be established in the bill of 1932 sponsored by the gentleman from Maryland [Mr. GOLDSBOROUGH] was not the answer to the problem but we must resort to a basic commodity index in order to accomplish the desired results and to secure the relief so much desired.

After that we had a bill making provision for a monetary authority. The authority was to be a sort of supreme court of finance. The members were to hold office for life and draw salaries, like the members of the Supreme Court of the United States, and we were to entrust power to them to do the job by means of the manipulation of gold.

A few days ago in connection with the consideration of this bill one of the experts, for whom I have the kindest regard and respect, and who appeared before us year after year during the time this question has been before us, told us that he had just recently found the answer. This gentleman had depicted from time to time the glowing results and

lasting relief that would come to the people of the United States by the adoption of each of the various proposals. The same economist came before us the other day and said that he had recently found the real answer, which he said was 100 percent reserves to be maintained by the banks.

Mr. Chairman, that is the teaching that our committee has had during these recent years. I mention this to show that even those who are supposed to know so much change their position from year to year and do not come before our committee a second time with the same program.

Mr. Chairman, I read from the pending amendment. This is what the gentleman offered in the House in 1932:

It is declared to be the policy of the United States that the average purchasing power of the dollar as ascertained by the Department of Labor in the wholesale commodity markets for the period covering the years 1921 to 1929, inclusive, shall be promptly restored; and that after such restoration shall have been achieved, the purchasing power of the dollar shall be maintained—

And so forth.

That in substance is what was in the Goldsborough bill of 1932. But now our experts tell us that is not sufficient, that it is not the answer; that the wholesale commodity market index is a rigid, inflexible standard which is unresponsive to the operations and policies undertaken by the Federal Reserve Board. So that it will not do. The gentleman from Maryland adopts that view. So he does not stop with that provision. He adds this further paragraph:

That after such restoration shall have been achieved, the purchasing power of the dollar shall be maintained substantially stable in relation to a suitable index of basic commodity prices which the Federal Reserve Board shall cause to be compiled and published in complete detail at weekly intervals.

An analysis of the amendment must justify the statement that the power conferred under the second paragraph is inharmonious with the first paragraph and would confer upon the Federal Reserve Board the power to select an index of basic commodity prices and which would confer upon the Federal Reserve Board the power to change the effect of anything achieved under the first paragraph. It would confer an additional power not necessarily in harmony with that carried in the first paragraph. Under these provisions everything would depend upon the Board.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STEAGALL. Mr. Chairman, the second provision would give the Federal Reserve Board a new power, separate and distinct and out of harmony with the first, and susceptible of administration that would nullify the first provision. The amendment, however, does not stop there. It goes further and says:

It shall be the duty of the Secretary of the Treasury to establish or cause to be established in the United States a free and open market in which gold and silver may be bought and sold for use, investment, or trade, and to determine, without limitation, and with the advice of the Federal Reserve Board, the amounts and the prices at which the Treasury shall buy and sell gold and silver.

The last provision has finally included silver along with gold in the powers of manipulation that are to be conferred upon the Secretary of the Treasury. This power is now vested in the President. Of course, it is limited to a 50-percent devaluation of the gold dollar, but those powers are in the President.

If, as the gentleman stated here this afternoon, it could be demonstrated that by the manipulation of gold the Secretary of the Treasury could accomplish all the glowing achievements outlined by him, there is no necessity for the provisions of the first and second paragraphs because there is no question here about the powers that are conferred by the last paragraph of this bill. The Secretary of the Treasury is authorized to deal in gold and silver "without limitations", and in the exercise of these powers he could pay \$1,000 an ounce for gold or silver if he saw fit to use the

power conferred "without limitations" under the language of the amendment.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. GOLDSBOROUGH. I want to suggest to the gentleman that the Secretary of the Treasury and the executive departments of the Government have elected to fix the price of gold and silver.

Mr. STEAGALL. Yes; I stated that. But under the amendment the powers would be "without limitations."

Mr. GOLDSBOROUGH. And there is no free market for them now. This amendment would change that.

Mr. STEAGALL. I understand that.

Mr. GOLDSBOROUGH. I do not want to take the gentleman's time.

Mr. STEAGALL. I understand the authority would be free from any restriction. There would be no limitations to the power of the Secretary of the Treasury to manipulate the value of gold and silver. I thought I had made that clear.

Mr. GOLDSBOROUGH. Only for the purpose, however, of raising the price and fixing it.

Mr. STEAGALL. Oh, yes; but what becomes of your government of law when you confer such powers upon the Secretary of the Treasury? I should think that any human being, however great, would dread the thought of such vast powers and responsibility.

Mr. Chairman, members of our committee have found that these men who know so much about this question do not agree among themselves. The fact is, not one of them agrees with himself very long!

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. PETTENGILL. Mr. Chairman, I ask unanimous consent that the gentleman be given 5 additional minutes and that the gentleman devote the time to answering questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STEAGALL. You may adopt this amendment, and when you have enacted it into law you will simply find that you have conferred upon the Federal Reserve Board and any incoming administration about the same powers that we are conferring under this bill. The situation is such that we are forced to trust these officials of the Government to deal intelligently and constructively with the powers entrusted to their hands.

Some of us do not believe that in the present confusion that exists here and throughout the world, the Federal Reserve Board and this administration should be put in a strait-jacket with rigid, inflexible requirements that many of the brightest minds of the economic world advise us are impossible of fulfillment.

The present administration is dealing with these problems as best it can day by day. There is no lack of sympathy with the objectives desired by the gentleman from Maryland, in which I share and in which every Member of this House shares, and which the administration has disclosed is dear to the hearts of those who are responsible for the administration of the Government at this time.

The President is attempting to meet these difficulties step by step. He has done it in a broad, sympathetic, constructive way, and we are making progress. He has before him at all times full and complete information of world conditions, as well as developments in the United States, and in view of the sympathy he has shown and the great progressive steps he has taken in solving these problems, he should not be restricted and hampered in future efforts in meeting these tremendous responsibilities as they arise from day to day, until we can find our way out of the darkness and into the light. [Applause.]

Mr. HOEPEL. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman.

Mr. HOEPEL. The gentleman made certain references to certain experts, whom he criticized—

Mr. STEAGALL. I beg the gentleman's pardon. I did not mean to criticize anybody.

Mr. HOEPEL. Will the gentleman kindly state to the Committee who the experts were that drafted this bill?

Mr. STEAGALL. I do not think the gentleman expects me to stop now to go into a discussion of the preparation of this bill.

Mr. HOEPEL. Did the Secretary of the Treasury draft this bill?

Mr. STEAGALL. Everybody knows where this bill came from. This bill came from the administration intrusted by the American people to supply leadership for the battle with the difficulties that confront this Nation, and they expect you and me to support that administration. [Applause.]

Mr. GOLDSBOROUGH. Now, Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. GOLDSBOROUGH. The gentleman has made a very broad statement and I must call his attention to the fact that the members of the steering committee of the House that met day before yesterday were unable to agree with what the gentleman now says, that there is any mandate from the administration to support this bill.

Mr. STEAGALL. I have not mentioned the steering committee nor what the steering committee did.

Mr. GOLDSBOROUGH. No; but the steering committee is supposed to speak for the administration.

Mr. STEAGALL. I said this bill represented the efforts of the administration chosen by the American people to supply leadership to guide us out of the difficulties of this hour, and I repeat that statement. The statement was made over the radio by the President himself and was published in the press of the United States, which justifies the representation that the administration is back of this measure.

Mr. PETTENGILL. Were we not elected by the people?

Mr. STEAGALL. Oh, yes; and I hope you will be elected again. [Applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, for a year and a half we have been giving a great deal of study to the commodity dollar. I assume that the amendment offered by the gentleman from Maryland [Mr. GOLDSBOROUGH] is in keeping with the bill which has been introduced for the stabilization of the price commodity index.

I have been a member of a subcommittee with the gentleman from Maryland, and I might say that I was very sympathetic with the program which he presented. I was sympathetic with the bill introduced by the gentleman last year, by which a monetary authority was to be set up whereby the prices of commodities might be regulated through manipulation of the currency, and while this amendment has been before the public during the last 2 weeks we have been flooded with requests from agricultural associations for the enactment of this amendment.

Now, I represent an agricultural district, and I have analyzed this from the standpoint of the farmer. I think if I had found anything in the amendment which would bring them some relief, anything which would remove the disparity between the things they sell and the things which they buy, I might consider it favorably. But I want to refer particularly to the fact that in the bill introduced a year ago there was established for the purpose of stabilizing commodity prices an independent agency of the Government.

But there was no politics in that agency, because it was provided in the bill that if the price of commodities rose 10 percent or went below 10 percent of an established index line the Board would automatically go out of existence. That is how far that went in establishing an independent board.

Personally, Mr. Chairman, I cannot see anything in the amendment which will remove the disparity between the price of what the farmer pays and what the farmer buys. The farmers are hoping against hope, thinking that this bill would do what the proposed monetary authority might do. There is no connection between the Federal monetary authority bill and this amendment.

Now, Mr. Chairman, this is an entirely new theory as far as the Federal Reserve System is concerned. It is a new set-up. Subsection (o) on page 51 establishes a new policy, wherein the Federal Reserve Board is charged with the responsibility of stabilizing prices. This in distinction of the present purpose of the System, which is to effectuate financial stability. This is the first attempt to bring the two together in close affiliation—price stability and financial stability.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. In a moment. By financial stability I mean what the Republican Party platform said that party stood for, and what the Democratic platform said that party adhered to, namely, a sound currency. You cannot put the power to stabilize business into a political board with any degree of confidence. I was interested in what our chairman said about these economists who appeared before the committee; and let me augment what he said by the statement that of the 15 or 20 economists who appeared before the subcommittee and who have appeared before our committee in the last year and a half, they were in accord on only one question, and that was that the quantity of money which is outstanding has very little relationship to the commodity price index. They did agree, however, that velocity of credit controls the price of commodities; and we cannot have velocity of credit, my friends, until we have confidence, and we cannot have confidence in this country until we stop tinkering with the currency. [Applause.]

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. KELLER. Did I understand the gentleman to say that this is the first attempt to inject this idea into the Federal Reserve System?

Mr. WOLCOTT. Yes.

Mr. KELLER. I call the gentleman's attention to the fact that the original bill contained this very thing and was rejected by this House. That is the fact.

Mr. WOLCOTT. I am not attempting to cover the history of the Federal Reserve System. I was talking of the law as it now exists, and the change from the law enacted in 1913 that this bill proposes.

Mr. KELLER. But this idea was in the original bill.

Mr. WOLCOTT. Mr. Chairman, what we want to accomplish, if anything at all, is stability not only of our domestic currency but also of international exchange, so that we can sell the products of our farms and factories in foreign countries. As far as I know there is no country other than the United States that has anything approaching a bimetallic reserve behind its currency. There is no country with the exception of possibly one that has adopted the commodity-dollar theory, and that country has relatively a small number of commodities, and so we stand alone among the nations of the world on something that somewhat resembles a bimetallic base, and our situation would not be improved were we to adopt this theory of a commodity dollar. With the possible exception of one country there is no other country in the world that has that standard. How can we deal with foreign countries, how can we sell our farm produce and the products of our manufacturing establishments unless there is some community between the pound, the franc, the dollar, and all these other kinds of money? So, eventually, the large nations of the world will have to get together on a common base. Whether that base is gold, whether it be silver, or be a bimetallic base or a symmetrical base, does not matter so much, as long as there is a common understanding among the nations of the world that that is a common base on which we can exchange our goods and credits. So we are getting farther away from international stability by adopting this amendment which

sets up the commodity dollar, just as we have gotten farther away from international stability by tinkering around with silver. I am not afraid of silver, but it is just as logical for me, coming from Michigan, to insist that you monetize copper on a 50-to-1 basis as it is for you gentlemen who represent silver-producing States to insist that silver be re-monetized, based on a 16-to-1 ratio. I am not particularly anxious about that base, so long as it is a base on which we can stabilize our domestic trade and in our dealing with other nations stabilize our exchange. [Applause.]

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I am sorry I cannot yield.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CROSS of Texas. Mr. Chairman, if you will adopt the Goldsborough amendment you will put the scales of justice into this bill. You will substitute for a dishonest dollar an honest dollar, and you will remove the conditions that have existed in the past whereby this country was plunged into wild inflation and in its aftermath wreck and ruin. I am surprised at the chairman's speech. This is a sovereign body of men sitting here representing 126,000,000 people. Every man should use his own brain. Of course, we go along with the administration, but surely we are not expected to accept every bill that comes from every bureau as perfect, to which we cannot offer an amendment. The provision in the bill that the Goldsborough amendment takes the place of is a milk-and-cider proposition. The Goldsborough amendment is specific and direct. Surely the chairman remembers, if he remembers the testimony of all of those who have come before the Banking and Currency Committees of the House and the Senate for 4 or 5 or 6 years, who testified they were constantly confused, they knew not what policy to pursue, they had no goal, and the amendment of Mr. GOLDSBOROUGH gives them the goal.

The rest of the bill gives them the machinery. It gives them the rediscount rates, the power of raising and lowering the reserves of the banks, and the open-market transactions. That gives them the machinery, but with that machinery they have no goal at which to aim. Every member of the board differing among themselves as to what is stable business, as to what is the stable financial situation, as to where they ought to go, or what they ought to do. There are just as many needles pointing to different goals as there are men on the board. Every needle points in a different direction for the North Pole.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. CROSS of Texas. I yield.

Mr. JOHNSON of Texas. Would not the adoption of the Goldsborough amendment seek to correct the criticism as to the constitutionality of the bill, by prescribing a definite mode by which those values should be placed?

Mr. CROSS of Texas. Unquestionably. You heard a decision read by an inferior court. That is one of the strong evidences that it would be unconstitutional, because if the Supreme Court guesses right, the inferior court 9 times out of 10 guesses wrong. But this gives the board a clear, definite goal to work to. It gives them the levers they need. It takes away doubt and confusion, so that they will have somewhere to drive to. If you leave this bill as it is, suppose they take a notion that present conditions are all right; suppose they take a notion that there should be twice as much inflation as there was in 1928; suppose they take a notion that we ought to have more contraction, but they cannot get together. Influences come to bear on them. But here the Congress tells them what they shall do. That is our duty.

Mr. MAY. Will the gentleman yield?

Mr. CROSS of Texas. I yield.

Mr. MAY. Does the gentleman think it is prudent or wise to vest powers in the Federal Reserve Board without directing them how they shall be used?

Mr. CROSS of Texas. I do not think so. I think this Congress should give them a goal to go to. Then we would be performing our duty.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. STEAGALL. Mr. Chairman, I have no desire to cut off debate, but I want to inquire if we may not agree upon the time which shall be used in the further discussion of this amendment?

Mr. PIERCE. Well, I would like a minute on this bill. I have not taken much time. I think it is improper to try to cut off debate on so important a measure as this.

Mr. GRAY of Indiana. Mr. Chairman, reserving the right to object, I have asked for 5 minutes on this question.

Mr. STEAGALL. Mr. Chairman, may we agree upon 40 minutes? I ask unanimous consent, Mr. Chairman, that all debate on this amendment close in 40 minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that further debate on this amendment be concluded in 40 minutes. Is there objection?

There was no objection.

Mr. GIFFORD and Mr. GRAY of Indiana rose.

The CHAIRMAN. Is the gentleman from Massachusetts [Mr. GIFFORD] opposed to the amendment?

Mr. GIFFORD. I am opposed to the amendment.

The CHAIRMAN. The Chair thinks he should recognize some Member in favor of the amendment at this time. The Chair recognizes the gentleman from Indiana [Mr. GRAY].

Mr. GRAY of Indiana. Mr. Chairman, it has been well and truly said that all great problems by power analysis can be resolved into a few propositions capable of simple presentation and understanding by the people. I believe that this is true of our currency problems, of our economic and industrial problems, of the problems of this panic and depression, of the solution of the cause, looking to a rational remedy and a restoration of normal conditions.

The problem is a problem of prices, a problem of low values and prices, a problem of high values and prices, a problem of falling values and prices, a problem of rising values and prices, a problem of the control of values and prices.

The new Congress convened in 1933, on full and proper inquiry, found that the depression was caused by a failure of the buying and consuming power, the inability of the people to buy and consume the products of farm, factory, and workshop. And Congress further found that this failure had resulted from a fall of values and prices which had deprived the people of their earnings and income, and surplus over taxes, debts, and fixed charges, which surplus is their power to buy and consume. And Congress further found that a recovery of normal prosperity required a rise of values and prices, for a return of earnings and income and a restoration of the buying and consuming power.

The solution reached by Congress on the facts found and considered that it was the fall of values and prices which destroyed the buying and consuming power and brought on the panic or depression, has not only been generally accepted as true, but it has been proved and conclusively shown that the congressional diagnosis was right, the precise and exact economic operations whereby and under which the fall of prices destroyed the buying and consuming power can be followed, traced, shown, and demonstrated to a conclusive mathematical certainty.

When this crisis fell upon the farming industry, with the higher normal values and prices, the farmers were selling not more than one-third of their crops with which to pay taxes, interest, and fixed charges, and were left with the other two-thirds or more, with which to buy, take, and consume the products of mill, factory, and workshop. But when the sudden fall of prices and values came the farmers, instead of being required to sell only one-third or less of their crops and produce to pay taxes, interest, and debt installments, were forced and compelled to sell three-thirds or all of their crops and produce with which to pay taxes, interest, and fixed charges, and were left with no part or surplus over, of their crops and produce to sell, with which to buy, take, and consume the products of factory, mill, and workshop. And the buying and consuming power of

40,000,000 farm population and dependents were destroyed and taken from them.

And finally this failure and destruction of the farmers' buying and consuming power left the retail merchants without demand, left the wholesale house without sales, left the factory, mill, and workshop without orders. And the wheels of industry slackened and slowed down and brought unemployment to industrial labor, and destroyed the buying and consuming power of another 30,000,000 and their dependents, and the fatal circle of hard times was realized and complete.

And likewise the same economic operations carried backward and in reverse order for a rise of values and the price level, will restore a surplus of earnings and income over debts, interest, taxes, and fixed charges, the buying and consuming power of the people, is now no less conceded as proved and demonstrated.

Pursuant to the cause so found and requirements and remedies so determined, Congress provided two different relief policies whereby to raise and restore values and prices and bring back a return of earnings and income first, and primarily a restoration of farm buying and consuming power. One policy providing for the restoration of values and prices was the farm-crop reduction and destruction plan which provided for the reduction and destruction of farm food, clothing-material crops, and stock, and a processing tax levied upon the people of the towns and cities whereby to raise prices and increase farm income.

It was further found by Congress that the fall of values and prices had come coincident or following a contraction and withdrawal of money and that a restoration of values and prices required a return of money back in circulation. And as another and further remedy provided, and upon the facts found and pursuant to these conclusions reached, Congress authorized and ordered printed \$2,000,000,000 of new money to be used to replenish the money supply.

And, in obedience to the authorization and order, the printing of the new money was begun, and the great newspapers of the country, announcing and heralding the beginning, published photos and picture illustrations showing the Treasury force and officials carrying great armfuls of the new money or currency preparatory to its use to restore the money supply in circulation.

Following this congressional authorization and order, Congress enacted the currency provisions of the Farm Relief Act of May 12, 1933, providing four different forms of currency to be resorted to in the alternate or all used together concurrently as may be found required for the purpose. These currency provisions provided for the remonetization of silver, for the revaluation of gold, for a resort to Federal Reserve notes, and for the issue of United States currency notes, but all was left permissive and optional for administration and enforcement.

Immediately with the enactment of the crop-reduction and destruction measure, the act was entered upon with an army of employees for administration at the cost of millions. In good faith and obedience to law, millions of acres of fertile farm land were withdrawn or taken from cultivation and left to grow in weeds and waste. Millions of acres of farm food crops and farm clothing-material crops were plowed up or otherwise destroyed while the people in the towns and cities were hungry and suffering for food, and were shivering in the cold for want of clothing to protect their bodies.

But the reduction and destruction of farm food supplies and clothing materials were not confined to farm crops but the administration has been carried to farm food stock as well. Two millions of young, immature hogs have been ordered killed and withdrawn from the farm food supplies, and the dead bodies of slaughtered pigs, if lain in a row one after the other, would form a line hundreds of miles long, of decaying, decomposed meat food.

But more than the destruction of millions of young, immature hogs and the wholesale food supply destroyed, over one-half million of mother swine have been cut open and disembowled and millions of posthumous pigs torn from the entrails and thrown out, to rot and decay with the butcher-

ered mothers, and the barnyards and brood lots made a veritable Golgotha of bone and decaying flesh, all to prevent an adequate food supply and to make sure of a scarcity and raise prices arbitrarily.

Every farmer has been commandeered as an executioner for the reduction of a declared surplus supply of farm food and dairy stock, and every farm made a slaughter pen and marked in crimson gore and left wreaking in the stench of the decaying animal carcasses.

A surplus of dairy stock was declared and thousands of young heifers and milk cows have been ordered left unbred and shipped to market for slaughter and sacrificed for common beef to reduce the milk supply available to the towns and great cities, all to limit the supply of milk and milk products and to raise the price of milk products, dwarfing and stunting ill-fed children and jeopardizing the life of new-born babies dependent upon dairy food to live and compelling distracted parents to pay more for less without more to pay with.

And further and in pursuance of the crop reduction and destruction plan, while the people of the towns and cities are compelled to pay for less without greater earnings to pay with, a processing tax is levied upon them to make up to the farmers for their loss by destruction.

And while the country is waiting in suspense for the realization of restored prices of crops by reduction and destruction, billions are being borrowed at interest and charged against posterity and the future, for the relief of the millions waiting unemployed and on relief. And this course and policy is continued until the present is burdened with crushing tax assessments and the future generations to come are to be born with a millstone of debt dangling and weighing upon their necks and hobbled by a debt chain and ball fastened and riveted to their childhood ankles.

And now at the end of the weary, bloody trail of the farm-relief administration, the reduction of food, and the destruction of clothing material, the cruel slaughter of mother swine, more remain idle and unemployed and the army is still recruiting. And with the processing taxes levied upon the diminishing, vanishing food supply to raise and lift farm prices and compel the people to pay more for less, and borrowing billions at interest and piling high the debt burden to provide relief during the strain of the remedy, more millions remain on the relief rolls.

Certainly it will not or cannot be said that the farm-relief measures have not been fully and adequately administered, that the remedy has not been tried out, that the people had not borne the sacrifice, that human patience has not been exhausted sufficiently for trial as a temporary expedient or to demonstrate a permanent relief program. Certainly the administration of the farm crop-relief measures has been pursued and carried to complete exhaustion of the remedy and to the limits for men to bear, and nothing has been left undone to measure the merits of the farm-relief program under the crop reduction and destruction plan.

But while the farm-reduction plan was entered upon promptly and vigorously, the currency relief measures were left without administration or enforcement. The two billions of new money ordered prepared disappeared from existence as if by magic and without going into circulation as intended. There has been no remonetization of silver. There has been no resort to Federal Reserve notes. There has been no issue of United States currency notes. There has been no revaluation of gold to effect the purpose for which intended as provided by the Currency Relief Act.

The phrase "the devaluation of gold" means the same as a rise of prices and values measured in the relative value of money. The dollar has been devalued externally abroad but not devalued internally here. The dollar now calls for 59 cents abroad, but here was where the law was to operate, here where the benefits were intended, here the people of this country in order to pay their taxes, interest, and debts must still give up a dollar and twenty-four cents' worth of labor products and property to obtain the dollar with which to pay.

With an understanding of the operations of money, that the enforcement of the currency measures restoring back into circulation the money secretly withdrawn from circulation would cause the stolen value to leave money and return again to property, commodities, and labor, it is plain to be realized why the crop reduction and destruction plan was urged, prosecuted, and advanced even at the awful economic sacrifice and loss and the costs mounting in the billions, the currency measures were left suspended with only a mere pretense of administration.

It is plain to be realized why the two billions of new money ordered prepared for immediate use, and first heralded far and wide in newspaper photo illustrations, to replenish the volume of money, has never been used or paid out but concealed or secretly destroyed. It is plain to be realized why the currency provisions of the Farm Relief Act enacted by Congress May 12, 1933, providing four different forms of currency wherewith to replenish the money supply, were left held permissive and optional and have never been resorted to nor administered for the purpose intended.

It is plain to be realized why the manipulating bankers and financiers who had made billions from the depression by the manipulation of money and credit through the transfer of commodities and labor values to their money bonds and war debt claims, claimed the right to be left in control of money. And why they have exerted their great powers to advance other relief measures, crop reduction, borrowing and spending, while holding the currency measures from administration and enforcement to prevent a return of money and credit, thereby to save their ill-gotten gains.

The Goldsborough amendment, here offered to the pending banking bill, is to make these currency measures mandatory, to compel their administration and enforcement, to require the money secretly withdrawn from circulation to be returned back for use in circulation for a restoration of normal values, prices, and wages.

If this amendment is adopted, the 1926 price level will be restored, \$50,000,000,000 in values will be restored to farm property alone, and seventy-five millions in values to other property. It will restore ten billions farm earnings and incomes, as buying and consuming power of the farm population, which will give employment to 8,000,000 workers, two and one-half times the Works Relief appropriations. It will start the factory wheels turning. It will disband the army of unemployed. It will take the suffering, starving, shivering people from the relief rolls of the country. It will treble farm incomes without the reduction of crops, without the destruction of crops, without the slaughter of immature hogs, without the disemboweling of mother swine, without the slaughter of dairy herds, without the scarcity of the food and clothing supply.

It will lift the cruel blight from nature's copious bounty. It will restore normal prosperity alike to farm and industrial workers and will leave the people again to revel and exult in the pride and pleasure of living independent from their own labor and rejoicing bringing in the sheaves. It will restore the tax-paying power, the interest, and the debt-paying power, whereby to save and salvage the homes and farms of the people remaining in the shadows of foreclosures, and fathers, mothers, and children from the stigma of insolvency and bankruptcy.

It is not only the parity of farm prices with the prices the farmers have to pay that is necessary for farm relief. It is the far greater disparity of the prices at which the farmer must sell with the taxes and debts he must pay. Taxes assessed and payable today were fixed on a higher level of prices, on the basis of higher farm earnings and income, and the interest, debts, and money contracts today are largely renewal-debt obligations entered on the basis of higher prices and under earnings and income—higher.

The fall of values, prices, and wages while interest, taxes, and debts remained unchanged, has left the farmers suffering a crushing disparity by increasing and multiplying taxes and debts measured in labor and the products of labor in which they are and can only be paid. This is the parity of prices, the parity with taxes, interest, and debts, which must

be restored to the farmer as well as to all the debtor class before the people can pay their debts, before they can salvage their farms and homes and safeguard themselves from bankruptcy, and make a surplus over from which to live.

In order for the farmers to prosper to meet and pay their mortgages and debts and save their farms from foreclosure, they must not only have a parity of prices with the prices they are compelled to pay, but they must have their price level restored for their full and normal production. There is only one way to accomplish this and that is to restore the money supply which was secretly withdrawn from circulation and reverse the money operations which forced down values and prices until values and prices are raised again, and the debt-paying power is restored with a surplus for buying and consuming power. Debts were not only contracted under higher price levels, but under earnings from a full crop reduction. And they can neither be paid under a lower price level nor under a higher price level from a part crop but only under higher prices from a full crop.

No one is proposing or demanding the repeal or suspension of the crop-reduction plan in advance of the administration and enforcement of the currency relief measure to restore farm values and prices. But many serious-thinking people, including farmers, are imperatively demanding and insisting that the currency relief measure be enforced at the earliest possible date so the reduction and destructiveness of farm food crops and stock can be suspended and relief and normal conditions can be restored with plenty, and abundance made available to all.

While assuming to restore farm parity prices under crop reduction and processing taxes with prices farmers must pay for farm equipment and supplies, at the same time under the N. R. A. codes, the antitrust laws are suspended and manufacturers of supplies were and are left free to raise prices to farmers still higher. And prices to farmers have been raised still higher for lumber and all building materials and all farm equipment and supplies and making the disparity in farm prices, with the price they must pay still greater.

It is no longer a question of which policy shall be followed for permanent, rational relief, the crop reduction plan, or the currency relief measures, to raise values, prices, and wages, and restore the buying and consuming power. The one and only question remaining between these two relief policies is, How long shall the crop-reduction plan with its wholesale reduction and destruction of farm food and clothing material, with its counterpart of borrowing and spending, be continued, for temporary relief upon the country? Or, in other words, how long shall the currency relief measures for the restoration of money back in circulation be deferred and further postponed, or how long can the policy be postponed while debts are increasing and multiplying, with crop reduction and destruction decreasing their power and ability to pay?

But regardless of the merits of the farm reduction and destruction program as a temporary relief measure, the whole program must sooner or later be abandoned as a menacing danger to human welfare and is so declared by those administering the act. Secretary of Agriculture, Henry A. Wallace, must be accepted as authorized to speak and declaring the policy of the farm reduction plan at Angola, Ind., August 9, 1934, the Secretary after urging farm reduction as necessary for the immediate present and to be adhered to for the time being, said:

It is true that the farm reduction program cannot go (be carried) on forever. That would be disastrous, but it is the best to follow at present.

This means, and is a realization, that all wealth and human sustenance must come from the ground, all from the bosom of mother earth; and that men can only prosper, can only live better and in greater enjoyment of life accordingly as they labor and prod the earth to provide more and better of its fruits for their better enjoyment and well-being.

And the people laboring under debts, as well as all people who would live better, can only pay and discharge their debts and obligations, can only live better and in greater enjoyment by prodding the earth to produce more and better of its fruits; and that a failure to produce or a reduction of the fruits of the earth, or a destruction of the fruits of the earth, is a cruel, fatal, failing policy, or in the language of the Secretary of Agriculture, "that would be disastrous." And further in the language of the Secretary, "That cannot go on forever", meaning that the crop-reduction plan is a mere temporary expedient to be resorted to for the time and only until a permanent, a rational remedy can be provided and carried into force and operation.

But the farm reduction or destruction program has not, will not, and cannot bring full, adequate relief to the farmer, even temporary for the time being. This not only appears on principle and theory, but is demonstrated by actual experience. The one and only purpose of restoring prices is to restore the farm earnings and income, is to give the farmers more money from their farms, is to give them a greater surplus over, after the payment of taxes, debts, and fixed charges, for their use as buying and consuming power. There are only these two plans or ways proposed to raise values and the price level. One way is by crop reduction or destruction, by creating a scarcity of want and/or supply. The other plan is by a restoration of money and credit back in circulation.

It is only the processing tax levied and collected from the consumers of farm foods and materials and paid to the farmers as a bonus which is increasing or can increase his earnings and give him more money from his farm, to provide him with a surplus over after the payment of taxes, debts, and fixed charges. But the processing taxes provided for in the farm-relief program were never intended or proposed or urged as a permanent or continuing policy of taxation to provide the farmers a continuing bonus and was and is contemplated to be removed at the earliest possible date for the relief of farm-food consumers of the towns and cities and as soon as other relief is provided.

Sooner or later, in the immediate future, the farm reduction or destruction plan, if continued, will be left entirely to depend wholly upon the increased price from crop reduction and without the payment of the bonus to augment and increase the farmer's income and give the farmer more money from his farm.

While the crop reduction or destruction plan, after the processing taxes and the bonus are discontinued, as they are to be discontinued, will not give the farmer more money, will not restore the farm surplus over taxes, debts, and fixed charges, his means to live and provide for his family, it will work a great wrong and hardship upon the laboring and common classes who live in the towns and cities, whose wages and earnings are not yet restored and who will be compelled to pay more for less without more earnings to pay with, decreasing the demand for farm products by decreasing the power to buy and consume.

The currency relief measures under the general operation of money and credit will raise and restore all values and prices and will increase all earnings and income, the wages of industrial labor as well as farm prices and income.

And when the people in towns and cities shall be required to pay more for their farm food supplies, they will have more to pay with and instead of buying less, they can and will buy more, increasing the demand for farm-food products.

The crop reduction and destruction plan, creating a scarcity or want of supply, will give the farmers a higher price for a part crop or the same money for a reduced crop as for a full crop at a lower price, but will not give the farmer greater earnings or income nor bring him more money from his farm. Raising farm prices and decreasing production is like the jugglery of tax rates and valuations. Lowering the rate and raising the valuation or raising the rate and lowering the valuation will yield no less or greater taxes. And raising the price by reducing farm production

will give the farmer no more money from his farm. There is only one way to restore higher values and prices for the full crop or normal farm production. The restoration of money back in circulation will give the farmer higher prices for his full crop or normal production and will give him more money from his farm.

The two relief measures enacted, one providing for crop reduction and destruction and the other for a rise of values and prices by a reversal of the secret currency operations, restoring the stolen money back in circulation, may be compared or contrasted with the two ways of fighting fire—one by blasting and destroying surrounding buildings to prevent a spread, and the other by throwing water and chemicals and quenching the fire and saving the surrounding houses. The first, by destroying the surrounding buildings, is often justified to meet the emergencies and as a temporary expedient resorted to, but only until the fire engines can be put in operation and the fire brought under control, when the destruction of the surrounding buildings should be halted and stopped and the fighting confined to water and chemicals.

And so it is with farm-relief measures, the crop reduction and destruction plan, and the restoration of currency back in circulation. The reduction and processing plan was justified as an emergency measure, as a temporary expedient for the time, and until other and rational remedies could be provided and applied. But the continuation of the crop-reduction plan, the destruction of the food and clothing materials, while the people are starving and freezing, and while holding back and postponing the administration of the currency measures, would be like a continuation of the blasting, destroying surrounding buildings after the fire engines had arrived and the water and chemicals were ready to be thrown upon the fire and all means were at hand for its control. It would be folly as unjustified and criminal as the fighters of the city continuing their wanton destruction of buildings and refusing to start the fire engines and the operations of the chemical tanks after their arrival ready for operation.

If the currency relief measures enacted early in the special session providing for a restoration of the money supply had been promptly and in good faith entered upon, administered, and enforced, the price level would have been restored and there would have been no necessity for crop reduction and destruction, no necessity for the killing of little pigs, no necessity for disemboweling mother swine, no necessity for the slaughter of dairy herds, while the people were suffering for food and clothing.

And if these currency relief measures were enforced and administered now as the Goldsborough amendment here offered to the pending Federal Reserve bank bill would mandate, this crime against God, humanity, and nature—this destruction of food and clothing materials, in the sight of the starving, cold, and shivering—could be re-called and stopped, and farm values and prices would be restored to a higher normal level and stabilized. And the farmers of the country could rejoice in a restored buying and consuming power and the people of the towns and cities could revel and exult in like buying power and in plenty and great abundance.

There is one and only one reason why the currency-relief measures have been delayed and are being postponed. And that one single reason is that if the money secretly withdrawn from circulation was now restored back in circulation and the general-commodity price level raised, the men who have made billions from the fall of commodity and labor values, the property of the common masses of the people, and the resulting increase and multiplication of money bonds and money contract values, still owned and held by the certain special few—these men who have made billions would lose a part of their ill-gotten gains. And the one and only reason why the manipulating bankers and financiers, who have made their billions from the panic, by the secret contraction and withdrawal of money, have urged and are still urging adherence to the crop-reduction plan,

the collection of the farm food-processing tax and its payment as a bonus to the farmers, is because the amount of farm food required by these certain special few men and the increase in price to them is small, trivial, and insignificant as compared to the billions which a restoration of currency would take from their money and money contracts, and return it back to labor and labor products, from where it was secretly taken.

These money-mad manipulating bankers in their desperation to make and hold surplus wealth and swollen fortunes and save their jeopardized, ill-gotten gains, would dry up the fountain source of the farm-food supply required to sustain life and of clothing and housing material to protect and shelter the body. They would leave the people suffering, writhing, starving, freezing, gasping for economic breath, while money-mad misers hover and brood over their piles of brazen gold in greedy grasp of what they cannot use but for which the world is suffering in despair.

Thanks to the farm and labor leaders, to Edward A. O'Neal, president of the Farm Bureau; to E. H. Everson, president the Farmers' Union; to L. J. Tabor, president the Farmers Grange; to the money crusader, Rev. Charles E. Coughlin; to Frank A. Vanderlip, the philanthropic banker, who places men and human welfare above the dollar; and a host of other advanced economists and students of public currency.

These men have waged and are waging a campaign of currency education, and the black night of monetary serfdom is lifting. The light of a new economic day is breaking. The people are realizing the magnitude of the crimes and crushing burdens imposed and held upon them by the manipulating bankers and financiers under the secret, private control of money.

And let it be said to the everlasting credit and to the everlasting glory of the farmers, the independent tillers of the soil, who work in partnership with nature, that they are recognized as better informed and as possessing a better knowledge of money than any other one class of men.

It was the farmers in communion with God and nature, with their minds as open as the firmament, with their visions broad as the horizon, with courage, resolution, and will breathed from the forests and the plains, who first declared for liberty and independence and won the freedom we now enjoy.

Mr. GIFFORD. Mr. Chairman, in my few remarks, and the remarks probably will be few from the minority side, let me say that we appreciate the endeavor of the gentleman from Maryland to bring back the prices that existed during the reign of Calvin Coolidge, our Republican President. [Applause.] This in itself is pleasing to us, and we regard this quarrel, so to speak, as one amongst the members of the majority party themselves.

The Committee on Banking and Currency listened to this argument about the commodity dollar for many days. Those who appeared before us, rather than being bankers, were so-called "disciples" of the commodity dollar, to whom you and I have listened for years back, and have heard much, of course, in the cloak rooms amongst its vigorous exponents.

Under the cloak of constitutionality the advocates of the commodity dollar hope to win. "The language carried in the bill itself would not be constitutional", they say, "so let us make it say exactly what we want, that the very directness of the Goldsborough amendment shall make it constitutional." We on this side of the Chamber applaud you when you say: "Let us not continue to delegate such great authority further." But do not let those win who want to delegate by the interpretation of conciseness and exactness, the only method of determining how the commodity-price index shall be arrived at. I deny that this method of attaining price level is anything like they have in England. I prefer the language of the bill in preference to the Goldsborough amendment, as it contains the words "trade, prices, and employment." As I have often said before, enlarge the base from certain commodity prices only.

I do not know what those commodities may be. The gentleman from Maryland mentioned a few the other day. I do not know whether those would be selected. Do you? Does the amount of cotton and the amount of wheat have anything to do with it; or will it be based on averages of salt, pepper, vinegar, and a few other things?

The Goldsborough amendment delegates to the Secretary of the Treasury and the Federal Reserve Board power to provide a suitable price index. Is this sufficient directness to bring it under the cloak of constitutionality? Do we leave them the broad powers of determining whether rubber, wheat, or some few other commodities shall be the basis of the price index? Again, I ask if the word "suitable" is sufficiently exact to make it constitutional. We doubt it.

I say again to the majority: It is your own fight; we congratulate you on trying to get back to normalcy; but as I often say: Do not pick out only a few commodities; watch your own dollar and see where your own dollar goes and let them not base that dollar on the spending of 20 percent of it; use the words in the English law, "Trade, employment"—many pay much money for wages. Do not base the value of the dollar on those few commodities, and the ones to be selected not known to us.

So, again congratulating you that you are trying to get back to the Republican days of prosperity, let me say that in my opinion the method you suggest is about as unconstitutional as the other. [Applause.]

[Here the gavel fell.]

Mr. PIERCE and Mr. HANCOCK of North Carolina rose.

The CHAIRMAN. The Chair thinks he should recognize someone in favor of the amendment. The Chair recognizes the gentleman from Oregon [Mr. PIERCE] for 5 minutes.

Mr. PIERCE. Mr. Chairman, I think it was Will Rogers who first said there are two kinds of crazy people: Those in the asylums and those who think they know all about money. I do not believe I belong to the first class, nor do I claim to know all there is to be known about money; but I have made a study of the subject, and I want to add what weight I have to this discussion.

I am going to vote for the Goldsborough amendment. I believe it is a move in the right direction. There is no question that the world is up against managed currencies. Any student or any reader today must recognize this fact. The question is, Who is going to manage the currency? Is it going to be the Government—our friends on the other side of the aisle say, "It cannot be that, because that is political"—or shall it be the private bankers? I take it we are far safer with the currency being managed by the Government, to which the people have intrusted power over money, than we are to have it in the hands of the bankers. [Applause.] We had an example of what the bankers did with it in the crash of 1929. They certainly handled it, and handled it with a vengeance; and they handled the Reserve banks and the Reserve Board all in their own interest, and they nearly wrecked the country. Let us correct the situation at this time, when we have the chance, by strengthening the Reserve Board. There is a man at the head of the Reserve Board, a product of the Pacific Northwest, who in the years to come, many believe, will be recognized as one of the brilliant financial geniuses of the country. This bill, I understand, is largely his work.

The chairman of the committee upbraids us a bit for not following in the footsteps of the administration, claiming this is distinctly an administration bill. I yield to no one on this floor in my admiration of the man in the White House, but I do not believe he wants 435 mannequins here doing just what some bureau head tells us to do. I think each of us should exercise his own judgment and express his real opinion. I do not always agree with the administration. I think we should balance our Budget right now, and I am willing to step outside of my party and vote for tax laws that will come somewhere near, even this year before we adjourn for the summer, bringing in revenue in large enough quantity to pay the running expenses of our Government.

Here is an opportunity for us to put in this act an objective to which the Federal Reserve Board may look

when they regulate the amount of currency. It will not be absolutely binding. I think no one will deny that the amount of currency, with all the other factors included, regulates largely the commodity-price level. The gold ounce is still the measure of the balance of trade as between nations. We cannot change that, but I think we are going to have a stalemate if we continue in the world trade and do not have a stabilized currency.

Mr. Chairman, I have formulated my thought on this subject and ask leave to include herewith the following extension of my remarks:

I repeat, I shall vote for the Goldsborough amendment to this bill because I am convinced that it is a commendable attempt to force the Federal Reserve Board to function in the interests of the great majority of the American people. I am not convinced that we are so far advanced that we will be satisfied to accept a currency issued solely on the credit of the Government. I am free to agree with many who have spoken on this bill that an interest-bearing Government bond is no better than a Government note, which we call currency. Both have behind them the credit and the taxing power of the United States, and they should be regarded by the people as of equal stability. However, we should never forget that the great mass of the people are governed by impressions and traditions, especially in regard to money, which some seem to regard as a sort of magic. The interests of the privileged few are best served by keeping the people in ignorance in regard to money. This same superstitious attitude has retarded progress in other respects. Some of the people are now learning economic lessons, but the number is not large. Often the press is either directly or indirectly controlled or influenced by a privileged group which profits from the existing system. It is very easy, indeed, for the disseminators of printed news, so much relied on by the average citizen, to create the general opinion that currency issued without something tangible behind it is fiat, and therefore not good, not valuable. In other words, I believe the favored ones of earth, who have controlled and still largely do control public affairs, can and will continue to mislead and misinform people, possibly because they themselves are not informed and progressive on the subject of money. It is, therefore, my judgment that the only safe and sane plan, at the present time, is to issue currency with a metal backing.

The last Treasury report of the date of May 4 shows that there is in the Treasury \$8,725,377,902.50 of gold and \$806,210,699.49 of silver. Using this metal as a 40-percent base, there can be issued against this metallic foundation \$23,828,971,054.75 of currency. We have now outstanding in currency less than one-fourth of this amount. We of the Congress should commence next January an aggressive campaign to force the Treasury to issue this currency in place of selling bonds.

The Goldsborough amendment is an attempt to establish a commodity dollar. This commodity dollar would purchase a given quantity of a number of staple, basic commodities with a resulting change, within narrow limits, of the number of grains in the gold dollar which is to be the standard. The object is to assure that the same number of grains of gold will always purchase practically the same quantities of basic commodities. If this plan of currency can be made to work, it will regulate the prices of wheat, potatoes, cotton, and all the basic commodities used as the index.

It is certain that this country can never return to the straight gold standard which held sway for almost a third of a century. We have too great a proportion of the world's gold. The people are already educated to the fact that they do not need to use any gold, and can do with but a small quantity of silver for their ordinary daily transactions. For 60 years gold was in free circulation in the States bordering the Pacific. Those were days of great prosperity. It is now an accepted fact that all nations will hold all their gold in strong boxes as a base for currency. This is a decided advance toward a more rational money system.

In the light of the fact that we must have a "managed currency", I am willing to try the commodity dollar as

defined and outlined in the Goldsborough amendment. Should this amendment fail to be adopted I shall vote for the banking bill, H. R. 7617, on final passage. I shall also vote for the Cross amendment because I believe the Federal Reserve banks should belong to and be a part of the United States Government. Should this amendment fail I will still vote for the original bill. My reason for support is the guarantee of permanence of the insurance of deposits in all banks in the System to \$5,000, at least. It is my judgment that this insurance should be applied to all deposits and to all banks. However, I have discovered in my legislative career that we seldom get all we want in any bill, and I always welcome a movement in the right direction. Many a time I have accepted a thin slice when I have thought that those whom I represented were entitled to a full loaf.

I was startled when I read in the hearings on this bill that over 98 percent of those who have money on deposit in banks in the System are insured under this \$5,000 limit, and that this insured 98 percent of depositors represents only about 40 percent of the money deposited. In other words, less than 2 percent of those who are fortunate enough to have bank deposits own nearly two-thirds of all the money on deposit in the banks of the System. I deeply regret that the original plan to force all banks into the Reserve System has not been carried out. It seems to me it would be a mistake to allow any nonmember bank to come under the insurance plan; hence I shall vote for the Hancock amendments.

I very vividly recall Bryan's third campaign for the Presidency 27 years ago this summer. At that time, guaranty of deposits in banks was incorporated into the Democratic platform. I remember campaigning the State of Oregon from one end to the other discussing, among other issues, the question of guaranteeing bank deposits. It was then considered freakish and somewhat unsound, but I believed in it. I have never changed my viewpoint since I became a convert to this plan, more than a quarter of a century ago. I belong to that group of men who have never been able to understand why William Jennings Bryan, when Secretary of State in President Wilson's cabinet in 1913, did not force a provision in the original Reserve Act guaranteeing bank deposits. It is freely stated by informed participants in the events of the day that, without Bryan's influence, the Federal Reserve Act could not have been passed at that time. Many of us believe that, had he thrown his full force and power behind the proposition of guaranteeing deposits, it would have been provided for in the original act. If such had been the case and deposits up to \$5,000 had been guaranteed, how many ruined homes it would have saved!

Many of us are wondering whether there can be any permanent recovery in this country with such an unequal distribution of wealth in cash as is shown by the fact that less than 2 percent of the depositors hold more than two-thirds of the cash of the country. It is certainly true that this bill is a long, long step in the direction which we wish to take. It may take a generation to restore confidence among the people who were so thoroughly frightened that they withdrew one and a quarter billions from their savings accounts in banks and deposited the money with the Government in Postal Savings accounts where it is still held. It will be some time before the average person cashes his Postal Savings certificates and deposits his money in banks, even though the banks carry on their windows the words in which they now take pride, "deposits guaranteed." Those of us who fought so long to attain that status may be heartened now by the fact that people are willing to listen to the suggestion of a managed currency.

We are told that title II is the heart of this bill and that it is to be feared because it concentrates control of the Federal Reserve banks in the hands of the political party in power. I do not fear this. The term "political control" is used as a bogey to frighten the thoughtless. Why elect a party or a group to power and withhold from them the power and responsibility the people desired to delegate to them? Furthermore, where is the private control not influenced by politics and insidious pressure and greed? It is certain that the control of the finances of this country by the great House

of Morgan and allied interests has brought disaster and wrecked the millions who trusted "big business." The Federal Reserve System should be Government owned and Government controlled. Title II brings that condition a little nearer and thus commands my support. At the present time the governor of each Federal Reserve bank is elected annually by the directors of that bank. Under the pending bill, the governor must be approved by the Federal Reserve Board. This is as it should be, making a unified System and bringing administration under one head. Each regional Federal Reserve bank should not be a separate unit, but an integral part of the System for which it acts as an agency. It is said that the Federal Reserve Bank of New York, with its power and importance, has dominated the Federal Reserve Board from the beginning. The thing created has grown so strong that it has managed and controlled its creator. It is contended that the governor of the Federal Reserve bank might not have as much independence and freedom if his election were made subject to approval by the Federal Reserve Board. That is true, and that is the way I believe it should be for the welfare of our banking system. The charge is made that the Governor of the Federal Reserve Board can be removed by the President. Why not? This appears perfectly reasonable to me, and on this point I take issue with many who have spoken on this floor, and freely say to you that I fear political control far less than I do selfish and unchecked private control. What could have been more cruel and heartless than the order from private control, after the election of President Harding, to deflate the country, call the farmers' loans, and sanction, favor, abet, and promote the loans and credit to the stock gamblers who brought on the crash of 1929?

The charge is made that open-market operations under this bill will be made by the Federal Reserve Board, and that Federal Reserve banks will be forced to buy and sell Government securities as ordered by the Federal Reserve Board. That is true, and precisely as I think it should be. We would have a calamity right now, a real disaster, facing us if Government securities were to fall 10 points or even less. The price of Government securities must be supported and maintained at all hazards.

I do not agree with the administration in its policy of spending more money than it takes in. I have no faith in the theory that this so-called "depression" is going to pass away in a few brief months. I think we are in a new era, a new world, and facing new conditions. I believe it is right and proper at this time to levy a tax which will bring sufficient money from the many available and unused sources to balance the Budget even in this year of great spending. Until that happy day comes when we can balance the Budget, I shall vote for every act that looks toward the support of the market value of Government securities.

Title III is devoted almost entirely to perfecting amendments, and nothing therein is at all serious from my viewpoint. I am, however, deeply disappointed that I have not, during my time in Congress, found here a better comprehension of the cause and cure of the great debacle which may have shattered the economic system which we have so enjoyed. Something has gone radically wrong. We have practically everything that anybody wants; practically all are willing to work to get their share, but the machinery is not working. The people need the manufactured articles which the factories are ready to fabricate, but the money necessary to buying power is withheld from circulation and use.

I am one of the group which believes that money and its control is largely to blame for the present-day failure. We can safely say that a very small percent of the people, probably less than 4 percent, enjoy more than 85 percent of the Nation's income. Figures vary, so I do not know which statement can be thoroughly relied upon, but it is true that a few have vastly more than they need, while practically one-sixth of our people are eating the bread of charity, and perhaps 10,000,000 are begging for the chance to work.

Nobody wants to wreck or ruin this civilization. The millions on the bread line do not want to destroy the electric

current that furnishes light and power. They have no desire to roll into the ditches the tractors or the automobiles; but I think I can safely say for the unfortunate and suffering millions, that all they desire is the chance to work, to earn money for themselves and their dependents, so that they may all enjoy some of the blessings of this the most advanced of all civilizations. We cannot brush aside this unsolved problem. The solution must be found sometime. It will demand our attention again next winter. Ways and means must be found by which the millions of unhappy ones may have the chance which has been denied them by conditions over which they had no control.

For years I have said that interest and fixed dividends would be our undoing. It is now apparent that interest has certainly been one of the main causes of the wreckage which we seek to repair and to salvage. The determination of corporations and of individuals to collect dividends beyond right and reason and far beyond the ability of the people to pay will probably be numbered by the historian among the contributing factors to our great economic break. Think of a corporation like a telephone company, controlling a natural monopoly, fixing the prices of its services so high that it has drawn into its treasury assets of \$5,000,000,000 within one brief lifetime! I hope some student of economic history will make a careful study of the influence of fixed and guaranteed dividends for monopoly.

Were the Hebrews right when they said all debts must be forgiven and canceled every 50 years? Were the ancients right when they said all interest was usury? It is often said that you cannot beat interest, and experience has proved this to be true. I have announced several times in this House that interest rates, if collected at all, should never be greater than the increase of wealth, when measured through a series of years. This increase I estimate to be about 2 percent.

I am told by a classical scholar, Dr. Arthur Patch McKinlay, of the University of California, that his researches indicate that the experiences of Greece and Rome may throw some light on the problems of debt and interest which have so troubled us that the very life of our Nation is imperiled. He points to the legislation of Solon at Athens and to the Licinian laws of Rome (377-357 B. C.), and the financial legislation of Caesar in 48 B. C. He says that Solon solved the problem by canceling all debts secured by mortgage or personal security and by inflating the currency. The Licinian laws provided that the principal of a loan should be reduced by the interest that had already been paid, and provided for liquidation of outstanding accounts, substituting the state for the private creditor. Caesar's legislation was the outcome of an orgy of speculation and deflation following the Second Punic War. It also allowed paid interest to be charged against the principal. He forced money into circulation in 11 days by limiting the amount of cash any person could hold.

Our responsibilities as Members of this House include study of problems of money and of interest. This bill offers the beginnings toward the solution which we shall work out carefully step by step.

Mr. HANCOCK of North Carolina. Mr. Chairman, I rise in opposition to the amendment offered by my distinguished colleague, the gentleman from Maryland [Mr. GOLDSBOROUGH]. If I did not do so, I would do violence to my own best judgment of sound legislation, and my conception of the highly technical problem involved in the question of determining the true objective of monetary policy. I make no claims to expert knowledge on this subject; but my common-sense view of the problem forces me to record myself as being unalterably opposed to this amendment. I have thought of it and studied about it many, many hours. In my opinion the adoption of Mr. GOLDSBOROUGH's amendment would not only be highly dangerous to the welfare of the country but would also quite likely make ineffective the exercise of the powers which Congress is conferring upon its agent, the Federal Reserve Board. Under his amendment the objective is so rigid and restrictive that, it would, in effect, place the board, in whom these powers are to be vested in a strait-jacket, and thereby seriously cripple the

accomplishment of the greater objective. May I presume to suggest that you carefully follow my argument, which I believe will convince many of you that the mandate in the bill would not only tend to bring about, in coordination with the greater objective, the price stability which the supporters of the Goldsborough amendment are advocating but will also bring along with it stable employment and general business stability.

An objection that has been made to the bill, and particularly to the amended open-market provision, is that Congress should not increase the powers of the Federal Reserve Board without giving more definite directions as to how these powers shall be exercised. It is said that in the absence of such directions the Federal Reserve Board will not only possess all the instruments of monetary policy but will also determine its own objectives. It is further said that so long as the Federal Reserve Board has the power to determine its own objectives it cannot be considered to be solely an agency to carry out the will of Congress by using the machinery intrusted to it for achieving given objectives, but is a body with certain legislative powers that properly belong only to Congress. The question arises, however, whether a stable price level in itself is the objective to be aimed at or whether the real objective is stable production, employment, and trade, and the assurance of the largest possible national real income. This is aside from the question of the extent to which price stability can be achieved solely through monetary means, a question which, of course, is equally applicable to the broader objective of stable business conditions.

The principal reason, therefore, for opposing price stability as the objective of the Federal Reserve Board is that it would endanger the achievement of the broader and more desirable objective which is business stability.

In the first place, there is the difficulty of choosing what prices are to be included in the index. Let us first take a cost-of-living index. Such an index is proverbially insensitive. Many of the series in a cost-of-living index change hardly at all and in no degree commensurate with the violence of changes in prices and production. Business activity can change in one direction or the other and acquire considerable momentum before such changes are reflected in a cost-of-living index. It is therefore an unsatisfactory guide to monetary policy.

Sweden chose as an objective the stability of a cost-of-living index immediately after it departed from the gold standard. In a few months, however, the objective was broadened in the direction of creating as stable economic conditions as possible and to this end a rise in wholesale prices was favored. The insensitivity of a cost-of-living index is strikingly illustrated by Swedish experience in 1932-34. The index of production declined from 97 to 71 and then rose to 109, and yet the cost-of-living index remained practically stationary throughout the entire period.

Writers on this subject all appear to agree that you cannot stabilize both the level of wholesale prices and the cost of living. From 1913 to 1928 wholesale prices rose considerably more than retail prices. To make the same point in another way, if the retail-price level is stabilized, wholesale prices will fall, whereas if the wholesale-price level is stabilized, retail prices will rise. The explanation of this appears to be that a cost-of-living index includes more services the cost of which rise more rapidly in a progressive economy than the cost of mass production goods at wholesale.

Let us now consider stabilization of a wholesale-price index. This index has one advantage over a cost-of-living index—it is far more sensitive. It has, on the other hand, the disadvantage that it does not measure the purchasing power of money to consumers. There is no point in stabilizing the level of wholesale prices as an end in itself. Stabilization of wholesale prices can be justified only as a means to the end of stabilizing business. From this point of view various criticisms may be made.

In the first place let us assume that a rise in the price of some or all of our imports causes a rise in the wholesale-commodity-price index. In these circumstances it would ap-

pear unwise to adopt a restrictive monetary policy for the sole purpose of depressing domestic prices sufficiently to counterbalance the rise in the prices of imported goods in order to keep the general average stable. Such a policy might easily lead to a depression. Similarly, an expansive policy initiated because of a fall in the level which was due to a fall in the prices of imported goods might be unwise from the point of view of domestic stability.

Let us next consider a rise in the index brought about by higher agricultural prices following a crop failure. Because of a crop failure should we adopt a restrictive policy designed to force industrial prices down? It would appear that the proper policy to pursue in this case would be to permit the rise in the general index which is attributable to the rise in the prices of agricultural goods.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I gladly yield.

Mr. GOLDSBOROUGH. The gentleman will observe that if the commodity index of 1926 is used, then the index used is of all these basic commodities; so that the level and their production could rise or fall without any influence at all from the action of the Federal Reserve Board.

Mr. HANCOCK of North Carolina. That might be true. But what method is to be employed in establishing the suitable index which is to be the basis of the price level after it has been attained?

Again it has been argued that any declines in the general index which are directly attributable to technological improvements or new discoveries should not call for an expansive monetary policy, since they are not deflationary in their effect.

There are technical problems in the compilation of indexes which affect their trustworthiness as guides to monetary policy. Different results are often obtainable by using a different weighting system. Thus, if a certain commodity or group is weighted heavily in the index, a rise in its price will cause the index to rise; if given little weight, variations in its price may not affect the index at all. Obviously monetary policy should not be dictated solely by changes in the method in which the index is constructed.

The consequences of a given price policy will differ according to the degree of flexibility or rigidity in the economy and according to the role that international trade plays in each economy. Monetary writers have a tendency to minimize the qualifications and modifications necessitated by changes in such factors. Those who formulate policy, however, cannot afford to do so. We are just beginning to realize the extent to which rigidities of prices have crept into our system and the importance of such rigidities in explaining fluctuations in production and employment. We have not as yet grasped the full implications to monetary policy of the lessening flexibility of our system.

It should again be emphasized that we should be interested in stable prosperity rather than in stable prices. How many of us, for example, would be satisfied with stable prices while 20,000,000 people were on the relief rolls? England had a stable level of commodity prices in the 4 years 1931-34, and yet had over 2,000,000 unemployed during all that period. One might meet this objection by postponing the inauguration of a stable price policy until after full employment has been achieved, but this does not really meet it. Rapid technological improvements introduced by monopolists might displace a lot of workers, while resulting in no fall in the general price level, and in this case we would have increasing unemployment under conditions of stable prices.

Finally, there is the insuperable difficulty at a time like the present of choosing the particular level at which prices should be stabilized. The 1926 level is most frequently mentioned, perhaps because that was regarded as a year of normal prosperity. But it would be exceedingly rash to affirm that because a certain state of business activity corresponded at one time with a certain level of prices, therefore, it is only necessary to restore that level in order to restore the same state of business activity. A lot of water has gone over the dam since 1926. Wage rates have changed, interest

rates have changed, indebtedness has changed, our international position has changed, and much progress in the methods of production has occurred. It might be hazarded that full employment could be obtained at a lower level than that of 1926, and if this were so, a policy designed to reach that level would result in a boom. It should be remembered that the 1926 level was higher than the 1929 level. On the other hand, it is conceivable that stable prosperity could only be achieved with a level of prices higher than 1926. The point is that nobody knows nor has the means of knowing what the level of prices will be when we have regained a state of stable prosperity. It is interesting to surmise if the fact that the Bureau of Labor Statistics, for purely technical reasons, changed the base of their index from 1913 to 1926, has anything to do with the choice of 1926 as a desirable level. If it had not done so, the index for 1926 would have been 151, which does not look nearly as desirable as an even 100.

In conclusion, let it be again emphasized that the opposition to stable commodity prices as an objective of monetary policy is solely because it is not believed that stable prices need always correspond with stable prosperity. Since it is the latter that we are really interested in, why not say so? If Congress wishes to give the Federal Reserve Board more specific directions than are contained in the present act—and there can be but few here who do not favor expressing a definite mandate for their guidance in this bill—we should adopt the amendment in section 11 of the act, which is clear, definite, and workable with respect to the duties and powers of the Federal Reserve Board, reading as follows, and vote down the Goldsborough amendment:

It shall be the duty of the Federal Reserve Board to exercise such powers as it possesses to promote conditions conducive to business stability and to mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of monetary action and credit administration.

It would meet the objections we have enumerated to a rigidly stable level of commodity prices by allowing the Federal Reserve Board some discretion in its handling of each situation, while at the same time emphasizing the main objective the Board should and must keep before it. No two business situations are ever alike or represent the same combinations of factors. Each new business situation is in large part a new problem. Hence no rigid or nondiscretionary rule can ever hope to provide the correct solution of a succession of ever-changing problems.

Mr. KELLER. Mr. Chairman, I call the attention of the House to the fact the original bill submitted to this body, which became our present Federal Reserve law, contained this very provision and was stricken out by the action of this House, to the very great misfortune of this country. There has been an effort during all the years since then to reinstate this idea. The thought at that time was that the Federal Reserve Board was being given full power along this line, and they did have the full power if they had cared to assert it. Unfortunately, little by little they gave up the power which the Congress had given into their hands and permitted the misuse of the Federal Reserve System and the Federal Reserve idea.

Mr. Chairman, the thing I desire to speak on most at the present time is the fact we are talking here as if we are going back to the gold standard. Not a chance in the world if we retain our sanity.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Maryland.

Mr. GOLDSBOROUGH. The original Goldsborough bill passed the House by a vote of 289 to 60, and this provision was stricken in the Senate, not in the House.

Mr. KELLER. I am glad the gentleman called my attention to that fact. This very bill passed the House by a vote of 289 to 60, but was defeated in the Senate because some Senator did not understand just what it meant. [Laughter.]

Another thing I want to get over to you is that when you talk about a standard and what is back of money, there is not any such thing. There is nothing back of our money since we went off the gold standard, and we do not need any—

thing back of our money except the law. The truth of the matter is the only dollar we have is the dollar that is made by law. The law-created dollar is the only dollar we have. We ought to understand that perfectly, because our American gold dollar that had 23.22 grains to each dollar under the gold-standard law varied from 219 cents down to as low as 59.8 cents in value. Let us get that perfectly clear. Now, what does that mean? It simply means if we go to work and use a yardstick that varied from 21 inches to 79 inches long we would have exactly the same variation in measurement that we have had in the measurement of values by permitting the value of the dollar to vary.

Mr. Chairman, the Goldsborough amendment will give us stabilization. The man who does not understand what stabilization means ought to try to find out what the great authorities on that subject have to say about it. We have to come to stabilization some time or other. You can no longer have your dollar value now up and now down without again and again destroying business, as has been so often done by that means in the past.

Mr. REILLY. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Wisconsin.

Mr. REILLY. Under the terms of the bill now, cannot the Board indulge in stabilization?

Mr. KELLER. Under the terms of the bill the Board might or might not, just as it pleased. But I am sick and tired of trying to have something done by some board that will do what it pleases, when it is the gentleman's duty and my duty and the duty of every Member here to tell them just exactly what we want them to do. I am not going to submit to that any longer without raising my voice in opposition. That is our business and not the business of some board.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. KELLER. For a question; yes.

Mr. McFARLANE. Does not the gentleman think Congress ought to take charge and perform its constitutional duty?

Mr. KELLER. I do.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. KELLER. Yes; of course.

Mr. WOLCOTT. I am pleased to hear the gentleman say that. I have been waiting a long time to hear him say that, but that was not my purpose in rising. I understood the gentleman to say that our money at the present time is good because of the fiat of Congress making it good.

Mr. KELLER. Certainly it is; and you have not any other kind of money at the present time except fiat money, law-created money.

Mr. WOLCOTT. May I remind the gentleman that the ability on the part of this Board to stabilize depends upon gold being behind this dollar?

Mr. KELLER. It does not, of course, depend on gold being behind this dollar at all. The gentleman forgets that we are and for sometime have been off the gold standard. That no gold is obtainable and no gold is being used for money except to pay or receive international trade balances. Will the gentleman not get clearly in mind what I said a minute ago, that gold never has had stable value itself? A standard is a thing that does not vary. Anything that does vary, of course, is not a standard. And gold always fluctuates in value.

May I not call attention again to the kinds of money we now have—greenbacks, pure fiat; bank notes founded on Government bonds, themselves pure fiat; Federal Reserve notes, based not on gold—not one penny, but on notes, bonds, bills of lading, every bit fiat; not a penny of gold behind it. The only nonflat money we have, the only redemption money left is our little bit of silver.

Mr. MURDOCK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I do not claim to be a constitutional lawyer, but I may say to the members of this Committee today that after I read speeches made by men who do claim to be constitutional lawyers on questions such as the one

we have before us today, then I rather assume that in a small degree I have a similar right.

I may say, briefly, on the question of the constitutionality of this bill as it exists today, that I challenge any lawyer in the House of Representatives to now point out to me wherein there is any delegation of any legislative authority or any other authority in the lines from 4 to 10, inclusive, on page 51. In the words of a distinguished member of the committee, it is simply a stump speech, setting out what the policy of Congress is with reference to stabilizing business and commodity prices in the United States.

Men say here today that they do not want to delegate the powers of Congress to a board. I ask you this question: The great volume of money in the United States today is what? It is bankers' money, it is credit money, and until you regulate that by the Government itself you cannot regulate the value of the dollar by any control of the price of gold and silver. You must regulate credit, and I may say this to the gentleman from Maryland—and no one in the House has more respect for the gentleman than I have—if he would introduce a bill taking over the Federal Reserve System entirely by the Government, I would be pleased to follow him [applause], but I think this bill and the Goldsborough amendment are merely camouflage when it comes to revesting in the Congress or putting back in the hands of the Government the right to regulate the value of the dollar in this country.

I say this in opposition to the amendment. We adopted the Gold Reserve Act last year. We adopted the Silver Purchase Act last year. They are monetary bills and that is monetary legislation establishing the monetary policy of this Government, and any interference with those policies by the enactment of the Goldsborough amendment, in my opinion, would be a very sad mistake today.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield for a question there?

Mr. MURDOCK. I yield.

Mr. McFARLANE. Has the gentleman any specific information that would lead him to believe that any of these delegated authorities having an unlimited nature that the Seventy-third and Seventy-fourth Congresses enacted on monetary questions are ever going to be used by the party to whom they were given? Let us declare a policy.

Mr. MURDOCK. In answer to the gentleman's question and to my silver friends on the floor of the House today, let me call attention to this fact: Under the Silver Purchase Act which we enacted in the last Congress, we have boosted the silver price up to 77 cents, as compared with about 37 cents when the act was passed. I ask the silver men here today and the men coming from silver States, how can you afford to place the control of the price of silver back in the hands of the bankers after you have seen the price boosted from 37 cents up to where it is today?

[Here the gavel fell.]

Mr. FIESINGER. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, I do not think, from what I know about the situation, that the Goldsborough amendment will work, and I wish to give my reason why I think it will not work. Great Britain—the British Empire—and those countries that are in what is called "sterling area", are developing a unit of value that is controlled within its limits by the buying and selling of exchange and gold and silver. In other words, the Bank of England has set up a paper unit of value and is manipulating it in the foreign exchange markets of the world to keep that unit of value within certain limits.

I have said before on the floor of this House that the Bank of England is basing that unit of value upon the 1913 price level. If you will examine the chart, you will see that that price level has gone along for the last 4 years.

As I get it from reading this Goldsborough amendment, we are going to set up the same scheme they are using in England, and where are we going to get off? Instead of going to the 1926 price level we will go back to the 1913 price level in competition with Great Britain. She will bring

us back to that price level, and with the result that the producing classes, yea, indeed, producers throughout the world, will be in bondage for years to come, and the depression and unemployment will continue with unabated vigor.

I am for stability of the exchanges, but in our own interest and not in the interest of the Bank of England crowd.

If you pass the Goldsborough amendment you are going to have a conflict. You are going to try to establish the United States dollar on the 1926 level and the pound sterling on the 1913 price level. Instead of making conditions better in the world you are going to make them more chaotic if you pass this amendment.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. FIESINGER. Certainly.

Mr. GOLDSBOROUGH. The monetary policy of England that will control the price level in England cannot control the internal price level of our country.

Mr. FIESINGER. I will say this: When we sell products of which we produce an exportable surplus, like cotton, wheat, hogs, and so forth, I say to you that England can control the internal policy of this country as to those commodities.

Mr. GOLDSBOROUGH. Let me call the gentleman's attention to the fact that when the Executive fixed the price of gold, commodities did not continue to rise.

Mr. FIESINGER. I do not agree to that proposition. I think there were other causes.

Mr. FIESINGER. While we are on the subject of gold, I should like to offer some observations with the hope of clarifying some of our thinking. Not many days ago I received a letter from a very worthy gentleman asking the question if the world had not abandoned or was about to abandon gold. My answer to him was that it is a mistake to think that the world has abandoned or will abandon gold. The use of gold may be changed or shifted, but its abandonment does not seem possible or plausible or even desirable. Responsible thought in this country has no such thing in mind, and surely the gold-block countries do not so intend, even though they may be forced, as we were, to abandon gold redemption. England is not abandoning gold but merely shifting its use. As I said before, England is experimenting with a bank-controlled paper monetary unit, using gold to stabilize the same. In other words, the paper pound is the end and gold is the means. This requires short explanation. Bank of England notes, expressed in terms of British currency, are dealt in in every foreign-exchange market in the world, just as, for instance, United States Steel stock is dealt in on the New York Stock Exchange. A pool, if it has enough money, under ordinary circumstances may put the stock up or down, or keep it within narrow limits as to price. In England there is a large pool called the "stabilization fund" operating with gold or gold equivalents in all the foreign-exchange markets of the world buying and selling British bank-note money, with the object in view of keeping it within very narrow limits as to purchasing power. Since the inauguration of this pool some 4 years ago England has maintained the purchasing power of the pound sterling over commodities in accordance with the 1913 price level, as revealed by her Board of Trade Wholesale Commodity Price Index. In other words, she uses gold and gold equivalents to stabilize her paper unit of value. This means a stabilized unit of value held in place by unstabilized gold. What the United States and the gold-block countries require is stabilized gold, because their currencies are tied to fixed weights of gold, which with increased or decreased purchasing power throws out of adjustment commodities and property which are measured by it, creating confusion in the financial and business world, resulting in hesitant business with unemployment consequences.

Thus you will observe a conflicting fundamental difference between the countries, namely, the United States and gold-bloc countries, whose currencies are tied to a fixed weight of gold, which, of course, are interested, or should be interested, in stabilized gold so their currencies may not vary in purchasing power, and those countries headed by England which have set up a paper unit of value which is controlled

by gold which makes for unstable gold. So the issue between the aforesaid groups of countries is stabilized gold against unstabilized gold, and if you are to stabilize gold, then there immediately arises another issue—at what point in purchasing power should gold be stabilized? Whether we shall have high gold or low gold? The interest of the United States is low gold, gold of the buying power of 1926; gold of the debt-paying power of 1926. We have, or have to have, that if we are going to have high wages and high prices for farm commodities, and these we have to have if we are going to sustain our former wealth structure, keep our business solvent, and pay our governmental debts and taxes which were geared to the 1926 level of prices. England and the other European countries, on the other hand, are interested in high gold. This statement should perhaps be qualified. The banking, manufacturing, and gold-mining interests are interested in high gold. England and her colonies produce about 80 percent of all the gold in the world, and naturally want high prices for it. The manufacturing interests want low manufacturing costs, which include low labor and raw-material costs, so they can penetrate the markets of the world, and banking follows in its interest, commerce. These interests seem to predominate over labor and producers of prime or unmanufactured commodities whose interest is, or should be, low gold. So the predominant groups in those countries seem to want high gold with the 1913 price level.

Let me state again the issues involved in the world depression and consequent of unemployment:

First. Stabilized against unstabilized gold.

Second. High gold against low gold.

What most people do not seem to see is that our currency system is related to every other currency system in the world and every other currency system is related to our own currency system. What the world needs and is crying for is a denominator common to all currencies, and that denominator must be consistent with changed conditions in the world as a result of the World War. It should be so geared to cure the tremendous debt disease which hangs heavily upon the productive effort of the world. Many people do not think in terms of gold and shrink from it as something incomprehensible, and maybe unimportant. They think in terms of national currencies and fail to recognize its supreme importance as the world's yardstick of measurement. They are willing to leave it to others to manipulate its value and pursue its tyrannical course.

No tyrant in all the world has ever caused the tragedy and suffering of unstabilized and high gold. This unregulated tyrant has wrecked the hopes of millions of mankind and caused more human suffering than the World War, yet for the want of a better device I would restore it as a common denominator for currencies and strip it of its power to destroy the business and commerce of the world. My suggestion would be: (1) Establish in the United States a free market for gold and silver; (2) to stabilize gold in the interest of the United States. Set up a definite monetary use for silver taken in under the Silver Act of 1934 by issuing against same storage receipts or certificates of deposit exactly the equivalent of old gold certificates, make said certificates legal tender, and redeem in silver at its world-accepted value.

Mr. CROSSER of Ohio and Mr. REILLY rose.

The CHAIRMAN. There are 5 minutes remaining. The Chair will ask unanimous consent of the Committee that he be permitted to divide the remaining 5 minutes between the gentleman from Ohio and the gentleman from Wisconsin.

Mr. CROSSER of Ohio. Mr. Chairman, it is, of course, axiomatic that a stable standard of value is necessary in any sound monetary system. It is also elementary that any system in which money has intrinsic value is unsound, for it means that the value of all commodities is measured in terms of the commodity of which such money consists.

The true nature of money is that it is a certificate by public authority that the person to whom such money may,

have been issued has given commodities or service amounting in value to the number of units of value indicated by said certificate, commonly called money.

The average value of all commodities, in which the public deals, should be the basis on which the unit of value should be established. If that principle were constantly observed neither deflation nor inflation would be possible.

The Goldsborough amendment would do much to establish a stable standard of value and therefore a scientific monetary system, and I favor it for that reason and shall support it.

The Goldsborough amendment requires that stability of the value of money shall be maintained and stipulates means for accomplishing this purpose. This is the stipulation of a policy and it is the proper function and constitutional duty of Congress to determine such policy. It is entirely proper and desirable to delegate to the designated administrative agency authority to carry into execution such policy and to determine the details for doing so.

I should like to see the Goldsborough amendment go further, but it is a long step in the right direction.

I, therefore, earnestly urge the Members of the House to support and vote for the Goldsborough amendment. It will, in my opinion, mean much for the American people. The benefits which will certainly result from the establishment of the principle involved in the Goldsborough amendment will lead ultimately to the adoption of a truly scientific system of money. [Applause.]

Mr. Sisson. Mr. Chairman, I ask unanimous consent that the time for debate be extended 20 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BUCKLER of Minnesota. Mr. Chairman, I rise in favor of the amendment. [Applause.] It gives me quite a lot of pleasure to sit here this afternoon and hear you attorneys debate this money question. Since I have been here I find about 4 farmers in this Congress and 1 banker. That leaves 430 lawyers. Go back into the history of this country to the first President of the Nation and you will find that he was a farmer, and the people who wrote the Constitution and signed the Declaration of Independence were mostly farmers.

A nation has grown up in this country in late years that when a farmer and his wife had a boy who they thought was a little smarter than the rest of them, the first thing they did was spoil him by making an attorney out of him. [Laughter and applause.] They have been making the laws here for a generation or two, and after making the laws about the first thing they have to do in order to decide what the law is, they call in about 12 farmers to tell them what the law means. [Applause and laughter.]

Now, I say it is about time to listen to the farmers when you are making some of these laws. There are only 4 of us farmers in this Congress, but there are about 40,000,000 farmers out in the country that want this Goldsborough amendment. Yes; 40,000,000 farm folks want this amendment. The Farm Bureau, the Farmers' Union, the Grange, and other farm organizations are supporting this amendment. The so-called "experts" who so often appear before the Committee on Banking and Currency have engineered this present money system and the banking laws for years. It is about time you listened to somebody else, because they have got us into all kinds of trouble under this banking system.

The other day I attempted to tell you about the troubles the farmers are in. They are still in this trouble.

This bill does not go far enough. The Government should take over the Federal Reserve Banking System and control the money and credit of this Nation. However, this Goldsborough amendment will give us some relief, because it will establish prices as on an average between 1921 and 1929. Remember back in 1893 to 1896, the big banking crowd caused a panic by deflating the currency and credit and cleaned up farmers of this Nation. Generally, since that time the farmers were getting along fairly well as money and credit seemed to be more or less stabilized up until

1920. Since then even more power and control has come into the hands of this bunch of racketeers and whenever the farmers get a little foothold, this same crowd comes along and kicks them off, just as they have been doing lately. So you should get away from that kind of a money and banking system. You cannot start this country going again as long as people are afraid that this same gang of money sharks will knock down the prices and deflate values. Who wants to buy any property and put in 15 or 20 years building up a little home or a farm, then have this same crowd come along and deflate the currency and make this property worth about 50 cents on the dollar and perhaps take your property away from you. [Applause.] This Goldsborough amendment would stabilize the value of the dollar and would stabilize prices so if you built a home you would be able to keep it without losing it every 15 to 20 years as now happens under this present banking system.

I hope you Congressmen will support this amendment. While I appreciate that not many of you are farmers, I know that many of you were born and raised on the farm, and if enough of you have not forgotten the conditions under which you were reared, this amendment will pass. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. BUCKLER] has expired.

Mr. BROWN of Michigan. Mr. Chairman, I think the fundamental difference between the position taken by the gentleman from Maryland [Mr. GOLDSBOROUGH], and the position taken by a majority of the Committee on Banking and Currency can be expressed in a very few words. The main purpose of the amendment offered by the gentleman from Maryland is to enable people who are in debt and who went in debt in 1926 and previous years to pay their debts with the same kind of dollar that they borrowed. I think that is the real purpose back of the Goldsborough amendment. I think the idea of a majority of the committee—and I number myself upon this particular issue with them—is that we ought to attempt to stabilize the medium of exchange; that we should stabilize our money.

Mr. RANKIN. Will the gentleman yield?

Mr. BROWN of Michigan. I am sorry, but I do not have time.

We have endeavored to meet this debt situation by reducing interest, and we have reduced interest to a considerable degree, to the farmer, to the home owner, and to the industrialist. It has succeeded. At the present time money is one of the cheapest commodities in the United States. If you will recall 3 or 4 days or perhaps a week ago, in New York the banks refused to pay further interest on depositors' balances. I realize that a great many demands for money are not met at the present time, but it is usually because the propositions placed before the people who have the money are too uncertain. What we want to do at the present time is to try to assure the business public so that they will go ahead.

With that distinction in mind, that difference between the administration's measure and the Goldsborough measure, let us analyze them. The Goldsborough amendment says that it shall be the policy of the United States to restore the price level—and it means the price level of 1926. In the first place, I do not think it can be done, because the only lever that can be used, that I know anything about or that we ever heard anything about in the Committee on Banking and Currency, is to cheapen money. Money is cheap at the present time as far as interest rates are concerned.

I believe, as the gentleman from Maryland [Mr. GOLDSBOROUGH] has often said himself, that you cannot push a string. We can pull it. We can restrict. We can raise the bank reserve requirements and restrict money. That should have been done in 1929, but was not done. However, it is most difficult to encourage people. I say the only way you can encourage them is by using the power which is given in the amendment which the committee made to the banking bill. That is to stabilize the medium of exchange.

I want to read that language to you because I think it has largely been lost sight of in the speeches which have been made:

It shall be the duty of the Federal Reserve Board to exercise its powers in such manner as to promote conditions conducive to business stability and to eliminate unstabilizing fluctuations in prices.

We cannot go back to 1926. We must look to the future.

The way to encourage business is to assure the country that through the powers of the Federal Reserve Board we will now have a stable medium of exchange. When we have convinced the public of this, business will go ahead with greater confidence.

I think I have made clear this issue raised by the amendment.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, the doctrine just preached by the gentleman from Michigan, in my opinion, would sound the death knell of hope for the farmers and the home owners of America, who have been struggling for all these years against this man-made depression. I said on the floor of the House in 1929 that we were in a money panic and that we never would get out of it until we expanded the currency to raise commodity price levels to what they were in 1926. We have gone on for 6 years and have spent billions of dollars, but we are still in that depression; and I make the prediction now that we will not get out of it until we raise commodity price levels to what they were in 1926 and then stabilize them. [Applause.]

The Goldsborough amendment may not go far enough, but it certainly is going in the right direction.

The gentleman from Michigan talks about stabilizing prices at their present level and turning our financial system over to the Federal Reserve Board.

Mr. BROWN of Michigan. It is not the same Board.

Mr. RANKIN. Oh, I know. It is like the Irishman who had a horsefly after him, but thought it was a bumblebee. He said: "You have changed your suit, but I know your voice." [Laughter.] It is the same system. After all, you are really turning our financial system back into the hands of private bankers to expand or contract our currency at will. It is dangerous in the extreme.

Back in 1914 they began to expand the currency through the Federal Reserve banks, and then contracted it with disastrous results.

Talk about inflation! Why, they expanded the currency more than \$1,000,000,000 from 1914 to 1920. Commodity prices went up, and while they were at that high level we contracted our debts, floated bonds, and levied taxes. You are now attempting to wring from the American people money to meet those obligations by stabilizing prices at the present level, a much lower level. The great financial interests of the country contracted the currency down to what it was in 1914, and since that time they have been demanding of the American people the impossible thing of paying their debts on these depressed prices, paying the debts incurred in a time of inflation which the financial interests brought about themselves.

My honest opinion is that there is no politics among big bankers. You talk about a big Democratic banker or a big Republican banker, but both have the same object in view. [Applause.] If you turn this matter over to them, it is my opinion you will have a repetition of what you had heretofore; and if you stabilize farm prices and property prices at their present levels, we will never get out of this panic. There is nothing that would do more harm to the people of this country, the home owners, the property owners, the farmers, the merchants, the small-business men—nothing that would so retard our recovery as to stabilize prices at their present levels.

The great financiers knew what was taking place before the panic. In 1926, 1927, 1928, and 1929 the Federal Reserve Board was virtually financing the jamboree on the stock market. The little fellow knew nothing about it until the crash came. Those who profited invested their profits in tax-exempt securities, in Government bonds, and are now

demanding that we pay them on the present price levels. It simply cannot be done. Now they come in and ask us to stabilize prices at their present level by the one method that can be controlled, and that is through an expansion or contraction of the circulating medium.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. HANCOCK of North Carolina. How does the gentleman reach the conclusion that the bill undertakes to stabilize prices at their present levels? It is contrary to the language and entirely foreign to the purpose.

Mr. RANKIN. Because the gentleman to the left of the gentleman from North Carolina said so in his speech. That is what I am going by.

Mr. STEAGALL. No; I did not say that.

Mr. RANKIN. The gentleman from Michigan said "stabilize prices."

Mr. STEAGALL. But not at their present levels.

Mr. RANKIN. The gentleman from Michigan said we could not get back to the 1926 levels; and I say that unless we do, we will never get out of the depression.

I hope the Goldsborough amendment will be adopted. [Applause.]

[Here the gavel fell.]

Mr. Sisson. Mr. Chairman, I have a good deal of diffidence in discussing this particular provision of the banking bill of 1935, where the issue is between the present delegation of what I believe to be administrative powers, and the delegation of legislative powers. Probably I should not rise at this time were it not for the fact that as a result of remarks I made in general debate upon this bill, a few days ago, some newspaper, although I did not suppose they would dignify my opinion to that extent, represented me as saying I favored the Goldsborough amendment, and I have been asked about it a number of times this morning.

I am opposed to the Goldsborough amendment, although I have the greatest respect for the ability of its author, and the greatest admiration for his very profound knowledge of money, and the great amount of time he has spent in research on this subject.

I am afraid to tie the hands of the Federal Reserve Board in its control over the administrative functions which the Congress is delegating to them. There is no use talking about this being a government of law and not a government of men, for when we delegate any duty, any function, its administration must be intrusted to men; and men may administer it efficiently or men may administer it inefficiently. There is no use quibbling about that, we have got to face these problems as realities. I am afraid at this time to tie the hands of the Federal Reserve Board, because I do not believe anybody is wise enough to know at what level we should stabilize prices, or to what commodity prices we should tie the dollar.

I am afraid it would render our monetary control impotent and helpless in dealing with foreign trade and in competing with England and Japan; therefore I am opposed to the amendment at this time.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Maryland [Mr. GOLDSBOROUGH].

The question was taken; and on a division (demanded by Mr. STEAGALL and Mr. McFARLANE) there were—ayes 101, noes 114.

Mr. GOLDSBOROUGH. Mr. Chairman, I demand tellers. Tellers were ordered, and the Chair appointed Mr. STEAGALL and Mr. GOLDSBOROUGH to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 122, noes 128.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 51, line 1, strike out paragraph (b), beginning in line 1, and all through line 10 on that page.

Mr. TABER. Mr. Chairman, I propose by this amendment to strike out the same language that the gentleman from Maryland [Mr. GOLDSBOROUGH] proposed to strike out; however, in its place I propose to insert nothing because nothing belongs at that place in the bill.

According to the statements of the gentleman from Maryland [Mr. GOLDSBOROUGH], and many others who have discussed this bill and the amendment, this particular language is unconstitutional. Frankly, I agree with those who have spoken along the line that this particular language is unconstitutional. It is a delegation of authority to the Federal Reserve Board to do what it pleases with a certain proposition. It is a delegation of authority that is bound to get us into trouble. Many of those who have spoken here today agree that a delegation of authority is bad, and that it is time that the Members of this House stopped delegating authority. [Applause.]

That view is shared by many of those on the majority side of the aisle. Mr. Chairman, let us have the courage of our convictions. Let us not be led astray by those who have framed up legislation and brought it in here which means something in the nature of a surrender of our powers, if we had the right to surrender them. Let us vote to strike this language from the bill. No two men can agree as to the interpretation of this language. It makes a mess of the whole legislation. If you have not read it, bear with me just a moment while I call attention to its essential points:

It shall be the duty of the Federal Reserve Board to exercise such powers as it possesses in such manner as to promote conditions conducive to business stability.

And so forth.

Mr. Chairman, that is just a mess. Can we not stop at this time passing unconstitutional legislation which is just getting us into trouble, legislation which is destroying American liberty and preventing business recovery? We do not want a lot of legislation passed here that is going to destabilize business and destabilize banking more than already has happened.

Mr. Chairman, one of the troubles with the banking situation today is lack of confidence. This will create more of that situation. What we are up against is that every year there is being drawn out of the vitals of business, 10, 12, or 14 percent of the bank loans that are outstanding of a commercial character. If we pass more legislation to create more instability we will create a greater deflation and greater distress. That is the trouble. Oh, that the Members here would take their responsibility seriously and stop passing legislation to prevent business recovery. Let us strike out this language and start along the way of perfecting this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 33, noes 55.

Mr. TABER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. STEAGALL and Mr. TABER to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 68, noes 85.

So the amendment was rejected.

The Clerk read as follows:

Sec. 205. Effective 90 days after the enactment of this act, section 12A of the Federal Reserve Act, as amended, is amended to read as follows:

"Sec. 12A. (a) There is hereby created an Open Market Advisory Committee (hereinafter referred to as the 'committee'), which shall consist of five representatives of the Federal Reserve banks. The members of the committee and an alternate to serve in the absence of each of them shall be elected annually by the governors of the 12 Federal Reserve banks in accordance with procedure prescribed by regulations of the Federal Reserve Board. Vacancies shall be filled in the same manner. The terms of the members of the committee shall expire at the end of each calendar year, and a person elected to fill a vacancy shall serve for the remainder of the term of his predecessor. The committee shall elect its own chairman. Meetings of the committee shall be held from time to time upon the call of the chairman or upon the call of the Governor of the Federal Reserve Board. Meetings shall be called whenever requested by a majority of members of the

committee or by a majority of the members of the Federal Reserve Board.

"(b) The committee shall consult and advise with, and make recommendations to, the Federal Reserve Board from time to time with regard to the open-market policy of the Federal Reserve System. The committee shall also aid in the execution of open-market policies adopted from time to time by the Federal Reserve Board and shall perform such other duties relating thereto as the Federal Reserve Board may prescribe. The Federal Reserve Board shall consult the committee before making any changes on its own initiative in the open-market policy, in the rates of interest or discount to be charged by the Federal Reserve banks, or in the reserve balances required to be maintained by member banks.

"(c) After consulting with and considering the recommendations of the committee, the Federal Reserve Board, from time to time, shall prescribe the open-market policy of the Federal Reserve System. Each Federal Reserve bank shall purchase or sell obligations of the United States, bankers' acceptances, bills of exchange, and other obligations of the kinds and maturities made eligible for purchase under the provisions of section 14 of this act to such extent and in such manner as may be required by the Federal Reserve Board in order to effectuate the open-market policies adopted by the Board from time to time under the provisions of this section and each Federal Reserve bank shall cooperate fully, in every way, in making such policies effective.

"(d) All transactions of Federal Reserve banks under authority of section 14 of this act shall be subject to such regulations, limitations, and restrictions as the Federal Reserve Board may prescribe."

Mr. HOLLISTER. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. HOLLISTER: Page 51, line 11, strike out all of section 205.

Mr. HOLLISTER. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HOLLISTER. Mr. Chairman, this motion is to strike out all of section 205 and, in my opinion, raises the most important issue that could be presented to the committee this afternoon. It involves the compulsory provision for the participation by Federal Reserve banks in open-market operations.

At the present time there is no way in which Federal Reserve banks may be forced to use their resources in the purchase of Government obligations or any other kind of obligations, and there is no way in which they may be forced to sell such obligations. At the present time it is provided that when an advisory committee makes certain recommendations as to open-market operations, they shall be passed on to the Federal Reserve Board which may or may not approve them; but if approved, the final result is passed on to the various Federal Reserve banks which may then decide whether or not they care to participate.

Now, open-market operations do not necessarily refer to Government bonds. They may also refer to the buying and selling of certain other kinds of obligations, but we generally think of them as dealing with the Government-bond market.

If this bill becomes effective, it will be possible for the Federal Reserve Board, acting by a bare majority of a quorum or by three members, to compel every Federal Reserve bank in the country—all the 12 regional banks—to use their resources in buying Government bonds, and since New York is the place where bonds are customarily bought, these operations will be through the New York Federal Reserve Bank. Thus the New York Federal Reserve Bank will drain the credit resources of the country to New York and they will there be used to acquire Government bonds, or in the event the operation is the other way, they will sell them for the account of the various banks.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. REILLY. Inasmuch as the bill already provides for open-market operations by the Federal Reserve Board, does not the gentleman think it advisable that they should have a chance to confer with the Federal Reserve banks as to what they should do?

Mr. HOLLISTER. I do not understand the gentleman at all.

Mr. REILLY. The bill as now written provides for open-market operations.

Mr. HOLLISTER. Compulsory open-market operations.

Mr. REILLY. By the Federal Reserve Board?

Mr. HOLLISTER. Yes.

Mr. REILLY. Does not the gentleman think it advisable that before they exercise such tremendous powers as the gentleman thinks they have, they should have an opportunity to confer with the representatives of the Federal Reserve banks as to the wisdom of such action?

Mr. HOLLISTER. I think it is very desirable.

Mr. REILLY. Then why does the gentleman want to strike that out of the bill?

Mr. HOLLISTER. The gentleman has completely misunderstood my motion. My motion is to strike out the section entirely which not only strikes out the provisions for the advisory committee but also strikes out the compulsory provisions which require Federal Reserve banks to buy such bonds when they may not want to do so.

Mr. REILLY. Under the law as now written, the Federal Reserve Board can have open-market operations just as provided by the bill.

Mr. HOLLISTER. The gentleman completely misunderstands the law at the present time.

Mr. REILLY. I beg the gentleman's pardon; they have used open-market operations.

Mr. HOLLISTER. If the gentleman will consult the law, he will find that at the present time the only way a Federal Reserve bank enters into open-market operations is at its own desire and its own willingness.

Mr. REILLY. That is true.

Mr. HOLLISTER. And there is no possible way by which a Federal Reserve bank today may be compelled, against its will, to enter into open-market operations.

Mr. FIESINGER rose.

Mr. HOLLISTER. I must decline to yield further, because there is one more point I want to make. If I then have additional time, I shall be pleased to yield to the gentleman.

I want to point out the sinister shadow that lurks behind this authority that is granted the Federal Reserve Board. I want to bring out as clearly as I can to the members of the Committee what it means when Government bonds may be forced on unwilling buyers.

The whole theory of the sale of Government bonds to the investors of the country is that of a free market, the same kind of free market in which private obligations of corporations are sold to investors. The maturity, the taxable situation, and the rate of interest all enter into whether or not a buyer is willing to acquire bonds from the Government. When the time ever comes that the Government is able to force its bonds on unwilling buyers, there is no difference between that situation and the issuing of fiat money. Fiat money, as you all know, is money which has absolutely nothing behind it except a promise, and fiat money is, in a way, a forced loan when it is forced on people who do not want to take it. That is the trouble with greenbacks; it is the trouble with printing-press money which we have discussed so much, because it is forced down the throats of those who do not want to take it. When this happens the value of such money goes steadily down and the cost of living goes proportionately up. I maintain that when the Government is in a position to compel the Federal Reserve banks of the country, against their will, against the wisdom of sound bankers, against the wishes of those who realize what it means—when it is in a position to compel these banks to take such bonds we might just as well face the facts and finance these continuing deficits by the issuance of fiat money, because both are a forced loan.

Mr. Chairman, the one thing which free people have fought since the beginning of time is the forcing of loans down their throats by the government, and if we give this power to the Federal Reserve Board we are giving the power to commandeer the savings of the people for a loan by the Government, which, in ordinary times, they would not be willing to take.

Now, the worst of it is, when we issue printing-press money, fiat money, greenbacks, or whatever you call it, the people know what we are doing—they know that the printing presses are at work. When we are working through machinery of this kind, telling the Federal banks to take bonds which they do not want to take, we are running by one of the great danger signals of inflation, because the people at large do not realize what is happening.

I say that if there is one amendment that should be made to this bill, it is the taking out of this section, taking out the provision which permits the Federal Board to compel Federal banks to take Federal obligations. [Applause.]

Mr. STEAGALL. Mr. Chairman, the law at present provides that the open-market operations of the Federal Reserve System are directed first by an open-markets committee representing 12 Reserve banks. They are the governors of the 12 Federal Reserve banks, and they initiate the policies.

Any plan adopted by the open-market committee must have the approval of the Federal Reserve Board. But there is no power, either in the open-market committee or in the Federal Reserve Board, to require any member bank to carry out any policy that may be inaugurated or promulgated.

The purpose of the provision in the pending bill is to fix this responsibility definitely and to place it in the hands of the Federal Reserve Board, who are the servants of the people of the United States.

Under existing law there is no power to compel any bank to follow any policy, even though it may be approved by 11 Federal Reserve banks and the Federal Reserve Board.

As the law is now, it is within the power of 1 bank to nullify any policy adopted by the other 11 banks and the Federal Reserve Board.

It is a question of whether we shall have policies that affect the welfare of the Nation as a whole determined by the Federal Reserve Board, representing the people of the United States, or a confused authority resting partly in the hands of the bankers and partly in the Federal Reserve Board, without the power to put it in execution, and leave it in the power of 1 Federal Reserve bank to nullify the action of the Federal Reserve Board and 11 other Federal Reserve banks.

Mr. WHITE. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. WHITE. There is some confusion as to the powers of the open-market committee?

Mr. STEAGALL. The Federal Reserve Board controls discount rates. Under the pending bill the Board would be given power to control the purchase of securities in the open market on the lowering or raising of reserve requirements.

Mr. FIESINGER. And in the set-up of this machinery it puts no injunction on the buying of specific securities?

Mr. STEAGALL. Absolutely not.

Mr. FIESINGER. And they can buy and sell as much as they see fit?

Mr. STEAGALL. Yes; so long as Federal Reserve notes are protected by 40 percent of gold certificates.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. REED of New York. Mr. Chairman, I will preface these remarks by quoting George Washington on the subject of public credit. He said, in part:

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible. * * *

The Roosevelt administration disregarding this wise admonition has done, and is now doing, everything within its power to appropriate and to utilize the savings of those who have been thrifty and frugal to finance the colossal spending program of the Government.

Under title II, section 205, of the banking bill before us, the administration is given full power to compel the banks to absorb Government printing-press bonds to meet the ever-mounting deficit of the new deal's spending program. There is the further power under the provisions of the bill to enable the administration to coerce the banks to issue notes to the full amount of whatever debts the new deal may create.

Before I venture to speak in defense of the rights of some 25,000,000 persons, who have been the backbone of this Nation in every crisis, I shall cite an authority to justify a Representative in Congress in offering constructive criticism with reference to the pending legislation. Woodrow Wilson in his work on constitutional government has this to say:

It is plain that parliaments, that representative bodies free to criticize not only but acting with independence, uttering the voice of those who are governed and enjoying such authority as no king or president or officer of any kind may gainsay, constitute an indispensable part of the institutional make-up of a constitutional government.

A voice in behalf of the industrious, temperate, thrifty citizens who have sacrificed, saved, and invested their money as a protection against sickness and old age is seldom raised on the floor of this House. It was to this class of citizens to whom the Government appealed to buy liberty bonds to finance the World War.

The Government urged these good, substantial, enterprising citizens, millions of whom were wage earners and tillers of the soil, to buy bonds until it hurt. They did so. Under the new deal the resources of this group have been raided and the Government's promises to them repudiated.

The revolutionary, socialistic regime now formulating and directing the fiscal affairs of the United States Government asks for power under title II of this bill to set up a financial guillotine to decapitate the middle-class capitalists. This proscribed class comprises the thrifty and frugal men and women who have toiled and sacrificed and saved that they might invest in United States bonds, in life insurance, in small annuities, in farm mortgages, with the hope of a return on their investments to partially protect them from want during their old age.

Now, it is proposed to raid the resources of these thrifty individuals by a resort to printing-press bonds, a scheme more subtle and less alarming but just as devastating in its results as to attempt to achieve the same result by means of printing-press money.

It is a piece of trickery and fraud upon the public that is reprehensible and indefensible on the part of a responsible Government.

Let me be more specific as to what this legislation portends. The purpose under this bill is to create a politically controlled, manipulated, and dominated central bank, to provide for unlimited credit inflation. Is there necessity for it? Every member of this House knows that credit has been expanding and is now expanding more rapidly than business. The Federal Reserve reports tell the story. Bank deposits are now increasing at an alarming rate. I say alarming advisedly, for every Member here knows that this increase comes from the Budget deficit financing of this administration. We all know that the larger our Government deficit, the greater will be the possible credit expansion.

The speculative dikes under this ever-increasing pressure must eventually break; then the deluge! When this happens, as it surely will, the purchasing value of the dollar will begin to diminish and it will continue to do so until it strips the very hide off the wage earner, the depositor, the bondholder, the annuitant, the pensioner, those with a fixed salary.

Why ignore the mistakes of the past, both in this country and in foreign countries, where, time and again, inflation has produced poverty among the toiling masses? There are 25,000,000 forgotten men and women who are to be plundered under the provisions of this bill unless there is an immediate return to legislative sanity. Of this number, there are 13,000,000 frugal and thrifty people who have earned and saved and deposited in mutual-savings banks approximately \$10,000,000,000.

Two and one-third millions of men and women have earned and saved enough to enable them to deposit in our postal savings banks \$1,200,000,000.

Ten million wage earners have become members of building-and-loan associations.

The purchasing power of the accumulated savings of this group of middle class citizens will be sacrificed under the in-

flationary powers which it is proposed to give to a crew of political spenders. The citizens who have labored long hours to earn and save enough to pay for a home, educate their children, support the social and civic activities in the community in which they live do not count with the socialistic "new dealers." This class of dependable citizens has not been found useful to the political-minded members of this administration, because they are a type that refuses to be herded at the polls and voted in mass.

The American people, especially the energetic, thrifty, and law abiding are being ground down and crushed between two powerful forces, those who are planning a system of State socialism, and those who plan to exploit the taxpayers for political plunder and control. An eminent psychologist who has studied the revolutionary movements of the Socialists throughout the world has classified the men and women who invariably assume active leadership in the destruction of constitutional government. He enumerates them as—

Social failures, misunderstood geniuses, lawyers without clients, writers without readers, doctors without patients, professors ill-paid, graduates without employment, clerks whose employers disdain them for their insufficiency, puffed-up university instructors—these are the natural adepts of socialism.

It is to individuals of this character to whom the administration has surrendered some of the more important functions of government. Step by step, under the leadership of this heterodox conglomerate group the credit of the United States has steadily declined. I say heterodox because heretofore the opinions of such men as Washington, Jefferson, and Lincoln, and many other great statesmen of the past, have not been without weight.

Do the provisions of this inflationary measure, the provisions of which authorize a program of unlimited spending, harmonize with the advice given by Washington in his farewell address? The new-deal plunderers will not listen, but is it not time for the representatives of the people to give heed? Here is what Washington said:

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible; avoiding occasions of expense by cultivating peace, by remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate.

[Applause.]

Mr. WOLCOTT. Mr. Chairman, it was this particular section of the bill that I had reference to the other day when I called attention to the fact that the power is given the Federal Reserve Board to force the Federal Reserve banks to take unlimited issues of Government obligations against their will. That might not seem on the face of it to be too serious a situation, except that later on we provide that this same Board determines the monetary policy of the Government. Formerly there were eight different kinds of money. There were gold coin and gold certificates and silver coin and silver certificates and United States bank notes, known as "greenbacks", Federal Reserve bank notes and Federal Reserve notes and national bank notes, but under present policies we are going to have only three different kinds of currency. We are going to have subsidiary coin, the kind that you carry in your pocket, and we are going to have silver certificates, and we are going to have Federal Reserve notes. The Treasury the other day deflated the currency by \$600,000,000 by calling in the consols and the Panamas. So it is going to be necessary if they bring the total amount of money outstanding up to \$5,600,000,000, where it was when they started, to issue \$600,000,000 of Federal Reserve notes. That brings us to the question which has been raised so often on the floor—whether it is advisable to issue currency of the United States by private banks with interest-bearing Government bonds securing those issues. I cannot see for the life of me where anybody gets very much satisfaction in this bill which centralizes control under

a private institution and turns over to that private institution the prerogatives and authority of Congress under the Constitution to coin money and regulate the value of it. The thing that we have done in that direction apparently, if this bill is passed, is to substitute about \$600,000,000 of 2-percent consols and Panamas for 2½- to 3½-percent interest-bearing bonds, which brings me to the thing I wanted to call attention to this afternoon. We not only turn the currency-creating power over to a private institution, but we also make that private institution the fiscal agent of the United States, to sell its bonds, so that the currency and the national debt are brought into such close relationship that as the national debt goes up or comes down, there will be a like fluctuation in the value of our money. That is not conducive to stability, that is not conducive to confidence.

I do not like to get into personalities, but I call attention to a statement made before the committee by the Governor of the Federal Reserve Board with respect to the national debt. He said he was not afraid of a forty-billion debt. In our committee 2 years ago a Senator appearing before the committee was asked the question, "How far can we go in issuing bonds before the credit of the United States will be seriously affected." He said he could not speak for himself, but that the financial advisers of his committee in the Senate had told him that we could go up to about \$35,000,000,000.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for 3 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOLCOTT. Two years ago we could go up to \$35,000,000,000 without seriously impairing the credit of the United States. The whole situation has changed. As we approach \$35,000,000,000 everybody considers that his property is worth ever so much more than it was before, just as the church property in France went up 500,000,000 assignats over night, preceeding the inflation in France, and so the wealth of the Nation has gone up during this last year to the extent that the Governor of the Federal Reserve Board says that \$40,000,000,000 will not seriously affect our credit.

Mr. Chairman, those are the successive steps which have always been taken by every country which has experienced pernicious inflation, and that is where we are headed. This bill will bring the money-creating power into close affiliation with the national debt under a head which seriously believes that \$40,000,000,000 of national obligations is not a serious question. In view of the fact that we may have a national debt of \$40,000,000,000 and that there is another \$16,000,000,000 of internal municipal debt, which makes a total debt of about \$56,000,000,000, is it not foolish to assume that the credit of the United States might not be seriously affected? Then, if in the judgment of this Board it is found necessary to adopt another suggestion whereby, behind all the deposits in our banks which will aggregate possibly forty billion, there should be 100 percent of reserves either in Government bonds or currency, we will print a potential twenty billions of currency. These billions must be in the form of Federal Reserve notes and will be secured by the interest-bearing bonds of the Government.

I think, before we vote for this bill and give this power to any politicalized body, we should recognize just where we are going. If you know where you are going, then of course the responsibility is yours, because on the Republican side, we believe in sound currency and in sound credit for the Government, and we, frankly and politically, just expect you to go along as you always have, tinkering with the currency, destroying credit, and destroying the only thing upon which we can build prosperity. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLCOTT] has expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, when the committee goes back into the House, I think the gentleman from Ohio [Mr. HOLLISTER] will offer a motion to recommit the bill, and I presume he will

move the previous question on his motion. If the previous question carries, the only thing we can vote upon will be the motion to recommit offered by Mr. HOLLISTER. If the previous question does not carry, I will offer an amendment to the motion to recommit, which will read as follows:

Amendment to the motion to recommit offered by Mr. HOLLISTER offered by Mr. GOLDSBOROUGH: Strike out all the language of the motion to recommit and insert the following:

On page 51, strike out everything from lines 4 to 10, inclusive, and in lieu thereof insert the following:

"(c) It is hereby declared to be the policy of the United States that the average purchasing power of the dollar as ascertained by the Department of Labor in the wholesale commodity markets for the period covering the years 1921 to 1929, inclusive, shall be promptly restored; and that after such restoration shall have been achieved, the purchasing power of the dollar shall be maintained substantially stable in relation to a suitable index of basic commodity prices which the Federal Reserve Board shall cause to be compiled and published in complete detail at weekly intervals.

"The Federal Reserve Board, the Federal Reserve banks, and the Secretary of the Treasury are hereby charged with the duty of making effective this policy. To this end it shall be the duty of the Secretary of the Treasury to establish or cause to be established in the United States a free and open market in which gold and silver may be bought and sold for use, investment, or trade, and to determine, without limitations, and with the advice of the Federal Reserve Board, the amounts and the prices at which the Treasury shall buy and sell gold and silver; and report the bill back immediately as so amended."

This is the amendment I offered this afternoon and which failed to carry by a vote of 128 to 122.

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

I cannot add much to what the gentleman from Ohio [Mr. HOLLISTER] has said with reference to striking out the section relating to open-market operations. I would like to take the time to read what a former Member of this House, Mr. Lewis W. Douglas, has said recently, if I felt that it would at all bring us to our senses. I would like to read again what I put into the RECORD last week, when I stated that the sponsors must believe that the necessities brought about by the \$4,800,000,000 appropriation require the passage of this legislation at this session.

Now, the hidden thing in all of this is the need of passing it, although the advocates of this legislation publicly say it is not necessary right now. If it is not necessary, why pass this title II and frighten the people and the banks more and more? If the necessities of the hour do demand it, I might vote with you, as I voted with you on the Goldsborough amendment a year or two ago, when the credit of our Government needed that particular type of assistance; but you deny that it is necessary to pass this at this moment. Your hidden belief, I think, is, in fact, that you think it is necessary and you are trying to put it through under the cover of title I and title III. Let us come out in the open and confess the real reason for this insistence that it be enacted at this session.

Many of the banks today do not dare acknowledge that they cannot pay dividends on the preferred stock now owned by the R. F. C. The banks are helpless in daring to suggest their opposition. They do not wish to acknowledge to their depositors that 44 percent of their assets, their money, is invested in United States securities. The Government is taking your money, just as surely and as swiftly as they took it by the gold seizure, only it is doing it by another method. In addition, there are \$18,000,000,000 of community and municipal debts that are held largely by the banks. How much more can our banks absorb and still keep in sound condition? If United States bonds do go down again to 80, their very capital assets would be in grave danger.

Mr. MCFARLANE. Will the gentleman yield?

Mr. GIFFORD. No. I only have a minute more. Is it any comfort to them to be told, "Bring in your bonds and we will print United States notes and give you in exchange for them; you can always get notes for your bonds under title II"? But the indebtedness of the Government still goes merrily on and up! If you pass the rest of title II, you can bring in any sound asset, together with the bonds already taken, so they can be forced to reloan to the Government. It is as though they loaned me \$100,000 and took my note.

Then I wanted another \$100,000. They would take my note and discount it and give me another \$100,000. I want still another \$100,000, and they again take my note and discount it a third or fourth time, no matter whether I have expectation of making repayment or not. That is the position you are placing your Government in. No matter how much your Government owes, bring in the bond and we will give you new money to reloan the Government and you will have to do it—as the gentleman from Ohio [Mr. HOLLISTER] pointed out—whether you like to do it or not.

I again urge you to read what Lewis W. Douglas has repeatedly stated during the past few months relative to this grave danger of Government spending. You will not believe me. Maybe you will believe him.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. HOLLISTER].

The question was taken; and on a division (demanded by Mr. HOLLISTER) there were—ayes 51, noes 63.

Mr. HOLLISTER. Mr. Chairman, I ask for tellers.

Tellers were ordered; and the Chair appointed Mr. HOLLISTER and Mr. STEAGALL as tellers.

The Committee again divided; and the tellers reported there were—ayes 53, noes 83.

So the amendment was rejected.

Mr. HANCOCK of North Carolina. Mr. Chairman, I ask unanimous consent to insert in the RECORD at this point an amendment which I will propose tomorrow and ask unanimous consent to have considered.

Mr. STEAGALL. The gentleman does not ask consent to have it considered now?

Mr. HANCOCK of North Carolina. I do not.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The matter referred to follows:

Amendment by Mr. HANCOCK of North Carolina: On page 43, after the colon in line 13, insert the following new paragraph:

"(1) No State nonmember bank, other than (a) a mutual savings bank or (b) a Morris plan bank or (c) a bank located in the Territories of Hawaii or Alaska, shall become or continue an insured bank after July 1, 1938, and the insured status and insurance of the deposits of each State nonmember bank, other than (a) a mutual savings bank or (b) a Morris plan bank or (c) a bank located in the Territories of Hawaii or Alaska, shall terminate on July 1, 1938."

Amend further by striking out the figure "(1)" and insert in lieu thereof the figure "(2)."

The Clerk read as follows:

Sec. 206. Section 13 of the Federal Reserve Act, as amended, is further amended by adding at the end thereof a new paragraph reading as follows:

"Notwithstanding any other provision of law, upon the endorsement of any member bank, which shall be deemed a waiver of demand, notice and protest as to its own endorsement exclusively, and subject to such regulations as to maturities and other matters as the Federal Reserve Board may prescribe, any Federal Reserve bank may discount any commercial, agricultural, or industrial paper and may make advances to any such member bank on its promissory notes secured by any sound assets of such member bank."

Mr. STEAGALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WOODRUM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 7617, the Banking Act of 1935, had come to no resolution thereon.

WHITE HOUSE PRESS CONFERENCES

The SPEAKER laid before the House the following communication from the President of the United States:

THE WHITE HOUSE,
Washington, May 8, 1935.

MY DEAR MR. SPEAKER: I wish very much that you would thank the House of Representatives, and Congressman JOHN MARTIN of Colorado in particular, for the opportunity given

me in House Resolution 212 to transmit the transcript of my conference with the press wherein I spoke of the historic attitude of certain types of business organizations toward legislative proposals which have been introduced in the Congress of the United States and in many State legislatures during the last 20 years or more. I do appreciate this opportunity.

I do not believe, however, that it would be advisable for me to create the precedent of sending to the Congress for documentary use the text of remarks I make at the bi-weekly conferences with the newspaper representatives here in Washington.

It is my desire that these conferences should be continued on the free and open basis which I have endeavored to maintain at all times. To create the precedent of permitting questions and answers which come up at a press conference to be transcribed and printed in the CONGRESSIONAL RECORD or other official documents would mean that I no longer would feel like speaking extemporaneously and informally, as is my habit, and it would bring to me a consciousness of restraint as well as a necessity for constant preparation of my remarks. The simple truth is that I do not have the time to give to such preparation for a press conference.

I much prefer to continue the conferences in the free and informal fashion. The newspapermen, except where particular permission is given, do not directly quote the statements I make to them. They do, however, use them in substance, and the press reports generally published following the conference of Friday, May 3 last, present an accurate record of the statements I made at that time. As a matter of fact, there would be little difference between the transcript of this conference and the published reports except that one would be in the nature of a direct quotation and the other would be indirect.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

HON. JOSEPH W. BYRNS,

Speaker of the House of Representatives,

Washington, D. C.

HOW P. W. A. HANDLES LOANS AND GRANTS FOR MUNICIPAL PROJECTS

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein certain letters and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Speaker, a careful reading and analysis of several scores of letters received from municipal officials and others interested in applications made to the P. W. A. for loans and grants to assist in establishing or extending municipal projects of various kinds reveals the following interesting and significant facts:

I. OBSTACLES ENCOUNTERED

As shown in the complete report on the applications for grants and loans which was read into the CONGRESSIONAL RECORD of April 29, 1935, under the caption, "Power Plant Projects, the P. W. A. and the Power Trust", pages 6155-6162, very few of the municipalities applying for Federal loans and grants have received any money. However, it must be noted, and the letters received indicate that in many cases the failure of these loans and grants is due to no fault of the P. W. A., but to other matters over which it has no control. It should also be noted that the records show:

First. That in a few cases at least municipalities have received the grants and completed their plants or extensions, as, for example, an extension at Fort Morgan, Colo.; a complete plant at Columbia, Mo.; another at Pawnee, Okla.; one at Culpeper, Va.; and a plant nearing completion at Chambersburg, Pa.

Second. The record also shows that in several cases the cities' financial conditions were such that they could not give adequate security; and, again,

Third. In many cases the State laws made the proposed loans and grants impossible, and in this case much credit is due the P. W. A. for an outstanding service rendered in this connection. The Legal Department of the P. W. A. prepared proposed copies of needed enabling legislation, which was forwarded to the State officials to assist them in amending, repealing, or adding to their statutes so as to facilitate the municipal projects; and, finally, it should be noted that—

Fourth. In many cases where projects were under way the opposing private utility companies have interjected court actions of various kinds, and thus tied up the procedure. It would seem that this method of opposition on the part of the private utilities is practically universal and persistent.

II. THE GENERAL SITUATION

With the above matters in mind, it still remains a fact that, speaking generally, very few municipalities that have applied for loans and grants have received any money. At most, it would seem only five or six have been successful, and they are in comparatively small places, or comparatively unimportant extensions and improvements. Outside of allotments for municipal water works and one or two non-Federal district power systems, the municipalities have received very little assistance, so little, indeed, as to be insignificant. As shown in the CONGRESSIONAL RECORD of April 29, above referred to—

Out of several hundred applications filed, totaling more than \$612,935,380, only \$3,292,100—not taking into consideration \$20,482,000 allotted for water power—had thus far been completed or under construction.

The details of the report submitted by the Federal Works Administration are given in the report above referred to.

Owen C. Donley, city attorney of Elk Point, S. Dak., writing on this point says:

It will be of interest to you to know that in the States of Montana, North Dakota, and South Dakota the Electric Power Board of Review, to March 19, 1935, has allotted the aggregate amount of \$600,000 for non-Federal electric-power projects; that in these States the following number of applications were made for grants for non-Federal electric-power projects, namely, North Dakota, 8; Montana, 3; South Dakota, 3.

It is further significant and somewhat surprising to find that in some of the cases where the municipalities have actually received their money and built their plants there has been serious complaint and dissatisfaction, as will be shown below. In other cases where allotments have been made and the works have been completed, it is surprising to find that the money which the P. W. A. has agreed to pay and has obligated itself to do so, has up to date not been received by the municipalities, which has compelled them to advance the money in whatever ways they can from their own sources, awaiting the delayed action on the part of the P. W. A. This will be explained below.

III. SOME TYPICAL CASES

Before giving the details of the letters submitted I present below some typical instances of the way the applications for municipal loans and grants for light and power projects have been handled.

First. Seattle, Wash.: A letter from J. D. Ross, superintendent of the department of lighting of the city of Seattle, dated May 3, 1935, reads in part, as follows:

We were the first municipality in the United States to present our application to the P. W. A. for funds wherewith we might complete our Diablo plant, construct our office building in Seattle, build a transmission line and a large substation, clear the Ruby Basin on the Skagit River, and construct the Ruby Dam. In this application I offered to put to work 3,600 men for 3 years, * * * using a greater proportion of labor to material than prevails in the large bulk structures that are now being built by the Federal Government. Practically all of the material would have been manufactured within this area also, so that the recurring benefit of every dollar expended would have been more wide-spread in this area than any other dollar expenditure that I know of, here or elsewhere.

While I pursued this quest for funds very diligently for a year and a half, I was given an answer of neither "yes" nor "no", although it did come to my knowledge that the request would not be granted because the city of Seattle was in competition with a private power company.

I was told that Washington's allotment of funds had already been placed. This was done on the Grand Coulee project, where, during the early months of its construction, it was announced that residents from outside of the immediate area of the dam would not be eligible for work until those close by had been placed. This meant that for many months no one from Puget Sound area could obtain work on the Grand Coulee project. Even now, when the gates are open to them, it is such a distance away and such poor provisions are made for family housing that there are few who can break their family ties to go over there, even though it were economically feasible for them to do so on the small pay offered.

As evidence of the soundness of what we requested, I was able, over a year ago, to negotiate a \$5,000,000 loan on Wall Street for doing the very things that the Federal Government would not assist us in doing because we were in competition with a private concern. The negotiation for this loan was carried on during the time and in the very face of the Federal Government's negative treatment of our application to them.

We are now rushing to completion our Diablo power house, and in a few months will have completed our office building. * * * The refusal from the Government was withheld through the year 1933 though it was the first of all in America. And the refusal was withheld through 1934, and so timed as to reach me on primary election day in November.

Second. Fort Collins, Colo.: Letters from Earl Douglass, commissioner of finance and ex-officio city treasurer of Fort Collins, and supplemental letters from the attorney for the city in this case indicate the following: The city of Fort Collins made its application for a loan and grant early in the period and at first secured an allotment. Later, however, the Public Service Co. offered vigorous and sustained opposition and launched several court actions against the city and the P. W. A. to prevent the loan and grant and finally succeeded in forcing an election on the subject. During this controversy—

The Public Service Co. of Colorado, being beaten in court, went to Washington and appeared before the Board of Review, stating that they were offering a cut in rates of 15 percent to Fort Collins, and so there was no use of the city building a plant. Mr. Hunt, without checking with the city's engineers as to whether the proposed cut was actually a 15-percent cut or not (it figures about 7.4 percent), and without a hearing from our side of the case, decided that our project was socially undesirable and wanted us to show why the project should not be dropped unless we could further reduce rates another 15 percent.

In the course of this controversy there appeared in the Express-Courier of Fort Collins a full one-third page ad with large display head:

United States Government states Fort Collins municipal plant "undesirable."

This claim on the part of the opponents of the municipal plant caused the city commissioners of the city of Fort Collins to publish an equally large display ad in the Monday, March 11, issue of the Express-Courier, in which they published in full the letter of Henry T. Hunt, chairman for the Administrator, in order to make clear to the people the position of the city commissioners and of the city in general on this particular matter. This letter of Mr. Hunt, as published in the Express-Courier, above mentioned, was dated November 9, 1934, and included, among other things, the following:

The Public Service Co. of Colorado has offered to put into effect the attached rate schedule, which is lower than that contemplated by the municipal system, and offers also to meet the expenses which the city has incurred in connection with the project. (Our italics.) We have concluded that unless the municipality agrees to put into effect rates at least 15 percent lower than those proposed by the company the project will lack social desirability (our italics) and will be inconsistent with the policy declared by the Administrator and approved by the President.

The ad of the city commissioners and city attorney then goes on to explain that—

The rates submitted to the P. W. A. in the statement by the city and referred to in Mr. Hunt's letter were the rates of the Public Service Co. in effect September 30, 1933, in Fort Collins, and not the proposed rates for the municipal light and power system. * * * The conference between Mr. Hunt and Messrs. Board and Bryans referred to in the above letter was without the knowledge of the city and for the sole purpose of interfering between the P. W. A. and the city so that the city would lose the \$75,000 gift from the Government and could not sell its bonds at 4 percent. * * * The city council proceeded no further with Mr. Hunt, of the P. W. A. board of review, but took the matter up directly with Secretary Ickes, head of the entire P. W. A. * * * We did not feel justified at that time in carrying on negotiations with Mr. Hunt after he had held a secret conference

with representatives of the Public Service Co. when the city had on April 10, 1934, signed a contract with the Government for a gift to the city of \$75,000 and to purchase our 4-percent revenue bonds at par.

It is interesting to note that in his letter to the State engineer published in the ad, as mentioned above, Mr. Hunt points out, after insisting that the city must reduce its rates 15 percent to meet the competition of the private company, that—

The rates effected by the municipal plant must, of course, provide sufficient revenue to cover operating expenses and debt service with a reasonable margin of safety.

And he then adds a little later on:

It appears very doubtful whether with the reduced rates the loan will be reasonably secured on the basis of a 15-year loan period, and we are, therefore, prepared to consider the loan on a 20-year basis if the applicant so wishes.

Commissioner Earl Douglass, in his letter, further states:

Like so many of these P. W. A. cases, the Colorado Public Service Co. has served an injunction in the Federal court preventing Mr. Ickes from loaning us the money. So until the P. W. A. set-up is determined in the supreme court, I doubt whether anything can be done. Meanwhile, we are already financed by private capital.

A letter from Herbert A. Alpert, writing at the request of Prof. Earl Douglass, explains that in view of the cases bought by the private power company against the P. W. A. and the city—

The city considered it better to sell its bonds to private dealers. So on April 19 it completed a deal whereby its entire bond issue of 4½-percent revenue bonds were sold to Brown, Schlessman, Owen & Co., of Denver, Colo., for \$96.81. * * * On April 20 the city deposited in court, in connection with the condemnation suit, the sum of \$216,569.56 in full payment of the award of the jury, and the court thereupon entered a rule giving the city title to the distribution system. Immediately after this award was paid into court the Public Service Co. filed an application in the supreme court for a stay of all proceedings pending its decision in a taxpayers' suit previously brought to enjoin the city from constructing its project and which had been decided adversely to it in the lower court. * * * On April 23 the application of the company in the taxpayers' suit before the supreme court for temporary stay was denied by the supreme court in a 4 to 3 ruling. On April 25 the city commenced reading meters, and completed the reading of meters the following day, and at the same time notified all consumers that they were now purchasing their energy from the city. * * * The city has prevailed in all litigation to date, and although two of the cases are now pending in the supreme court and there is a possibility that the writ of certiorari if denied in the district court will also be appealed, the city officials do not feel that there will be any reversal in the supreme court.

Augusta, Ga.: A memorandum submitted by engineers for the Augusta Canal Commission and a supporting letter under date of March 14, 1935, is as follows:

The original application for P. W. A. funds for this project was made September 28, 1933. A loan and grant of \$2,500,000 was asked for the construction of a hydroelectric plant and a Diesel engine plant to be located on the banks of the Augusta Canal near Raes Creek. * * * The vice president of the Georgia Power Co. claimed that the project was financially unsound and morally wrong in that it competed with the Georgia Power Co. * * * On the strength of these assertions, the board of review, without considering the city's situation in the matter, arbitrarily cut the loan and grant from \$2,500,000 to \$1,250,000 and ordered the city and the Georgia Power Co. to get together on an agreement to firm the power of the project. * * * When this amended application reached Washington, it was referred to the newly created Power Board of Review, headed by Mr. Henry Hunt, who soon after called a conference of the canal commission and officials of the Georgia Power Co. Mr. Hunt entirely ignored the suggestions of the Engineering Department of the P. W. A. on which the amended application had been based, and insisted that the Augusta Canal Commission must again open up negotiations with the Georgia Power Co. for stand-by power and for sale of dump power.

Writing to the Augusta Canal Commission, Mr. Henry T. Hunt, among other things, said:

Only the Georgia Power Co. is in a position to deliver necessary supplemental power. The officers of the company are reluctant, of course, to sell power to be utilized to compete with their company. The commission has proposed a power exchange agreement; * * * however, has not limited resale in such a manner as to protect the company's interest.

Mr. Hunt then suggests a basis upon which the negotiation between the company and the commission should proceed, and in this connection insists:

None of the commission's power, whether generated or purchased, shall be used to supply others than consumers who now have or may obtain, under existing conditions, the right to use canal water as a power source. (Italics mine.)

This Mr. Hunt designates as "an appropriate limitation of the commission's market." Further in Mr. Hunt's letter he insists that—

The period of the settlement should not be less than 20 years. (Italics mine.) * * * This Board is firmly of the opinion that the bonds of the commission issued * * * could not be serviced by its prospective revenues, as the load in the city of Augusta would be subject to competition from the Georgia Power Co., and furthermore that the Georgia Power Co. could and would make rates lower than those possible to the commission.

He then makes the point that since the commission is unwilling to negotiate on the basis suggested—

This Board has no other course before it than to recommend to the Administrator that the application be denied.

The report of the engineers, in reviewing the situation, says in conclusion:

The Augusta Canal Commission feels that it has always been placed in a disadvantageous position by the officials of the P. W. A. In the first place, the Board of Review forced the canal commission to negotiate with the Georgia Power Co. under a condition whereby it was impossible for the commission to carry out its project. * * * Again, before the Electric Power Board of Review in the latter part of 1934, the Augusta Canal Commission was placed in the same position of disadvantage in their negotiations with the Georgia Power Co.

The Augusta project is one of the oldest municipal power canals in the United States. It has been in successful operation for over 90 years. The plan for developing power on the canal has been under consideration for many years, and was blocked first by Harvey Couch, before the P. W. A. was established. The present negotiations have been going on now for a period of over 3½ years, and at present seem to be still in abeyance.

Fourth. Auburn, N. Y.: A letter from Kirk Bowen, mayor of Auburn, containing a copy of a letter addressed to Secretary Ickes, of the P. W. A., gives us the following information:

The original application made by the city of Auburn was for a municipal light and power plant to supply street lighting and other public purposes only. Later, however, after the enabling legislation passed by the State of New York made it possible for the city to legally proceed with a complete plant for supplying the entire city, a letter received by Mayor Bowen from Henry T. Hunt, chairman, and acting for the administrator, written under date of November 26, 1934, insisted that there should be added to the city's estimate—

\$5,150 for fixed charges on existing equipment and \$7,000 for loss of taxes paid by the company, a total of \$71,260, as against a cost of \$50,000 if the offer of the Empire Gas & Electric Co. is accepted. (Italics mine.)

The letter then goes on to say:

It is not the policy of this Administration to finance municipal electric systems which do not provide service at a lower cost than the cost of obtaining service from the utility company serving the city. It is suggested, therefore, that the city of Auburn accept the company's offer, thus enabling this Administration to utilize the allotment in situations providing the necessary social desirability.

In reply to this letter of Mr. Hunt, Mayor Bowen wrote direct to Secretary Ickes, in which he said:

After receipt of this communication the city took no further official steps to secure loan and grant, because on advice of your own engineers the project was economically unsound in view of the drastic reduction offered by the company. However, having been so successful in securing lower electric rates for municipal purposes, the city council decided to proceed under chapter 281 of the New York State Laws of 1934 and voted unanimously to investigate the feasibility of constructing a larger plant to serve all consumers of electricity within the city who desired such service. A careful engineering analysis indicates such a plant, on a self-liquidating basis, can reduce present exorbitant residential rates approximately 30 percent, and a bond election on this project has been called for April 18.

On February 28, after the date had been set for a referendum on the large plant and system, we received a loan and grant agreement executed by you on the original project, previously declared economically unsound by the Electric Power Board of Review. Opponents of municipal ownership now advocate original plan and are using this Federal approval of small plant as their prime argument against referendum on large plant. We

would welcome Federal investigation of this situation, as entirely against your knowledge, your department is being used to further the selfish interests of the private utility company.

The matter went to referendum vote and was defeated, with the opposition using the argument supplied by the P. W. A. as indicated above.

IV. TYPICAL LETTERS AND FEATURES

First. Competitive plants are not favored by the P. W. A.: As indicated by some of the typical letters received and quoted above, there seems to have been a pretty well-settled policy on the part of the P. W. A. not to grant, or at least not to favor municipal projects where they were in competition with existing private plants. For example, T. E. Thompson, city manager of Shawnee, Okla., writes:

Two objections are made to our project. One is that they claim our percentage of bonded indebtedness is too high, and, secondly, that we would run in competition with the Oklahoma Gas & Electric Co.

Again, in the case of Fort Worth, Tex., Jerome C. Martin, city councilman, writes, under date of May 4, 1935, that their project was disproved—

Because the plant was not of sufficient capacity to furnish everyone in the city with electric power, and, furthermore, because it was a competitive system. (Italics mine.)

Further, in a letter by A. M. Ferebee, written for the Administrator, under date of February 27, 1935, the statement is made that the application was rejected, for—

It is further noted that the project would be competitive—

And so forth.

Similarly, in the case of Augusta, as above stated, objection was raised on the part of the P. W. A. because the project there would be "subject to competition from the Georgia Power Co.," and so forth.

Second. Companies given opportunity to underbid municipal plants, in which case grants were withheld: The way this operates has been mentioned above in connection with the Fort Collins, Colo., case. Also, in the case of Auburn, N. Y., we have referred to the statement by Henry T. Hunt, for the Administrator, to Mayor Kirk Bowen, in which it is stated:

It is not the policy of this Administration to finance municipal electric systems which do not provide service at a lower cost than the cost of obtaining service from the utility company serving the city.

Third. Those receiving grants dissatisfied: The correspondence received indicates that even in the case of at least some of the cities that have actually received grants there has been considerable dissatisfaction because of the way matters have been handled. This is particularly true in the case of Culpeper, Va. Mr. V. Von Gemmingen, town manager, writes:

Our application was one of the first filed in the State. About September 15, 1933, this project was reported favorably to the P. W. A. in Washington. Our first trouble seemed to be there, and it hung there indefinitely. It necessitated my making several trips each week to Washington to try to dislodge this jam. Finally, on November 10, 1933, our application was approved, and on December 20, 1933, a lapse of 40 days, the bond contract was signed. The town of Culpeper had drawn its plans and specifications, which were approved by the P. W. A., and duly advertised same. After making a study of the different Diesel engines, the town decided that they wished to install the V-G Moden De La Vergne engine; the bid on this was not the lowest, and for this reason the P. W. A. in Richmond refused to allow us to buy this engine. * * * After making repeated trips to Washington, the officials there notified the P. W. A. in Richmond that if we wished to buy the De La Vergne engines we could do so. Later we received a letter from the P. W. A. in Richmond apprising us of the fact that we could buy the De La Vergne engines, but sent a representative to Culpeper to appear before the council and to try to persuade the council to buy a cheaper make of engine.

Mr. Von Gemmingen further complains about the way the inspection was handled. He writes:

When construction was started a Federal inspector was sent to Culpeper who proved that he was not capable of handling the work in accordance with rules and regulations of the P. W. A.

The complaint here is that the inspector did not advise the city that the final grant could not be made until certain compliance certificates had been filed from the vendors of

machinery, tools, and equipment, and so forth; that as a result a great deal of extra work and expense was incurred in assembling this information after the contractors had finished their work and left town. He also complains that the payments on the allotments were not made. He says:

This work was begun the winter of 1934, and on May 2, 1935, we have yet to receive final payment from Washington. (Italics mine.) * * * In our plant the unwarranted delay caused by the P. W. A. cost the town of Culpeper a financial loss in excess of \$27,000 gross revenue, to say nothing of this extra cost added to the bids by the contractors, the immense amount of office work, and red tape incurred by restrictions and rules of the P. W. A. * * *

As you are aware, such projects are duly advertised and let to contractors. The contractors have completed their work and these contractors, under our approved contract, were due final payment 4 months ago. On account of not securing the final grant as set forth in our bond contract, we are unable to settle with these contractors and it has worked a hardship on the contractors having to wait for such a long period for settlement. We are today advertising for bids for the construction of a sewerage-disposal plant. However, after our experience with P. W. A. projects we have found it unwise to consider this work under the P. W. A. and will have to build same under regular contract. * * *

I think that you can plainly see from the predicament that the town of Culpeper was left in that we are justified in our decision to fight shy of any and all propositions presented to us by any agent of the Federal Government. * * * Taking all matters into consideration—innumerable delays, red tape, and additional office work have been a source of great expense and trouble—the 30-percent grant as allowed by the P. W. A. on such projects does not compensate the town or any political subdivision to enter into any agreement with the P. W. A.

Fourth. Costly delays: The correspondents complain in many cases of long and costly delays. We have above cited the case of Culpeper. T. E. Thompson, city manager of Shawnee, Okla., writes that—

Application filed 18 months ago was held up in the Oklahoma City office of the P. W. A. some 8 or 10 months and finally sent to Washington.

In the case of New London, Mo., Mr. J. R. Leavy, secretary of the Municipal Light League, complains that the delays in their case were so long that the matter—

Was stopped due to the fact that the Federal Government ceased accepting applications before any deal was consummated regarding their plans.

Frank E. Trobaugh, of West Frankfort, Ill., speaking of their case, says:

The application is dragging in the Department at Washington. It has been there for over a year and is still pending.

D. S. Johnson, of De Ridder, La., says:

Our application was filed with the New Orleans office about 15 months ago. It remained in that office until the authorities at Washington demanded that it be forwarded to them. Mr. J. M. Formey, of Hammond, La., our engineer, spent 5 weeks in Washington looking after our application. (Italics mine.)

Ray Garver, superintendent, of Hiram, Ohio, writes:

There has been a heartbreaking amount of red tape and inertia to overcome all along.

Fifth. Cities advised to submit to company terms and renew franchise grants: We have referred above to the case of Auburn, N. Y., where, in a letter addressed to the mayor, Kirk Bowen, Henry T. Hunt, writing for the Administrator, says:

It is suggested, therefore, that the city of Auburn accept the company's offer, thus enabling this administration to utilize the allotment in situations providing the necessary social desirability.

In the case of Fort Worth, Tex., Jerome C. Martin, city councilman, writes:

We feel that the information that we have received from the P. W. A. is perfectly ridiculous and reminds us of the difficulty that we experienced here in Fort Worth with the local P. W. A. officials when they did everything in their power to discourage the filing of the application by informing us that the chances were very remote that the loan would ever be made and that the thing for us to do was to buy the existing company at a valuation of \$17,000,000 when the taxable value of it is only \$5,000,000.

We have already cited the case of Augusta, where the P. W. A. officials insisted that the canal commission should negotiate with the private power company upon their terms and enter into an agreement to limit their market to existing customers and to extend the agreement for a period not less than 20 years. (See above.)

In the case of Fort Worth, Tex., City Councilman Martin writes that the State P. W. A. officials urged the applicants—

That the thing to do was to buy the existing company at their valuation.

Sixth. Misstatements: In some cases rather surprising misstatements were made in the reports to the cities. In the case of Circleville, W. Va., we are told by Mr. Harry C. Wolfe, engineer, that—

To clear legal difficulties we managed to have the State legislature pass a special act specifically authorizing the town of Circleville to issue revenue bonds for the project. And yet the P. W. A. takes final action on April 23, 1935, by saying that their legal division is of the opinion that the town would have no authority to issue revenue bonds, and that, therefore, the application has been finally disapproved.

In reply to this Mr. Wolfe wrote to Mr. Philip B. Fleming, acting deputy administrator, calling his attention to the special act passed by the legislature, a copy of which was made a part of their application. Mr. Wolfe says:

With a copy of this act before it, is it not a little bit ridiculous for your legal division to form the opinion that the town of Circleville would have "no authority" to issue revenue bonds?

In the case of Mount Dora, Fla., William J. Johnson, treasurer, writes that they were told that—

Our financial condition was in such shape that they could not consider a loan. In order for one to arrive at such a conclusion they must have read the figures upside down. We know of no other community of like size that is in better financial condition.

Seventh. Indefinite answers: Complaint is made by several municipalities that they could never get a definite answer, either yes or no, from the P. W. A. authorities. In the case of Seattle, for example, J. D. Ross complains:

For a year and a half I was given an answer of neither yes nor no.

In the case of Fort Worth a letter to the city manager by Mr. A. M. Ferebee, for the Administrator, states:

No final settlement has been made with regard to this application.

Thus indicating that further consideration might be given.

Eighth. Indefiniteness of policy: Mr. William J. Johnson, treasurer of Mount Dora, Fla., writes:

The Electrical Board of Review have concluded that our application was "without social desirability." We are puzzled to know just what this means.

The expression "without social desirability" occurs often in the letters sent to the municipalities, and its meaning is never clearly defined.

Ninth. Onerous conditions exacted: Barzilla W. Clark, mayor of Idaho Falls, writes of certain complications caused by the Reclamation Department in connection with the use of the water resources of the North Fork of the Snake River from which the city hydro plant derives some of its power. He says:

The Government now offers the city of Idaho Falls a contract whereby we furnish the Utah Power & Light Co. 1,000 kilowatts during the 5 winter months when water is being stored, the contract to be perpetual, with no allowance for depreciation, replacements, or other recompense. In other words, the city of Idaho Falls is to spend \$110,000, besides the Government's \$50,000, to install this 1,000 kilowatts, to be delivered to the Utah Power & Light Co. as long as Snake River flows. The power company threatens lawsuits if we "invade" their territory. They flatly refuse to sign any contract, either with the Government or our city, unless the city signs a perpetual agreement that it would not sell power in the power company's territory.

The letter of Mayor Clark, addressed to Frank R. McNinch, Chairman of the Federal Power Commission, concludes:

Is your Commission going to let the Reclamation Department and the Power Trust put the "squeeze" on a small intermountain city which has prior filings on the waters of the North Fork of Snake River and which shows a highly successful record of municipal ownership?

Tenth. Rewriting and revisions of applications: Engineers, who do not wish their names mentioned for fear of compromising the chances of their clients receiving favorable consideration from the P. W. A., complain that they have been required to do enormous amounts of unnecessary work

to meet the terrific requirements of the legal and other divisions of the P. W. A. In one place it is stated that 80 documents, including ordinances, mortgages, transcripts, and what not, were prepared and submitted. Enough letters have been written to adequately cover a loan of \$10,000,000 in one case where the total amount involved was only \$32,500. Another engineer complains that they have been required to submit 22 different sets of plans and specifications for one project. These extra plans have cost them hundreds of dollars, the blue prints of each set alone costing \$25.

Eleventh. Delayed payments: In some cases, after allotments have been made, contracts entered into, and the work done, the municipalities have not received the promised money, which has proven embarrassing. Willis J. Spaulding, commissioner of public property of Springfield, Ill., writes:

So far P. W. A. has advanced no money whatever on docket 759. We have supplied all the money from our own treasury and have been waiting for several months for a payment on the grant. We have found that to have work done under P. W. A. has resulted in a substantial increase in the cost; so that if we do not receive our 30-percent grant, it will mean positive loss to the city.

We have already cited the case of Culpeper, where the money has been allotted and the plant built, and yet the manager complains that they are unable to discharge their obligations and pay their contractors because the P. W. A. has not met its obligations or made its promised payments.

Twelfth. Announced policy not always followed: As noted, the announced policy of the P. W. A. has been not to favor municipal grants where municipal plants would be competitive. And yet, in the case of Circleville, W. Va., we are told that the project—

Is a noncompetitive self-liquidating project. * * * Circleville is a small, isolated community and at present is without electric service. There is but very little possibility that existing transmission lines will be extended to serve the community.

In this case the application is refused on other grounds, namely, that State laws do not permit the project, whereas the engineers claim that the State legislature had passed a special act authorizing the project.

Thirteenth. Municipalities compelled to resort to private borrowing: As a result of the various difficulties and delays explained herewith, many cities have grown discouraged, given up securing funds through the P. W. A., and built their own extensions or plants with private loans. We have already cited the case of Seattle, which, after a year and a half of delay, had no difficulty in securing a loan of \$5,000,000 from private sources. Similarly, Fort Collins, Colo., finally gave up trying to get the funds through the P. W. A. and has very promptly disposed of its securities through a private financing concern.

H. E. Allen, superintendent of the municipal light plant of Wyandotte, Mich., writes:

In November 1932, the department of municipal services made application to the R. F. C. for a loan of \$150,000 to complete a new power plant, which was at that time partially uncompleted. The loan was refused on account of legal technicalities, and the request was later withdrawn. However, we were able to finish the project, paying for the same from current earnings, and our power plant has been operating about 14 months. (P. W. A. reports "under study.")

W. H. Green, mayor of Muscle Shoals, Ala., writes:

Several months ago we began to build a power system for our municipality, borrowing the money from citizens of our town. We made application to the P. W. A. to expand our electrical system, but it was rejected because a water project was attached. We have been informed that the application has been acted upon by the various departments. We are getting our power from the T. V. A. and retelling it. *Since making the first application we have borrowed more money from our citizens and have expanded the system, but it is far from being sufficient to care for the needs of the town.* (Italics mine.)

W. W. Cullman, superintendent at Morgan City, La., writes:

Because of the pressure the Power Trust used, the city was very carefully turned down on its application for the loan. * * * Regardless of the action taken by the R. F. C. and the influence of Harvey Couch, we built the plant, and it is in operation, although it cost the city about \$22,000 more to finance the project than if we could have borrowed the money from the R. F. C. (P. W. A. reports "under study.")

H. C. Zenor, of Brooklyn, Ind., writes that their project was stopped because the State had no law providing for revenue bonds. He says:

It will be necessary for the town to bring suit before the Supreme Court to clarify the law, and, of course, this would involve considerable expense. * * * We have tried to finance the project by using revenue bonds, which were sold locally without difficulty, and we have the plant completed at a cost a little less than half of what it would have cost in the P. W. A. way. (Italics mine.)

Fourteenth. Power Trust influence asserted: In several of the letters mentioned above it has been boldly asserted by city officials that they felt sure that the influence of the power interests had been effective in blocking their applications. W. W. Cullman, of Morgan City, La., writes:

Because of the pressure the Power Trust used, the city was very carefully turned down on their application for the loan. We could hardly expect any other decision in view of the fact that Mr. Harvey Couch is one of the three members of the R. F. C. and a hundred percent Power Trust believer, because he is a very heavy stockholder in several public utilities.

In the case of St. Cloud, Minn., a letter signed by the president, vice president, and three other members of the city council, written to the Federal Emergency Administration under date of October 11, 1934, in which, in discussing the activities of the private power interests in defeating their campaign for a municipal light plant, which they had hoped to secure through the P. W. A. loan, they say:

The Northern States Power Co. apparently did not save effort or expense in defeating the proposed amendment. * * * The only local daily newspaper, a Democratic organ, owned and published by Mr. Fred Schilplin, a former vice chairman of the Minnesota State Board of Public Works Administration, and now State director of the Federal Housing Administration, through its editorial column viciously attacked the amendment by misleading, inaccurate, and ambiguous statements. * * * Mr. Schilplin, according to newspaper reports, appointed R. F. Pack, president of the Northern States Power Co., on the Minneapolis Federal Housing Committee. In these respects and in many others, through high-powered campaign methods, the city council believes the people were misinformed and frightened, and as a result thereof the proposed amendment was voted down.

Fifteenth. Delaying reemployment: The failure, for whatever reasons, to make the grants and loans to the municipalities results in a delay of reemployment. In other words, were the projects applied for given the required funds, they would to that extent give employment to labor. For example, in the case of Seattle the project, if it had received the funds applied for, would have employed 3,600 men for 3 years. Similarly, every other delayed project meant the delay to that extent of the reemployment of those out of work.

Sixteenth. Concentrating upon State and Federal projects at the expense of local and municipal: In a study of the letters received from the various cities it appears that there is a tendency, whether conscious or not, to concentrate efforts and investments upon the large Federal projects and to withhold allotments from the local or municipal projects. This is illustrated in the letter of Secretary Ickes to me in connection with the Wichita Falls, Tex., proposed municipal plants. Secretary Ickes here suggests that the engineers of the Department advise that power could be supplied to Wichita from the proposed hydroelectric development on the Colorado River. However, this particular development is some 200 miles away from Wichita Falls, and it is believed that there will hardly be sufficient current produced at the proposed hydro development to supply the market in the cities and communities within 100 miles, the point being that here is illustrated the tendency which has been noted elsewhere to favor the development of large State or Federal projects and to discourage the local or municipal projects.

The same tendency is very strikingly illustrated in the case of the application of Seattle, which, as related above by Supt. J. D. Ross, was sacrificed in the interest of the great Federal project at Grand Coulee.

BANKING ACT OF 1935

Mr. HOLLISTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio speech I made Monday evening.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HOLLISTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by myself, ranking member of the House Banking and Currency Committee, on the pending banking bill, over the facilities of the National Broadcasting System, red network, from station WRC, May 6, 1935, 6 to 6:15 p. m.

In the few minutes which have been allotted to me tonight I am going to speak on the subject of the so-called "Banking Act of 1935", which is now under discussion in the House of Representatives and under consideration in the Banking and Currency Committee of the Senate. So much has been claimed for this bill; so much that is misleading has appeared in the press and has been broadcast through the air, that it is right and proper that there should be made a clear and simple statement of the fundamental issue which this bill raises, that is, an unwise increase in centralization of authority in the hands of a politically controlled board, over the banking system of the country.

The bill itself is divided into three parts, or titles, the first of which deals with certain changes in the law governing the insurance of bank deposits. The third contains a number of minor changes in the general banking laws. Both these titles are in the main satisfactory, but cleverly sandwiched in between them is title II, containing provisions which, if they become law, effect most dangerous changes in the Federal Reserve Act, that broad statute under which the far-flung Federal Reserve Banking System of the country operates.

We have become so used to the smooth and efficient working of the Federal Reserve System that we are prone to forget what a great reform it effected in our banking set-up, and what a long and careful study preceded its adoption. Leading bankers, economists who had specialized in the study of banking methods, industrial leaders, and members of the appropriate committees of both Houses of Congress, worked for several years on the preliminaries of the plan and made a careful study of the central banks of foreign countries, with a view toward evolving a system which would best fit the peculiar conditions of this country. It was agreed that the condition that then existed was unsatisfactory, and that greater flexibility of credit and concentration of reserves was desirable.

A bank cannot, of course, always have available liquid resources to meet the demands of all its depositors, for if this were so, it could not perform one of the chief functions of banking; that is, the lending of money to legitimate borrowers. Though it must keep a certain safe percentage of liquidity, the percentage which is safe in normal times may not be in times of stress, and there should therefore be certain reserves on which that bank can draw in times of emergency. Sometimes an emergency strikes a particular part of the country with great force, though other parts may be unaffected, and if a bank's reserves are carried in other banks of the locality, for the same reasons that cause the pressure on the first bank its reserves become unavailable at the very time when most needed. For this reason a national system of reserve banking is necessary, and in the operation of such a national system there must be a certain amount of coordination and unified policy.

With these fundamental principles before them, the builders of the Federal Reserve Act were faced with pressure on the one hand from those who believed in a central bank owned and operated by the Government, and on the other from those who wished that the central banking system have no connection whatsoever with the Government. The Federal Reserve Act as finally constituted was a happy compromise between these views. There was set up a Board known as the "Federal Reserve Board", consisting now of 8 members, 6 appointed for 12-year terms by the President, and, in addition, the Secretary of the Treasury and the Comptroller of the Currency. Of the 6 appointed members the President names 1 as Governor and 1 as Vice Governor. The Governor has become in time the dominant figure in the conduct of the affairs of the bank.

The act further divided up the country into 12 Federal Reserve districts, each established to cover as well as possible an area which was reasonably compact from a business point of view. One Federal Reserve bank was established in each district, and all banks which cared to do so became members of the Federal Reserve System and took stock in the Federal Reserve bank of their district. These member banks elected two-thirds of the board of directors of their regional bank, while the other one-third was named by the Federal Reserve Board, thus giving the central board considerable voice in the activities of the regional bank, and yet leaving major control in the hands of the banks whose money had gone to supply the capital of these regional banks.

The chief functions of the Federal Reserve banks are, first, to hold the reserves of the member banks—that is, a certain percentage of their deposits established by law—thus guaranteeing that the member banks shall not accept deposits out of all proportion to a safe margin of operation; second, to rediscount certain obligations on which the member banks have already lent money, thus making available to member banks additional funds; and third, to issue to member banks Federal Reserve notes, backed by a certain percentage of gold, so that these member banks may supply the needs of their customers for a cash medium of exchange in addition to that which the checking system supplies. The rate of rediscount is fixed by the various Federal Reserve

banks subject to the approval of the Federal Reserve board, which may also in times of emergency, on a vote of five members, and with the approval of the President, increase or decrease the percentage of reserves to deposits which the member banks must carry with the Federal Reserve banks.

On the whole, the Federal Reserve System has worked very well. Its adoption in 1913 was followed in a few years by the Great War, and notwithstanding the stress to which it was subjected because of war conditions, it functioned excellently. The general banking break-down of March 1933, however, has caused many to question the banking situation, and unfortunately and most mistakenly it has been argued that this break-down arose through weakness in the Federal Reserve System.

There is no question but that the failure of so many banks and the suspension of all banking for a short time came about as a result of a sudden deflation in all values. This is not the time or place to discuss the original causes of the depression. It is an accepted fact, however, that the deflation owed its severity to the enormous inflation of credit and of values which occurred just beforehand. It is argued that if the Federal Reserve Board had greater power over the Federal Reserve banks, and through them over the member banks, the enormous inflation would have been repressed, and therefore the resulting deflation would not have been so severe. They argue that if the Federal Reserve Board's power over the Federal Reserve banks is strengthened, if, in addition to its present control over the rediscount rate, it may change the reserve requirements of the member banks quickly and easily, and if it may force open-market operations on the Federal Reserve banks—that is, the buying and selling of Government and certain other types of obligations—inflation and deflation may be kept under control.

Such an argument is typical of a great many of the unsound theories which are expounded today. It attributes our difficulties to a weakness in machinery, when as a matter of fact the existing machinery is reasonably satisfactory, if only those operating it would use it properly. Unfortunately there were few in this country wise enough to realize in 1929 the disaster to which we were rushing, though it is a matter of record that the leading Federal Reserve bank of the country tried a number of times, without success, to induce the Federal Reserve Board at Washington to approve an increase in the rediscount rate to halt speculation.

It is not generally known that there are plenty of provisions in the present law which give to the Federal Reserve Board power to curb speculative activities, but they have not been exercised. It is simply an impossibility to expect any group of men to a great extent under the domination of an administration in power, to do anything as unpopular as trying to stop a boom, whether sound or otherwise. The brakes might possibly be set by a board wholly free of any political domination, but the increase of governmental control makes less the likelihood of wise action.

Now let us see what we are asked to do in this legislation which was drafted by the newly appointed Governor of the Federal Reserve Board, and its adoption urged by the President over the radio a week ago.

This law will increase, first, the power of the President over the Federal Reserve Board, for it contains for the first time a provision that the Governor and Vice Governor of the Board shall serve only at his pleasure. Second, it increases the power of the Federal Reserve Board over the Federal Reserve banks, by providing that hereafter the chief executive officer of each bank shall be subject to the approval of the Board. Third, it gives the Federal Reserve Board the power, acting perhaps by a bare majority of a bare quorum, or three members, to change the reserve requirements of the member banks at will. Fourth, it gives the Federal Reserve Board the right to force the Federal Reserve banks to participate irrespective of their own wishes in open-market operations. Thus, by a series of steps there is given the President, working through his control over the Federal Reserve Board, new and greater powers over the lifeblood of the country—its credit system.

The right to raise reserve requirements is the right to curtail, or even stop entirely, the normal banking function of lending. The right to lower reserve requirements brings the possibility of endangering deposits by requiring insufficient reserves. Neither power ought to be lightly exercised.

The right to require participation in open-market operations is, however, the most dangerous part of this legislation, for behind it there lurks a sinister shadow. It is well known that today the Government is operating with continued deficits, a situation which must cease in the near future if a collapse of Government credit is to be avoided. These deficits are financed by the sale of Government bonds. Government financing should be on the same basis as private financing—that is, a free and open market, where the savings of the people are voluntarily used in the purchase of Government obligations.

Most of us realize the dangers of the financing of Government deficits by the issue of fiat or printing-press money, mere pieces of paper with nothing behind them but the bare promise of the Government. We know that when this happens the value of such money goes down with increasing rapidity, while living costs mount proportionately. What few realize, however, is that when the Government uses compulsion to force unwilling purchasers to take its bonds, it might just as well turn to the printing press. There is no essential difference between compulsory financing of Government deficits by the issue of obligations bearing interest, which are bonds, and obligations without interest, which are printing-press money. Such compulsion in the buying of bonds is perhaps even worse than printing-press money, because more

insidious. When the Government grinds the printing press we know it, and we have at least a danger signal before our eyes, but under the provisions of this bill Federal Reserve banks could be forced to take large sums of bonds against their will and against the judgment of all sound bankers, and yet it might appear for the time being that the Government's credit was unimpaired. The resulting collapse would be all the more severe. Financing of this nature is nothing more than a forced loan and is one of the vicious inroads on liberty which have been fought by free peoples for hundreds of years.

That you may not think that I am merely conjuring up harmless ghosts, let me point out that all civilized countries now under a democratic form of government have central banks even further removed from direct government control than is our central system today. Only in Italy and Russia is the situation different. In Italy the central bank is privately owned, but subject to government edict. In Russia all banks are owned by the government, and operated under the iron hand of dictatorship.

There has been no showing of any emergency which requires this legislation. It is only another request for power of the type with which we have become all too familiar in the past 2 years. This time, however, the power is to be exercised over the most delicate portion of our economic system, the credit structure. The possible results of a selfish or unwise exercise of this power are too distressing to contemplate. Basic changes in the Federal Reserve Act should only be made after study as careful and as detailed as preceded its original enactment.

AID FOR MENHADEN-FISH INDUSTRY

Mr. GREEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein a memorial to Congress from the Legislature of the State of Florida.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, the menhaden-fish industry is one of the most important in Florida. We have five or more large plants which manufacture fish meal and fish scrap. This industry in Florida and other States is threatened through the importation of foreign products manufactured by cheap labor. With a tax of five-eighths of a cent per pound on the foreign product, our own industries can survive. We are asking the Ways and Means Committee to report the Bland bill, H. R. 7569, which carries this provision and thus offers the necessary protection to our American industry. The Florida Legislature, now in session, has just passed House Memorial No. 7, urging the Congress to pass the bill. The memorial follows:

Memorial to Congress requesting that the Congress of the United States without further delay pass the Bland bill, H. R. 7569

Whereas there are five menhaden-fish fertilizer plants located in different sections of the State of Florida, employing over 2,000 of our citizens; and

Whereas there is a great amount of menhaden-fish scrap and menhaden-fish meal being shipped into the United States and into the State of Florida by foreign nations, who, because of cheap labor, can sell their products at a price far below the cost of producing these products in our State; and

Whereas unless relief is given the citizens of our State connected with the menhaden-fish industry will be forced out of business and employment of our citizens will be curtailed; and

Whereas the Bland bill, being H. R. 7569, in the Congress of the United States, provides for a five-eighths of a cent tax on each pound of menhaden-fish meal and menhaden-fish scrap shipped into this country by other nations; and

Whereas the Bland bill has the endorsement of those citizens of the States of Virginia and Maryland engaged in this industry, as well as a great many of the people of our country; and

Whereas enactment of this bill into law will have a vital effect on the menhaden-fish industry in our Nation and our State; and

Whereas it alone will increase by \$300,000 the annual pay rolls of the five menhaden-fish fertilizer plants in this State: Now, therefore, be it

Resolved, That it is the sense of your memorialists, the members of the Florida Legislative Assembly of the State of Florida, the senate and the house concurring, that the Congress of the United States should enact the Bland bill without further delay; be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of State to the President of the Senate and the Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from this State, to the President of the United States, and to Congressman SCHUYLER O. BLAND.

Approved by the Governor May 1, 1935.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. FARLEY for 3 days, on account of important business.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 530. An act granting compensation to the estate of Thomas Peraglia, deceased;

H. R. 3105. An act for the relief of Samuel Kaufman;

H. R. 4442. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes;

H. J. Res. 272. Joint resolution to enable the Commissioners of the District of Columbia to defray certain expenses incident to the convention of the Imperial Council of the Mystic Shrine, June 8 to June 17, 1935, both inclusive;

H. J. Res. 273. Joint resolution extending the gratitude of the Nation to Admiral Byrd and to the members of his expedition; and

H. J. Res. 274. Joint resolution authorizing the appointment of a special joint committee to meet with other representatives of the Government in greeting Rear Admiral Richard E. Byrd upon his return from his second Antarctic expedition.

The SPEAKER announced his signature to enrolled bills and an enrolled joint resolution of the Senate of the following titles:

S. 51. An act for the relief of Frank Kroegel, alias Francis Kroegel;

S. 553. An act to authorize the settlement of individual claims for personal property lost or damaged, arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War;

S. 559. An act to authorize settlement, allowance, and payment of certain claims;

S. 728. An act for the relief of Elton Firth;

S. 896. An act for the relief of Anna W. Ayer, widow of Capt. Asa G. Ayer, deceased;

S. 1037. An act authorizing adjustment of the claims of Sanford A. McAlister and Eliza L. McAlister;

S. 1039. An act authorizing adjustment of the claim of the West India Oil Co.;

S. 1053. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.;

S. 1055. An act authorizing adjustment of the claim of Frank Spector;

S. 1056. An act authorizing adjustment of the claim of Schutte & Koerting Co.;

S. 1057. An act authorizing adjustment of the claim of the Pennsylvania Railroad Co.;

S. 1302. An act for the relief of certain disbursing officers of the Army, and for other purposes;

S. 1414. An act for the relief of the rightful heir of Joseph Gayton;

S. 1502. An act for the relief of Charles L. Graves;

S. 2024. An act to give proper recognition to the distinguished services of Col. William L. Keller; and

S. J. Res. 94. Joint resolution establishing a commission for the participation of the United States in the observance of the three hundredth anniversary of the founding of the Colony of Connecticut, authorizing an appropriation to be utilized in connection with such observance, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 530. An act granting compensation to the estate of Thomas Peraglia, deceased;

H. R. 3105. An act for the relief of Samuel Kaufman;

H. R. 4442. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes;

H. J. Res. 272. Joint resolution to enable the Commissioners of the District of Columbia to defray certain expenses

incident to the convention of the Imperial Council of the Mystic Shrine, June 8 to June 17, 1935, both inclusive;

H. J. Res. 273. Joint resolution extending the gratitude of the Nation to Admiral Byrd and to the members of his expedition; and

H. J. Res. 274. Joint resolution authorizing the appointment of a special joint committee to meet with other representatives of the Government in greeting Rear Admiral Richard E. Byrd upon his return from his second Antarctic expedition.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until tomorrow, Thursday, May 9, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

(Thursday, May 9, 10:30 a. m.)

Committee will hold hearings on various bills.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 7313. A bill authorizing a preliminary examination of Gafford Creek, Ark.; without amendment (Rept. No. 841). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 6321. A bill authorizing the erection of a memorial to the survivors of the dirigible *Shenandoah*; without amendment (Rept. No. 842). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 7731. A bill to provide for the erection of a statue of Abraham Lincoln in the Gettysburg National Cemetery; with amendment (Rept. No. 843). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 7451. A bill authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; without amendment (Rept. No. 844). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Irrigation and Reclamation. S. 1571. An act granting the consent of Congress to the States of Montana, North Dakota, South Dakota, and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Little Missouri River; without amendment (Rept. No. 846). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. TURNER: Committee on Military Affairs. H. R. 1286. A bill for the relief of James H. Bell (or James Bell); without amendment (Rept. No. 845). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. OWEN: A bill (H. R. 7955) to establish a new division of the northern district of Georgia with terms of court to be held at Newnan, Ga.; to the Committee on the Judiciary.

By Mr. SUTPHIN: A bill (H. R. 7956) to prescribe the rate of pension for enlisted men of the Army, Navy, Marine Corps, and Coast Guard in cases of total and permanent disability; to the Committee on Expenditures in the Executive Departments.

By Mr. DREWRY: A bill (H. R. 7957) for the relief of certain officers on the retired list of the Navy and Marine Corps, who have been commended for their performance of duty in actual combat with the enemy during the World War; to the Committee on Naval Affairs.

By Mr. SCRUGHAM: A bill (H. R. 7958) to relieve unemployment in mining districts, increase the monetary gold and silver reserve of the United States, and to develop strategic, deficiency, and noncompetitive mineral resources of the Nation, and for other purposes; to the Committee on Mines and Mining.

By Mr. IGLESIAS: Joint resolution (H. J. Res. 278) to transfer to the government of the capital, Puerto Rico, certain property known as the "Monastery of St. Thomas of Aquinas", and for other purposes; to the Committee on Military Affairs.

By Mr. EAGLE: Joint resolution (H. J. Res. 279) authorizing the President to invite the States of the Union and foreign countries to participate in the Oil Equipment and Engineering Exposition at Houston, Tex., to be held April 20 to 25, inclusive, 1936; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURCH: A bill (H. R. 7959) to provide for the retirement of Shockley Dewitt Gardner as a first lieutenant, United States Army; to the Committee on Military Affairs.

By Mr. DIMOND: A bill (H. R. 7960) for the relief of Werner Ohls; to the Committee on Claims.

By Mr. DOCKWEILER: A bill (H. R. 7961) for the relief of William S. McClure; to the Committee on Military Affairs.

By Mr. DOUGHTON: A bill (H. R. 7962) for the relief of Grier-Lowrance Construction Co., Inc.; to the Committee on Claims.

By Mr. DREWRY: A bill (H. R. 7963) for the relief of J. Edwin Hemphill; to the Committee on Claims.

By Mr. GINGERY: A bill (H. R. 7964) granting a pension to Lydia Frances Nyman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7965) granting an increase of pension to Mary A. Beckwith; to the Committee on Invalid Pensions.

By Mr. GREENWOOD: A bill (H. R. 7966) granting a pension to Edward Armel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7967) granting a pension to Belle Armel; to the Committee on Invalid Pensions.

By Mr. JENKINS of Ohio: A bill (H. R. 7968) granting an increase of pension to Frank Butcher; to the Committee on Pensions.

By Mr. LESINSKI: A bill (H. R. 7969) for the relief of Alex Zegunia; to the Committee on Claims.

By Mr. MCGEHEE: A bill (H. R. 7970) for the relief of V. P. Johnson; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 7971) for the relief of Walter I. Whitty; to the Committee on Claims.

By Mr. TARVER: A bill (H. R. 7972) for the relief of Mahaley Bishop Wheeler; to the Committee on Claims.

By Mr. WELCHEL: A bill (H. R. 7973) granting a pension to Katherine Henley; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8317. By Mr. GOODWIN: Petition of the Monticello Chamber of Commerce, Monticello, Sullivan County, N. Y., desiring to go on record as opposing the Wagner labor-disputes bill; to the Committee on Labor.

8318. By Mr. HOOK: Petition of Robert Renwick and 52 other residents of Red Jacket Shaft Location, Calumet, Mich., petitioning the Congress of the United States to place an embargo on foreign copper into the United States; to the Committee on Ways and Means.

8319. Also, resolution of the Yugoslav Society of Calumet, Mich., favoring adequate protection for the copper-mining industry; to the Committee on Ways and Means.

8320. By Mr. KENNEY: Resolution of carpenters and affiliated trades, civic organizations, and citizens of Hackensack, N. J., endorsing the plan perfected by Maj. L. Alfred Jenny on transportation problems for linking northeastern New Jersey with New York by rapid transit, with a dual provision of relieving distress and creating a worth-while improvement; to the Committee on Interstate and Foreign Commerce.

8321. Also, petition of the Arizona State Chamber of Commerce, endorsed by the Chamber of Commerce of Rutherford, N. J., favoring the adoption of the resolution urging continuation of the tax on foreign copper; to the Committee on Ways and Means.

8322. Also, resolution adopted by the people of New Milford, N. J., and citizens from neighboring communities, in mass meeting assembled at New Milford on April 25, 1935, under the auspices of the mayor and council, favoring the plan to link northeastern New Jersey with New York by rapid transit; to the Committee on Interstate and Foreign Commerce.

8323. By Mr. KRAMER: Memorial of the California Joint Assembly, No. 51, relative to memorializing the President and the Congress to enact legislation declaring Admission Day a holiday for all officers and employees of the United States whose headquarters are in California; to the Committee on the Judiciary.

8324. By Mr. LESINSKI: Resolution of United Automobile Workers Federal Labor Union, No. 18677, respectfully urging the enactment of the Wagner-Connery Labor Relations Act; to the Committee on Labor.

8325. Also, resolution of Corporal James W. Johnson Post, No. 78, Veterans of Foreign Wars of the United States, the first post in Michigan, respectfully petitioning the President and the Congress of the United States to authorize and appropriate sufficient moneys to build a Veterans' Administration hospital of 500-bed capacity in the Detroit area; to the Committee on World War Veterans' Legislation.

8326. Also, resolution of Corp. James W. Johnson Post, No. 78, Veterans of Foreign Wars of the United States, the first post in Michigan, solemnly petitioning the President, the Senate, and the House of Representatives to do all in their power to keep the United States out of another war of aggression; to the Committee on World War Veterans' Legislation.

8327. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, requesting relief from unfair competition for Massachusetts boot and shoe manufacturers, and seeking national unemployment insurance legislation; to the Committee on Ways and Means.

8328. By Mr. PFEIFER: Petition of the New York State legislative board, Brotherhood of Locomotive Firemen and Enginemen, Albany, N. Y., concerning the Crosser House Joint Resolution 219; to the Committee on Interstate and Foreign Commerce.

8329. Also, petition of the Brotherhood of Railroad Trainmen, legislative board, State of New York, Albany, concerning House bills 169, 2022, 2749, 2870, and 2901; to the Committee on Interstate and Foreign Commerce.

8330. By Mr. RUDD: Petition of the New York State legislative board, Brotherhood of Locomotive Firemen and Enginemen, concerning the Crosser House Joint Resolution 219; to the Committee on Interstate and Foreign Commerce.

8331. Also, petition of the New York joint board of the Amalgamated Clothing Workers of America, concerning the continuance of the National Recovery Act, as recommended by the President; to the Committee on Ways and Means.

8332. Also, petition of pants makers' trade board, Amalgamated Clothing Workers of America, New York City, concerning the continuance of the National Recovery Act and the Wagner labor-disputes bill; to the Committee on Labor.

8333. Also, petition of the Brotherhood of Railroad Trainmen, legislative board, State of New York, concerning House

bills 169, 2022, 2749, 2870, and 2901; to the Committee on Interstate and Foreign Commerce.

8334. By Mr. TOLAN: Petition of the executive committee of the Newman Club of the University of California, headed by James J. O'Connor, president, and Geraldine Galliani, secretary, together with 150 signatures subscribed thereto, in the name of 400 members and 1,250 Catholic students of the University of California, requesting Congress to support any action designed to influence the Mexican Government to respect the religious rights of its citizens; to the Committee on Foreign Affairs.

8335. By Mr. TRUAX: Petition of the Youngstown Chamber of Commerce, of Youngstown, Ohio, by the chairman, D. E. Jenkins, opposing Senate bill 2573, because an amount of \$300,000,000 annually now paid by railroads in taxes would be lost under Government ownership, and Government ownership operation costs would be higher than the private ownership and would destroy individual initiative of employees and management; to the Committee on Interstate Commerce.

8336. Also, petition of the Darke County Farm Bureau, of Greenville, Ohio, by their president, Fred Steffen, requesting the support of the Goldsborough amendment; to the Committee on Banking and Currency.

8337. Also, petition of Center Grange, No. 2428, of Woodsfield, Ohio, by their master, W. W. Willison, opposing such Federal regulation as is proposed by Senate bill no. 1629, because it is unfair, discriminatory, and unnecessary at this time, and is not for the real interests of either producer or consumer, whether rural or urban; to the Committee on Interstate Commerce.

8338. Also, petition of Painters, Decorators, and Paperhangers of America Local Union No. 7, of Toledo, Ohio, by their secretary, C. E. Thomas, requesting support of House bills 7172 and 6990; to the Committee on the Post Office and Post Roads.

8339. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, requesting the National Recovery Administration to grant to Massachusetts boot and shoe manufacturers and others relief from unfair competition; to the Committee on Appropriations.

8340. Also, petition of the General Court of Massachusetts, urging the enactment of national unemployment insurance legislation; to the Committee on Ways and Means.

SENATE

THURSDAY, MAY 9, 1935

(Legislative day of Tuesday, May 7, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, May 8, 1935, was dispensed with, and the Journal was approved.

TRIBUTES TO THE LATE SENATOR CUTTING

The VICE PRESIDENT laid before the Senate resolutions adopted by the Yankee Division Veterans Association, at Bridgeport, Conn., which were ordered to lie on the table and to be printed in the RECORD, as follows:

Resolution passed by the Yankee Division Veterans Association, of Bridgeport, Conn., at its May 6, 1935, meeting at Bridgeport, concerning the untimely death of Bronson M. Cutting, United States Senator from the State of New Mexico

In recognition of the long and untiring services of Senator Cutting to his State and country; his unselfish stand at all times in matters pertaining to veteran legislation, particularly his recent attitude and definite liberal stand taken on the more recent veteran legislation appearing before Congress; his devotion to the welfare of the disabled veterans of the World War, particularly his untiring efforts in bearing the brunt of the fight in favor of the disabled veterans and all veterans in the last Congress in connection with his stand on the economy bill, the Yankee Veterans Association at this meeting in Bridgeport, Conn., on May 6, 1935, wishes to express its sense of personal loss in his death, and its utmost appreciation of his service to the veteran.

Having served his country in war as well as in peace, and meeting his untimely death while en route to further the cause of the veteran, this association feels that it truly has lost a great friend, and he will be sadly and keenly missed by the people of the State of New Mexico—a truly great American, liberal and statesman, and the members of this association feel that his loss is a great one to the entire country at large: Therefore be it

Resolved, That this expression of appreciation and sympathy be sent to the bereaved mother and family, and also that these resolutions be spread upon the minutes of this meeting; and be it further

Resolved, That a copy of these resolutions be sent that august body, the Senate of these great United States.

YANKEE DIVISION VETERANS ASSOCIATION,
BRIDGEPORT, CONN.,

By GEORGE W. WEST, President.

Attest:

JOHN SCHULTZ, Secretary.

Mr. WHEELER presented a telegram from the Silver Bow County Trades and Labor Council, Butte, Mont., which was ordered to lie on the table and to be printed in the RECORD, as follows:

BUTTE, MONT., May 9, 1935.

Senator B. K. WHEELER,

Senate Office, Washington, D. C.:

The labor movement of Silver Bow County desire to have you express to the United States Senate our most profound grief of the untimely death of labor's friend, Senator Cutting.

HARRY J. GRIMES,

Secretary Silver Bow Trades and Labor Council.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 51. An act for the relief of Frank Kroegel, alias Francis Kroegel;

S. 553. An act to authorize the settlement of individual claims for personal property lost or damaged, arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War;

S. 559. An act to authorize settlement, allowance, and payment of certain claims;

S. 728. An act for the relief of Elton Firth;

S. 896. An act for the relief of Anna W. Ayer, widow of Capt. Asa G. Ayer, deceased;

S. 1037. An act authorizing adjustment of the claims of Sanford A. McAlister and Eliza L. McAlister;

S. 1039. An act authorizing adjustment of the claim of the West India Oil Co.;

S. 1053. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.;

S. 1055. An act authorizing adjustment of the claim of Frank Spector;

S. 1056. An act authorizing adjustment of the claim of Schutte & Koerting Co.;

S. 1057. An act authorizing adjustment of the claim of the Pennsylvania Railroad Co.;

S. 1302. An act for the relief of certain disbursing officers of the Army, and for other purposes;

S. 1414. An act for the relief of the rightful heir of Joseph Gayton;

S. 1502. An act for the relief of Charles L. Graves;

S. 2024. An act to give proper recognition to the distinguished services of Col. William L. Keller; and

S. J. Res. 94. Joint resolution establishing a commission for the participation of the United States in the observance of the three hundredth anniversary of the founding of the Colony of Connecticut, authorizing an appropriation to be utilized in connection with such observance, and for other purposes.

CALL OF THE ROLL

Mr. AUSTIN obtained the floor.

Mr. BARBOUR. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Robinson
Ashurst	Copeland	Lewis	Russell
Austin	Costigan	Logan	Schall
Bachman	Couzens	Loneragan	Schwellenbach
Bailey	Dickinson	Long	Sheppard
Bankhead	Dieterich	McAdoo	Shipstead
Barbour	Donahay	McCarran	Smith
Barkley	Duffy	McGill	Stelwer
Bilbo	Fletcher	McKellar	Thomas, Okla.
Black	Frazier	McNary	Thomas, Utah
Bone	George	Maloney	Townsend
Borah	Gerry	Metcalf	Trammell
Brown	Gibson	Minton	Truman
Bulkley	Glass	Moore	Tydings
Bulow	Gore	Murphy	Vandenberg
Burke	Guffey	Murray	Van Nuys
Byrd	Hale	Neely	Wagner
Byrnes	Harrison	Norris	Walsh
Capper	Hatch	O'Mahoney	Wheeler
Caraway	Hayden	Overton	White
Carey	Johnson	Pittman	
Clark	Keyes	Pope	
Connally	King	Radcliffe	

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from Delaware [Mr. HASTINGS], the Senator from North Dakota [Mr. NYE], and the Senator from South Dakota [Mr. NORBECK] are necessarily detained from the Senate.

Mr. LEWIS. I announce the absence of the Senator from North Carolina [Mr. REYNOLDS], who is engaged on an official mission to the Virgin Islands.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

HOOR OF MEETING TOMORROW

Mr. ROBINSON. I ask unanimous consent that when the Senate concludes its labors today it take a recess until 11 o'clock a. m. tomorrow.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBINSON subsequently said: Mr. President, I find that it will be inconvenient for the Senate to meet at 11 o'clock tomorrow morning. I therefore ask unanimous consent that the order heretofore entered that when the Senate concludes its business today it take a recess until 11 o'clock tomorrow be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—MOTION TO RECONSIDER

Mr. THOMAS of Oklahoma. Mr. President—

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Oklahoma?

Mr. AUSTIN. I yield.

Mr. THOMAS of Oklahoma. Yesterday I entered a motion to reconsider the vote by which House bill 3896, being the so-called "bonus bill", was passed by the Senate. At this time I enter a motion to reconsider the vote by which House bill 3896 was ordered to a third reading.

The VICE PRESIDENT. The motion will be entered.

CITY OF BALTIMORE—WITHDRAWAL OF MOTION TO RECONSIDER

Mr. KING. Mr. President, several days ago I entered a motion to reconsider the vote by which the bill (S. 672) for the relief of the city of Baltimore was passed. I now desire to withdraw the motion.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the petitions of Pleas Gammage, of Tunica, Miss., and Miss Alice Philips, of Kingsport, Tenn., praying for the enactment of old-age pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate petitions of sundry citizens of the State of New York, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana, Mr. LONG and Mr. OVERTON, which were referred to the Committee on Privileges and Elections.

He also laid before the Senate petitions of sundry citizens of Milton, Mass., Detroit, Mich., and Union City, N. J., praying for the enactment of legislation providing for the immediate cash payment of adjusted-service certificates of World War veterans, which were ordered to lie on the table.

Mr. FLETCHER presented the following memorial of the Legislature of the State of Florida, which was referred to the Committee on Military Affairs:

House Memorial No. 8

A memorial to the Congress and the President of the United States of America, requesting the establishment and location, at the earliest possible time, of an Army Air Service base as herein referred to

Whereas there is now pending in the Congress of the United States of America legislation seeking a large expansion of the Army Air Service; and

Whereas climatic and atmospheric conditions of the great State of Florida offer unsurpassed qualities for all-year training of aviators; and

Whereas at this time most of the Army air fields are located in the west and southwest portions of the United States; and

Whereas the great State of Florida is in close proximity to the large population centers of the United States; and

Whereas the Big Prairie is the most desirable location for an air base on our mainland closest to the Panama Canal, Puerto Rico, Guantanamo, and the Caribbean; and

Whereas the Army Air Service, during the World War, with the advice and counsel of well-known experts of the Allied air forces, established Carlstrom and Dorr Fields, in De Soto County, Fla., for the training of aviators; and

Whereas statistics in the archives of the War Department show conclusively that these fields furnish a larger number of flying days than any other field in the United States; and

Whereas the great State of Florida has more coastline than any State in the Union, and in the event of war it is more exposed to attack from naval and air expeditions by the enemy than any other portion of this Union; and

Whereas the citizens of Arcadia, in De Soto County, Fla., have offered as a gift a tract of land composed of 10,000 acres, located on the Big Prairie of De Soto, Hardee, Highlands, Glades, and Charlotte Counties for the establishment of an Army air base; and

Whereas the location of this large tract is ideal for the purpose and strategic in the event of war, because it is situated almost half-way between the east and west coast of south Florida; and

Whereas the establishment of an air base near Arcadia would decrease very materially great unemployment resulting from the disaster of a freeze in December 1934: Now, therefore, be it

Resolved, That it is the sense of your memorialists, the members of the 1935 Legislative Assembly of the State of Florida, the senate and the house concurring, that the Government of the United States take such steps at the earliest possible time to establish and locate an Army Air Service base in De Soto County, Fla.; be it further

Resolved, That a copy of this memorial, duly authenticated, be sent to the President of the United States, President of the Senate, and Speaker of the House of Representatives of the Congress of the United States, and to each Senator and Representative in the Congress from this State, and to the Secretary of War.

Approved by the Governor May 3, 1935.

Mr. DUFFY presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Agriculture and Forestry:

STATE OF WISCONSIN.

Joint resolution memorializing the President and Congress of the United States and the Administrator of the Federal Emergency Relief Administration to provide for the continuance of aid in lime and marl production

Whereas on May 1, 1935, the Federal Government will discontinue its aid in the production of crushed limestone; and

Whereas it is of great importance to this State that crushed lime and marl production continue at this time for the following reasons:

1. Approximately 85 percent of the production soil of this State is in great need of acid-neutralizing elements and fertilizers which are essential to the successful production of crops, especially alfalfa.

2. There is now a serious shortage in cattle feed which seriously affects the cattle industry in this State, and which shortage can be largely overcome by creating a greater productive activity in the soil.

3. Such acid-neutralizing elements and fertilizers are abundant in crushed lime and marl.

4. A large number of otherwise unemployed could be engaged in a profitable undertaking.

5. Production of crushed lime and marl is more profitable to the producer during the warmer months and a greater production is possible, the reasons being obvious.

6. Lime crushed during the warmer months can be applied to the soil in the fall of the year and thereby be permitted to disintegrate and become thoroughly mixed with the soil during the winter months and be an effective productive agent the following spring: Therefore be it

Resolved by the assembly (the senate concurring), That the Wisconsin Legislature respectfully requests the Congress of the United States to provide for the immediate and further production of crushed lime and marl for farm application; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to Harry L. Hopkins, Admin-

istrator of the Federal Emergency Relief Administration, to each Wisconsin Member of Congress, and to Bruce Uthus, director of the work division of the Wisconsin Emergency Relief Administration.

HARRY W. BOLENS,
President pro tempore of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.

Mr. DUFFY also presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Mines and Mining:

STATE OF WISCONSIN.

Joint resolution petitioning the National Emergency Council and the Works Allotment Board to create a mining works project in the dormant southwestern Wisconsin mineral area

Whereas \$4,880,000,000 have been appropriated by the Congress of the United States to defray the cost of various types of practical wealth-producing, self-liquidating works projects by virtue of which unemployed men and women may be furnished self-respecting jobs in lieu of the demoralizing dole and the United States Government may be relieved of the direct relief business; and

Whereas extensive mineral fields in southwestern Wisconsin, rich in lead, zinc, and sulphur deposits, now lie practically dormant due to present abnormally low market prices for such minerals; and

Whereas this area has a stranded mining population of approximately 1,000 families, most of whom are now unemployed and many actually on relief rolls; and

Whereas operation of these mines would furnish employment to all these unemployed miners and several thousand other unemployed persons; and

Whereas by pegging the per ton price on raised ores to a level commensurate with adequate living wages for miners and on the basis of index prices in any normal pre-war period, and by purchasing the same at such prices for indefinite storage against time of war or other demand therefor, the National Emergency Council and the Works Allotment Board could devise for this stranded area and its unemployed population a practical wealth-producing and self-liquidating work project and thereby put these mines in operation and the unemployed miners to work: Now, therefore, be it

Resolved by the assembly (the senate concurring), That this legislature earnestly petitions the National Emergency Council and the Works Allotment Board to give serious consideration to creating an appropriate and practical lead, zinc, and sulphur mining works project in the southwestern mineral area of this State for the paramount purpose of creating wealth and employment; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, the National Emergency Council, and the Works Allotment Board, and to each Wisconsin Member of the Congress.

HARRY W. BOLENS,
President pro tempore of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
J. W. CAROW,
Speaker of the Assembly.
LESTER R. JOHNSON,
Chief Clerk of the Assembly.

Mr. COPELAND presented a resolution adopted by members of the Polish-American Citizens of the Triple Cities, at Binghamton, N. Y., favoring the enactment of legislation providing that October 11 in each year be designated as a legal holiday in commemoration of the death of Gen. Casimir Pulaski, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Department of Christian Social Service of the Diocese of Long Island, Brooklyn, N. Y., favoring the enactment of legislation modifying existing laws concerning the dissemination of birth-control information, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the State Council of New York, Sons and Daughters of Liberty, protesting against the enactment of legislation that will weaken the existing Alien Deportation Law, which was referred to the Committee on Immigration.

THE TEXTILE INDUSTRY

Mr. GIBSON. Mr. President, the textile industry is the second largest of our country. It affects the homes and the living conditions of 9,000,000 people of New England, as well as millions throughout the South.

It is reported that closed hearings are now being held dealing with the situation, but it seems to me these hearings should be public, so that the people affected may know just what is taking place and may have an opportunity to offer their suggestions.

In that connection, I ask that unanimous consent be granted for the printing in the RECORD and appropriate reference of a telegram from the secretary of the Vermont Chamber of Commerce.

There being no objection, the telegram was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

BURLINGTON, VT., May 8, 1935.

Senator E. W. GIBSON,
Washington, D. C.:

What appear to be star-chamber hearings on textile matters cause alarm in New England communities. Why not public hearings on questions which affect second largest industry in America and concern 9,000,000 New England people and other millions in other States? Please use your influence.

JAMES P. TAYLOR,
Secretary of the State Chamber of Commerce.

IMPORTATIONS FROM THE ORIENT

Mr. GIBSON. Mr. President, we still have millions out of employment. The American Federation of Labor has been giving thoughtful consideration to the relief of this condition. It appears to many that the importation of cheap oriental goods is one of the contributing causes for unemployment in this country.

To show the opinion of the labor unions, I ask unanimous consent to have printed in the RECORD and appropriately referred a letter from the Central Labor Union of Barre, Vt.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

BARRE, VT., May 2, 1935.

Senator ERNEST W. GIBSON,
United States Senate, Washington, D. C.

DEAR SENATOR: The Central Labor Union of Barre and vicinity are making a protest through you to the Federal Government to prohibit the import of Japanese products in our country.

We feel that, indirectly, this is the cause of unemployment in this country.

We petition you to vote for a higher tariff on all imports from Japan and other countries which export products to this country; which endanger our industries by their use of cheap labor and material.

Yours very truly,

W. H. EAGER, *Secretary.*

GOVERNMENT OWNERSHIP OF RAILROADS

Mr. WHEELER presented a telegram from L. E. Bordwell, chairman of the board of directors, Mandan, N. Dak., which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

MANDAN, N. DAK., May 7, 1935.

Hon. B. K. WHEELER,
Senate Building, Washington, D. C.:

Today's decision voiding Railroad Retirement Act should cement entire Congress and public sentiment back of your bill for Government ownership rail carriers. Rail workers under the Railroad Employees National Pension Association leadership stunned to the quick by Court's decision; look to you to make intensive drive for national ownership.

L. E. BORDWELL,
Chairman Board of Directors.

REPORTS OF COMMITTEES

Mr. BYRNES, from the Committee on Appropriations, to which was referred the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes, reported it with amendments and submitted a report (No. 598) thereon.

Mr. WHITE, from the Committee on Territories and Insular Affairs, to which was referred the bill (S. 2278) authorizing the construction of buildings for the United States High Commissioner to the Government of the Commonwealth of the Philippine Islands, reported it with amendments and submitted a report (No. 599) thereon.

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (S. 2625) to extend the facilities

of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishment, reported it with an amendment and submitted a report (No. 600) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 2681) to extend the times for commencing and completing the construction of a bridge across Lake Champlain at or near West Swanton, Vt., and for other purposes, reported it without amendment and submitted a report (No. 601) thereon.

Mr. NEELY, from the Committee on the Judiciary, to which was referred the bill (S. 2512) to define lobbyists, to require registration of lobbyists, and provide regulation thereof, reported it with amendments and submitted a report (No. 602) thereon.

Mr. BANKHEAD, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some present forms of farm tenancy, to engage in rural rehabilitation, and for other purposes, reported it with an amendment and submitted a report (No. 603) thereon.

Mr. MINTON, from the Committee on Military Affairs, to which was referred the resolution (S. Res. 119) remanding the claim of W. K. Richardson, covered by Senate Joint Resolution 35, to the Court of Claims, reported it without amendment and submitted a report (No. 604) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CONNALLY:

A bill (S. 2781) for the relief of Gladys Nicholson; to the Committee on Finance.

A bill (S. 2782) for the relief of Walter Acker, Jr.; to the Committee on Military Affairs.

By Mr. MALONEY:

A bill (S. 2783) for the relief of James E. Breslin; to the Committee on Finance.

By Mr. LEWIS:

A bill (S. 2784) for the relief of Mildred Lane; to the Committee on Claims.

By Mr. MINTON:

A bill (S. 2785) granting a pension to John Crutchfield (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 2786) granting a pension to Maud Carrico (with accompanying papers); to the Committee on Pensions.

By Mr. COPELAND:

A bill (S. 2787) to prohibit the making, passing, or negotiation of spurious checks or other financial paper purporting to be payable by institutions in other States; to the Committee on the Judiciary.

By Mr. COPELAND, Mr. VANDENBERG, and Mr. MURPHY:

A bill (S. 2788) to aid the several States in the extradition of criminals;

A bill (S. 2789) to repeal section 420 (c) of the United States Criminal Code; and

A bill (S. 2790) to amend section 2 of the act of May 18, 1934 (ch. 304, 48 Stat. 783), to provide punishment for certain offenses committed against banks organized and operating under the laws of the United States or any member of the Federal Reserve System; to the Committee on the Judiciary.

By Mr. ASHURST (by request):

A bill (S. 2791) to amend the Longshoremen's and Harbor Workers' Compensation Act; and

A bill (S. 2792) to authorize the acquisition of land on McNeil Island; to the Committee on the Judiciary.

(Mr. WAGNER introduced Senate bill 2793, which was referred to the Committee on Interstate Commerce, and appears under a separate heading.)

By Mr. THOMAS of Oklahoma:

A bill (S. 2794) for the relief of Lt. Pomeroy Harned; to the Committee on Military Affairs.

By Mr. GORE:

A bill (S. 2795) to authorize the Secretary of the Interior to convey the lands and property formerly used for the United States Indian school at Colony, Okla., to the Union Graded School District No. 1, of Colony, Okla.; to the Committee on Indian Affairs.

By Mr. WHEELER:

A bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes; to the Committee on Interstate Commerce.

A bill (S. 2797) to authorize the issuance of a patent in fee to Erle E. Howe, Crow allottee no. 1555; to the Committee on Indian Affairs.

By Mr. STEIWER:

A bill (S. 2798) for the relief of Jane Alice Everson; to the Committee on Claims.

A bill (S. 2799) to provide for licensing the taking of water from the Government-owned main at Cascade Locks, Oreg.; and

A bill (S. 2800) authorizing the Secretary of War to lend certain Army equipment to the Mid-Columbia Legion Convention Commission for use at an American Legion convention at The Dalles, Oreg.; to the Committee on Military Affairs.

By Mr. BULOW:

A joint resolution (S. J. Res. 124) relating to the sale, reorganization, or dismemberment of the Minneapolis & St. Louis Railroad Co.; to the Committee on Interstate Commerce.

INTERSTATE WORKMEN'S COMPENSATION

Mr. WAGNER. I ask unanimous consent to introduce a bill and that it be referred to the Committee on Interstate Commerce, and I also ask that there be printed in the RECORD along with the bill a statement explanatory of the proposed legislation.

There being no objection, the bill (S. 2793) to provide compensation for disability or death resulting from injury to employees in interstate commerce, and for other purposes, was read twice by its title and referred to the Committee on Interstate Commerce.

The statement presented by Mr. WAGNER was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. WAGNER

This bill extends the principle of workmen's compensation for industrial accidents to interstate-commerce employees operating railroads, express- and sleeping-car companies, airplanes, and other vehicles moving along regular routes. It renovates the antiquated system of employers' liability established by the Federal act of 1908. It is the logical supplement not only to similar laws already adopted in 44 States but also to acts of Congress protecting civilian employees of the Government, longshoremen and harbor workers, and private employees in the District of Columbia.

The bill provides exclusive and absolute liability for injury or death due to accidents in interstate transportation. It sets forth a carefully calculated scale of benefits, shifting to meet every standard type of injury, and in case of death not neglectful of the number of dependents in the decedent's family. In addition, the measure contemplates accident prevention work and the rehabilitation of disabled workers.

Major costs are assessed against the carriers in the form of insurance requirements, similar to the procedure in many States, including New York, Georgia, North Carolina, Texas, Virginia, Maryland, and New Jersey. A Federal appropriation of \$250,000 is inserted in order to get the work started.

The proposed act is to be administered by a representative commission of three members, appointed by the President with the advice and consent of the Senate, and serving 6-year terms. Under its supervision deputy commissioners in the several States, or in other appropriate administrative areas, will hear claims and award compensation. All questions of law will be reviewable in the appropriate district courts.

It should be stated that the recent decision in the railway pension case in no way affects the authority of Congress to enact workmen's compensation laws covering interstate employees. In fact, the Court expressly distinguished this function. And the time is certainly at hand when 2,000,000 employees, who cannot be protected in any other way and who constitute the largest unitary group thus far neglected, should be brought under the protective arm of a comprehensive Federal statute.

THE COLONY OF CONNECTICUT

Mr. LONERGAN submitted the following resolution (S. Res. 133) which was referred to the Committee on Printing:

Resolved, That 19,000 additional copies of Senate Document 53, current session, entitled "The Colony of Connecticut and Its Beginning, Growth, and Characteristics to the Observance of Its Tercentenary Celebration in 1935", be printed for the use of the Senate document room.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. BILBO submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

AMENDMENT OF SECURITIES ACT OF 1933—AMENDMENT

Mr. BORAH submitted an amendment intended to be proposed by him to the bill (S. 2461) to amend the Securities Act of 1933, which was referred to the Committee on Banking and Currency and ordered to be printed.

INVESTIGATION OF PHILIPPINE AFFAIRS—REPORT OF SENATOR GIBSON (S. DOC. NO. 57, PT. 2)

Mr. GIBSON. Mr. President, during the second session of the Seventy-third Congress the President of the Senate appointed a special committee to conduct an investigation and hold hearings in the Philippine Islands pursuant to a suggestion from the President of the United States, as contained in his communication of June 16, 1934. The committee so appointed has discharged its duty, and I now present my report to the Senate, and ask unanimous consent that it be printed in the CONGRESSIONAL RECORD, that the order heretofore made to print it in connection with a similar report of the Senator from Tennessee [Mr. McKellar] be rescinded, and that it be printed as part 2 of Senate Document No. 57.

There being no objection, the report was ordered to be printed as a document, and to be printed in the RECORD, as follows:

REPORT AS MEMBER OF THE PHILIPPINE MISSION
INVESTIGATION OF CONDITIONS IN THE PHILIPPINES

TO THE PRESIDENT OF THE SENATE:

The special committee to conduct hearings and investigations in the Philippine Islands was appointed by the President of the Senate upon the suggestion of the President of the United States, contained in his communication of June 16, 1934. The committee arrived in Manila, December 9, 1934, having taken advantage of brief stops while en route to study economic conditions in Hawaii, Japan, and China.

The committee during the course of its Philippine investigation visited several of the more important islands, conducted hearings, talked with officials, received hundreds of memorials, interviewed peoples of all classes, and conferred at length with responsible members of the Philippine Legislature and the constitutional convention. Other outstanding leaders of the Filipino people were also consulted. The committee had the assistance of our able and efficient Governor General and his staff, as also that of the commanding general of the Department of the Philippines and of the commander of the Asiatic Fleet. The newspapers, trade organizations, civic groups, and those splendid American pioneers who have been powerful factors in building up the Philippines were also most cooperative and helpful.

The chairman of the committee addressed the people through the constitutional convention, setting forth clearly the political and economic problems of independence as viewed by the members of the committee and warning them of the dangers they must face and the problems they must solve upon assuming an independent status.

The author of this report traveled several hundred miles through the island of Luzon, visiting many Provinces and barrios, where he conferred with officials, came into contact with the common people, and observed economic conditions as they affect the great mass of the Filipino people, in order that he might form an opinion concerning the effect of independence, under the terms of the Tydings-McDuffie Act, upon the economic life of the Filipinos themselves.

It may not be amiss to call attention briefly to some outstanding facts concerning the Philippines.

The archipelago extends a thousand miles north and south off the coast of Asia. The most northerly island is less than 100 miles from Japan (Formosa) and the most southern, but a few miles from British Borneo and the Dutch East Indies. The geographical situation places the islands between great powers contending for the trade of the Orient and athwart the lanes of trade which supply the needs of more than half the peoples of the world. There are over 7,000 islands in the Philippine group, more than 6,000 of which have an area of less than a square mile each. Over a thousand of them are large enough to cultivate and to

sustain human life. The largest of the islands is Luzon, with an area of 40,814 square miles. Mindanao comes second, with an area of 36,906 square miles. The total area of the archipelago is 114,400 square miles, larger than 15 countries of Europe and of 10 countries in the Americas. The coast line is twice as long as that of continental United States. The population is over 13,000,000, having nearly doubled since the American occupation. The population density is only 111 to the square mile as against 433.3 for Japan proper and 290 for the populous Provinces of China. It is estimated that the Philippines could support a population of 60,000,000.

The Filipino people are of Malayan stock; other peoples found in the islands are principally Chinese, American, and Japanese, the latter being scattered throughout the islands and also grouped in a settlement at Davao, which maintains direct commercial relations with Japan.

There are several major languages in use, with some 60 or 70 modifying dialects, each spoken by a fraction of the population. Spain failed to establish a common language which is so essential to national unity, and the United States has not been altogether successful in its efforts to do so, although the advance of the English language has been greater than that of Spanish during 300 years of the rule of Spain.

RESOURCES OF THE PHILIPPINE ISLANDS

The Philippine Islands is one of the richest dependencies in the world—a land of opportunity. It is one of the few sections that have been relatively free from the effects of the depression. The country is rich in natural resources. The Philippine forest reserve is enormous. It is estimated that at the present time it can produce 486,000,000 board-feet of timber of commercial importance, and, in addition, second growth offers an inestimable future supply. The Government owns 97.5 percent of the total forest area, and the annual net income from timber royalties is about \$400,000. The industry produces large quantities of lumber of local consumption as well as for export. In 1933, over 172,000,000 board-feet of lumber were manufactured and more than 460,000,000 board-feet of logs were cut.

The Philippine Islands is also rich in minerals, containing deposits of gold, silver, copper, lead, zinc, iron, manganese, chromium, coal, salt, sulphur, and building and monumental stone.

Gold has been found in all sections. It is estimated that the value of gold produced in 1934, by methods not wholly up to date or efficient, was more than \$12,000,000, and it is estimated further that the 1935 production will be \$18,000,000. Prediction is made by experts that the Philippines will soon become one of the great gold-producing areas of the world. The capital invested in the mines is largely of American and foreign origin.

Copper is found in rich pockets running from 10 to 20 percent and in some cases as high as 40 percent.

There are several important deposits of iron. The Calambayunan and Larap deposits consist of almost pure massive or granular hematite with traces of magnetite and carries an average of 60 percent iron. The Surigao deposit runs about 52 percent iron and is estimated to contain 500,000,000 metric tons of ore.

The most extensive deposits of war material in the world in the form of chromium are found in the Philippine Islands, some of which carry approximately 40 percent of chromium oxide. Since the world's supply is limited, the great importance of the deposit cannot be overestimated. Millions of tons of high-grade, low-cost chrome ore are available. Coal is mined in a substantial quantity, as is asphalt, asbestos, gypsum, and sulphur.

The value of the 1,500 fish meat edibles obtained off the coast of the islands is enormous; local consumption is valued at about \$50,000,000 annually. Fishing in insular waters is largely in control of the Japanese; of the 104 commercial fishing boats registered, 62 are of Japanese ownership. The value of Philippine farm products is more than \$142,000,000 annually.

The islands are rich in everything that is naturally coveted by grasping nations, and the location of the Philippines places them in the center of the political and economic struggle of some of the great imperialistic countries of the world.

POLITICAL BACKGROUND

The people of the Philippine Islands have been under the control of many countries. They have been in turn subject to the Asiatic control of Hindu Malayan empires, to control by China and Japan, to European control by Portugal and Spain, and to American control. Spain gained ascendancy in 1565 and exercised administrative control for years through Mexico, then known as New Spain. Spain continued in power until 1898, although Portugal, the Netherlands, and England made attempts to overthrow her. Each of the nations ruling the Philippines has stamped its influence on customs, business, law, religion, language, and the life of the country. The Filipinos have been a dependent people for more than 500 years.

American control began upon the occupation of Manila August 14, 1898. Philippine Archipelago was ceded to us by Spain under the Treaty of Paris and the United States paid \$20,000,000 for the transfer of sovereignty, for lands, and to remove claims by the Government of Spain.

The Supreme Court, in considering the situation created by the treaty, said, in 183 U. S. at 176, 180:

"By the third article of the treaty Spain ceded to the United States 'the archipelago known as the Philippine Islands.' . . . The Philippines thereby ceased, in the language of the treaty, 'to be Spanish.' Ceasing to be Spanish, they ceased to be foreign country. They came under the complete and absolute sovereignty and dominion of the United States, and so became territory of the

United States over which civil government could be established. . . . The Philippines were not simply occupied but acquired, and having been granted and delivered to the United States by their former master were no longer under the sovereignty of any foreign nation. . . . Spain granted the islands to the United States, and the grantee in accepting them took nothing less than the whole grant."

The situation of the Government with respect to the acquisition of territory added since the Republic was organized was set forth by the Supreme Court in 19 Howard (U. S. C. 393, 448).

"It (Louisiana Territory) was acquired by the General Government as the representative and trustee of the people of the United States, and it must therefore be held in that character for their common and equal benefit; for it was the people of the several States, acting through their agent and representative—the Federal Government—who in fact acquired the territory in question, and the Government holds it for their common use until it shall be associated with the other States as a member of the Union."

This decision makes it clear that, generally speaking, sovereignty rests with the United States Government as agent for the people. Chief Executives, however, have indicated that our control over the Philippines would be only temporary and that we would eventually establish a stable government and then withdraw. Congress, in the act of October 1916, declared this to be the purpose of the United States. The right of Congress to alienate the sovereignty of the United States over land and peoples to which it has become attached is, to the author of this report, extremely doubtful. It is a question which must eventually be determined by the highest court of the land.

THE WORK OF OUR COUNTRY

The United States established a stable government and proceeded to develop the island by building roads, schoolhouses, and hospitals, establishing a system of public education, teaching sanitation, educating nurses, physicians, and surgeons, and instructing in the art of practical agriculture. We reformed the judicial system; we provided towns with modern sewer system and with pure-water systems. We encouraged business and raised the standard of living in the islands over 200 percent above that of peoples of neighboring countries. Under our protection they were left undisturbed during the World War. In short, we did everything to make the government of the Philippines the helpful servant of its people. We built on the splendid foundations of the American Republic. The history of the world does not reveal another such example of unselfish work and sacrifice in behalf of a dependent people. In contrast with the world's colonial powers, we have never commercialized our rule nor encouraged private concerns to control and direct the business of the people. We have given to individual initiative the same opportunity that obtains on our mainland, and to the people we have offered as great a measure of freedom as we enjoy at home.

The Filipino people have insistently demanded the fulfillment of our promise of independence and have sent commissions to the United States to secure action. Congress, to carry out that promise, passed what is known as the "Hawes-Cutting bill." This met with opposition from a powerful political group of Filipinos and was eventually rejected by the Philippine Legislature. Another mission came, and as a result of conferences the so-called "Tydings-McDuffie Act" was passed. The act was signed by the President, approved by the Philippine Legislature, and is now the law that fixes our future relations.

The Independence Act provides, among other things, for the adoption of a constitution to be approved by vote of the Philippine people (which is the only plebiscite given them); this constitution has been duly certified by the President. It also provides for trade relations during the period of the Commonwealth government, and eventually for complete severance of control by the United States.

Such a severance means that the Philippines must support its own army, navy, diplomatic and consular services, finance its own government, and find markets for products grown and for goods manufactured, because the free-trade markets with the United States, which the islands have enjoyed for 25 years, will be closed except upon payment of the same duties now paid by other countries. In securing these markets the Filipinos must compete with other oriental countries, where the scale of living is much lower and the prices paid for labor only a fraction of that now paid in the Philippines.

TRADE

Our trade with the Philippines is an important factor to be considered in a survey and estimate of the situation and in determining our future relations. The story of its growth is a remarkable one. In 1900 our share in the combined export and import trade was 11 percent; in 1933, 78 percent; in 1901 the United States supplied 12 percent of Philippine imports; in 1930 to 1932, 64 percent. In 1901 we absorbed 18 percent of the total exports of the islands; 82 percent in 1930 to 1932; and 89 percent during the first 6 months of 1934.

The Philippines ranked ninth in importance as a market for our goods in 1933, taking more than Belgium, Mexico, Argentina, Spain, Brazil, Australia, or Cuba; more than our combined exports to Norway, Sweden, Denmark, and Switzerland; more than to Brazil and Colombia combined, or Switzerland, Colombia, Honduras, Haiti, Guatemala, Costa Rica, El Salvador, and Nicaragua. Of animal and vegetable products, which are composed largely of manufactured farm products, we sold more than to Cuba or the combined sales to Japan and Italy, or to Sweden and Denmark, or

to Norway, Switzerland, Spain, New Zealand, and the Union of South Africa combined.

The Philippines were 60 percent more important as a market for American textiles than Cuba; 30 percent more important than Belgium, and more important than Argentina, Colombia, and Mexico combined.

As a consuming market for American goods the Philippines occupied the following ranks in 1933: Thirteenth for wood and paper products and for new metallic minerals; twelfth for machinery and vehicles (surpassing Italy, Germany, Australia, and China and equalling Switzerland and Soviet Russia combined); eighth for metals and manufactures except machinery and vehicles (exceeded the trade of Brazil and equalling that of Italy and Sweden combined); fifth for chemicals and related products (exceeded only by Canada, the United Kingdom, France, Germany, and Japan); second for wheat flour, canned fish, and cotton fabrics by the pound; first for milk and cream, both condensed and evaporated; for cotton cloth, colored, bleached, and unbleached; for galvanized iron and steel sheets; for ready-mixed paints.

The Philippines take 32 percent of our exports of colored cotton cloths, 52 percent of our bleached cotton cloth, 23 percent of our cotton fabrics by the pound, and 57 percent of our evaporated milk and cream.

In 1933, of the imports into the islands, the United States supplied 63 percent of the cotton goods; 74 percent of the iron and steel; nearly three-fourths of the wheat flour; half of the meat and dairy products; 80 percent of the automobiles; 88 percent of the mineral oils; and 69 percent of paper and its allied manufactures. Only eight countries purchased more of our products than the Philippine Islands, and no country purchased more of Philippine products than the United States.

All of the industries interested, especially producers of dairy products and the producers of cotton throughout the South and the manufacturers of cotton goods throughout the North, must be directly interested in the solution of the present-day Philippine problem.

And that is not all. The Philippine market must be considered in connection with other markets of the Pacific area; China and India are in a period of industrialization. While this will tend to supply some of their needs, yet industrialization has always raised buying power and increased demand. These countries will increase their demands for cotton, wheat, and foodstuffs. The United States should be in a position to claim its share in their markets. The Philippine Islands hold the key to our Pacific trade. The Far East is the world's greatest potential market today. America should be in the Far Eastern trade to stay, for its trade has attained considerable proportion, representing in value at present upward of \$1,000,000,000 a year. This is nearly one-quarter of the total foreign trade of the United States and exceeds that of South America.

When we consider, however, the entire exports of the United States, we find that the Philippines take only about 3 percent of our entire exports, while the United States takes over 80 percent of exports from the islands. So it follows that we can get along without their market, but the Philippines cannot get along without ours.

THE TYDINGS-McDUFFIE ACT

The Tydings-McDuffie Act, with which we must specifically deal, provides for changes in the trade relations that will materially affect the volume of imports from and exports to the islands. Quota restrictions and export taxes are to be applied during specific periods under the Commonwealth government. Full independence is provided for in 10 years and means a complete break of the economic and political bonds which have united us. The Philippine Islands will then assume the status of a foreign country and will be treated exactly as any other foreign country unless some new arrangement by way of a trade agreement is entered into.

Prior to the establishment of the Commonwealth Government, no change in trade relations is made by the independence act. The Jones-Costigan Act fixing the sugar quota does, however, work some change, and so does the imposition of an excise tax on the first processing of oils equivalent to 3 cents per pound on oil pressed from Philippine copra. This gives Philippine copra a 2-cent preference as compared with the 5-cent rate on coconut oil originating in other countries.

In the period of the Commonwealth Government two changes appear. During the first 5 years of that government, duty-free quotas are imposed upon the amounts of sugar, coconut oil, and cordage which may be imported into the United States. For sugar the limit is 50,000 long tons of refined sugar and 800,000 long tons of unrefined. The duty-free quota for coconut oil is 200,000 long tons and for cordage 3,000,000 pounds. Shipments in excess of the quotas will pay full duty after the inauguration of the Commonwealth Government. These are the only restrictions aside from the export taxes during the sixth and successive years of that government. Except for these restrictions, free trade will continue to prevail.

During the second 5 years of the Commonwealth Government, provision is made for a new type of restriction in the form of a progressive export tax to be collected by the Philippines on all shipments to the United States of insular products, provided such products cannot enter the United States free of duty when imported from other countries. Shipments of sugar, coconut oil, and cordage, under the quotas already mentioned, are included in this provision. These export taxes are fixed at 5 percent of the United States tariff rates for the sixth year of the Commonwealth Government and increase 5 percent each year until they reach 25 percent

in the tenth year. The principal commodities affected are sugar, coconut oil, desiccated coconut, cordage, cigars, embroideries, hats, and buttons.

The object of this tax is to afford the Filipino people an opportunity to adjust themselves to the new conditions they must face after independence, and to provide for the payment of the bonds of the Philippine Government and its subdivisions; bonds, which, though not guaranteed by this Government, yet were sold by us and, therefore, bear our implied approval.

After independence becomes a fact, then all Philippine goods must bear the full rate of duty. The act provides, however, that before the time fixed for independence a conference shall be held for the purpose of making recommendations as to future trade relations.

FILIPINO OBJECTIONS

Filipino leaders have never fully assented to the economic provisions of the Tydings-McDuffie Act. They take the position that they acquiesced only because of a reliance on statements made by the President that if imperfections and inequalities exist they could be adjusted through a conference. They believe, and rightly, that the provisions of the act jeopardize the success of any independent government they may set up, and will result in a collapse of their social and economic structure. They object to the quotas, to the export-tax provisions, and claim that the period within which economic adjustments are to take place is too short. They object to a discontinuance of the free-trade relations after independence is achieved and ask for full-trade and tariff autonomy during the commonwealth period. In the words of Manuel L. Quezon, president of the Philippine Senate, a most able leader and who, more than any other man, controls the situation, "In order that the government of the Commonwealth might be safe and assured of success, it is necessary that all economic provisions be amended." He called for elimination of the provisions of the Tydings-McDuffie Act, imposing the export tax, for higher quotas; and for a permanent agreement as to trade relations with the United States, which, of course, means continuance of free trade with the islands. He apparently accepts the theory that the closing of American markets strikes a death blow to the economic life of the Philippines.

The specific amendments to the Tydings-McDuffie Act to accomplish the Filipino demands may be enumerated as follows:

- (1) Elimination of subsection (e) of section 6, providing for export taxes;
- (2) Amendment of subsections (a) and (c) of section 6, raising the sugar and cordage quotas;
- (3) Amendment of sections 2 (a), 5, 9, and 10 so as to give full autonomy in tariff and fiscal matters to the Philippine Commonwealth government;
- (4) Amendment to section 13 changing the time for the conference to formulate policies for future commercial relations to 2 years before complete independence. These amendments cover practically all of the trade provisions of the Independence Act.

In other words, the claim is made that each and every trade provision of the Tydings-McDuffie Act is unjust and unfair both severally and in anticipated collective effect. All of these objections are based on the fear of a prospective collapse of their social and economic structure following a closing of American markets and a return of the great mass of Filipinos to oriental standards of living. To these objections may be added that the Tydings-McDuffie Act does not give the full measure of independence expected, and that no final plebiscite is given the Filipino people in which to voice their direct and free approval of independence itself.

POLITICAL QUESTIONS INVOLVED IN INDEPENDENCE

Thus far we have dealt with economic provisions and objections naturally arising thereunder. In addition there are certain political questions which must be considered. These are well stated in a recent study and are suggested here for the consideration of the Congress:

- (1) Can an independent Philippine government maintain internal peace? Would internal political strife create international complications?
- (2) What will be the responsibility of the United States, if any, in preserving Philippine neutrality?
- (3) After independence, will the islands be forced into closer political and economic connections with any other country, and would such a situation become a disturbing factor to the peace of the Pacific?
- (4) Will the infiltration of other races prove a serious political problem?

In connection with these political questions it is well to consider the rapidly changing conditions in the Pacific. The following matters deserve special attention: The rise of an ambitious power to commanding influence guided toward its assumed destiny by able statesmen; the so-called "Asiatic Monroe Doctrine"; the fight for trade; the infiltration of Japanese into the Philippines; the placing of Japanese merchants in all parts of the islands—picked men with special knowledge of the vernacular and customs of the people; the establishment of the Japanese colony of 15,000 at Davao; the fact that Japanese corporations have acquired control of land by various methods and title to thousands of acres of land, either in fee simple or by leasehold rights, apart from sublease rights acquired from Filipinos; and that Japan by subsidizing college professors is pursuing the old policy of our public utilities and is carrying on a propaganda program with the object of ingratiating herself into the good will of the Filipino people. Japan, in fact, is moving in as we are moving out.

Some Filipinos claim that the Philippines would be safer under independence in dealing with Japan than under American sovereignty. This is an untenable proposition.

In considering the whole situation in the Orient, it may be well to bear in mind the interest of Great Britain and what may be done to protect her position. England, in the event of our final withdrawal, will not suffer any other nation to block her lanes of trade or endanger her free passage to Australia and to her many bases in the East. England does not willingly surrender a right she has won or give up a foot of territory under the British flag. As a measure of protection, her budget for military purposes is being materially increased. The situation created by our withdrawal may bring Japan and Great Britain face to face in the Philippines with a common problem. English diplomacy is not wholly altruistic as to objectives. A solution may force a secret treaty to delimitate spheres of influence and control the trade of the Philippines. The only safe way to judge the future is by the past; we cannot forget the secret treaty which was uncovered in the negotiations leading up to the Treaty of Versailles.

The effect of Japanese influence on our trade is already becoming apparent. The figures show some losses in our exports to the Philippines, particularly of cotton goods. In this commodity the Japanese supplied 52 percent of the quantity of Philippine imports during the first 10 months of 1934, as contrasted with 23.5 percent in 1933. During the same period imports of cotton cloth from the United States fell from 67 percent to about 41 percent.

OTHER QUESTIONS RAISED BY THE TYDINGS-McDUFFIE ACT

There are imperfections in the Tydings-McDuffie Act that directly affect our people. The justice of the act lies in the fact that it carries out any promise of independence that may bind us. The injustice lies in the fact that its provisions will cause us to lose a position of influence in the East and render it difficult to carry out any consistent far-eastern policy.

It will gain for us the reputation of deserting a problem before its solution.

It will help to turn back our race movement for the first time in its history.

It will make America, once the hope of Christendom, the leader in the retreat of the white man.

It will put us in a position of leaving a people we have promised to help at the mercy of grasping, imperialistic nations, unless and until a neutralization treaty can be negotiated—an idle dream.

It may operate to lose for us one of our best markets.

Under the terms of the act we are required, in effect, not only to give up the islands but to give them a bonus, coupled with their independence. We are required to make a tremendous financial sacrifice in the form of reservations, lands, hospitals, and other property involving many millions of dollars. It is true, however, that we will also be relieved of our annual expenditures in the islands.

There are certain fiscal problems brought to the Filipino by the independence act. The costs of government will be increased because of the necessity of performing services performed heretofore by the United States. Government income will be curtailed. Taxation must increase. Will the Filipino accept the additional burden? Will it be possible for the government to maintain present standards of service? If not, what will be the result in the present state of world relationship?

In dealing with the economic situation we can change the quotas, the export taxes, and the 10-year time limitation. We can amend the law so as to permit the negotiation of a trade agreement during the commonwealth period; or negotiate a trade agreement effective after full independence is achieved; or Congress can reduce duties, from whatever country imported, on certain articles which are of special interest to the Philippines. It must be borne in mind, however, that no trade agreement can become operative during the commonwealth period without further legislation, and that trade agreements, under existing law, can be entered into only with foreign countries. In any trade agreement we must meet the situations created by 30 recent treaties containing the most-favored-nation clause, and by the Cuban trade agreement.

It may be observed that, so far as the political situation is concerned, we have enacted the independence law. It is my opinion it should not have received the sanction of the Congress in its present form. I voted for it, and now tender my regrets for having done so. But it has been approved by the Philippine Legislature and constitutes an obligation which we cannot ignore. The economic provisions of the Tydings-McDuffie Act can be changed and the imperfections in inequalities adjusted. Even the political set-up can be changed, but this must be done upon the initiative of the Philippine people. We Americans are bound by what we have done. All of the Filipino leaders know the dangers that confront them, but, with the present political control, few will back a proposal for a change in the political part of the act. The situation affords an acid test of Filipino statesmanship of the present day.

Our course has been correct. The Filipino people have been warned of the direct effect of the independence act in clear and unmistakable language by the chairman of the committee in his address before the Philippine Constitutional Convention. This has already been set forth in the CONGRESSIONAL RECORD of February 12, 1935.

I have only the good of the Filipino people at heart. I cannot divest myself of the firm conviction that the Filipinos would be far better off if they had some form of independence under American sovereignty, but it is up to them to say whether or not they wish to go along with us. The decision is theirs to make.

Theodore Roosevelt once said:

"The time will come when it will be wise to take their own judgment as to whether they wish to continue their association with America or not. There is, however, one consideration upon which we should insist. Either we should retain complete control of the islands or absolve ourselves from all responsibility for them. Any half-and-half course would be both foolish and disastrous. We are governing and have been governing the islands in the interest of the Filipinos themselves. If, after due time, the Filipinos themselves decide that they do not wish to be thus governed, then I trust we will leave; but when we do leave it must be distinctly understood that we retain no protectorate over the islands and give them no guaranty of neutrality or otherwise; that, in short, we are absolutely quit with responsibility for them of every kind and description."

President Coolidge, in his letter to Governor General Wood of the Philippine Islands, well stated some of the necessary requisites for self-government by saying:

"The ability of a people to govern themselves is not easily attained. History is filled with failures of popular government; it cannot be learned from books; it is not a matter of eloquent phrases. Liberty, freedom, independence are not mere words the repetition of which brings fulfillment. They demand long, arduous, self-sacrificing preparation. Education, knowledge, experience, sound public opinion, intelligent participation by the great body of the people, high ideals, these things are essential. The degree in which they are possessed determines the capability of a people to govern themselves."

Expressing about the same thought, President Wilson, in appraising our relation with the Philippine people, said:

"But we cannot give them self-government. Self-government is not a thing that can be 'given' to any people, because it is a form of character and not a form of constitution. No people can be 'given' the self-control of maturity. Only a long apprenticeship of obedience can secure them the previous possession, a thing no more to be bought than given. They cannot be presented with the character of a community, but it may confidently be hoped that they will become a community under the wholesome and salutary influences of just laws and a sympathetic administration; that they will after a while understand and master themselves if, in the meantime, they are understood and served in good conscience by those set over them in authority."

It has seemed to me sufficient in the performance of my duty as a member of the special mission to set forth facts concerning the Philippine situation, and state what can be done, for the information and guidance of the Congress, and not attempt to make a recommendation as to what should be done.

It may be well for the Filipinos to consider the dominion form of government with complete independence as to internal affairs under the Commonwealth Government with their own selected chief executive.

They may also consider statehood in a modified form that would give them complete freedom and independence, admitting the Philippines to the Union with two Senators and a limited number of Representatives.

This last plan may involve an amendment to the Constitution. If our 35 years of control and example has not been in vain, they are prepared for such a state; if prepared for independence, as we concede by the enactment of the Tydings-McDuffie Act they are, then they are prepared to be an integral part of the Union, surely better prepared than the Dutch East Indies to be an integral part of the Kingdom of the Netherlands.

Another plan worthy of consideration is for the Filipino people to go forward with the commonwealth government and within the 10-year adjustment period, if they find changes in the political set-up are needed, to apply for a change and cooperate with us in making out the problem to the mutual well-being of both peoples. Another solution worthy of serious consideration is for the Filipinos to proceed indefinitely under a commonwealth government set-up.

But these are only possible solutions, and suggested for what they may be worth.

However, if any recommendation is required in this report, then I suggest that the Filipino people, before the end of the commonwealth period, request a revision of the political as well as the economic features of the Tydings-McDuffie Act, and that America be requested to retain its sovereignty. Small states must rely for their security on a strong nation or enter into intrigues with other small nations, intrigues which endanger the peace of the world. It is increasingly difficult for them to sustain their civil governments against increasing costs.

There could well be a balance of trade by the use of the tariff power, both by this country and by the Philippines, and by nationalizing the shipping between the two markets. If the two people strike an agreement to share American sovereignty, and put off to a remote future the separation arranged for under the Tydings-McDuffie Act, it would, in my opinion, inure to the benefit of both nations. If the Tydings-McDuffie Act is carried out, the small Philippine state will be a disturbing factor in the Far East. In my opinion, it is vital for the Philippines and its resources that our liberal sovereignty should remain, and in this is our own security, for if we abandon them we may become involved in their struggle to survive, and in the struggle that will be precipitated in the Far East.

It is essential, too, it seems to me, that the free institutions set up by America in the Philippine Islands should be continued because the final influence of those institutions would be the general redemption of all Malaysia. This powerful buffet is very im-

portant in the future. It will develop slowly, still it will develop surely.

In other words, we should have a state policy in the Far East based on our own democracy, and pursued independently of any other state policy even with the friendliest nations. This is the only safe ground for America in that quarter of the world.

In the event that no political change is made then a trade agreement may be advantageous, both to the United States and to the Philippine Islands, but the road leading to such an agreement is not free from pitfalls.

As previously stated, we have given Cuba exclusive and preferential concessions shared by no other foreign country. Our trade relations with the Philippines are excluded from the Cuba trade agreement of 1934. But it may be argued that the assumption of independent status by the islands would bring the provisions of any trade agreement we may make into conflict with our Cuban agreement. It may be said, too, that any trade agreement, especially with respect to sugar and coconut products, would be unfair to the other sugar- and coconut-producing sections of the world. Then, too, the "most-favored-nation clause" in our 30 commercial treaties provides that the products from a foreign country will receive in the ports of the United States the same treatment as given to the most favored nation.

These difficulties indicate that there must be a full, minute, and complete study made of the whole trade situation; and we should see to it that such a commission is set up immediately to provide the necessary information if we proceed in our relations with the Philippine Islands on the basis of trade agreement alone.

This report should not be construed as a criticism of the Filipino people, or their leaders. They have struggled legitimately to actually realize that which is inherent in every human being, a desire for a greater measure of liberty and freedom and the right to govern themselves.

In addition to the well-being of my own country, my aim is the well-being of the Filipino people; that they may go forward through the years of the future to a safe and secure position among the nations of the world.

They are a gentle, home-loving, hard-working people, who are entitled to protection against the grasping imperialistic nations in the midst of which fate has placed them. America should see her duty clear not to desert them in an hour of danger. I am thinking of the Moros of the south, of the Bontocs and the Igorots of the north, of the man in the rice field, of the farmer and the laborer, and all those who toil long hours for a meager existence. And I join for them in a fervent prayer to God that He may save the Philippine Commonwealth and deliver these people from the fate of falling to the level of the living conditions of the Orient.

ERNEST W. GIBSON.

"CAN THE PARTIES LIVE WITHOUT PATRONAGE?"—ADDRESS BY SENATOR O'MAHONEY

Mr. ROBINSON. Mr. President, I ask leave to have printed in the RECORD an address entitled "Can the Parties Live Without Patronage?" delivered by the junior Senator from Wyoming [Mr. O'MAHONEY] at a dinner of the General Council of the National League of Women Voters in Washington, D. C., on Wednesday, May 8, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The question which has been propounded by your program committee as the subject matter for the discussion this evening admits of a categorical answer and I think it would be asking too much to expect a Democrat, even in a nonpartisan meeting such as this, to overlook the opportunity it affords. The answer is emphatically "yes"; and if you ask for proof, let me point to the fact that the Democratic Party, having elected only three Presidents since the Civil War, has managed to survive without benefit of patronage and to present the country, for good or ill, according to the point of view, with that far-reaching program which is called the "new deal."

Except in the administrations of Grover Cleveland, Woodrow Wilson, and Franklin D. Roosevelt, the Democratic Party has been a stranger to Federal patronage. More than that, I may, perhaps, with propriety, allude to the fact that even though it was a stalwart supporter of Andrew Jackson, who announced that "to the victor belongs the spoils", it was Grover Cleveland who declared that "public office is a public trust", and who took the first steps to use the civil-service law in any measurable degree for the purpose of selecting governmental employees.

The question rather assumes as a major premise, that political parties really exist for the purpose of patronage. If I were to say nothing else tonight, I should want to say that the history of our country proves this to be an assumption without basis. Principles, not patronage, have always constituted the living force of our political system. Those parties which have been uncertain in their philosophy, even though they wielded the power of patronage without restraint, have never been able to preserve themselves from defeat when fundamental issues affecting the public welfare have had to be decided.

PRINCIPLE THE BASIS OF POLITICAL LIFE

Of course, we all recognize that patronage has been abused in all periods of our history; that appointments to office have been made by all parties for no better reason than that the aspirants have rendered, or were believed to have rendered, effective parti-

san service, and that the hope of reward in the form of public office has frequently been the motive which has prompted ambitious men to align themselves with one party or another. Indeed, many of those who have been candidates for election at the hands of the voters have not been above shaping their course on public questions by what they conceived to be the expedient thing to do. We may admit all of these things. We may acknowledge all of the unlovely phases of political life, and yet it may be said with absolute accuracy that the great majority of our citizens are guided by principle in their political affiliations.

I know of no class of people more ready to depreciate one another than politicians. The other fellows are always rascals—for public consumption. But when you find them gathering around the committee tables, in the legislatures, or in Congress, or conferring on executive boards and commissions, they are never loathe to acknowledge one another's fundamental virtues. The actual truth of the matter is that most of those who hold public office in this country—local, State, or National—are guided by an actual desire to serve the public good. They do not intentionally degrade the offices they hold, nor do they, generally, speaking, pervert the public patronage. Indeed, if the truth were told, I think it would be acknowledged that the standard of ability and integrity in public life is at least as high as it is in private life, and this regardless of the part that patronage is supposed to play.

But the politician, because in his campaign he must needs use the methods of mass appeal, too frequently gives a wrong impression of his calling, and at the same time an exaggerated importance is given to the value of patronage as an instrumentality of politics. Indeed, every executive has found the office seeker the bane of his existence. The wise and effective party leader is not long in discovering that the merit system is not only the best manner in which to secure efficient Government employees, but also the easiest escape from the importunities of the undeserving and the unfit.

The soundness of the merit system as a method of selecting Government employees is, I think, everywhere acknowledged both from the point of view of value in public service and effectiveness of political leadership. Nevertheless, if the selection of all appointive officials were to be exempted from political control, results quite as bad in their effect as those which have been attributed to the spoils system could easily follow.

One thing we must always remember, the Government belongs to the people. It is instituted in their interest. It should be administered in their behalf and not in the interest or in the behalf of the officeholder.

In State or Nation there never yet has been established a bureau which voluntarily limited its own growth. Every board, every commission, that was ever created soon found many reasons, real, plausible, and imaginary, for the expansion of its activities and the perpetuation of its existence.

DANGER OF BUREAUCRACY

Any system that would completely free the civil establishment from the control of political authority would have the inevitable effect of establishing a permanent and oppressive bureaucracy. It is for this reason that I personally look with apprehension upon the movement that would extend the protection of the civil-service laws to all of those who have been given employment in the emergency branches of the present administration. The moment that thousands of employees who were hired for the purpose of doing a particular task which the administration and the country hoped could be accomplished in the briefest possible time, gain the right to feel that they are under the protection of the civil-service laws, in that moment they will begin to feel that they have a vested right to retain permanently the jobs they hold, and in that moment the great task of demobilization of the emergency establishments which should be undertaken just as soon as recovery and reform have been accomplished, will be made 100 times more difficult than it will necessarily be in any event.

One of the perils of a republic is the growth of an officeholding class. It was to escape this danger that some of the earliest American colonists established the principle of rotation in office. Of course, that principle was abused and was made an excuse by which executives in later years justified proscription of all political opponents. The fact that the principle was abused should not, however, close our eyes to its value, because it is one of the best possible means of keeping a government close to the people. In a republic we can afford to sacrifice a good deal of efficiency in order to be sure that we have a government which is responsive to the public will and which will serve the public interest.

It is for this reason that in all steps which we may take for the extension of the merit system in public life we must, above all things, be careful to preserve in the executive authority the right to appoint and remove at will all principal public officials who play a part in framing political policy. Only those officers whose duties are purely ministerial should be made secure in their tenure. If the people are to maintain control of their government, they must have leaders who may be appointed as well as elected to important public places.

When, as at the Presidential election of 1932, the voters of the Nation said in the most emphatic way in which it could be said, that they wanted a change in the management of the Government, they were entitled to have that change not only in the person of the President and the Vice President and of those Senators and Representatives who were elected in the several States, but they were entitled to have as thorough-going a change of supervision in all so-called "key positions" of the executive arm as might be necessary to bring about the altered point of view, without which

the altered objectives for which they declared could not be obtained. This statement would remain just as true if at the next Presidential election there should be another reversal of opinion by the people. They are the sovereigns. Their will is the law of the land, and we should be very careful to do nothing which would set up an obstacle to prevent the effectuation of that will.

PEOPLE MUST CONTROL EXECUTIVE ARM OF GOVERNMENT

It is not only true that the man who takes the sword of political combat should be willing to perish by that sword if the tide of battle runs against him, but it is also true that the officeholder who desires to hold his place permanently in the public service must be willing to forego not only active participation in political campaigns, but he must also be willing to forego the exercise of directing influence in shaping the policies of his Government. Only the people have the right to do that through agents whom they may change at will.

When any new President is elected it becomes not only his right, but his duty, to make effective the public policies for which he stands. If he should be surrounded by a permanent officeholding class in every department of the Government, in every commission, in every board, in every bureau, it is not difficult to see that his efforts would be certain to be rendered futile.

The magnitude of the Government establishment exceeds by far anything that the average citizen has ever imagined. In single office buildings in Washington there are more clerks and Government employees than there are inhabitants in many a substantial town throughout the land. It is a common experience for a Senator or Representative receiving a call from some constituent who is visiting Washington for the first time to hear that constituent say, "Why when I wrote and asked you to see the Secretary of the Interior, to call upon the Collector of Internal Revenue, or to go to the Veterans' Bureau (or some other department chief as the case might be), I had a picture of you putting on your hat and walking across the street to another building. It never occurred to me that the city was filled with Government offices larger than factories."

In circumstances like these it is perfectly obvious that when the work of the various branches is necessarily delegated to subordinates who wield great power, though their names are never heard outside of their own departments, it is a physical impossibility for the President and his Cabinet officers to direct the policy of the departments without the active, responsible, and loyal cooperation of the men who hold the key places. The President and his Cabinet aides are necessarily dependent upon these officials. Place them in office permanently, subject to removal only for cause, and you shackle the hands of your President and deprive the people of their right to exert a direct control through their Chief Executive upon the Government.

Members of Congress are elected to represent the people and the States in the enactment of the laws. They hold no executive power. The President is the only official elected to represent all the people and to act for them in an executive capacity. All the vast multitude of appointees also represent all the people, but they are not elected. They are not responsive to the people. The people know nothing of what they are doing or how they are doing it. It becomes essential, therefore, if we are to preserve the fundamental theory that ours is a government of the people, that the President must be protected in exercising complete authority over every official who has the power and the duty to direct policy.

REFORMS NOW RIFE FOR ADOPTION

This can be accomplished without in any degree impeding the advance of the merit system. Indeed, one of the three major reforms which it seems to me are ripe for adoption in the civil-service system, is a practical plan for the transfer or reassignment of civil servants in the upper bracket to other duties in the same or in different departments without loss of rating. Under the present system if a department head desires to make a change among subordinate superintendents, it is ordinarily necessary to cause demotions of salary to an extent that does not seem to be justified in the absence of delinquency on the part of the official.

Another reform which would seem to be a natural development would be a prohibition against the covering into the civil service either by Executive order or by legislative enactment of either individual employees or classes of employees originally appointed without regard to the civil-service laws.

A third reform, which I venture to hope is almost at hand, is the extension of the system to the appointment of all postmasters. These are officials who clearly have no functions to perform in the delineation of policy. Moreover, they are not concentrated at the seat of government, but are scattered throughout the Nation where they are constantly under the observation of the people whom they serve. When it becomes clear that postmasters are actually selected and appointed because of their capacity to perform the particular task to which they are assigned, public faith in the civil-service system will be vastly increased.

All three of these reforms restricting partisanship in the selection of employees, but not impairing the essential political control of the executive arm of the Government, will be, in my opinion, just as beneficial to the political parties as they surely will be to the public service, for again let me say it is not by patronage but by principle that a political party prospers.

WOMEN IN INDUSTRY—ADDRESS BY SENATOR WAGNER

Mr. ROBINSON. Mr. President, I ask unanimous consent to have printed in the RECORD a very able address delivered

by the junior Senator from New York [Mr. WAGNER] on the occasion of the public-affairs dinner of the Institute of Women's Professional Relations at the Hotel Astor, New York City, on March 28, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

An enduring civilization has been reared on this continent by the mutual endeavors of men and women working together. The white man began to take root in the New World, not when the earliest explorers crossed the ocean in search of gold or adventure, but when more solid folk brought their wives to the rocky New England coast and built their homes as adjuncts to their farms. Two hundred years later, when a growing population began to surge toward the Pacific, it was not the daring and unstable prospector who conquered the West. The West was captured by the covered wagon, bearing women as dauntless, as sturdy, and as industrious as their men. Throughout our history it has been the same. During the last century our agricultural wealth was due in large part to the woman at work in her home, spinning, sewing, preserving, caring for her children, and even assisting her husband in the more arduous tasks of the great outdoors. The tremendous role that the woman of today plays in our economic life is neither a new nor a passing phase. It is as old as America itself.

The emergency of women into industrial and professional work divorced from the home is novel only because the swelling tide of our industrial development is itself new. The woman's security today depends upon the job rather than upon the welfare of a tight little domestic economy, because we are passing from a Nation of farmers to a Nation of jobholders. In almost every nook and cranny explored by enterprise will be found a part of the 10,000,000 women who are working for pay. While those in the factories are concentrated largely in textiles and clothing, they are not absent even from the packing house or the automobile plant. Over half a million are saleswomen, in clerical occupations. They are as numerous as men, and they have established their preeminence as instructors of the young. The volume of women in professional life increased 48 percent between 1920 and 1930, and has now risen to about 1,400,000, placing them almost on a level with men in this respect. In quality as in quantity they do not suffer by comparison. Ranking in the top flight of authors, explorers, aviators, dramatists, lawyers, judges, professors, and college presidents, women are now distinguishing also the highest positions in our governmental life.

Caught in the whirl of industrialism, women are faced, as mothers, as job holders, or as both, with every acute economic problem now confronting the world. In addition, they are burdened with a long train of handicaps artificially imposed upon them because of their womanhood, and it is to these that I wish to devote a few remarks.

The discrimination confronting the job-holding woman today is the lineal descendant of the ugly prejudice which only a century ago forced Mary Ann Evans to write her extraordinary novel under the name of George Elliot, and which within our own memories was extending the ballot to the man alone. Happily these coarser and more obvious forms of stupidity and injustice have faded into the background.

But feeding upon prejudices more difficult to eradicate, more difficult even to see, have been the forces of economic exploitation, preying upon women in industry by classifying them as undeserving of equal treatment with men.

Because wages are at the center of business, relatively low pay is the signal badge of inequality that women have worn. One hundred years ago they received only one-fourth as much as men performing similar work. While such glaring disparities have vanished, the necessary leveling process is not yet completed, and discrimination is rife in many areas. Nor is this disfavor confined to wages. When the depression set in women lost their jobs first, and in short order over 2,000,000 of them were reduced to dependency. Stepchildren of industry in times of sunshine, they became the first orphans of the storm.

As all evils, the one to which I have referred has been prolific in self-justification. It has been said that the majority of women are unskilled workers. This is less true today than formerly, for women are entering every field of skilled and technical endeavor. And even where it is true, the apology falls to the ground because equally unskilled men receive better wages.

Another common misstatement is that women can afford to earn less because they are merely marginal workers for whom their jobs are a means of supplementing a family income. Of course, this neglects entirely the unmarried, independent women, who constitute over 70 percent of all those in industry at the present time. To these single people the job is life itself. Frequently they have parents or other dependents to care for. They are faced with the constant threat of insecurity in the future, of sickness and unemployment. In every respect their working problem is as large as that of the man.

Nor is the argument of the marginal producer validly applicable to the married women. When she enters the economic world the contribution of her family to the wealth of the Nation is approximately twice as great as when her husband alone was working. This means that the family income should be doubled, not that husband and wife should be forced to share the earnings which previously had accrued to him alone. Aside from the economic injustice of any other course, there is the paramount social interest to be weighed. In view of the low incomes of the vast majority of American families, the working woman is forced into industry to

extend the opportunities, at times even to preserve the very health, of her children. Her stake in her job is not a trivial one.

We have tragic and cumulative evidence of the effect of low wages upon the health and welfare of women in industry. In 1932 their Nation-wide average weekly earnings were \$11.72. It is conservatively estimated that of this meager sum \$11.63 would be required for a decent level of board and lodging. This would leave practically nothing for clothes, for health, for insurance, for recreation, and for the other benefits which enter into a full life.

An equal stake in her job with men is necessary to give substance to the form of political and social emancipation which the woman now enjoys. We live in a great industrial civilization, where all of our habits and institutions are colored and shaped by the conditions prevailing in our economic life. So long as woman is discriminated against in industry, her political liberation will be an illusory blessing and her social equality a meaningless slogan.

Contrary to the impression of the short-sighted discrimination against women in industry is equally pernicious in its effect upon men who work. This is quite platitudinous in regard to the married woman who is bearing her share of the breadwinning task. And while only 15.9 percent of the women at work were married in 1890, the number rose to 28.9 percent in 1930.

Secondly, the existence of a vast army of underpaid women who are regarded as cheap material for the labor market exercises a depressive effect upon all wage rates. Nothing could be more mistaken than the notion that women would compete with men if they were treated on an equal footing. Hurtful competition exists just because they have not been put upon an equal footing, and because lower standards always tend to drag all down to their own level.

The most important reason why higher wages for women would benefit the entire industrial system, however, is that they would increase the total volume of purchasing power and thus maintain the consumer demand upon which stability and progress depend. The lag in wages that constituted the most powerful depression-producing force was in large measure assignable to the direct and indirect effects of discriminatory practices in industry.

Until the passage of the National Industrial Recovery Act, there was little legislative embodiment of a principle of equality against which no sound argument can be directed. But in over three-fourths of the 400 codes under that act the same basic wages are provided for women as for men. And, as clear thinking and education drive home the realization that the interests of men and women in industry are unified rather than in conflict, the pace of progress for both will be quickened.

Up to the present, most of the legislation designed to protect women at their jobs, instead of dealing with the problem of discrimination, has given women certain preferences based upon their special characteristics in strength and endurance. Thus, only five States have failed to pass laws regulating the hours of work for women in factories. Some sincere advocates of the cause of women in industry have looked with disfavor upon this special legislation upon the theory that it denies the principle of equal treatment. While I appreciate their sentiments, I do not share their views. There does not seem to me to be any inconsistency in holding on the one hand that women should receive equal treatment with men for the same kind of work, and on the other hand that women should receive special consideration based upon special circumstances. I am inclined to agree with the famous statement of Mr. Justice Holmes dissenting from a Supreme Court decision which declared unconstitutional a minimum-wage law for women in the District of Columbia. He said: "It will need more than the nineteenth amendment to convince me that there are no differences between men and women, or that legislation cannot take those differences into account."

The most important reason, however, for upholding and enlarging these special laws which advance women in industry, is that they are the entering wedge through which can be driven new and wider forms of social security laws for all groups. It was upon the experience established by regulating the work of women and children that the National Recovery Act was reared to guard the living standards of all groups. It is to the precedents of liberal courts sustaining special protective legislation that we look when we hope to sustain general protective legislation. Progress comes by slow degrees, and every assumption of social responsibility, however slight, is a step in the direction of that public enlightenment upon which full responsibility must rest.

While women have been most active in the advocacy of welfare legislation, they have, on the whole, not kept pace with men in self-organization, or in cooperative efforts based upon trade or industrial or professional unity. But our experiences during the past 2 years have confirmed my opinion that no government alone can do the entire job of recovery or reform. The minimum standards set by law are merely the base upon which individuals and groups must build by their own efforts. And even the basic adequacy or inadequacy of these minimum standards depends largely upon the alertness and articulateness of those to whom they apply. For these reasons I have been glad to observe recently the quickening impulse toward the association of women of similar interests in leagues, in unions, in welfare societies, and in other similar agencies. These smaller units of government and self-expression are the guardians of democracy in a machine age which threatens to impersonalize us all.

Job security and fair treatment upon the job must take precedence over any attempts to minister to those who are unemployed or destitute because of old age. The phenomenal must not be served at the expense of the commonplace. Therefore it might seem at first glance that the present plans for unemployment and

old-age insurance which are now being pushed to a conclusion in Washington are of secondary importance. But this is not so, because the essential feature of these plans is the salutary effect they will have upon job security through the stabilization of industry.

Old-age insurance, by removing from the labor market the older and less efficient workers, will create new openings for the young and the strong who are clamoring for employment. And to all those who are now at work it will add a sense of security deriving from an outlook into the future untouched by the fear of dependency. Unemployment insurance will intensify our efforts to remove the costly curse of unemployment itself. The payment of benefits to those who are old or jobless will spread purchasing power and thus modulate, if not remove, the downward drive of the business cycle. Thus while these different proposals for social security march along different avenues of approach, they are all converging upon the key citadel of job security itself.

Another important aspect of job security is the growing consciousness on the part of government that, while it must do everything possible to stimulate private industry, it must provide work insofar as it cannot be found elsewhere. In fact, it seems to me that the outstanding accomplishment of the past few years has been our recognition that the rockbottom responsibility for giving everyone an opportunity to earn a living rests not with charity or with private individuals but with the State as the embodiment of the public conscience and the public will.

In our public-works programs women present a special problem, because they do not fit as well as men into the more traditional types of governmental projects, such as road building, forestry, and harbor improvements. But under the civil works of last year a wide range of useful activities were explored that were adapted to the inclinations of women in general, as well as to the white-collared and professional classes at large. I am sure that with our growing knowledge these considerations will exercise an even greater influence in the future.

It is a shallow outlook that attributes women's increasing participation in government and reform solely to her new position in our industrial life. The guiding spirit of today is not the cold logic of economics, but the warm humanitarianism of social justice. And it is this latter quality which has always made women leading campaigners against the sweatshop and the slums, against the exploitation of the child and the degradation of the fully grown, against the whole train of miseries that poverty drags in its wake. As women rise in civil and political life, just so surely will the present dawn of a better day rise to the high noon of accomplishment.

"MISREPRESENTING THE BANKING BILL"—EDITORIAL BY RAYMOND MOLEY

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial by Raymond Moley, appearing in Today for May 11, 1935, entitled "Misrepresenting the Banking Bill."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

There has been no shortage of loose talk by opponents of the banking bill commended by Mr. Roosevelt in his radio address on April 28. Twice during the past week I have been told by intelligent leaders of public opinion—great editors, both of them—that they were doubtful about the Eccles amendments, because, perforce, these amendments would set up 48 political members as a central bank board and thus subject the banking system of the country to the vagaries of a political body. The fact is that these men were not talking about title II of Governor Eccles' proposed amendments but of a totally different bill, the Nye-Sweeney bill. But they thought they were talking about the proposals of Governor Eccles. They had been completely confused by the outcries of many supposedly reputable leaders of public opinion to the effect that the Eccles amendments proposed to make the Federal Reserve Board wholly "political."

Let us look at the facts and see whether the inference is justified. Governor Eccles' proposals do not change the essential nature of the Federal Reserve Board. Under his proposals the Federal Reserve Board will still consist of 8 members, 6 of whom will be appointed by the President for 12-year terms, just as they have always been. The two others, the Secretary of the Treasury and the Comptroller of the Currency, will be ex officio. These officials now are and have been members of the Board. The amendments provide for an increase in the compensation of the appointed members to a sum equal to that of Cabinet officers. This provision is intended to give them more security and more financial independence, which everyone will grant is a necessary condition of such important service.

There are two changes in the conditions under which these offices will be held. The first provides for the retirement of members of the Board when they reach the age of 70, and gives them a pension. This certainly is not revolutionary. The other change provides that the Governor of the Federal Reserve Board shall be designated as such by the President, but that when the President terminates his designation of Governor, he shall cease to be a member of the Board. This gives the Governor of the Board the same basis of tenure as that of a Cabinet member, which makes him responsible to the President. But it does not give the President control of the Board. The other five members of the Board continue to hold office regardless of changes in the administration

in Washington. They will serve out their terms of 12 years each. Present members will not be subject to the 70-year retirement rule. No President, under these conditions, can change the Board at his discretion.

The Eccles amendments, therefore, do not subordinate the Board to any President. It remains an independent public agency. To call an agency that is public by the term "political" is merely a means of confusing the real issue. The real issue is the power the amendments would give to the Federal Reserve Board to direct more effectively than it now can the credit policy of the United States. The opponents of the bill apparently would perpetuate a stalemate between private and public credit control.

The purpose of the Federal Reserve Board is and has always been the substitution of public for private control of credit in the United States. The people of this country have experienced the effects of private control and they have refused to tolerate its continuation. That matter is a closed issue. It was closed by the terms of the Federal Reserve Act itself and by President Wilson's repeated assurances to the people that the act was intended to put an end to private control.

The Eccles amendments are designed to make public control of credit more effective. If it is this purpose that the opponents of the bill are fighting, the people of this country have a right to know it. That issue can be fought on its merits. But it is unjust and unfair to attempt to obscure it by a false and alarming cry of "politics."

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which appeared in yesterday's Washington Times entitled "Pay the Cash Bonus Now."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Times of Wednesday, May 8, 1935]

PAY CASH BONUS NOW

There can be no doubt that this country wants to pay the soldiers' bonus, and pay it now in cash.

The overwhelming vote for the Patman bill in the Senate yesterday expresses the feeling of the United States. After having had every sort of scare and argument thrown in its face, Congress has refused to be stampeded. Congress is determined that the veterans who fought the World War should be compensated.

The tremendous bonuses paid to some of the bomb-proof munitions makers have had deep influence in rallying this country to an appreciation of the fact that the boys in blue and olive drab have something coming to them.

Two attempts have been made in this Congress to pay the bonus without putting out any money. These hocus-pocus attempts at financial legerdemain have been thrown into the scrap heap.

One was the Vinson bill to pay the bonus now with Government I O U bonds that would have eventually overloaded the Treasury with interest debt; the other was the vague bill of Senator PAT HARRISON, which never had a chance.

Its quick defeat in the Senate simply accentuates the fact that the people are tired of temporizing with the situation and want the bonus paid now and are willing to pay it in money.

President Roosevelt's attitude indicates he will veto the Patman bill. He will bring every influence to bear on just a few Senators whose slender votes to uphold his veto would kill the bonus for another session, at least.

President Roosevelt's attitude will not represent the country at large. Congress, particularly the Senate, is to be congratulated on the passage of the Patman bonus bill.

We believe the House will override a veto; we trust sincerely that the Senate will take itself in hand and settle the bonus question once and for all time.

"COURT PROBLEMS"—ARTICLE BY JUSTICE FRANCIS MARTIN

Mr. COPELAND. Mr. President, I hold in my hand a very informative address by Mr. Justice Francis Martin, the presiding judge, appellate division, first department of the New York Supreme Court, which relates to the subject of Court Problems. I think the article is of general interest, and I ask unanimous consent to have it printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Every time we find an abuse we immediately try to correct it by new laws, very often not well considered and frequently suggested by people unfit to advise. That may be a proper solution in a few instances.

The real solution is in placing the right men in office, especially in judicial office. All the laws you can place on the statute books will not make a good judge out of a poor one. Competent judges do their work well in any court.

Our great difficulty is in the personnel of the judiciary. Appoint or elect good men to any court, and you will have no difficulty with that court. Take the magistrates' court, for example. You now have some very fine judges in the magistrates' court, and a

few very poor judges. The few poor ones bring criticism on the whole court.

Much of the criticism of the magistrates' court is very unjust and very unfair.

A short time ago we had several outbreaks in that court by lawyers who should know that such a course is certain to result in injury to the reputation of the court, and particularly to their own reputations. A bill was prepared and sent to Albany to permit the magistrates to immediately commit for contempt anyone guilty of a disorderly outbreak in the courtroom.

Some of our very learned legislators, who could never hope to be the equal of most of our magistrates in character, learning, and integrity, criticized the bill and defeated it in the face of the fact that all of the bar associations and courts favored giving the magistrates an opportunity to keep order in the courts.

Some of these legislators seem to think that they are sent to Albany to oppose any measure that is in the interest of the people.

The right to punish for contempt has been given to practically every other court in the State, even to justices of the peace, and yet it was refused to the magistrates' court because one or two of the magistrates were considered unworthy of such power.

The right to punish for contempt has been in most of the courts as long as the courts have existed in this country. It has never been abused. If abused, the action of the judge may be reviewed on appeal. Anyone held in contempt of court is fully protected under our system of laws. Of course, that may be information for some of our legislators.

We are constantly reminded of the fact that the calendars are crowded.

Every time we hear that subject somebody suggests more judges. Remember, the law's delay has been the subject of debate for generations. When you consider the number of tort cases commenced each year you will realize that if they were to be tried all the judges in the State of New York would not be able to dispose of these cases.

Many of them are never brought to trial. There never was any intention to ask for a trial. They have a nuisance value only. There are thousands of cases without any merit brought each year. If we had to deal only with meritorious cases we would have no difficulty in disposing of all the litigation.

I assure you this whole matter will be remedied. We have not been able to remedy all these abuses in a couple of months. We have been able in a few months to accomplish a number of important improvements in the courts and many more, we hope, will follow.

AIR BASES ALONG THE CANADIAN BORDER

Mr. CAPPER. Mr. President, the entire Nation was shocked and, to put it bluntly, indignant and disgusted, when it was divulged a short time ago that Army officers had planned "camouflaged air bases" along the Canadian border. These were to be camouflaged so as not to alarm the people of Canada.

It has been our proud boast for years that we have thousands of miles of border to the north on which it was not necessary to have forces and fortifications. Two great Nations in this New World have lived together in peace for more than a century. Preparedness for war between these two Nations was not necessary.

In fact, preparedness against Canada, or preparedness by Canada against the United States, would have been regarded as a species of jingoistic insanity. Frankly, the people of this continent did not even suspect that our own Army officers were guilty of that species of insanity.

Then we learn that our Army headquarters has been plotting to get around the treaty of 1818 with Canada, and making plans that could not result in anything else but the displeasure of a peaceful neighbor. Is it any wonder that nations engage in foolish and wicked wars?

Mr. President, I ask permission to have printed in the RECORD, at the conclusion of these brief remarks the following editorials from newspapers of different sections of the United States, showing the reaction of the public mind to these wild schemes:

The New York Herald Tribune, which calls it "a disgracefully stupid piece of business", and approves President Roosevelt's stinging rebuke.

The Kansas City Star, which notes that the plans—

Assumed that the United States has no regard for international law.

The Washington News, which comments that—

A permanent Canadian-American peace alliance is worth more in actual defense and safety of this Nation than the United States Army, Navy, and Air Corps combined, and all the billions of dollars spent on preparedness.

The Washington Post, which sees that—

If such scheming, academic though it may be, is consistent with being a good neighbor, then words have no meaning.

The Newark Evening News points out that—

Again the ranking generals of the Army are trying to run away with the country, and Congress is burning up with a fever.

The New York Post labels it a—

Vicious Army plan to build an air base near the Canadian border.

I find that these editorials are typical of hundreds of others printed by newspapers of all political faiths and published in every State in the Union. I know of no newspaper anywhere in this country that has expressed anything but disapproval.

I ask unanimous consent that the editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune]

A WELL-MERITED REBUKE

The President, by the promptness and vigor with which he has repudiated the supposedly secret testimony of Generals Kilbourne and Andrews before the House Military Affairs Committee, has done what he can to minimize the harm that might flow from a disgracefully stupid piece of business. It was careless stupidity which allowed the testimony to become public, and the chairman of the committee deserves the Presidential rebuke administered to him. This is true because military committees in all nations are constantly dealing with hypothetical contingencies involving friendly powers; they are bound to hear testimony that would not look well in headlines and they cannot properly discharge their function unless they can guarantee that confidential matters will be kept in confidence. It is the duty of high Army officers to study every possible eventuality. Speculations like those of General Andrews concerning the British and French islands off our coasts are commonplaces in every war office in the world; they are of no particular consequence, but they are bound to crop up in discussions of military policy, and our military men are entitled to the protection of secrecy when they do.

But if the committee was stupid, General Kilbourne was considerably more so when he allowed himself to say, even in an executive session, that he had prepared a bill for a military air base on the Canadian border "camouflaged" as an "intermediate station for transcontinental flights." The undefended Canadian border is a fundamental and long-established element in American foreign policy, and when an Army officer sets out to circumvent it by preparing "camouflaged" bills—when he even permits himself to think in such terms—he is departing from his proper functions in a wholly inadmissible fashion. European, and more recently Japanese, history is studded with horrible examples of what happens when military men begin to govern foreign policy in accordance with narrow technical concepts of strategy. Fortunately, the United States, of all major powers, is probably least open to the charge of military domination of its civil policy, but this only makes more necessary the emphatic suppression of any nascent tendencies in that direction. If the United States ever decides to begin fortifying her northern border, she will not do it through measures "camouflaged" even from her own people. The President's letter is a stinging rebuke to General Kilbourne, but the general brought it on himself.

[From the Kansas City Star]

GENERALS OUT OF TURN

The President was thoroughly justified in the rebuke he administered to two high ranking officers of the United States Army for their testimony before the Military Affairs Committee of the House of Representatives concerning plans and policies for national defense. The suggestion of Brig. Gen. F. M. Andrews that this country might have to seize Newfoundland, Bermuda, and other British possessions off the Atlantic seaboard, to prevent their falling into the hands of some hypothetical enemy and being used as bases for attack, involved a gratuitous threat to a friendly power. Moreover, it was a threat which assumed that the United States has no regard for international law.

The testimony of Brig. Gen. C. E. Kilbourne was, if anything, even more outrageous. It disclosed that the War Department in a pending bill had inserted a "camouflaged" provision for a powerful air base near the Canadian border, thereby directly violating one of our fundamental defense traditions that the boundary between the United States and Canada should be completely unfortified.

Both of these propositions invade the realm of national policy, concerning which neither individual officers nor the War Department officials are qualified to speak, and it is useful that the President, in his capacity as commander in chief of all the armed forces of the United States, has repudiated them. The testimony, of course, should never have been published. But, what is more important, it should never have been given.

[From the Washington Post]

THE GOOD NEIGHBOR?

Hypocrisy is the one unpardonable blunder in the conduct of foreign policy. It is unpardonable, because always easy to detect, and because, when detected, hypocrisy invariably arouses legitimate suspicions in other nations. Thereafter foreign mistrust is only strengthened by soothing proclamations and further protestations of good will.

Unfortunately, hypocrisy is the only description applicable when it is revealed that while the President of the United States is emphasizing a "good neighbor" policy his military subordinates are working out plans to build air bases against Canada and to seize adjacent British and French territory "in time of emergency." If such scheming, academic though it may be, is consistent with being a good neighbor, then words have no meaning.

Because of their implicit contradiction of his reiterated pronouncements, and because of his direct responsibility as Commander in Chief of the Army and Navy, President Roosevelt could do nothing less than publicly disown statements made by General Andrews and General Kilbourne before executive sessions of the House Committee on Military Affairs. Chairman McSWAIN, of that committee, has taken personal responsibility for the blunder of making that testimony public. But this does not explain why national policy should encourage high officers of the United States to spend public funds in planning activities which would be in direct violation of the spirit and letter of treaty obligations solemnly and voluntarily undertaken by the Government of the United States.

Since the issue has been so sensationally raised, it may be hoped that the underlying moral will be seriously taken to heart. It is a matter of common knowledge that the Department of State now has less final authority in matters of foreign policy and that military spokesmen have more influence in this field than at any previous period of our peace-time history. For a country with the traditions of the United States, that is an unprecedented and highly disquieting trend. Representative McSWAIN has really done a national service by making it clear that our own militarists need the application of controls by the presumably supreme civil authority.

[From the Washington News]

AN APOLOGY TO CANADA

One of the most serious diplomatic blunders ever made in this or any other administration has just occurred. The testimony of high Army officers to a House committee regarding alleged United States war plans has frightened Canadians and caused official representations by the Ottawa Government to Washington. Although President Roosevelt has been quick to disavow the Army testimony, further friendly action will be required to repair the damage.

This is an exceedingly serious matter for many reasons. It arouses suspicion in the mind of our oldest and best friend—perhaps our only unqualified friend among all the large nations of the world. It appears to violate the spirit of our treaty with our neighbor. It reveals a dangerous trend of our military men to usurp the policy-making function of the civil government.

Brigadier General Kilbourne, until recently Assistant Chief of Staff in charge of war plans, explained to the committee how he camouflaged the Wilcox bill to provide a giant air base near the Canadian border. "I could not put it in the bill because of the Canadian situation," he said. "You will notice no. 7 in my bill is camouflaged. It is called 'intermediate stations for transcontinental flight', but it means the same thing."

Brigadier General Andrews, Chief of the new General Headquarters Air Force, added fuel by testifying that, even with Canada neutral, the United States in war might seize Newfoundland and British and French islands in the Atlantic and Caribbean: "If the situation is sufficiently vital to require it, we must be prepared to seize these outlying bases to prevent their development by the enemy as bases of operations against us."

The President, in stating that this Kilbourne and Andrews testimony on war plans "does not represent either the policy of this administration or that of the Commander in Chief", reaffirmed our traditional treaty policy with Canada as follows:

"I call your especial attention to the fact that this Government not only accepts as an accomplished fact the permanent peace conditions cemented by many generations of friendship between the Canadian and American people, but expects to live up to not only the letter but the spirit of our treaties relating to the permanent disarmament of our 3,000 miles of common boundary."

We trust our Canadian friends will accept this assurance by the President and Commander in Chief as representing not only the policy of the Washington Government but of the American people. The easy and often inaccurate phrase about war being "unthinkable" happens to be 100 percent true in the case of the United States and Canada.

As for our militarists, the Commander in Chief presumably will find occasion to teach them two very simple facts at least. The first is that attempted military usurpation of civil government power is one of the most heinous offenses in this Republic. The second is that a permanent Canadian-American peace alliance is worth more in the actual defense and safety of this Nation than the United States Army, Navy, and Air Corps combined and all the billions of dollars spent on preparedness.

No nation in the world is so blessed as ours with the natural protection of two oceans and a neighbor like Canada. We jeopardize Canadian friendship at our peril.

[From the Newark Evening News of Wednesday, May 1, 1935]

SHAMEFUL

Again the ranking generals of the Army are trying to run away with the country, and a Congress afflicted with investigationitis is burning up with a fever. President Roosevelt has hauled them both up with a round turn, and they deserved it.

Injudicious Army officers have talked too much and indiscreetly. The confusion in world affairs has given them an opportunity to talk strong, and they have said things to the House Military Affairs Committee that never should have been said. The House committee should have had sense enough to keep these things from publication. It has disturbed our closest neighbor by revealing the War Department planned an Army airplane base near the Canadian border, which has been unfortified for more than a century. It is shameful for us to be in a position where Canada has the right to call on us to explain.

The country should go sled length with the President in demanding that these indiscretions be stopped and in warning Army officers that if they can't use more discretion, they will not be allowed to talk until the President has O. K'd their speeches.

[From the New York Post]

THE AMERICAN PEOPLE MUST RUN THEIR ARMY

The Nation's thanks go out to Franklin D. Roosevelt for his prompt action in scotching the vicious Army plan to build an air base near the Canadian border.

The marplots on the General Staff were quite ready to blow up the 100-year tradition of unguarded frontiers between the two Nations in order to have one more air base that they didn't need.

They would have started a mad arms race between two countries whose friendship is one of the very few glories of modern international relations. They would have brought the European border of steel and iron to the New World that neither wants nor needs such insanities.

Let the War Department take the rebuke to heart. Not only their President, but their Commander in Chief, has spoken to them. The Roosevelt administration will not be the one to destroy friendship with our neighbor on the north.

And let one important point be noted by the American people: It is the great blessing of our democratic system that the Commander in Chief of the American Army and Navy is elected directly by the people.

Our Army does not rule the people; the people rule the Army. Our military policy is framed by our elected President, responsive to the wishes of the citizens.

How important that is can be realized by a glance at almost any European country where a military caste indoctrinated with the peculiar notions of its trade leads its people on to periodic blood baths as its own sweet will determines.

Our Commander in Chief of the Army and Navy comes, as a civilian, from the people. He knows what they want. Such traditions as our unguarded Canadian frontier mean to him what they do to the rest of us—and not what they mean to swivel-chair generals, constantly seeking to expand their machine in order to increase their own importance.

The poison of militarism may affect our General Staff. General Kilbourne's asinities show that it does. But we shall be safe so long as we, as voters, elect the chief of our military—and keep a watchful eye on its activities.

An especially watchful eye since the Canadian air-base incident has revealed what is going on in the minds of the War College.

TENNESSEE VALLEY AUTHORITY

The Senate resumed the consideration of the motion of Mr. NORRIS to proceed to the consideration of the bill (S. 2357) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes", approved May 18, 1933.

Mr. AUSTIN. Mr. President, the question before the Senate is the motion of the Senator from Nebraska [Mr. NORRIS] to proceed to the consideration of Senate bill 2357, proposing to amend what is commonly known as the "Tennessee Valley Authority Act of 1933."

When the Senate recessed last night we were undertaking to specify the various abuses of authority under the Tennessee Valley Authority Act as bearing upon the nature of the issue presented by the bill which it is now sought to have considered by the Senate, in an effort to show that it is important and not trivial, and that a bill of this character and

effect ought not to be considered by the Senate until after it shall have been considered by a standing committee of the Senate, hearings shall have been held, testimony taken, and an adequate report submitted to the Senate.

I now continue the recital of specifications by referring again to extracts from an audit of the Tennessee Valley Authority by the Comptroller General of the United States. It should be borne in mind that what is taking place here is a recounting of history, a statement of facts, a statement of experience, for the purpose of exciting an interest on the part of Senators in having the bill in question properly studied before it is considered on the floor of the Senate.

An extract from the audit at page 20 involves sundry items where contracts were awarded to others than the lowest bidder. In one group there were 26 items, totaling \$15,487.91, the largest item being \$4,050, Blaw-Knox Co. Of course, the audit is in detail, but it could not be included in an address to the Senate upon the subject; yet the Senate should have that detail. It should be before a committee of the Senate and carefully considered before the Senate enters upon the consideration of the bill.

In November 1933 a contract was awarded to the Bucyrus-Erie Shovel Co. for electric shovels at \$35,990.50, whereas the lowest bidder was the Link Belt Co.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GIBSON in the chair). Does the Senator from Vermont yield to the Senator from Louisiana?

Mr. AUSTIN. I yield.

Mr. LONG. It is a little bit out of order, but something has just been told me that I want my friend the Senator from Tennessee [Mr. McKELLAR] to know, because he has been compiling some statistics. I wish to state that a friend of mine from Texas, a legal opponent of mine in a good deal of litigation in rate matters, has told me that three shiploads of cottonseed oil, made in Germany, were sold in Houston, Tex., this past year. I thought my friend from Tennessee might be glad to have that news.

Mr. McKELLAR. Made from German cotton?

Mr. LONG. Probably made from Russian cotton.

Mr. McKELLAR. I wonder how much cotton the Senator from Louisiana raises in Germany.

Mr. LONG. I raise none in Germany. I never have raised any in Louisiana when I could help it. However, I know something about cotton.

Mr. AUSTIN. In November 1933 a contract was awarded the Marion Steam Shovel Co. for a rebuilt gasoline-driven shovel at \$8,000, whereas the Thew Shovel Co. was the low bidder at \$6,000 and \$7,000. Taking the evidence in the light most favorable to the Authority, there was an excess paid over the low bid of \$1,000 for that shovel.

December 1933, contract with Marion Steam Shovel Co. for a rebuilt shovel at \$9,000; low bidder, Equipment Corporation, at \$3,500. In that case there was an excess over the low bid paid for this shovel of \$5,000.

At this point it seems appropriate to put in the RECORD the statute on this subject. It is brief, and I shall read it. I now read section 5 of title 41, public contracts:

Advertisements for proposals for purchases and contracts for supplies of service departments of Government: Except as otherwise provided by law, all purchases and contracts for supplies or services in any of the departments of the Government and purchases of Indian supplies, except for personal services, shall be made by advertising a sufficient time previously for proposals respecting the same, when the public exigencies do not require immediate delivery of the articles or performance of the service. When immediate delivery or performance is required by the public exigency, the articles or service required may be procured by open purchase or contract, at the places and in the manner in which such articles are usually bought and sold, or such services engaged, between individuals.

I now read section 529 of title 31 of the United States Code, which is applicable to the same subject:

Advances of public moneys; prohibition against: Except as otherwise provided by law, no advance of public money shall be made in any case. And in all cases of contracts for the performance of any service, or the delivery of articles of any description, for the use of the United States, payment shall not exceed the value of the service rendered, or of the articles delivered previously to such payments. It shall, however, be lawful, under the special

direction of the President, to make such advances to the disbursing officers of the Government as may be necessary to the faithful and prompt discharge of their respective duties, and to the fulfillment of the public engagements. The President may also direct such advances as he may deem necessary and proper to persons in the military and naval service employed on distant stations where the discharge of the pay and emoluments to which they may be entitled cannot be regularly effected.

Mr. President, Congress enacted these statutes in order to safeguard the Treasury of the United States. Congress enacted these statutes to protect the taxes gathered from the American people against overpayment, against excess payment, against the awarding of contracts at a higher price or consideration than an open competitive bid established by determining the lowest price at which a responsible bidder would either perform the service or transfer the property.

That is the law of the land; and these specifications being now set forth of acts by the Tennessee Valley Authority in respect to purchases and contracts are presented at this time for the purpose of showing the importance of the Senate acting only after deliberation upon this bill, which extends the power and the Tennessee Valley Authority and increases the amount of money which it shall have in the future.

In December 1933 a contract was awarded to the Marion Steam Shovel Co. for an electric shovel at \$37,240, notwithstanding there were three lower bids, as follows:

Bucyrus-Erie Co.
Harnespharger Co.
Link Belt Co.

In January 1935 the Bucyrus-Erie Co. was awarded a contract for an electric shovel at \$35,745.50, whereas the low bidder was the Link Belt Co.

In April and May 1934 orders for 13 items of transformers were placed with others than low bidders, and these items totaled \$25,293.34. The audit gives the specific items. They are not reproduced here in the interest of saving the time of the Senate.

Another example: A contract was given to the White Motor Co. for a White truck at \$8,155.90, there being 6 bids for the truck, of which 5 were lower than the White Co.'s bid.

In March 1934 a contract was placed for 6 dump trucks at \$8,155.90 each, 4 lower bids being as follows:

LeBlonde-Schact, \$7,081.
Dempster Bros., \$7,275.
General Motors Co., \$7,710.20.
The Hug Co., \$7,711.20.

In May 1934 a contract was placed for a White truck at \$2,435.96, the low bidder being the International Co.

June 1, 1934, a contract was placed with the Fargo Co. for three Dodge trucks at \$1,095 each, whereas the bids of the low bidders on similar trucks ran from \$773.50 to \$996.91. In this case the contract was awarded to the seventh high bidder.

Twenty-two items of purchases, aggregating \$24,312.66, were awarded on the basis of "superior quality and personal opinion", the largest item being the General Cable Co., \$8,676.77.

Mr. President, by what authority does any corporation or person representing the United States purchase property for the United States with the taxpayers' money on "superior quality and personal opinion"?

In the audit on page 10 appear 12 items purchased on faulty specifications, amounting to \$21,751.18.

On page 212 of the audit there are recorded details of 35 purchases made without competition, aggregating \$29,841, the largest purchase being from the H. H. Robertson Co., \$14,959.35.

Now we come to one of the contracts by negotiation, a contract not made according to the statute.

On page 213 of the audit there is a reference to a payment to Research Corporation under contract of October 10, 1933, on cost-plus-5-percent basis, in connection with blast-furnace and phosphoric-acid equipment work. This, according to the Comptroller General, lacks supporting papers, the payments to June 30, 1934, being \$71,350.51. I have already referred to a contract of this character let to Stone & Webster Engineering Corporation, under which excessive

payments were made in violation of the statute to which I have referred. I shall not repeat it.

On page 269 of the audit there is a reference to a contract made with the International Geophysics Co. for investigations at Norris Dam, amounting to \$2,613.50, which was awarded without competition.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield to the Senator from Oregon.

Mr. STEIWER. The Senator refers to the statute requiring competitive bids and making other requirements in respect to the acquisition of supplies and services. I have not had the privilege of hearing all the remarks made by the Senator from Vermont. I ask him now whether he contends that the statute which he has read into the RECORD is applicable to an institution such as the Tennessee Valley Authority.

Mr. AUSTIN. Mr. President, I claim that it is applicable, and that there was nothing in the charter of the Tennessee Valley Authority which placed it without the scope of section 3709 of the Revised Statutes.

Mr. STEIWER. Is it contended by the Comptroller General that section 3709 is applicable?

Mr. AUSTIN. The best answer I can make to that question is to quote from what the Comptroller General says upon that subject; and, with the Senator's permission, I shall now do so.

Mr. STEIWER. If I may interrupt, I shall be glad if the Senator will do that. I think the questions are of very broad importance aside from the Tennessee Valley Authority. I am constantly thinking of many other corporations which have been set up for the purpose of carrying on some of the functions of the Government of the United States. There has been in my mind for a considerable time the question of the extent to which such corporations are permitted to go without restraint, and permitted to spend money without restraint. I shall be glad if the Senator will read the Comptroller General's remarks upon that subject.

Mr. AUSTIN. Mr. President, I read from the audit at page 343, as follows:

The purpose of section 3709, Revised Statutes, is to enable the Government, through competition, to secure the lowest obtainable prices and to prevent discrimination in awarding the business of the Government to private enterprise. Many purchases made by the Authority did not comply with the requirements of the statutes, and in many other cases the procedure followed tended to preclude entirely or greatly diminish the advantages intended to be obtained.

In numerous cases the vouchers show that bids were solicited, but upon examination of the files the bids could not be found. In a number of cases where bids were solicited the lowest bid was not accepted. There were also noted instances of acceptance when the specifications did not fully cover the article or material needed; where, after receipt of bids, there were negotiations with one of the bidders on quantity and quality other than as stated in the specifications; and where bids were changed after the opening, the reason or basis for such change not appearing of record.

It appears that award was made to the Pennsylvania Transformer Co. (A-56174) for certain electrical equipment and the Kennedy Van Saun Manufacturing Corporation (A-53191) for the construction of a crusher and conveyor system, when lower bids had been received and rejected.

A large number of purchases of hardware were made locally from C. M. McClung, of Knoxville, Tenn. In many instances such purchases were made without advertising or other method of soliciting bids. Frequently bids from other agencies were requested either by phone or by circularizing, but it appears that awards were almost invariably made to the McClung Co. because of alleged exigency of the service, limited source of supply, etc. Purchases from the McClung Co. ranged from \$4.16 to over \$11,000 per month between August 1933 and June 1934.

Mr. President, I apprehend that that answers the question propounded by the Senator from Oregon better than if I should undertake to state what the position of the Comptroller General was and is.

My own view of the statute is that it requires every contract and every sale or purchase to be made through the method of competitive bidding unless some other statute creates an exception to that statute, and in this instance I fail to find anything in the charter, in the act of 1933 creating the Tennessee Valley Authority, which constitutes an exception to the statute. Nevertheless, we see that those who have administered the business of the corporation have

seen fit to construe the statute differently, and to act as if they were not under the command of the Congress of the United States.

As a matter of observation, it seems to us, looking upon the 2 years of activity of this private corporation, that it has regarded itself superior to the law, above statutes, above any necessity of adhering to a Budget, above any check upon its expenditure of the taxpayers' money, derived either through the various eleemosynary activities of the Government, or by means of the statute by which it was given the breath of life.

At this point I quote the Comptroller General as follows:

Exceptions were taken to the total amount paid—

Meaning to the total amount paid to Stone & Webster under the contract to which I referred yesterday:

Exceptions were taken to the total amount paid for many reasons, because of objection to the indefinite cost-plus contracts, violation of section 3648 Revised Statutes prohibiting advance payments, salaries paid unauthorized consultants, travel expenses and many other forms of expense items presumed to be covered by the fee, lack of performance bond, and a number of other irregular items.

I now refer to another contract made by the Tennessee Valley Authority which I think tends to show the caution which ought to be exercised by the Congress in respect to any proposed increase of its authority or amplification of its funds.

On October 20, 1933, sealed bids were opened on approximately 700 miles of cable and accessories for Norris-Wilson Dam transmission line. Nine manufacturers of copper cable submitted equal bids of \$678,289.08. One bid was received from the Aluminum Co. of America, for aluminum cable, in the amount of \$400,149.39.

The award was made to the Aluminum Co. of America on November 17, 1933. The original contract called for 73 miles of cable with 26 aluminum strands and 7 steel strands, the remainder to be of 36 aluminum strands and one steel. The contract contained a clause permitting the Authority within 30 days to change the number of strands.

After 318 miles of cable had been fabricated, the Authority decided to change the remainder to 26 strands of aluminum and 7 of steel. A supplemental contract for an increased price was dated November 17, 1933. The auditor reports that the impression was prevalent that the strength and conductivity of the cable was not satisfactory and that a further reenforcing process was necessary. At the close of the audit period on June 30, 1934, nothing further had developed on the subject.

In other words, with the whole range of interests involved in a great contract under the advertisements of which there were bids which rose as high as \$678,000, the Authority made an entirely open contract by which it could and by which it did change the terms and the price from time to time, thereby completely nullifying that competition for which the statute calls.

Mr. President, during the consideration of this matter yesterday I alluded to the employment by the T. V. A. of certain special efforts to mold and shape the yardstick so that it would be utterly impossible for private enterprise to fit itself to the yardstick. I think I did not clearly enough state one of the methods employed in that process, namely, the special rule adopted by the Authority for the cancellation of depreciation and setting aside a reserve for it. Therefore, I now call attention to what appears in the extracts from the auditor's report, to be found at page 84 of the audit, as follows:

Despite the apparently excessive depreciated value at which the Muscle Shoals property was taken up on the books, the Authority is not using the valuation basis for depreciation, but instead is basing depreciation on the earnings from the sale of power by charging 10 percent of the gross revenue to operations as depreciation and accumulating the amount of such charges as a reserve for depreciation.

On such basis there has been husbanded to June 30, 1934, \$82,618.74.

Such reserve appears to be entirely inadequate. The properties in question are depreciating in value, and if the return from operations is to be properly determined, the reasonable value of

all things concerned, including depreciation of original investment, must be taken into consideration.

Assuming a very conservative rate of valuation consumption for example, 2 percent, the amount of depreciation, based upon the value at which the properties in question were capitalized by the Authority, would be approximately \$1,000,000 per annum.

A larger revenue will proportionately increase the reserve for depreciation at the present 10-percent method of amortization, but to accumulate a reserve on the 10-percent plan equivalent to the amount that would be charged to depreciation on a valuation basis at 2 percent, the gross revenues would have to be more than 10 times the present amount, or about \$10,000,000 per annum.

There is very little basis for assuming that revenues will ever reach such a figure.

As bearing on the pending question, I now call attention to the subject of purchases beyond the scope of the authority of T. V. A. I venture to say that no legislator who considered the original act had any idea from anything contained in the act, from the President's message, from any discussion on the floor of either House, that the act could enable this corporation to extend itself so as to increase the production of electrical energy, and to reach out and consume by purchase and merger, consolidation and otherwise, private enterprises not connected with the development of the Tennessee River. Nevertheless, there appears at page 112 of the audit material showing the following:

Purchases from Mississippi Power Co. to June 30, 1934, \$850,000 which represents 52.04 percent of replacement value which was estimated to be \$1,628,495 as of December 31, 1933.

I will not take the time of the Senate to read all the details, but I will call attention to the items in order that Senators may see the character of deviation from the original authority that was entered upon by this corporation with respect to this one transaction.

Generating plants, price paid, \$285,133.60. The only authority granted by the original act was for this corporation to dispose of the surplus power on those enterprises which had to do with the improvement of the river for the purposes specified in the act, but now they go out and add to their productivity and purchase a generating plant which will increase the surplus and create more surplus for the future.

Transmission and distribution lines.....	\$219,011.38
Substations.....	70,040.12
City distributing and rural systems.....	241,874.11
Rural distributing systems.....	14,720.00
Auto trucks.....	3,887.39
Inventory, nonoperating property.....	2,211.70
Office equipment.....	1,488.86
Tools.....	1,386.33
Materials and supplies.....	10,246.46

Total..... 850,000.00

Corinth steam plant.....	204,246.00
Tupelo steam plant.....	308,263.00
Blue Mountain oil-engine plant.....	21,168.00
Myrtle oil plant.....	14,224.00
Substations.....	134,589.00

Mr. President, bearing upon the question of whether the Senate should proceed to the consideration of this bill it is important to know that there is evidence, unavailable to the Senate, but which will be available later—and I have been assured that it may be available within a week—tending to show improper payments on account of expenditures for travel, and so forth, including among other things, for Dr. Arthur E. Morgan, \$156.92, \$122.71, \$42.35, \$930.57, \$75.99, \$132.80.

A brief sketch of exceptions by the Comptroller, which appears in the audit on page 134, is as follows:

Travel and subsistence.....	\$29,371.29
Purchase utility properties.....	850,743.00
Contracts—formal, less formal, and miscellaneous.....	1,001,928.87
Newspapers, magazines, and books.....	10,078.00
Disbursements other Government departments.....	71,045.39
Repairing and reconditioning steam plant.....	50,156.96

Total..... 2,013,326.51

I now quote what the Comptroller General says respecting these disbursement exceptions. This is a quotation from the audit, page 134:

The nature of exceptions established consist of purchases without competition in violation of section 3709, Revised Statutes; emergency purchases unsupported by showing of emergency; modifications of specifications—

And so forth.

Mr. President, I now recall that I read this extract yesterday. I will not continue reading it. I refer Senators to the RECORD of yesterday for the completion of what the Comptroller General said was the reason why he took exception to those expenditures.

Another specification of a different character, which bears upon the care the Senate ought to exercise with respect to this proposed legislation, is found in the audit on page 293. There are listed on that page of the audit land purchases made without evidence of clear title which aggregate \$215,743.71.

At page 297 of the audit appears a reference to purchases of books, and so forth, \$8,615.49, and subscriptions to newspapers of \$1,462.51, in violation of statutes covering such expenditures.

I now refer to that part of the audit, page 354, which deals with unauthorized disbursements made by this corporation on account of other governmental departments and agencies as of June 30, 1934: Advances to E. H. F. A., \$28,167.72; advances to T. V. A. C., \$7,577.62; advances to National Park Service, \$747.61; advances to regional development (F. E. R. A.), \$4,852.64; advances to subsistence homestead (F. E. R. A.), \$831.61; advances to Civilian Conservation Corps, \$1,718.37; advances to Civil Works Administration, \$22,649.72; advances to War Department, \$4,500; total, \$71,045.39.

The Comptroller's comment thereon is as follows:

There being specific appropriations for each of the above agencies, expenditures from Tennessee Valley Authority funds are unauthorized and should be recovered, along with other similar disbursements.

Now, as bearing upon whether we should proceed to consider this amendment designed to implement this private corporation with greater power and more ability to do that thing which they call "making a yardstick", I think the Senate should consider the uneconomic, unbusinesslike way in which that corporation has, in its brief experience, dealt with a certain other item of its business. I refer to the construction of houses at an expenditure of approximately \$5,000 each, some of them less, some of them more, which will house people who work on the construction for the period of the construction but which will constitute, in a few years, a deserted village, for we are informed that the operation of the plant will not require more than 20 men after it shall have been completed.

At page 365 of the audit the Comptroller General states:

No permanent record was kept of accrued rentals and other charges for houses at Norris and Wheeler town sites, nor was there any properly authorized schedule of rates. The following tabulation shows incomplete costs of several houses and charges for rent, water, heat, and light in effect as of July 1, 1934:

No. 1—

That is no. 1 house, used for an example—

cost to June 30, 1934, \$7,433.49.

How much rent do they charge for the use of that house?

Twenty dollars. Water rent is \$1; light and heat, \$5; total, \$26.

Example no. 2: House cost to June 30, 1934, \$7,111.16; rent, \$16; water, \$1; light and heat, \$4; total, \$21.

Example 3: House cost to June 30, 1934, \$7,579.95; rent, \$20; water, \$1; light and heat, \$5; total, \$26.

Example 4: House cost to June 30, 1934, \$15,589.13; rent, \$30; water, \$1; light and heat, \$7; total, \$38.

Example 5: House cost to June 30, 1934, \$12,623.37; rent, \$30; water, \$1; light and heat, \$7; total, \$38.

The Comptroller General's comment about this matter is as follows:

The above costs do not include incomplete grading, landscaping, and so forth, nor proportions of the general administrative overhead.

It will be noted that while the cost of house no. 4 is twice that of 1, 2, and 3, the rent, and so forth, are not in the same propor-

tion. The income from rentals is only between 2 and 3 percent of the cost, exclusive of maintenance and depreciation charges.

Similar data were not available at Norris, where distribution of incomplete costs was kept by group and types of houses.

Mr. President, how did they deal with the rental of personal property? I call attention to the subject of passenger automobiles and light trucks, referred to in the audit on page 366.

There is invested in passenger automobiles and light trucks \$161,795.87, classified as follows: Buicks 4, Chevrolets 122, Chryslers 1, Plymouths 88, Dodges 1, Fords 4, Studebakers 1; ambulances 2; total 223.

Operating cost of cars and pick-up trucks was 4.89 cents per mile, a total of \$79,811.61. The charges to various projects and activities aggregated \$126,434.90, or an overdistribution of \$46,623.29.

At page 367 of the audit appear facts showing the abuse of the use of rented cars.

The abuse of rented car use is shown by an example where, January 15-17, 1934, E. E. Neukom drove a hired car to Muscle Shoals from Knoxville, and returned, a distance of 694 miles, the hire being \$34.70, which, with gas and oil, made the cost to the Government about \$45. The round-trip fare by train would have been but \$11.10 plus \$5 for Pullman space.

In one period—this is not a quotation—in one period checked by the auditor for the Comptroller General it appeared that while 53 T. V. A.-owned cars were driven less than 1,000 miles, rented cars in the same period were operated a distance of 114,007 miles at a cost of an average around 7 cents per mile; but there is this quoted from the audit, as follows:

A number of cases were noted where the employee used rented cars continuously for periods of 6 months and longer.

Mr. President, one almost laughs when he reads what was the current belief respecting the T. V. A. legislation at the time when it was under consideration. After considering the authority assumed and exercised by the corporation, it is a matter of absurdity to look back upon those days not so far distant when the Committee on Military Affairs of the House were telling the House in their report, and through it all the world, that the "Congress holds reins upon the Authority." I read one brief paragraph from that report, being House Document No. 15, Seventy-third Congress, first session, as follows:

The Authority cannot proceed upon a visionary and impractical program of construction. In addition to the limitations of law there will be limitations of fact. The \$50,000,000 to be derived from the sale of bonds will hardly go further than build Cove Creek Dam and Dam No. 3, and make the necessary alterations to modernize the nitrate plant, to install the necessary fertilizer equipment, and to provide adequate working capital. For every other dollar that Authority may use for constructing dams it must come to Congress for appropriations. Thus Congress holds the reins upon the Authority.

Is it not a mockery to read that statement in the report in the light of the assumption of authority and power by which this private corporation extended itself in the amount of money it expended and extended itself in the scope and character of the power which it exercised? I claim, Mr. President, that this should cause legislators to pause before they proceed to the consideration of the bill in question and to make that thorough investigation a desire for which these facts which I have brought to the attention of the Senate would naturally excite in the mind of any rational person.

Mr. President, there is no doubt that the Authority at that time understood the limitations in the law and realized that it did not have power to expand its activities and increase its capital without coming back to Congress. I prove that by reading from an article by Dr. A. E. Morgan, as follows:

When in June the Congress and the President set up the Tennessee Valley Authority the general purpose of the act comprehended such a social goal, but it was generally defined and slightly provided for. Most of the present appropriation is for specific work to build dams, transmission lines, and fertilizer plants. The law provided that the President may from time to time "outline his plans to Congress and request further funds."

Bureaucracy has a wonderful capacity for expansion. There is the germ of growth in its very nature. When we take from the normal and orderly agency of the Government authority given to it by the people and transfer that authority to a bureaucracy, what happens? Unless the activ-

ity of the bureaucracy is absolutely curbed and is held really within the reins held by Congress, it does what this bureaucracy has done. It has visions; it enters upon experiments; it reaches out into all sorts of collateral enterprises outside of and beyond the purposes of its creation. Thus we find this bureaucracy speaking of itself later, on page 2 of its report to Congress on January 3, 1934, as follows:

In carrying out its statutory duties with respect to the development of the Tennessee River for navigation and flood control, and to promote the national defense, the Authority is constructing additional dams. As a byproduct of these dams, additional hydro-electricity will be produced. The duty of the board to dispose of this additional surplus power is of the same character as the duty above described with respect to the existing surplus power now being developed at Wilson Dam.

Thus from one step they proceed to another step. To how many dams will this project be extended? If the Senate should refuse to adopt the pending motion and should consider the activities of this agency and bureaucracy, I believe it would find in the program a number out of all proportion to that which was considered, to that which was represented when the original Authority was created. I believe I shall be able to show that to be so before I take my seat.

At this point it seems relevant to call attention to the sections of the original act which limited the authority and power of this corporation.

Section 22 of the original act is as follows:

* * * The President is hereby authorized, by such means or methods as he may deem proper within the limits of appropriations made therefor by Congress, to make such surveys of and general plans for said Tennessee Basin and adjoining territory as may be useful to the Congress and to the several States in guiding and controlling the extent, sequence, and nature of development that may be equitably and economically advanced through the expenditure of public funds, or through the guidance or control of public authority, all for the general purpose of fostering an orderly and proper physical, economic, and social development of said areas.

Section 23 is as follows:

The President shall, from time to time, as the work provided for in the preceding section progresses, recommend to Congress such legislation as he deems proper to carry out the general purposes stated in said section, and for the especial purpose of bringing about in said Tennessee drainage basin and adjoining territory in conformity with said general purposes (1) the maximum amount of flood control; (2) the maximum development of said Tennessee River for navigation purposes; (3) the maximum generation of electric power consistent with flood control and navigation; (4) the proper use of marginal lands; (5) the proper method of reforestation of all lands in said drainage basin suitable for reforestation; and (6) the economic and social well-being of the people living in said river basin.

Mr. President, does that statute authorize the President of the United States to construct additional dams? Does it authorize the President of the United States to adopt additional plans? Not so. It authorizes the President to submit to the Congress such plans, and to give the representatives of the people of the United States a fair opportunity to consider them before they shall be adopted. Now, when we are about to consider whether we shall proceed to act upon an amendment of the original statute, which will extend the power and increase the appropriation, should we not carry out the original intent of Congress, as well as the obvious interest of the people, and insist upon a consideration of the plan? If the amendment suggested by the Senator from Nebraska represents a plan suggested by the President of the United States, should we take it without consideration and rush it through, or should we pause and carefully study it, and know what it involves in cost to the people in all ways—in direct taxation, and in indirect taxation, and in loss, and in lowering the standard of living, and in obstructing the recovery of the United States of America from the depression?

What is the program? The country is entitled to know. What is the purpose of this amendment? The people of the United States are entitled to know. Certainly those who devote their time here to attempting to protect the interests and promote the general welfare of the people are entitled to know what is the program. There is no hearing—there is no report—from which we can learn that.

Yesterday I made the statement that the cost thus far had equaled approximately \$159,000,000, and that the program as

nearly as it can be calculated from the sums of money involved thus far would equal five times that originally contemplated, or approximately \$250,000,000. That is seen by reference to the fact that the first appropriation made by Congress, outside of the \$50,000,000 authorized to be obtained by bonds, was \$50,000,000. There was allotted, out of F. E. R. A. funds, \$25,000,000. Then came the bond issue of \$50,000,000. Now comes the Budget estimate of \$57,000,000. There is the authorized credit of \$10,000,000 from the Reconstruction Finance Corporation. There is the subsidizing of an auxiliary corporation to the extent of a million dollars. There is the subsidy to another corporation of \$300,000. Now comes this amendment, which would add another \$50,000,000. Thus, we see that, whatever this program may be, it involves approximately five times as much money as the original program; and yet we are asked to adopt it, not knowing what it is, not considering what it is, not having anyone speak who can speak with knowledge of the facts regarding it before we act, and all under the representation that it is not a matter of very great importance.

At this point, Mr. President, I call attention to something which occurred in the committee of the House touching this program. Dr. Morgan, being on the witness stand, was interrogated by Representative Bacon as follows:

Mr. BACON. Carrying out all the recommendations of the President and everybody else, what will the total cost be in the next 10 years—\$400,000,000?

Dr. MORGAN. No.

Mr. BACON. Will it be \$600,000,000? When you get through with everything, in 10 or 15 years, what will the total cost be?

Dr. MORGAN. That is a question that does not mean anything.

Dr. Morgan then read into the record the President's message to Congress asking the creation of the Tennessee Valley Authority.

Mr. BACON. Taking all that for granted, * * * what is the total cost going to be for the Federal Government?

Dr. MORGAN. In figuring on the total cost, it will depend upon the wish of Congress from year to year concerning that development. * * * There are a dozen other sites which, if in 15 years from now we run short of power, could be utilized and we could come back and ask, "What about these?" * * * There are possibilities of many water-power plants on the Tennessee River and its branches. Twenty or 30 dams would be required to completely develop the resources of the Tennessee River.

Mr. President, what is this legislation that we are asked to proceed to consider? Toward what is it a step? What does it impose as a burden upon the taxpayers of the United States of America? If it be but a step in a huge development intended to reach out from the Tennessee River to all other rivers in the United States, let us know. We desire to consider that aspect before we take this step. Are not the people of the United States entitled to such information? Is not the Senate of the United States bound to ascertain it before acting?

So far as we can ascertain, the program has already been expanded to the following extent: Norris Dam, one-third completed, \$34,000,000; Wheeler Dam, one-half completed, \$38,000,000; Pickwick Dam, just started, never authorized, \$22,000,000; Hiwassee Dam, \$13,000,000; French Broad Dam, \$30,000,000; Aurora Dam, \$42,000,000; total, \$175,000,000.

Still we must have in our consciousness the statement of Dr. Morgan: "20 or 30 dams would be required to completely develop the resources of the Tennessee River."

Do they mean to develop 20 or 30 more dams? The people of the United States want that question answered. The Senate of the United States ought to have that question answered before it proceeds to the consideration of a bill which would increase the authorization by \$50,000,000, and increase the power of this corporation to take property of the private citizen; to rule over municipal corporations, which would much prefer to operate their own electrical production according to their special knowledge of local circumstances, but which they cannot do if this amendment is adopted, for all of them would bow the knee to this giant Authority down there.

What is the amendment? Would it absolutely foreclose and bar out forever any group of citizens in the five States involved from developing a dam and a power plant on the

Tennessee River? That is for a committee of the Senate to consider. It is a serious question. My opinion upon it is of little weight, but I gain from a reading of the bill that that is precisely what it would do—that it would drive private individuals off the river under the claim that it is done in the national defense; that its primary purpose is increasing the navigability of that river.

What do we see? Is the War Department consulted? Not at all. Is the Military Affairs Committee of the Senate consulted? Not at all.

Mr. President, I have taken more time of the Senate than I had intended to take, and yet I have not finished all that might be said regarding facts. I have done little arguing. I have stated on the record what appeared to be true as a matter of experience and of history, taken from the best authority I have available, namely, the audit of the Comptroller General. There is other authority which will be available if we do not act hastily here in the Senate and vote to proceed with this bill before we have access to the printed record of the hearings already had. Perhaps we may find it our duty to hold further hearings before we proceed to act upon this proposal.

Mr. NORRIS. Mr. President, I desire to proceed with an explanation of the bill which I am seeking to have taken up, but I want the Senate to hear me.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FRAZIER in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Robinson
Ashurst	Copeland	Lewis	Russell
Austin	Costigan	Logan	Schall
Bachman	Couzens	Loneragan	Schwellenbach
Bailey	Dickinson	Long	Sheppard
Bankhead	Dieterich	McAdoo	Shipstead
Barbour	Donahey	McCarran	Smith
Barkley	Duffy	McGill	Steiwer
Bilbo	Fletcher	McKellar	Thomas, Okla.
Black	Frazier	McNary	Thomas, Utah
Bone	George	Maloney	Townsend
Borah	Gerry	Metcalf	Trammell
Brown	Gibson	Minton	Truman
Bulkeley	Glass	Moore	Tydings
Bulow	Gore	Murphy	Vandenberg
Burke	Guffey	Murray	Van Nuys
Byrd	Hale	Neely	Wagner
Byrnes	Harrison	Norris	Walsh
Capper	Hatch	O'Mahoney	Wheeler
Caraway	Hayden	Overton	White
Carey	Johnson	Pittman	
Clark	Keyes	Pope	
Connally	King	Radcliffe	

The PRESIDING OFFICER. Eighty-nine Senators have answered to their names. A quorum is present.

JAY STREET TERMINAL, NEW YORK

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 563) for the relief of the Jay Street Terminal, New York, which was, on page 1, line 9, after the figures "1929", to insert a colon and the following proviso:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. COPELAND. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

AMENDMENT OF BANKRUPTCY LAW

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1616) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory and supple-

mentary thereto, which was to strike out all after the enacting clause and in lieu thereof to insert:

That subsection (b), as amended and supplemented, of section 4 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, is amended to read as follows:

"(b) Any natural person, except a wage earner or a farmer, any unincorporated company, and any moneyed business, or commercial corporation (except a municipal, railroad, insurance or banking corporation, or a building-and-loan association) owing debts to the amount of \$1,000 or over, may be adjudged an involuntary bankrupt upon default or an impartial trial, and shall be subject to the provisions and entitled to the benefits of this act.

"The bankruptcy of a corporation or association shall not release its officers, directors, or stockholders, as such, from any liability under the laws of a State or Territory or of the United States."

SEC. 2. That subsection (1) of section 74 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented, is amended to read as follows:

"(1) If (1) the debtor shall fail to comply with any of the terms required of him for the protection of and indemnity against loss by the estate; or (2) the debtor has failed to make the required deposit in case of a composition; or (3) the debtor's proposal has not been accepted by the creditors; or (4) confirmation has been denied; or (5) without sufficient reason the debtor defaults in any payment required to be made under the terms of an extension proposal when the court has retained jurisdiction of the debtor or his property, the court may appoint the trustee nominated by the creditors at the first meeting, and if the creditors shall have failed to so nominate may appoint any other qualified person as trustee to liquidate the estate. The court shall in addition adjudge the debtor a bankrupt if satisfied that he commenced or prolonged the proceeding for the purpose of delaying creditors and avoiding an adjudication in bankruptcy, or if the confirmation of his proposal has been denied. No order of liquidation or adjudication shall be entered in any proceeding under this section instituted by or against a wage earner or a farmer unless the wage earner or farmer consents.

SEC. 3. That subsection (r) of section 75 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended and supplemented, is amended to read as follows:

"(r) For the purposes of this section, section 4 (b), and section 74, the term 'farmer' includes not only an individual who is primarily bona fide personally engaged in producing products of the soil but also any individual who is primarily bona fide personally engaged in dairy farming, the production of poultry or livestock, or the production of poultry products or livestock products in their unmanufactured state, or the principal part of whose income is derived from any one or more of the foregoing operations, and includes the personal representative of a deceased farmer; and a farmer shall be deemed a resident of any county in which such operations occur."

Mr. HATCH. I move that the Senate concur in the amendment of the House.

Mr. KING. Mr. President, will the Senator from New Mexico indicate what the amendment is?

Mr. HATCH. I will gladly do so. This is the bill which amends the Bankruptcy Act to permit livestock raisers to take advantage of that act. In the House the act was amended so as to include, in addition to livestock raisers, poultry raisers, dairymen, and others engaged in similar lines. The amendment is immaterial, as I view it. The bill enlarges the definition of the word "farmer", which has been restricted by the courts in some instances.

Mr. KING. It simply puts certain categories of employment under the definition of "farmer."

Mr. HATCH. Yes, Mr. President; it puts under that term certain categories which should rightfully belong under the term "farmer", and we had all thought they were comprised under that term originally.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on concurring in the House amendment.

The amendment of the House was concurred in.

TENNESSEE VALLEY AUTHORITY

The Senate resumed the consideration of the motion of Mr. NORRIS to proceed to the consideration of the bill (S. 2357) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corpo-

ration for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes", approved May 18, 1933.

Mr. NORRIS. Mr. President, I hope Senators will remain long enough to give me an opportunity to explain the purposes of the bill. The debate which has taken place in the filibuster against the motion to take up the bill has not, in my judgment, touched the merits of the question involved in this particular proposed legislation. I venture the opinion that even though a Senator may be opposed to the T. V. A. Act and opposed to all T. V. A. activities, yet if he believes that the T. V. A. ought to be given a square deal, he will vote in favor of this bill. I have the greatest of respect for those who do not agree with the present law and who were opposed to its enactment, but it seems to me that any man who wishes to be fair, even though he is opposed to that law, should desire that the law and those enforcing it be given a fair and honest opportunity, and if we shall find a place in the law where there is an "i" which is not dotted, that even though Senators are opposed to the law, they would be in favor of dotting that "i" and let the law be given a fair trial. That is all this bill does. It does nothing else.

I shall read the bill, section by section, and let the Senate, in some instances, see just where the amended part comes into the law which is now on the statute books. This is the first section:

That subdivision (1) of section 4 of the act—

The beginning of section 4—and I am reading from the law—is as follows:

Except as otherwise specifically provided in this act, the Corporation (a) shall have succession in its corporate name.

Then follow provisions under (b), (c), (d), and so on, down to (i).

The first section of the bill amends subdivision (1) by adding the following proviso to it:

Provided, That nothing contained herein or elsewhere in this act shall be construed to deprive the corporation of the rights conferred by the act of February 26, 1931 (46 Stat. 1422, ch. 307, secs. 1 to 5, inclusive), as now compiled in section 258a to 258e, inclusive, of title 40 of the United States Code.

That act referred to is the general law of the United States applying to condemnation proceedings on the part of the United States or any of its instrumentalities. In the Tennessee Valley Act there is provision for a method of condemnation. In fact, subparagraph (i), to which this language is added, provides:

(i) Shall have power to acquire real estate for the construction of dams, reservoirs, transmission lines, power houses, and other structures, and navigation projects at any point along the Tennessee River, or any of its tributaries, and in the event that the owner or owners of such property shall fail and refuse to sell to the corporation at a price deemed fair and reasonable by the board, then the corporation may proceed to exercise the right of eminent domain, and to condemn all property that it deems necessary for carrying out the purposes of this act, and all such condemnation proceedings shall be had pursuant to the provisions and requirements hereinafter specified, with reference to any and all condemnation proceedings.

It simply permits this board to operate under the general law that applies to the United States and all corporations and all subdivisions of the United States. Is there anybody who can object to that? Is that a serious thing? Are Senators alarmed about that amendment? After they have listened for 2 days to the Senator from Vermont [Mr. AUSTIN], are they frightened at the idea that if this corporation is allowed to condemn property, which it has to take in the name of the United States, it is to have the right to rely upon the general condemnation statutes of the United States? Mr. President, to ask the question is to answer it. I cannot see how any man, with reason, can object to that amendment. It is one of the amendments which enlarge the authority; but is that going to engulf us into all the trouble and difficulty described by the Senator from Vermont? Now, that is section 1. Let us take up section 2 and read that. It provides:

That subdivision (j) of said section 4 of said act be, and the same is hereby, amended to read as follows:

Now that proposes to strike out subdivision (j), as it exists in the present law, and to write a new subdivision (j). Let us find subdivision (j) in the original act and see what it is proposed to strike out. Here is subdivision (j):

(j) Shall have power to construct dams, reservoirs, power houses, power structures, transmission lines, navigation projects, and incidental works in the Tennessee River and its tributaries, and to unite the various power installations into one or more systems by transmission lines.

That is the present law. We propose to strike that out by section 2 of this bill and to insert a new subdivision (j), and Senators will find that it is almost identical with the present law when I read it, which I shall now do:

Shall have power to construct such dams and reservoirs in the Tennessee River and its tributaries as, in conjunction—

This is new language—

as, in conjunction with Wilson Dam and Norris, Wheeler, and Pickwick Landing Dams, now under construction, will provide a 9-foot channel in the said river and maintain a water supply for the same from Knoxville to its mouth, and will best serve to promote navigation of the Tennessee River and its tributaries and control destructive flood waters in the Tennessee and Mississippi Rivers drainage basins; and shall have power—

This language is now in the law—

and shall have power to acquire or construct power houses, power structures, transmission lines, navigation projects, and incidental works in the Tennessee River and its tributaries, and to unite the various power installations into one or more systems by transmission lines.

Practically the only thing which is new, the only language which the bill puts into the law that is not now there, is that it shall be the aim of the Corporation to make the Tennessee River navigable from Knoxville to its mouth.

Queer as it may seem, Mr. President, while we debated the T. V. A. Act for about 12 years, off and on, it was never once suggested, so far as I remember, that we should provide in the proposed act the depth for navigation. We did provide for navigation; that is the principal object of the original act; we provided that the river should be made navigable, but nowhere did we say what its depth for navigation should be.

The T. V. A. officers, the two Drs. Morgan and Mr. Lillenthal, who have been denounced in, I think, almost shameful terms on the floor of the Senate, where they cannot be heard in their own defense, discovered at once that if they were going to have a system under which the Tennessee River should be made navigable, as the law provided, they should know how deep the channel to be provided should be. So this amendment is here.

The only thing, it seems to me, that is subject to a possible dispute in connection with this amendment is whether a depth of 9 feet is the proper depth or whether the depth should be 8 feet or whether it should be 10 feet. The amendment suggests 9 feet. I do not see how any other controversy can be involved in the amendment. Where is the man who wants to object to it? Can the Senator from Vermont, with his vast experience in trying power lawsuits, demonstrate that there is any particular danger to civilization and to the prosperity of the world if we adopt this amendment?

It may be said that the amendment proposes to enlarge their authority. I do not care whether it does or not. The authority ought to be conferred; it ought to have been in the original act; and the first men to point it out are these, in the mind of the Senator from Vermont, disreputable creatures who are robbing the Government of all its money. We ought to give them credit at least for making one good suggestion. How are they to build dams on this river if they do not have a plan and are not enabled to know how deep the navigable channel should be? Unless that question be decided, to start with, they are likely to encounter all kinds of difficulty when they undertake to build navigation dams. If this provision shall be put into effect, it will mean that the Tennessee River will be made navigable to a depth of 9 feet from Knoxville to its mouth. What is wrong about that? Who is kicking about it? Nobody but the Power Trust; that is all; nobody else. Everyone who wants to be constructive, it seems to me, must favor it. No one who wants to give the Tennessee Valley Authority a square deal can object to it.

The T. V. A. says to Congress, "Here is the Tennessee River; if we build a navigation dam here just below, it may be that navigation will only have a channel of 2 feet; it may not be deep enough. If the Congress has a policy to make the channel 9 feet deep, we will have to build that dam farther down." So in the general plan that is necessary to develop the Tennessee River according to the real intent and purpose of the law, this amendment ought to be agreed to, and I do not know of anyone who can possibly object to it.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. Yes.

Mr. KING. I was wondering if the Senator does not construe section (j) in the original act to give the authority to construct dams and improve the navigability of the river even though a channel 9 feet deep should be called for? For instance, the original section reads:

Shall have power to construct dams, reservoirs, power houses, power structures, transmission lines, navigation projects, and incidental works in the Tennessee River and its tributaries.

It seems to me that a proper construction of that language, particularly taking into consideration the title of the bill, "to improve navigability and to provide for flood control, and so forth", would give the authority to improve the river to a depth of 8 feet or 9 feet or to whatever depth was required.

Mr. NORRIS. I thank the Senator and I agree with him. I think they have the authority now, but suppose they undertook to exercise it and holding companies should come along, through an astute attorney, from Vermont, perhaps, and get an injunction and say, "The authority is not in the law; you must make it plainer." That is what is happening now in the Tennessee Valley.

The Senator must realize, while it may be impossible—and I believe it will be impossible—to prevent injunction suits, that the enemies of this project have no regard for fairness or for anything else, and if they can make a case on paper, even though it will be reversed in the higher courts, they can get an injunction. I will speak of the damage that comes from that situation a little later on. So what is the objection to the amendment?

Mr. KING. Mr. President, it seems to me—and I propound the inquiry for information—that the amendment which the Senator is discussing must have some other purpose in view than that which is involved in the deepening of the channel to 9 feet.

Mr. NORRIS. Well, what, for instance?

Mr. KING. I was wondering what other provision is found in the amendment which the Senator regards as necessary?

Mr. NORRIS. The other language, or practically all of it, is now in the law; it is already embraced in the provision of the act which the Senator has read. The T. V. A. has authority "to construct dams, reservoirs, power houses, power structures, transmission lines, navigation projects, and incidental works", and so forth; but the act nowhere says how deep the navigable channel shall be.

Mr. KING. I agree with the Senator; at least as I interpret it, there could be no injunction and no objection to a development of the navigability of the stream even if the depth were made 9 feet or 10 feet. So I was just wondering if there was some other purpose sought by this amendment, because it seems to me that, if it deals only with the question of deepening the channel, the authority exists in the act itself.

Mr. NORRIS. I think so, I will say to the Senator, and I think so about some of the other amendments proposed by the pending bill. As I stated in my report on the bill, which has been condemned and criticized by the Senator from Vermont, none of these amendments were absolutely necessary, though they were all desirable; but the only reason why some of them were put in the bill is to satisfy some of the critical, power-minded men who were hunting courts all over the Tennessee Valley in which to obtain injunctions to restrain operations.

Mr. McKELLAR. Mr. President, will the Senator yield?
Mr. NORRIS. I yield.

Mr. McKELLAR. In any event, there cannot possibly be any objection to making these powers so specific and so plain that anybody may determine what they are.

Mr. NORRIS. Yes; even a judge.

Mr. KING. May I inquire of the Senator whether he regards the language I am about to read in the proposed amendment as an addition to the authority granted in the original act?

Mr. NORRIS. Let me have the language before me.

Mr. KING. It reads:

And shall have power to acquire or construct power houses, power structures, transmission lines—

And so forth. Does the Senator regard the original act as giving authority to carry out the provision to construct transmission lines?

Mr. NORRIS. Yes, I do; although one of the objections made in the great injunction suit now pending against the Authority is that the Authority have no authority to do that. Let me say to the Senator that the authority to build transmission lines was one of the most vital points in conference between the Senate and the House when the original bill was under consideration. We even went over from one session of Congress to another with the bill in conference because some of the conferees would not agree to give to the Authority the right to build transmission lines. I held then, as I hold now, that if we had not given the power to build transmission lines it would in effect have nullified the whole act, and I should not have cared for it at all if that authority had not been given.

Mr. KING. Was not the opinion of Judge Grubb grounded upon the proposition that the act, as it was being interpreted and carried into effect, made the United States the proprietor, in the sense in which that term is used, of certain proprietary interests, and therefore it was not within the constitutional authority of Congress to set up a corporation and engage in activities which were private in their character and belonged to private corporations and private industry rather than to the Federal Government.

Mr. NORRIS. I shall not now put that construction on Judge Grubb's decision, but I have no objection to that construction as he saw it, and the Senator may have stated it correctly. I would not want to state that that was the effect and the entire effect of his injunction, because if I did so, and there was anything wrong with it, the power companies would immediately have a fit, and I would be accused of doing something that was discourteous to the court and that was wrong in effect.

We are now finished with section 2, and I do not find anyone objecting to the language of the amendments proposed to that section. I do not see any danger so far. Let us take up section 3 and see what it provides:

SEC. 3. That said section 4 of said act be, and the same is hereby, further amended by adding a new subdivision, (k), at the end of said section as follows—

This is a new amendment. Senators will remember what that section provided. It enumerated the powers which the Corporation should have. The amendment proposes to add another power, as follows:

(k) At any time before the expiration of 5 years from the date when this section, as amended, becomes law (the Authority) may, in the name of and as agent for the United States and subject to the approval of the President, dispose of any of such real property as in the judgment of the Board may be no longer necessary in carrying out the purposes of this act.

The original act did not give this authority except in a limited way and as to certain property. It did not give to the Board the right to dispose of real estate. It did give the right to dispose of personal property. The Board has found that in buying land which will be flooded, for instance, at Norris Dam, they are sometimes obliged to buy a piece of land which will be partially overflowed and partially not affected. In the settlement of the question the Board sometimes acquires title to land outside of the reservoir or close to it for which it has no use. There is other real estate which it may acquire in the same way for which it has no use.

If they could get the consent of the President and the land were no longer useful in the operation of the property, then they could sell it. Should anybody object to that? Is there anything wrong about that? Is there any robbery in it? Are the poor fellows who work and toil and sweat to earn their living going to lose their jobs on account of that? It is simply a business proposition and nothing else. I cannot possibly see how the most critical power attorney can find fault with anything of that kind.

Let us go on to section 4 and see what crime that proposes to commit. It reads:

SEC. 4. That subdivision (c) of section 5 of said act be, and the same is hereby, amended to read as follows.

Now let us go to subdivision (c) of section 5 of the original act and see how it reads:

The board is hereby authorized—

Then it enumerates certain powers (a), (b), and (c), the latter being the one we are proposing to change by this amendment. Let me read it as it is in the present law.

(c) To cooperate with National, State, district, or county experimental stations or demonstration farms for the use of new forms of fertilizer or fertilizer practices during the initial or experimental period of their introduction.

That is amended by striking it out and inserting a new subsection (c) as follows—and I ask Senators to listen and notice the similarity:

(c) To cooperate with National, State, district, or county experimental stations or demonstration farms, with farmers, landowners, and associations of farmers or landowners—

That is new language; otherwise the provision is just the same. In other words, it is explicitly stated that the Board shall have the right to cooperate with associations of farmers. It is not so provided in the original act. I think they would have the power to do it under the general powers given them. I have no doubt whatever of it, but it must be remembered that we are not dealing with honest men. If there is anything corrupt in American life today, it is the Power Trust, and they will take advantage of everything which they think leaves a crevice for them to creep into. Therefore, we propose to specifically provide for it in the law.

I continue reading:

With farmers, landowners, and associations of farmers or landowners, for the use of new forms of fertilizer or fertilizer practices during the initial or experimental period of their introduction, and for promoting the prevention of soil erosion by the use of fertilizers and otherwise.

That latter phrase is new language. Do we want to give them that authority? They think they have it now. I think they have it under the several general provisions of the law. They are now doing that kind of work, but in view of their experiences with the enemies who are piling up injunction suits one after the other for the purpose of handicapping them, for the purpose of interfering with them, the Board thought that because the original act does not contain the language "for promoting the prevention of soil erosion by the use of fertilizers and otherwise", they might be led into another injunction suit. That is what they are afraid of. They are greatly alarmed over the possibility that they cannot turn over their hands without an injunction being issued against them; and a shrewd lawyer like the lawyer from Vermont, for instance, can draw a good case on paper for injunctions to prevent almost anything on earth.

There have been found in some places in the Tennessee Valley large acreages which have been eroded, where the timber was cut off years ago, where the slope is steep, and where, as a result of the rains and the drainage of hundreds of years, the soil has been washed away. I have seen pictures of such places. Some of them are still small. Some of them are as large as an ordinary creek. A man could not drive over them. Some of them a man could not climb over on foot without great difficulty. The soil that God put there has been washing away for 50 years or more, for a hundred years; and we in this generation are now learning that one of the things our civilization must do is to prevent erosion, or in the end our civilization will fail.

Go to China and see the thousands of acres there that have been devastated because the timber has been cut off, because of erosion on side hills that has destroyed the fertility of the soil. The officials of the Tennessee Valley Authority are now engaged in that kind of work down there, and they are spending a good deal of money to do it. We are engaged in doing similar work in Nebraska. It is being done in a great many other States throughout the Union. The country is becoming alive to the fact that one of the things which in years to come will destroy the civilization of those who come after us is erosion, and the officials of the Tennessee Valley Authority are trying to stop erosion. They will fail many times. They will fail in a good many cases. They will sometimes lose their money. We know that in advance. When they lose a dollar, we shall have some attorney standing up in the Senate who thinks more of a holding company than he does of his country, and saying, "We must not have that kind of civilization. We must not spend money to prevent erosion. We must let the soil wash into the sea, and see our grandchildren go from their homes of today, because they will be desolate, into other countries if they can reach them."

If we do not believe in trying to stop erosion, we ought not to have this provision in the bill; but there is no reason why we should try to stop erosion in Nebraska and not stop it in Tennessee, Alabama, North Carolina, or Mississippi. That is all this amendment does. Does anybody object to it? Is there anything sinful about it? Is there anything to be ashamed of? Is the Senator from Vermont justified in denouncing me because I said in the report that for the preservation of the T. V. A. none of these amendments is absolutely necessary, but they are all desirable?

The T. V. A. can continue to operate if we prevent them from remedying soil erosion; but the fear is that some Federal judge will issue an injunction preventing the use of Federal money to save the country by preventing erosion. Does any Senator wish to strike out this provision? Is any one opposed to it? Can any Senator rise on the floor of the Senate and say it is wrong?

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. McKELLAR. I call the Senator's attention to the fact that just a few weeks ago, on April 8, 1935, the joint resolution providing money for relief and work relief became a law; and that joint resolution, among other things, provides a fund of \$350,000,000 in part to do away with soil erosion.

Mr. NORRIS. I thank the Senator.

Mr. McKELLAR. The Senate, by act of Congress, is committed to the very activity for which provision is made in this bill.

Mr. NORRIS. Of course we are. If we had courts and attorneys and enemies who were fair, we should not need this amendment. I think any enlightened judge who lives in the present state of civilization and is not chained to a post that was driven into the Constitution 200 years ago would hold that the T. V. A. had this authority even without this bill; but for the purpose of meeting just that kind of a possible contingency the members of the Board thought there ought to be in the law a direct statement of their authority.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. TYDINGS. As I understand these amendments, there is really nothing new in any of them. The thought of the Senator so far as he has gone and so far as I have heard him is that these are simply clarifying amendments, so that the intention of the original act may be carried out?

Mr. NORRIS. Absolutely. I think the Senator states the matter correctly.

Mr. TYDINGS. Whether the proposition, in its inception, was a good thing or a bad thing is not the point here involved.

Mr. NORRIS. Absolutely not.

Mr. TYDINGS. We have a certain project, and as I understand, now that it is partly built, the Senator is asking that the project be completed.

Mr. NORRIS. Yes.

Mr. TYDINGS. There is no new authority in this bill, broadly speaking, to encompass any aim which the original act did not encompass. Is that correct?

Mr. NORRIS. The Senator from Maryland has stated the whole matter in a nutshell, much better than I could state it. If we favor this bill, it does not mean that we also favored the passage of the Tennessee Valley Act, as I said at the beginning; but if a Senator is fair-minded, even though he was opposed to the original Tennessee Valley Act, does he desire to say, "I wish to frustrate its activities indirectly by such things as narrow construction of some power that may be in the original act, that the Senate thought was lodged there, and that ought to be there"?

Mr. TYDINGS. Mr. President—

Mr. NORRIS. I yield again to the Senator.

Mr. TYDINGS. I am not very familiar with the proposed legislation, and perhaps my questions would be answered if I had studied the bill. With that apology, may I ask the Senator if the bill contains a provision that existing transmission lines, now owned by private companies, may be purchased by the Authority so as to extend the scope of its operations?

Mr. NORRIS. No; that is already in the act in almost direct language.

Mr. TYDINGS. The reason why I ask that question is that, as the Senator may recall, my original objection to the act was not based so much upon its idealism, or what it sought to accomplish; but I took the position that if the Government were to parallel private lines there perhaps might be a confiscation of a company where there had been an honest attempt to render a service at a fair price. Perhaps that day has gone by.

Mr. NORRIS. No; I do not think it has. The Tennessee Valley Authority can buy existing lines, and we put that into the law, although it is included in one of the amendments in order to make the power more explicit.

Mr. TYDINGS. I mention that only by way of explanation of the fact that the project in itself now being in a state of near completion, there really are no new rights given under these amendments. They are simply clarifying amendments to carry out the original intent.

Mr. NORRIS. I think so.

Now let us consider section 5 and see what crime is committed there.

That said act—

That means the Tennessee Valley Act—

be, and the same is hereby, further amended by adding a new section after section 9 of said act, as follows.

This is new. Let us read it, and see what terrible black crime is covered up beneath its dubious words:

Sec. 9a. The Board is hereby directed in the operation of any dam or reservoir in its possession and control, to regulate the stream flow primarily for the purposes of promoting navigation and controlling floods. So far as may be consistent with such purposes, the Board is authorized to provide and operate facilities for the generation of electric energy at any such dam, for the use of the corporation and for the use of the United States or any agency thereof, and the Board is further authorized, whenever an opportunity is afforded, to provide and operate facilities for the generation of electric energy in order to avoid the waste of water power, to market such power as in this act provided, and, thereby, so far as may be practicable, to assist in liquidating the cost or aid in the maintenance of the projects of the Authority.

Personally, I do not think that is necessary. I think that is all in the original act, every bit of it; but again come the injunctions. In the great injunction which was issued by Judge Grubb, I understand there was some reference to this subject. As I read that injunction, if it shall be sustained by the Supreme Court of the United States, we might just as well blow up every dam, not only in the Tennessee River but every dam in the United States. There was something said in the injunction, however, about its being constitutional, and yet that no legislative authority had been given to sell power. In effect, the judge held that if a dam were built under the navigation power given by the Constitution, and incidentally some water power could be developed there, the United States had a right to develop the water power for the Government's use, but if it developed any more than the

Government could use, it must let it run to waste and not sell it.

I do not believe that is in the act as it now stands. I cannot see any possibility of putting that kind of a construction on the act. I do not believe any reasonable man can put such a construction on it. When we have built a dam for navigation, and it is 100 feet high, if by putting in a wheel we may develop 100,000 horsepower, which is an immense amount of power, it is ridiculous to say that we dare not do it because there is no constitutional authority for the Government to go into the power business; its authority is confined to navigation.

If we take that view, we might just as well repeal the Tennessee Valley Act, we might just as well repeal the Boulder Dam Act, and every other water-power act we have ever passed, and blow up all the dams.

Mr. LONG. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LONG. Referring to Judge Grubb's decision, he held the whole thing unconstitutional, did he not?

Mr. NORRIS. I think that is the effect of the decision.

Mr. LONG. If his opinion is good, the proposed grant of water power would not be any better, would it?

Mr. NORRIS. I think that if his decision stands, there is no possibility of any of them surviving. But there was something, I think in the opinion itself—and I have not read the opinion for some time—to this effect, "Rather than go beyond your constitutional authority, let the power go to waste." No other conclusion can be drawn from it.

The section to which I am referring states in so many words that they shall have authority to sell the surplus power according to the terms laid down in the act.

Mr. KING. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. KING. I hastily read the opinion, the finding of facts, and the conclusions of law of Judge Grubb. I do not pretend that in that very hasty perusal I have accurately appraised the decision which he rendered, or the points which he attempted to cover, but as I read the decision, I was impressed with the thought that what he was driving at was that the Federal Government is one of enumerated powers, that among the powers granted to the Federal Government was not one which would authorize it to engage in the manufacture and sale of electricity, or power, particularly in competition with private enterprises, and destroy them, or to engage in an activity which would be confiscatory, of course, as to private interests and private property which had been acquired. Therefore, he held that the injunction should issue, for the reason that it appeared from the testimony that the primary purpose of T. V. A. was not so much the building of reservoirs for irrigation purposes, but was the establishing of industrial plants to generate power, to erect transmission lines, and to invade fields which had been occupied by private endeavor, where lines had been constructed, and where the public was being served by electrical energy. That was the point. As to whether he was right or wrong, I express no opinion.

Mr. NORRIS. I lay it down as a proposition which I do not believe any lawyer will dispute, that where the Constitution gives authority to Congress to do a certain thing and it does it, and in doing it necessarily there is produced something else which there is no constitutional authority to produce, it will have the right, nevertheless, to provide what shall be done with that byproduct, in the way of sale or other disposition.

The dissenting opinion written by Chief Justice Hughes in the railroad-insurance decision contains a very illuminating paragraph on that subject. He cites the report of a commission composed of Senators and others, of which Senator Sutherland, now Justice Sutherland, of the Supreme Court, was chairman; and Justice Sutherland was on the other side in the Supreme Court on this particular question. It was stated in the report of that commission in so many words that where authority is given to perform a certain act which is admitted to be constitutional, if, in the exercise of that authority, something is produced or made which had not

been in contemplation, instead of throwing it away, there would be authority to save it.

Mr. LONG. Mr. President, will the Senator yield?

Mr. NORRIS. In just a moment. I say here that certainly nobody will contend that Congress has not the right to legislate respecting the navigability of the Tennessee River, and we have authorized a corporation representing the Government of the United States to improve the navigability of the Tennessee River. The law provides that they shall bring about maximum navigability. In carrying out that provision they build dams, and when they build dams they produce power. The production of power naturally follows a constitutional activity, and it follows, therefore, that they can dispose of that power, and they can transmit it, if the power is in the form of electricity.

Suppose that in the building of this great dam, instead of producing power, by some operation of nature we produced bread. Would anybody hold that because the Constitution did not say anything about our producing bread we would have to throw that bread away, that we would have to guard it so that even dogs could not eat it, that we would have to be sure it went to waste? Is not a child in the eighth grade in school capable of coming to a better conclusion than that, even though a great lawyer, representing great holding companies, may hold that to be true?

It seems to me that in all reason such a foolish, narrow-minded construction sought to be put upon the Constitution of the United States is not tenable.

I now yield to the Senator from Louisiana.

Mr. LONG. My impression is that in its control of public land the Government has frequently entered into contracts not only for the cutting of timber, but for the sale of and royalties on turpentine extracted from timber.

Mr. NORRIS. The books are full of such instances.

Mr. KING. Mr. President, will the Senator yield further?

Mr. NORRIS. I yield.

Mr. KING. In part I agree with what the Senator has said. Perhaps the action in the case of the Roosevelt Dam in Arizona will illustrate the point which I think Judge Grubb had in mind, and the one which I now have in mind.

A question arose when the Roosevelt Dam was constructed in Arizona by the Government for the reclamation largely of its own lands, and of course there is no question about the power of the Government, under the authority to dispose of the public domain granted by the Constitution, to utilize waters which have not been appropriated for the purpose of putting them out on lands which it owns for the purpose of selling them. Before the construction of the Roosevelt Dam the farmers in the vicinity and those who acquired lands made contracts with the Government to take the water as soon as the dam was constructed. It soon developed that power would be developed as a result of the construction of the dam, and the paramount purpose being to build the dam for irrigation purposes, the question arose as to whether or not the ancillary development, when the power was created, could be used by the Government.

I held, because the question was referred to me at that time by some persons who wanted suit instituted, that the Government had the right to develop the power and to sell it; but, in view of the fact that it had made a contract to sell the water to the people in the valley there, I insisted that when the power was developed and when the dam was turned over, all the rights originating from the manufactured power should also pass to the farmers. There is no question, however, of the right of the Government to utilize the power.

Mr. FLETCHER. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. I yield.

Mr. FLETCHER. I understand the law authorizes the construction of a dam or dams for the purpose of promoting navigation. Unquestionably Congress has that power; it can take steps to promote navigation or to improve navigation by building dams. The production of power is merely incidental, not the original purpose of building the dam.

Now something is to be developed incidental to navigation, incidental to the construction of the dams, and the amendment provides that the T. V. A. will have authority to sell the power.

May I ask the Senator whether the authority to sell the power carries with it the authority to distribute the power?

Mr. NORRIS. Yes; the T. V. A. has explicit authority to build transmission lines.

Mr. FLETCHER. It is given that authority?

Mr. NORRIS. Yes; not by the proposed amendment, but there is that explicit authority in the present law.

Mr. FLETCHER. In the amendment there is mention of the sale of power. I was wondering whether the Government would be confined by that to the selling of the power itself without having any authority to transmit it. There might be a question there, because under the original Muscle Shoals legislation, as I remember, the Government did sell power. It did not transmit the power, but it sold the power.

Mr. NORRIS. Let me read the language of the amendment to the Senator. It reads: "To avoid waste of water power, to market such power as in this act provided."

The act provides in rather minute detail what shall be done. For instance, it gives preference to farmer organizations; it gives preference to States and counties to purchase the power; it provides for the transmission. It reads: "To market such power as in this act provided." Suppose we add, in line 12, after the word "market", the words "and transmit", so as to read: "to market and transmit such power as in this act provided."

When we get the bill before the Senate—if we ever do, and if the power companies will let us alone long enough to do so—such an amendment will be offered, if the Senator does not offer it, and I think it will improve the bill.

If some of those, such as the Senator from Utah [Mr. KING], for instance, think there may be some doubt about the authority to sell this power—and I think that doubt was in the mind of Judge Grubb when he said there was no direct authority contained in the act to dispose of the power which was purchased—do we want to give to the T. V. A. the authority to sell the surplus power? Is there any Senator who will say "nay" to that proposition? If Senators do not want to sell the surplus power, but want it to go to waste, then they should be opposed to this amendment. If they do want to give the Tennessee Valley Authority power to sell it, then this amendment ought to be adopted. In my own opinion, they have the authority now without the adoption of this amendment, although apparently Judge Grubb did not think so.

We will now pass on to section 6. I have not found anything bad as yet. I should be glad if any Senator thinks he has seen something sinful or wrong or criminal in any provision we have so far considered, to rise in his place and say so. I do not believe anyone can even assert that sort of a claim.

Sec. 6. That section 10 of said act be, and the same is hereby, amended by adding thereto a proviso as follows.

Let us now go to section 10 of the act and see where it comes into the picture. Section 10 authorizes the board to sell the surplus power not used in its operations, and so forth. It is unnecessary to read it. It is a rather long section. Section 6, the amendment which I will now read, adds a proviso to that section, as follows:

Provided further, That the Board is authorized to include in any contract for the sale of power such terms and conditions, including resale rate schedules, and to provide for such rules and regulations as in its judgment may be necessary or desirable for carrying out the purposes of this act, and in case the purchaser shall fail to comply with any such terms and conditions, or violate any such rules and regulations, said contract may provide that it shall be voidable at the election of the Board: *Provided further*, That in order to supply farms and small villages with electric power directly from its transmission lines as contemplated by this section, the Board in its discretion shall have power to acquire existing transmission lines and facilities: *And provided further*, That the terms "States", "counties", and "municipalities" as used in this act shall be construed to include the public agencies of any of them unless the context requires a different construction.

Let me tell the Senate what I believe to be the reason why that amendment is offered. In the first place, it is the theory of the Tennessee Valley Act to carry the benefits of cheaper electricity, so far as provision for electricity is made in the act, to the consumer of electricity, and not have it eaten up by middlemen. We have gone so far in that act as to provide that wherever a sale of electric energy is made to a person or a corporation which intends to resell it for a profit, the Board has a right to cancel the contract if the reasonable regulations of the Board as to the price which the consumer shall be charged are not complied with.

A certain condition was found early in the administration of the act. There was a town—I will not name it—which was going to take electricity from the T. V. A. The leaders of the town organized. They had a machine entirely set up to divide a number of fat offices among themselves at very large salaries. It was perfectly evident to the Board that one of the purposes these men had in mind was to feather their own nests, and the Board required of them before the contract sale was made that the price to the consumer should not exceed a certain amount; that in fixing the rate there should be taken into consideration a sum equal to the tax paid by a private concern engaged in the same business; that they should provide also for a reasonable percentage to be set aside to take care of wear and tear; and that there should be a provision against payment of fabulous salaries in the municipality for the handling of the business.

In connection with the contracts which the Board has made it has done just what the proposed bill gives specific authority to do. There was some question raised whether the Board had the right to do what it has done. The Senator from Vermont has raised one objection to this bill, and only one, in addition to the one just mentioned. He raised objection to the section under which he said municipalities were going to be controlled in the matter of the rates they would charge. He said that whatever they wanted to charge and whatever they wanted to pay was their own matter.

The Corporation took the position that the object of Congress in passing this law—and it is stated in the act—was to help the consumer, was to give preference even to the home owner over the manufacturer. It is provided in the law that if there should ever arise a case where both could not be supplied the home owner should have preference. The purpose of the law was that the T. V. A. should go into the homes and give the people cheaper electricity. The T. V. A. concluded that it had the authority to see that sales should be so made that there should be no abuse.

Do Senators desire to give the Board that authority? Is that a good thing? That is all this bill provides for. It provides for nothing else. I think the Board now has the authority. But, again, some bright holding-company lawyer may make use of the allegation that T. V. A. has no such authority as a loophole in order to obtain an injunction and destroy the benefits of the act for an entire community or city.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. COUZENS. If the Senator has answered the questions I intend to ask, I do not want to bother him to do so again. I will look at the Record. The Senator from Vermont in his speech yesterday and today mentioned the setting up of a number of Delaware corporations, one of them to engage in the regulation of diet, or the development of a proper diet.

Mr. NORRIS. I will say to the Senator that I have not answered that point. I will answer it, but I have not come to that point as yet. I should rather not take it up until I complete my presentation of the sections of the bill.

Mr. COUZENS. Then I will not press the question. The other question is what justification there is for setting up a company to sell electrical equipment on the installment plan. Does the Senator from Nebraska justify that?

Mr. NORRIS. I think that is a good thing, and I am going to discuss it. However, that matter is not involved in this bill. Neither is the other question which the Senator

has asked. This bill has nothing to do with that. The practice will not be prevented if the bill is passed. It will go on just the same if the bill is not passed.

Mr. COUZENS. If the theory is to continue along this line, the question arises in my mind whether that power should not be taken away from the T. V. A. by Congress, irrespective of whether it is contained in this particular bill or not.

Mr. NORRIS. That may be right. I will not argue that question now. Perhaps the President ought not to set up these various corporations. He has done so all over the United States. Perhaps he could have done it in some other way. Perhaps somebody else could have done it better. However, that is not involved in this bill. I wish to call to the attention of the Senator that this bill has nothing whatever to do with that question.

Let me now take up section 7. Sections 7, 8, and 9, I think, are the ones to which the Senator from Vermont referred so much.

Section 7 provides:

That said act be, and the same is hereby, further amended by adding a new section after section 12 of said act, as follows:

"Sec. 12a"—

This is a new section. Permit me to read it and see what sin, what dark crime, it covers up.

"Sec. 12a. In order (1) to make possible the disposition of the surplus power of the corporation according to the policies set forth in this act; (2) to give effect to the priority herein accorded to States, counties, municipalities, and nonprofit organizations in the purchase of such power by enabling them to acquire facilities for the distribution of such power; and (3) at the same time to preserve existing distribution facilities as going concerns and avoid duplication of such facilities, the Board is authorized to acquire, within transmission distance from any dam where such power is generated by the corporation (a) existing distribution facilities and incidental works, including generating plants, and (b) interconnecting transmission lines, or to acquire any interest in such facilities, incidental works, and lines, and to dispose of them to States, counties, municipalities, and nonprofit organizations. No such distribution facilities and incidental works, or interest therein, shall be acquired by the Board unless in its judgment it shall appear practicable so to dispose of the same. It shall be the duty of the Board to use all reasonable diligence to negotiate contracts upon such terms and conditions as in its judgment may be reasonable, just, and equitable, with States, counties, municipalities, and nonprofit organizations for the transfer to them of distribution facilities, incidental works, or any interest therein acquired by the Board, and for the sale of surplus power of the Corporation for distribution through such facilities. If at the expiration of 5 years from the date of the acquisition of any such distribution facilities, incidental works, or interest therein, the Board shall have found it impracticable or inadvisable to make the transfer herein contemplated, it shall make a full report of the facts to the Congress of the United States, together with such recommendations as it may deem appropriate. Pending such transfer, the Board is authorized to operate, maintain, and improve such facilities and incidental works for the sale and distribution of electricity and to make such contracts, rules, and regulations in connection with such sale and distribution as in its judgment may be reasonable, just, and equitable."

Mr. President, we ought to consider together that section and the section later on which provides for the issuance of \$100,000,000 of bonds. However, first let me take up section 7 and state to the Senate what is its object and why it is in the bill.

Suppose a private corporation owns transmission and distributing lines to several municipalities, five or six of them, we will say, and one of those municipalities should desire to construct a municipal distributing system, and not to buy the existing one but to buy power from the T. V. A. The objection is immediately made—and I concede there might be such a possibility, though I think it is always exaggerated—that if there be taken out of the private system this municipality or that municipality, it would injure the entire system, that securities issued on the entire system would be affected, and that the investors might thereby lose something of their investment if the system were injured by acquiring one unit and not taking them all. One municipality could not take them all; no municipality could take more than would be necessary for the service of its own people. Municipality A could not buy a municipal system in town B, of course. So in such a case this section gives authority to the T. V. A. to buy the whole system, then to

sell it to the municipality, and if the T. V. A. take the whole system and have an arrangement with town A to take one part of it and another arrangement with some other town to take another part of it, they can operate the system until they secure arrangement thus to sell the entire system, but if they fail to dispose of the entire system within 5 years they must report to Congress the facts and secure advice from Congress as to what it is proper to do.

That provision, let me say to the Senate, will never be put into effect unless the holding companies, which are so precious in the estimation of my friend, make that kind of contract of sale. There is no provision for condemnation proceedings in this section. The T. V. A. cannot take such a system by condemnation; they can only take it if the owners of the system wish to sell it and at a price that is agreeable to them. That is the object of that section.

It may be, though it shall be embodied in the law, that it will never become effective; if they all take the viewpoint that the Senator from Vermont does, it never will take effect.

However, the cry is made, the propaganda is sent out, that the dear "widows and orphans" will be losing their investment, and T. V. A. will be blamed for it. This is to save them if any of them are in danger; this is designed as much to protect the private-utility investor as it is anyone else, and it will never become effective unless the investor in the private utilities voluntarily makes the contract of sale.

Is there anything bad about that? Is anybody going to be hurt by it? Can the private-utility interests be hurt? They do not need to enter into that kind of contract; it is not provided that they shall; but here we are face to face with a national propaganda of unusual dimensions, trying to make the Senate, the House, and the people of the country believe that we are trying to rob the investor. If there is any danger in what they say is dangerous, this is to save them from it.

Mr. McKELLAR. Mr. President—

Mr. NORRIS. I yield to the Senator from Tennessee.

Mr. McKELLAR. The practical working of this section would mean that, for instance, if a private company has a lighting system in a certain city and has spent \$12,000,000 on that system and there is that much value there, and, we will say, it is represented by \$9,000,000 of bonds and \$3,000,000 of stock, then those who have put their money in it may, if the property is there, get a return of their money?

Mr. NORRIS. Yes, sir.

Mr. McKELLAR. That is the purpose of it. It seems to me it is exceedingly fair; and I cannot imagine how anyone who wants to be fair can object to a just provision of that kind.

Mr. NORRIS. A little later I will refer to that again when I come to the bond provision.

Now, Mr. President, let us proceed to section 8. Senators, keep your ears open! The terrible crime of this bill has been pictured for 2 days by the Senator from Vermont; you have not found anything bad in it as yet; now see if you cannot find something wrong with section 8. That section reads as follows:

SEC. 8. That said act be, and the same is hereby, further amended by adding to section 14 of said act the following:

This is something new; it is not in the present law. Let us see what a terrible thing it is. Here it is:

For the purpose of accumulating data useful to the Congress in the formulation of legislative policy in matters relating to the generation, transmission, and distribution of electric energy and to the Federal Power Commission and other Federal and State agencies, and to the public, the Board shall keep complete accounts of its costs of generation, transmission, and distribution of electric energy and shall keep a complete account of the total cost of generating, transmission, and distribution facilities constructed or otherwise acquired by the corporation and a description of the major components of such costs according to a classification of accounts adopted by the Board, together with records of such other physical data and operating statistics as may be helpful in determining the actual cost and value of services, and the practices, methods, facilities, equipment, appliances, and standards and sizes, types, location, and geographical and economic integration of plants and systems best suited to promote the public interest, efficiency, and the wider and more economical use of electric energy. Such data shall be reported to the Congress by the Board from time to time with appropriate analyses

and recommendations, and, so far as practicable, shall be made available to the Federal Power Commission and other Federal and State agencies which may be concerned with the administration of legislation relating to the generation, transmission, or distribution of electric energy.

Where is the sin in that amendment? Where is the covered-up crime there? Do we want that information? It is something entirely new and not in the original act. Do we want this information transmitted to the Power Commission, to the Congress, to the municipalities, and to the public generally so that we may know all about the generation and the transmission of electricity, so that we may all know about the costs of appliances which now are often very fabulous?

Mr. COUZENS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. NORRIS. I yield.

Mr. COUZENS. Does not the Senator believe there ought to be a provision that they should be subject to the audit and control of the Comptroller General?

Mr. NORRIS. A general audit and control of the Comptroller General is now provided for in the act itself.

Mr. COUZENS. It does not apply apparently to that particular language.

Mr. NORRIS. I should think it would. If it does not, and the Senator wants to offer that kind of amendment, I should be glad to accept it. I have not anything to cover up here. I have not any more interest in this legislation than has any other Senator. I am not guilty of trying to deceive the Senate, as the Senator from Vermont [Mr. AUSTIN] tried to induce Senators to believe I am. I am just now engaged in going over the bill itself to see what is wrong; to see if anybody can find anything wrong with it. I welcome that kind of amendment, although I think it is entirely unnecessary. Here is what the law now provides:

The Comptroller General of the United States shall audit the transaction of the corporation at such times as he shall determine.

I should think that would cover everything. There should be an audit, and I should be glad to have their accounts and transactions audited, but I think the authority is now amply sufficient. Who objects to that provision? What is wrong about it? Can the Senator from Vermont find some complaint with that language?

Mr. AUSTIN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Vermont?

Mr. NORRIS. I yield.

Mr. AUSTIN. I had not intended to interrupt the Senator, but the point as to that particular amendment is that it empowers the Board to adopt the kind of bookkeeping it sees fit, and it does not require the Board to comply with the standard forms of bookkeeping required of ordinary public utilities. By means of that amendment this particular corporation has an escape from the standards of capitalization and other valuations upon which the supervisory commission, the Public Utilities Commission, is enabled to compare one with another and ascertain whether rates are too high, as well as other essential facts which bear upon the rights and privileges of individuals. That is what is the matter with the amendment. It is the element in the amendment which makes the Board the ultimate authority as to the type of accounting which shall be employed with respect to these matters.

Mr. NORRIS. I suppose it would suit the Senator from Vermont better if we should provide in the bill that these accounts should be kept by the New England Power Association and its subsidiaries. It would suit the Senator better to have some private company establish its methods of measuring than to have the Authority do it. The entire thing would be gone over by the Comptroller General's Office to see that there was not anything wrong about it. I do not know why I should not prefer the method of keeping books prescribed by the Authority to the method of bookkeeping followed by the holding companies.

If I am not mistaken, there is now in the general law—and I have not any objection to incorporating it in this bill—a

provision that the General Accounting Office shall have the right to supervise and see that the books are kept according to rules and regulations laid down by the General Accounting Office.

Mr. COUZENS and Mr. AUSTIN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. I yield to the Senator from Michigan.

Mr. COUZENS. I was going to suggest, in order to have accounts uniform with the accounts kept by the Power Commission, that the section might be amended so the system of bookkeeping would have to be approved by the Federal Power Commission. That would bring about uniformity of accounts.

Mr. NORRIS. Very well. I have no objection to that. That is another suggestion that might be considered good. I do not want to give the power to some private company to establish the bookkeeping system, but I would rather have the books kept in accordance with the methods by which books are kept by the Federal Power Commission.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. NORRIS. I yield.

Mr. McKELLAR. May I invite the attention of the Senator to the provision in the amendment that—

Analyses and recommendations, so far as practicable, shall be made available to the Federal Power Commission and other Federal and State agencies which may be concerned with the administration of legislation relating to the generation, transmission, or distribution of electric energy.

That provision of the amendment puts the analyses and recommendations in the hands of experts, certainly, and if there is anything wrong with them the Federal Power Commission and State agencies will discover it.

Mr. COUZENS. The trouble with what the Senator from Tennessee suggests is that there ought to be a uniform system of calculating depreciation, amortization, and obsolescence. If we are going to make this a yardstick, as I am in favor of making it, there should not be one percentage of depreciation and obsolescence for one plant and another percentage of depreciation and obsolescence for another plant. That does not make a yardstick for keeping the operations comparable.

Mr. NORRIS. I have never heard any complaint about the methods of keeping cost accounts by the T. V. A. If Senators would rather the Comptroller General should outline something of that kind, I do not know that I should object; but I would rather have the Power Commission do it than the Comptroller General. They know more about it. I would have no objection to the Power Commission doing it, because they are experts in that line. Certainly we ought to have the same system for all governmental activities. There is no doubt about that.

But suppose we do not have this section? Suppose we strike it out of the bill? Do Senators want to do that? Let me read it:

For the purpose of accumulating data useful to the Congress in the formulation of legislative policy in matters relating to the generation, transmission, and distribution of electric energy and to the Federal Power Commission and other Federal and State agencies, and to the public, the Board shall keep complete accounts of its costs of generation, transmission, and distribution of electric energy and shall keep a complete account of the total cost of generating, transmission, and distribution facilities constructed or otherwise acquired by the corporation—

And so forth. Do Senators object to securing that kind of information? Is that a bad thing to have? Who is better qualified to furnish it than is this board? No instrumentality on earth would have the facilities to give such information.

Mr. COUZENS. Mr. President, will the Senator yield further?

Mr. NORRIS. Certainly.

Mr. COUZENS. I should like to say that in listening to the Senator read the section I heard no reference to uniformity of calculating obsolescence, depreciation, and replacement, which are ordinarily a very great factor in arriving at cost of production. It does not make any particular difference what the percentage is. The important thing is

to have it uniform if we are going to create a yardstick. What I do not want is the authority in that section to be used by an agency that itself is interested in making a fine showing. I want some independent agency to fix the yardstick for depreciation, obsolescence, and replacement, so they shall all be treated on the same basis. There is not a word in the section relating thereto.

Mr. NORRIS. Very well. Let us strike out the whole section.

Mr. COUZENS. Oh, no I do not want to do that. I want the information, but I want it reliable when I get it.

Mr. NORRIS. What would the Senator suggest? Who should be given the authority to make the accounting? How would the Senator suggest we amend it?

Mr. COUZENS. I should say that the basis of creating the percentages of obsolescence, depreciation, and replacement, should be uniform throughout the industry.

Mr. NORRIS. How can we make it uniform?

Mr. COUZENS. By inquiry, investigation, and so on. In other words, I do not want to have one agency which is itself charged with the responsibility of creating a yardstick to be responsible for its own figures.

Mr. NORRIS. I understand that, but I do not understand what authority we have to fix the bookkeeping method for some other system unless the Government owns it. I was about to say that we cannot go out and tell a private company what method of bookkeeping it shall use; but I suppose we can do so in the case of a public utility, and we often do.

Mr. COUZENS. Mr. President, will the Senator further yield?

Mr. NORRIS. Yes.

Mr. COUZENS. I have just been spending hours and hours and days and days on the new holding-company bill, by which it is proposed to turn over certain prerogatives to the Securities Commission and to the Power Commission, and give them certain jurisdictions. In cooperation with those agencies, a uniformity of method can be arrived at, so that we may have a true yardstick, and not a false yardstick.

Mr. NORRIS. If this part of the bill is not right, I should like to have someone suggest an amendment to improve it and make it right.

Mr. McKELLAR. Mr. President, I was about to suggest to the Senator from Nebraska that if any Senator has a helpful amendment which will make this bill carry out its purpose in a more effective way, I am quite sure the Senator from Nebraska will be willing to accept such an amendment.

Mr. NORRIS. I shall be glad to get it. I am just as anxious as anybody can be to have a system that is as nearly perfect as we can make it. I have no other interest in the matter, and I shall welcome that kind of a suggestion. I confess I do not see at the moment just how I would go about preparing such an amendment unless I should say:

For the purpose of accumulating data useful to the Congress in the formulation of legislative policy in matters relating to the generation, transmission, and distribution of electrical energy—

Then strike out—

and to the Federal Power Commission and other Federal and State agencies, and to the public, the Board shall keep—

Instead of that, how would it do to say?—

The Federal Power Commission shall keep—

And so forth.

Mr. COUZENS. May I suggest that I have not had time to prepare an amendment, but I think some amendment ought to be made. As the Senator knows, the Internal Revenue Bureau fixes a uniform allowance for depreciation for all classes of industry. If this bill were amended so as to provide that the usual allowance of credits for depreciation and obsolescence permitted by the Bureau of Internal Revenue should be applied in computing those figures, that would insure uniformity.

Mr. NORRIS. The Internal Revenue Bureau now has such a system, has it?

Mr. COUZENS. Oh, yes.

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Mr. NORRIS. I will ask the Senator from Michigan if he will not ascertain from the Bureau what that system is, or consult with their experts and bring in an amendment to that effect.

Mr. COUZENS. I shall try to do that.

Mr. NORRIS. I shall be glad to have it go into the bill.

Mr. President, we now come to section 9. That is the section which is bitterly assailed; and I will say to the Senate that we must consider that section in connection with the new section 12 (a), found in section 7 of the bill. They must both go together.

This is section 9:

That section 15 of said act be, and the same is hereby, amended to read as follows:

That strikes out a whole section that is in existing law. It will be found on page 10 of the existing law. In my judgment, this particular amendment is the only one which has been seriously attacked by the Senator from Vermont [Mr. AUSTIN]. Therefore, I shall now take the time to read the section in the law that will be amended by including section 15, as amended, in section 9 of the bill.

The law now reads as follows:

SEC. 15. In the construction of any future dam, steam plant, or other facility, to be used in whole or in part for the generation or transmission of electric power the Board is hereby authorized and empowered to issue on the credit of the United States and to sell serial bonds not exceeding \$50,000,000 in amount, having a maturity not more than 50 years from the date of issue thereof, and bearing interest not exceeding 3½ percent per annum. Said bonds shall be issued and sold in amounts and prices approved by the Secretary of the Treasury, but all such bonds as may be so issued and sold shall have equal rank. None of said bonds shall be sold below par, and no fee, commission, or compensation whatever shall be paid to any person, firm, or corporation for handling, negotiating the sale, or selling the said bonds. All of such bonds so issued and sold shall have all the rights and privileges accorded by law to Panama Canal bonds, authorized by section 8 of the act of June 28, 1902 (ch. 1302), as amended by the act of December 21, 1905 (ch. 3, sec. 1, 34 Stat. 5), as now compiled in section 743 of title 31 of the United States Code. All funds derived from the sale of such bonds shall be paid over to the corporation.

That is the law now. Senators, please note: Those bonds can be issued only for specific purposes. See what they are:

In the construction of any future dam, steam plant, or other facility, to be used in whole or in part for the generation or transmission of electric power the Board is authorized—

To issue bonds. By this amendment that section is stricken out, and in place of it we have the amendment which I will now read. It is section 9 of the bill. While it is lengthy, it has been attacked, and I think I ought to read it all. I do so also in order that I may not be accused, as I have been, of not doing my duty in writing the report on this bill, of trying to deceive somebody, trying to fool somebody, trying to make them believe to be true something which is not true.

SEC. 15. With the approval of the Secretary of the Treasury, the corporation is authorized to issue bonds not to exceed in the aggregate \$100,000,000 outstanding at any one time, which bonds may be sold by the corporation to obtain funds for acquiring any property which may be acquired under section 12 (a) of this act; or exchanged as hereinafter provided, in order to acquire any property which may be acquired under said section 12 (a). Such bonds shall be in such forms and denominations, shall mature within such periods not more than 50 years from the date of their issue, may be redeemable at the option of the corporation before maturity in such manner as may be stipulated therein, shall bear such rates of interest not exceeding 3½ percent per annum, shall be subject to such terms and conditions, shall be issued in such manner and amount, and sold at such prices, or exchanged for such property or such interest in property, including stocks, bonds, or other securities, as may be prescribed by the corporation, with the approval of the Secretary of the Treasury: *Provided*, That such bonds shall not be sold or exchanged at such prices or on such terms as to afford an investment yield to the holders in excess of 3½ percent per annum: *Provided further*, That such bonds shall be exchanged for property only at a price or on terms which in the judgment of the Board is fair and equitable. Such bonds shall be fully and unconditionally guaranteed, both as to interest and principal, by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof. In the event that the corporation should not pay upon demand, when due, the principal of, or interest on, such bonds, the Secretary of the Treas-

ury shall pay to the holder the amount thereof, which is hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such bonds. The Secretary of the Treasury, in his discretion, is authorized to purchase any bonds issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of the corporation's bonds hereunder. The Secretary of the Treasury may, at any time, sell any of the bonds of the corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the bonds of the corporation shall be treated as public-debt transactions of the United States. With the approval of the Secretary of the Treasury, the corporation shall have power to purchase such bonds in the open market at any time and at any price. No bonds shall be issued hereunder to provide funds or bonds necessary for the performance of any proposed contract negotiated by the corporation under the authority of section 12 (a) of this act until the proposed contract shall have been submitted to the Federal Power Commission, and the said Commission shall have found that the consideration stipulated therein to be paid or exchanged by the corporation for any property or interest therein is not excessive. When any such proposed contract shall have been submitted to the said Commission, the matter shall be given precedence and shall be in every way expedited and the Commission's determination of the matter shall be final. The authority of the corporation to issue bonds hereunder shall expire at the end of 5 years from the date when this section as amended herein becomes law, except that such bonds may be issued at any time after the expiration of said period to provide bonds or funds necessary for the performance of any contract for the acquisition of property entered into by the corporation, prior to the expiration of said period, under the authority of section 12 (a) of this act.

There are the present act and the proposed amendment, one of them providing for \$50,000,000 of bonds, the money to be used only for the purpose of the construction of dams, or similar things. That is the one purpose for which the money raised by the sale of bonds can now be used under the law. The proposed amendment takes that authority entirely away, and provides only one reason for which bonds may be issued; and that is, to carry out a contract made under section 12 (a), which I explained a few moments ago.

Mr. President, this power would disappear in 5 years. The power to issue bonds now granted in the law would not disappear in 5 years. The Senate did not get that idea from the discussion by the Senator from Vermont. He left the impression that there was no such thing as a 5-year limit. He used expressions which conveyed the idea that these bonds could be issued at any time so long as the law stood. Such is not the case. The Senator did not read the section, and did not convey the idea as to which Senators who were asking him questions about it desired to obtain information. He covered it up. He was not fair with the Senate. He did not give Senators a fair understanding of what the section provided, and those who heard him must know that they had a wrong impression after they had heard him.

While I have been opposed, and was opposed originally, to the section providing for the issuance of \$50,000,000 of bonds, and was opposed to the whole bond proposal, this is a great improvement to the provision of existing law. I doubt very much whether there ever will be a bond issued under this proposed law, if it shall be enacted. There never will be unless under section 12 (a) the Tennessee Valley Authority shall make a contract with some holding company which owns a rather large system for generating and transmitting electricity. If they do not want to make that kind of a contract, then there never will be a bond issued. That is all the bonds can be issued for.

While the Board would have a hundred million instead of fifty million, the limitation would be 5 years; and the bonds could not be issued for the building of dams, or the building of transmission lines, or anything of that kind.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. COUZENS. Is it contemplated that these bonds will be paid out of the earnings of the properties purchased?

Mr. NORRIS. The contemplation is, I will say to the Senator, that the properties purchased will not be held by the Authority. They will sell them, and they will not make a

deal under section 12 (a) unless they have good reason to believe that they can sell a good portion of the power.

Mr. COUZENS. As I heard the Senator read the section, there is no requirement that the moneys which are to be used for the purpose there mentioned will be used, when returned, for the retirement of the bonds. Is there such a provision?

Mr. NORRIS. I do not think there is such a provision in express terms. Does the Senator refer to the income from the properties?

Mr. COUZENS. Does not the Senator think that the law itself ought to require that, if the T. V. A. continues the operation of the property or sells the property acquired under the sale of these bonds, the revenue should be used to retire the bonds?

Mr. NORRIS. Yes, I do; I have no doubt of it.

Mr. COUZENS. There is no provision in the bill to that effect.

Mr. NORRIS. I think that is pretty nearly what they would have to do. If there is any doubt about it, I would like to have an amendment offered to cover that point.

Mr. AUSTIN. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. AUSTIN. I should like to ask the Senator whether he would interpret the language at the bottom of page 11, in section 10, as excluding the use of money for that purpose, namely, where it says "shall be paid into the Treasury of the United States at the end of each calendar year." That is, all the income shall be used for the purpose of maintenance, operation, depreciation, amortization, interest on bonds, all in the discretion of the Board; but, if there is any left, then it must be paid into the Treasury of the United States at the end of each calendar year, and it may not be paid to retire the capital of the bonds.

Mr. NORRIS. I did not follow the Senator in his reading.

Mr. AUSTIN. I was reading at the bottom of page 11.

Mr. NORRIS. I thought the Senator said page 10. That is in section 26, is it not?

Mr. AUSTIN. Yes.

Mr. NORRIS. I have not gotten to that as yet.

Mr. AUSTIN. I understand; but it is pertinent to the inquiry made by the Senator from Michigan as to whether the money could be used or would be used to retire the bonds.

Mr. NORRIS. If there is no further question about section 10, I wish to discuss it a little further.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. McKELLAR. As I understand, the sole purpose of section 10 and of section 12 (a) is to provide a fund so that a power company can sell its properties to the T. V. A. and the T. V. A. may have the money to pay for them. They cannot do it now. Quite a hue and cry has been raised about damage to stockholders, should the bill remain in its present form. This would prevent damage to stockholders to the extent of the value of their property. Is not that the sole purpose of the amendment?

Mr. NORRIS. Yes; it provides for the acquisition of property under section 12 (a), and the issuance of bonds under section 15 of the law. They cannot be issued for any other purpose. If property is not so acquired, then no bonds will ever be issued. If no such contract is made, section 12 (a) will never become operative, and so far as issuing bonds is concerned, the power will expire in 5 years, anyway.

When we put into a bill something which we thought would be satisfactory to the holding companies, which we thought would meet one of their objections, although we did not admit the objection was good, and are confronted with such a violent assault as has been made in the last 2 days on this section, even without a reading of the whole section, it makes me rather discouraged in trying to do anything toward getting on better terms with the holding companies than have existed in the past. When we try to do something they assault us immediately, as we have been assaulted in the Senate, charged with trying to do something that is wicked and sinful. None of the activities under section 12 (a) or under sec-

tion 15, the bond-issue section, will ever be called into life unless it is with the consent of privately owned companies who want to sell their business. Is there anything wrong about that? Is that sinful; is that wrong? Who is going to be hurt by it?

Again, I say, it is not necessary for the continuation of the Tennessee Valley Authority that this bill be passed. It is just as much for the private companies that this proposal is made as for any of the activities of the T. V. A., and more so.

Now, let us go to section 10. I read:

Sec. 10. That section 26 of said act be, and the same is hereby, amended to read as follows.

Let us see what section 26 is. It is found on page 15 of the original law. I read:

The net proceeds derived by the Board from the sale of power and any of the products manufactured by the Corporation, after deducting the cost of operation, maintenance, depreciation, amortization, and an amount deemed by the Board as necessary to withhold as operating capital, or devoted by the Board to new construction, shall be paid into the Treasury of the United States at the end of each calendar year.

By section 10 we strike that out, and in lieu insert a provision which is almost a copy of the present law. Very little change is made in it.

Section 10 provides that section 26 shall read as follows:

Sec. 26. The net proceeds for each fiscal year derived by the Board from the sale of power and any of the products manufactured by the Corporation, and from any other activities of the Corporation, including the disposition of any real or personal property—

That is new language, "including the disposition of any real or personal property." This bill would give the Board authority, with the approval of the President, which they never had before, to sell real estate which is not useful in their operations. All this does is to compel them to account for the sale, for the money received in the sale of the property. It proceeds:

After deducting the cost of operation, maintenance, depreciation, amortization, interest on bonds.

Under section 129, they may get some bonds on their hands, and they must account for the interest they receive on them. I continue reading:

And an amount deemed by the Board as necessary to withhold as operating capital, or to be devoted by the Board to new construction.

Then this new language is inserted:

Improvements, betterments, or the acquisition of facilities to carry out the purposes of this act.

Then there follows the language of the present law:

Shall be paid into the Treasury of the United States at the end of each calendar year.

Who is going to object to that? Is there anything wrong with that? It simply adds a new duty to the Board. It requires it to account for more than the present law requires it to account for. I do not see how anyone can find fault with that.

Let us now go on to the next section, section 11.

That said act be, and the same is hereby, further amended by adding after section 26 of said act a new section, as follows.

This is something new. It is not in the original act. Let me read it and see what is awfully bad about it.

Sec. 26a. The unified development of the Tennessee River system requires that no dam, appurtenant works, or other obstruction, affecting navigation, flood control, or public lands or reservations shall be constructed, and thereafter operated or maintained across, along, or in the said river or any of its tributaries until plans for such construction, operation, and maintenance shall have been submitted to and approved by the Board, and the construction, commencement of construction, operation, or maintenance of such structures without such approval is hereby prohibited. When such plans shall have been approved, deviation therefrom either before or after completion of such structures is prohibited unless the modification of such plans has previously been submitted to and approved by the Board.

Such construction, commencement of construction, maintenance, or operation of any structures or parts thereof in violation of the provisions of this section may be prevented, and the re-

moval thereof enforced by the injunction of any district court exercising jurisdiction in any district in which such structures or parts thereof may be situated, and the corporation is hereby authorized to bring appropriate proceedings to this end.

The requirements of this section shall not be construed to be a substitute for the requirements of any other law of the United States or of any State, now in effect or hereafter enacted, but shall be in addition thereto, and any approval, license, permit, or other sanction now or hereafter required by the provision of any such law for the construction, operation, or maintenance of any structures whatever, except such as may be constructed, operated, or maintained by the corporation shall be required notwithstanding the provisions of this section.

What is wrong about that? Authority is granted by the Tennessee Valley Act to embark upon the improvement of an entire basin, the Tennessee River Valley Basin, for certain legitimate constitutional purposes. Among them is the construction of dams for the improvement of navigation and the control of flood waters, not only of the Tennessee River Basin, but of the Mississippi River Basin, and this section provides that no improvement shall be made, and no dam or structure shall be constructed which will interfere with the plan laid down by the law necessary to carry out the instructions of Congress, and that when such an improvement is attempted to be made, or when it is proposed to build a dam or any other structure, the specifications must be approved by the Board. When we pass a law to provide for the building of a dam or a bridge across a navigable stream we require that the plans therefor shall be approved by the Secretary of War. In other words, this section is provided in order to make the system complete. It seems to me it should appeal to any man that such power ought to exist, and it ought to be emphasized that if we are going to go into the Tennessee River Valley to insure the maximum amount of navigation and flood control, and the maximum amount of power consistent with flood control and navigation, then we ought to adopt this kind of amendment. I cannot see how there can possibly be any legitimate objection to it.

The next section is section 12—

That said act be, and the same is hereby, further amended by adding at the end of said act a new section, as follows.

Now, see how much evil can be found in this one. It reads:

Sec. 31. This act shall be liberally construed to carry out the purposes of Congress to provide for the disposition of and make needful rules and regulations respecting Government properties, provide for the national defense, improve navigation, control destructive floods, and promote interstate commerce and the general welfare.

I do not see how any man with any Christianity in his heart can object to that section. It is the last section of the bill.

When this bill comes up for consideration, if we can overcome the opposition of the holding companies and the Power Trust and have it considered, I shall offer two amendments, and I had better mention them now so there may be no doubt that I will not be guilty of some heinous crime by getting put through in the darkness some amendments which I had given no notice of and about which I had not told anybody. I did tell someone about one of the amendments I propose to offer. I told the Senator from Georgia [Mr. RUSSELL] about it. I consulted with him several times before its preparation, and he gave me some ideas about it.

At the end of line 22, on page 3, I propose to add the following:

The Board is also authorized to experiment in the production of chemicals and other modes and methods for the extermination of noxious weeds and the destruction of plants injurious to agriculture.

Then there is another amendment I shall offer, which I shall offer at the request of this Board, and I shall read that to the Senate now so Senators may know all the devilry this Board has in its mind and that the Senate may be ready to fight it when it comes up. Here is the amendment, which is drawn by the Board itself and sent to me by mail:

That section 4 of said act of May 18, 1933 (48 Stat. 58), be amended by adding a new subsection (1) as follows:

(1) Shall have power—

That means the Board—

to advise and cooperate in the readjustment of the population displaced by the construction of dams, the acquisition of reservoir areas, the protection of watersheds, the acquisition of rights-of-way, and other necessary acquisitions of land, in order to effectuate the purposes of the act; and may cooperate with Federal, State, and local agencies to that end.

Here is the letter which the chairman of the Board sent me:

The attached amendment to the Tennessee Valley Authority Act has been agreed to by the directors. If it could be added to the bill without complicating its passage, we should appreciate it.

In explanation, I would say that in moving people from the reservoirs we find many landowners and tenants who have always lived in the neighborhood and who are quite unequipped to shift for themselves without some assistance. Much hardship has resulted from the purchase of park and forest lands in this region. The small farmers selling the lands have, in a good many cases, lost their entire selling price before they could relocate. The T. V. A. is now advising and cooperating with these people who must move from the Norris Reservoir, in helping them to select suitable homes.

In a few cases where elderly tenants, who have no resources, are actually driven from their homes by high water, it may be necessary to shelter and care for them temporarily until readjustment can be made. In this progress, we desire to cooperate with the Federal relief agencies.

When the time comes, if we ever reach that time, when the filibuster shall end, and the bill be taken up for consideration, I will offer that amendment. The other amendment, which I read to the Senate, simply provides that in addition to making fertilizer and producing fertilizer ingredients, the Board shall also have power to experiment in the production of chemicals which can be used in the destruction of noxious weeds and other plants injurious to agriculture.

Mr. President, I have gone through the bill. I am now going to take up some of the charges made by the Senator from Vermont [Mr. AUSTIN]. I think I shall be able to show that the Senator from Vermont was not fair with the Senate. He left impressions by what he read and what he said that the bill provides some things that it does not provide. He did not go over the bill and find fault with it except as to one section, and that was the bonding section. As I have said, the bonding section was inserted in the bill for the benefit of the Senator's clients.

Mr. AUSTIN. Mr. President, I resent that insult! I rise to a question of personal privilege.

I have observed throughout the remarks of the Senator from Nebraska aspersions cast against me for which he no doubt thinks he has some justification in Martindale's Directory, which I observed him to obtain and which he now has on his desk.

I desire to say to the Senate that I am not counsel for any public utility whatever. I was counsel for various public utilities before qualifying as a United States Senator. As soon as I knew that I was likely to be a United States Senator I withdrew from that employment wholly, absolutely, and entirely. I am not counsel for any such client at the present time.

One statement made by the Senator from Nebraska I have caused to be transcribed by the official reporters because it carries the same imputation that has just been made directly:

They will sometimes lose their money. We know that in advance. When they lose a dollar we shall have some attorney standing up in the Senate, who thinks more of a holding company than he does of his country, and saying, "We must not have that kind of civilization."

Mr. President, that record in Martindale's shows that Austin & Edmunds is a firm which represents the New England Associates, or some such corporation, called by the Senator from Nebraska a "holding company", and that I am of counsel for them. I am not a member of that firm. I have never represented that firm or associated with that firm in any litigation whatever in favor of a public utility since I became a United States Senator. That is all there is to that. These statements are wholly false. These insinuations are wholly false. I want that to be known at this time.

Mr. NORRIS. Mr. President, I had not intended to read what the Senator has called attention to, but I shall have to do it now. Martindale's Directory, which I hold in my hand, is for 1935. The Senator has been a Member of the Senate for 6 or 8 years. It is queer that if he is not an attorney for these corporations which are inserted in Martindale's Directory, the directory was not corrected long ago. The directory for 1935 says:

Austin & Edmunds, 215 College Street, Burlington, Vt. WARREN R. AUSTIN, of counsel.

WARREN R. AUSTIN, of counsel! It tells where he was born, and so forth, the various offices he has held, and gives the other partners' names. Warren R. Austin, Jr., is also in the firm. Then it gives the names of the clients. This is in 1935. The Senator came to the Senate 6 years ago, as I remember.

Attorneys for New England Power Association and its subsidiaries in Vermont.

That is known to everybody who knows about power associations to be one of the large holding companies. It is not at the top or the peak, but it owns subsidiaries all over the State of Vermont. It is one of the holding companies which constitutes in the United States the Power Trust. I would not have read another thing if the Senator had not interrupted and referred to this. This gives other clients of the firm, a string of corporations, 15 or 20 of them, insurance companies, railroad companies, almost all the other kinds of corporations that one could think of, which I shall not stop now to read; but the first client of all is one of the big holding companies of the United States, the Power Trust, the New England Power Association and its subsidiaries in Vermont.

Mr. AUSTIN. Mr. President, will the Senator yield for a moment?

Mr. NORRIS. I yield.

Mr. AUSTIN. Will the Senator be fair enough actually to read what is stated there, instead of giving the impression that the record states that I am a member of that firm?

Mr. NORRIS. Very well; I will read the whole thing—everything. It is fine type and difficult for me to read it. I read:

Austin & Edmunds, 215 College Street, Burlington, Vt. Telephone 1307. General practice. Corporation, international law, insurance claims.

Members of firm: WARREN R. AUSTIN, of counsel, born Highgate Center, Vt., November 12, 1877; admitted to bar, 1902, Vermont. Preparatory education, University of Vermont, Ph. D.; legal education, law office of C. G. Austin, St. Albans, Vt. Fraternity, Kappa Sigma. State's attorney, Franklin County, Vt., 1904-6; mayor city of St. Albans, 1908; present United States Senator; United States commissioner, 1909-18. Member Chittenden County, Franklin County, Vermont State (president 1923), Far Eastern American, and American Bar Associations.

William H. Edmunds—

Does the Senator want me to read what it says about the other partners?

Mr. AUSTIN. Has the Senator read that statement correctly?

Mr. NORRIS. I think I have.

Mr. AUSTIN. I think the Senator is giving it an entire misinterpretation.

Mr. NORRIS. Would the Senator like to read it and see if he can give a different impression?

Mr. AUSTIN. Does the Senator say that the statement names me as a member of the firm, as a partner in the firm, or does it state that I am of counsel?

Mr. NORRIS. It says, and I read it that way, "WARREN R. AUSTIN, of counsel", and then states where the Senator was born and states that he is now a Member of the United States Senate; and this was published in 1935.

It is embarrassing to go into this matter, but the Senator has taken it up. It seems to me it is rather peculiar that when we get into the discussion here of something pertaining to power companies, to the Power Trust, we have always run against the opposition of the Senator from Vermont; and, assuming that he is conscientious and honest in it, it is proper to look back and see what his associations were, how he grew up. His associations have become part of the man.

I have no doubt he is conscientious in his opposition to anything which would regulate a private power utility.

There took place in the State of New York an investigation of a legislator who had been charged with working with the Power Trust while he was a member of the legislature. You remember that a year or so ago the newspapers were filled with accounts of the investigation, and the evidence was taken here also by the Federal Trade Commission. The Legislature of New York made an investigation in the city of New York, and when they made that investigation they found among the files of a power magnate the letter which I am about to read. It is taken from the Washington Herald of December 19, 1934. The headline reads:

MOVE TO ALTER POWER CURB REVEALED IN AUSTIN LETTER—SENATOR URGED CHANGE IN BILL, DESPAIRING OF ITS DEFEAT

NEW YORK, December 18 (1934).—A letter written by Senator WARREN R. AUSTIN (R.), of Vermont, to the head of the New England Power Association proposing to alter the bill restricting power companies' right of appeal to Federal courts in rate cases, was revealed today in the joint legislative investigation of public utilities here.

The letter, addressed to Frank D. Comerford, president of the Association, expressed the Senator's opinion that it would be impossible to defeat the bill and that it would be "better strategy to try to amend the bill" rather than to try to kill it.

"NEUTRALIZED BILL"

"Bad effects" of the bill would be "neutralized" by his amendment, in the belief of Senator AUSTIN. His amendment proposed to throw the question of Congress' power to enact this legislation in the courts, meanwhile staying the rate order until final adjudication.

The letter was written on stationery of the Senate Judiciary Committee.

Senator AUSTIN's letter was addressed to Frank D. Comerford, president of the New England Power Association, and its contents were offered to show that as a member of the Senate Judiciary Committee he had expressed his interest in modifying legislation opposed by the association.

Earlier the investigation revealed today that by means of a "stock-jobbing manipulation", the book and market values of three public utilities were increased by \$82,766,357 without the addition of a single physical asset.

The letter written by Senator AUSTIN, of Vermont, follows:

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
April 14, 1933.

FRANK D. COMERFORD, Esq.,
President New England Power Association,
Boston, Mass.

DEAR PRESIDENT COMERFORD: Answering yours of the 13th, re S. 752:

(1) The subcommittee to which this is referred consists of Senators NORRIS, STEPHENS, BLACK, VAN NUYS, and AUSTIN.
(2) The chairman of this committee—

That refers to me—

The chairman of this committee is the same person who was chairman of the committee which reported favorably S. 3234 in the Seventy-first Congress, second session, May 9, calendar day May 18, 1932.

Therefore, consideration of this matter carries the burden of that report, copy of which is enclosed herewith.

That was a report made by me, and it was good reading, too. I am glad the Senator sent it.

(3) Since the date of that report, to wit, December 28, 1932, the United States District Court for the Western District of Wisconsin, *Mondovi Telephone Co. v. Public Service Commission of Wisconsin*, issued a stay of proceedings designed to restrain the execution of an order of the Public Service Commission of Wisconsin, dated November 10, 1932, pending final determination in the courts of the State of Wisconsin, in which a suit had been brought and a stay order granted by the State court. This action was founded upon section 266 of the Judicial Code as amended.

And then he quotes it:

"It is further provided that if before the final hearing of such application a suit shall be brought in a court of the State having jurisdiction thereof under the laws of such State, to enforce such statute or order, accompanied by a stay in such State court of proceedings under such statute or order pending the determination of such suit by such State court, all proceedings in any court of the United States to restrain the execution of such statute or order shall be stayed pending the final determination of such suit in the courts of the State * * *"

(4) It is my intention to offer an amendment to the bill which will harmonize it with section 266, and which in my opinion will neutralize the bad effect of the proposed bill, to wit:

On page 2, line 9, strike out the period and the quotation marks and insert after the word "State": "which remedy includes

the right of such public utility to a stay of such order pending final adjudication as to the repugnance of such order to the Constitution of the United States."

(5) It is my opinion that it will be impossible to defeat in the subcommittee this measure. It may be impossible to get this amendment, but it seems to me better strategy to try to amend the bill than to try to kill it.

I would appreciate your opinion regarding this matter and any facts that may be applicable to the hearing.

(6) The question of time of action on the bill is largely determined by the chairman, and, even if it were submitted to the committee, there is little likelihood of a delay until the regular session being obtained without the cooperation of a majority.

With personal regards, I am,

Very truly yours,

WARREN R. AUSTIN.

The Senator from Vermont did offer the amendment that is outlined in this letter. It was defeated. He was a member of the Judiciary Committee when the bill came up. He fought it there. He offered the amendment again, as I remember, on the floor of the Senate.

I desire to say that I was then of the opinion, and I still am, and the senior Senator from California [Mr. JOHNSON], the author of the bill, also was of the opinion, that if that amendment had been agreed to it would have been a strategical killing of the bill, just as the Senator from Vermont said in this letter. It was better strategy to amend it. The amendment would have had the effect of making the bill dead. So in the committee, not only on that bill but on the other bill to which the Senator refers here, which he says the chairman reported, the Senator from Vermont—as he had a perfect right to be—was every time against any bill which regulated a public utility. He fought it in the Senate. He is fighting this bill now. That has been his record, and since he has gone into the subject, it seems to me that it is only right that that record should be known.

The Senator says he is not a member of this firm, but this book, published in 1935, gives him as "of counsel" and tells that he is a United States Senator. It is still published. I could, if it was not a violation, probably, of a confidence, which I am not going to violate, state that evidence came to me today of something else, which I will not mention unless the Senator who gave it to me volunteers the information to the Senate. That shows the tendency.

When a man has been attorney and is advertised now as of counsel for the attorneys of one of these holding companies, it does not seem to me to be ethical for him to be on the floor of the Senate arguing against the regulation of any of those corporations, or those holding companies, or those public utilities. I may be entirely wrong; I may have just old-fashioned, foolish notions, but I think it is unethical. I do not criticize him for being an attorney for these companies. He has a perfect right to be. But it ought to be outside of the Chamber, not in the Senate. It is just peculiar that it follows what he did before he came to the Senate, but every time there has been any attempt at regulation of any of these former clients he has been opposed to the regulation.

I am going to review some of the things the Senator said yesterday. Here is the reference he made to this bill, practically the only one, and he did not read the entire section. What I am going to show now is that he left an impression here that was untrue. If followed by the Senators who listened to him, they would not have had a correct idea of what the bill provided. He did not tell. He said:

Consider for just one moment that section 9 of the bill reads in part as follows:

"That section 15 of said act be, and the same is hereby, amended to read as follows:

"SEC. 15. With the approval of the Secretary of the Treasury, the corporation is authorized to issue bonds not to exceed in the aggregate \$100,000,000 outstanding at any one time.

That is as far as he read. I read you that section today, and you know that the impression you get from reading those few lines which the Senator read is entirely erroneous. He left the impression that it was a permanent statute. He left the impression that they could issue these bonds for any purpose. He left the impression that it would run on forever, as long as the act remained on the statute books. You know now that that is not true. When you have read

the section and heard it read, you have found that these bonds could be issued for only one specific purpose.

The Senator did not tell the Senate that in order to get these bonds issued there was required the consent of the private-power company itself. Yet that is true, as you now know, but you did not know it then. The Senator did not leave that impression with you. He left an erroneous impression against regulation of power companies of the power trust.

Let us read on. Now he is referring to me, and my sin is that I wrote a report on this bill which he did not think was full enough. I had said, in effect, that there were none of these amendments—I have not the report before me—that were absolutely necessary to enable the T. V. A. corporation to continue, but that all the amendments were desirable.

I think I have shown today that that is absolutely true. This bill may be defeated, it may be killed by the filibuster led by the Senator from Vermont in behalf of the holding companies, it may be killed, but the T. V. A. will go on. As I said in the report, the amendments are not absolutely necessary, but they are all desirable, and I have read them to the Senate today, and Senators have had an opportunity to see that there is not a wrong or a sin or any suggestion of evil in any of them.

Now the Senator is speaking of me:

"Upon what meat doth this our Caesar feed", that he has grown so great that he will take into his roomy maw—

I suppose that means my mouth. [Laughter.] The Senator is better educated than I am, and if it does not mean that, he will probably tell us what it does mean—

that he will take into his roomy maw \$100,000,000 and regard it as a matter of no very great importance.

What is the idea he wants to convey? He wants to convey to his fellow Senators the idea that this bill provides for the issue of \$100,000,000 in bonds, and that there is no limitation on it, that it can go on like the brook, forever, which he knew was not true and which you know now was not true.

Have we a right to consider that attitude in connection with the Senator's services for the Power Trust, which relationship he says he severed when he came to the Senate, although the Martindale Directory did not find it out and have not found it out yet? Whether he did or not, it seems to me his attitude in the committee and in the Senate on every one of these bills shows that as a matter of professional ethics he is disbarred from voting on or discussing any of these bills.

Let us read on. He said:

However, that is only one of the features of the bill. Let me call the Senate's attention to the fact that the whole plan of the T. V. A. comes to the Congress with a view of a limited power in the corporation to do certain definite things and then stop, unless upon an examination and report to the Congress the corporation were further authorized to proceed.

That is all he said then. He dropped that quotation. This bill provides, as he read, in the first few lines, for the issuing of a hundred million dollars of bonds. I will refer to his language further on. He said, as appears on page 7400:

Mr. President. I understand it is not correct, and that the total amount would be \$100,000,000; but if the Senator will observe the language of the bill, that is an open-end mortgage. It runs to \$100,000,000 at any time in the future.

What idea would you get from that—that is, to stop in 5 years, as it in fact would? No. He left you the impression that it went on through all time.

The Senator from Maryland [Mr. TYDINGS] interrupted and asked a question, and the Senator from Vermont [Mr. AUSTIN] then said:

In answer to the question, I will say graphically and briefly that advantage has never yet been taken of the \$50,000,000 authorization for a bond issue. On the contrary, the Tennessee Valley Authority—this private corporation, consisting of three persons—saw fit to take out of the Treasury of the United States, by other and devious and unauthorized means—

"Devious and unauthorized means"—which, I submit, is not true. There was not a dollar taken out by unauthorized means. The Senator continued—

saw fit to take out of the Treasury of the United States, by other and devious and unauthorized means, treble the amount authorized in the T. V. A. Act, and never touched the \$50,000,000 really authorized by the act.

As a matter of fact, I think it was known by everyone who had given the subject any attention that the T. V. A. had never issued a dollar in bonds. It has no bonds now outstanding, although it has had authority all the time to issue bonds to the amount of \$50,000,000 for the purpose of building dams, and so forth. The Senator, in several allusions, referred sarcastically to this board because it did not issue bonds, and then, in the next breath, complained that the bill authorizes it to issue bonds; so it is pretty hard to satisfy him. It is pretty hard to satisfy any holding company to the point where it will want to see this bill passed. They kick because the Board does not issue bonds under the existing law, and kick because the proposed amendment will authorize it to issue bonds.

I ask Senators to harmonize those positions if they can. I do not think they can.

The Senator from Vermont further says:

We have already seen that by means of the various experiments upon which the Government of the United States has entered it has become possible, and is therefore taken advantage of, for a private business corporation which represents the United States of America to exceed its authorization five times over in the course of 2 years. So what is the significance of the limitation in the proposed act of \$100,000,000?

That is another statement absolutely not borne out by any evidence or by any facts.

I call the attention of the Senate to another very unfair argument made by the Senator from Vermont. He is complaining of the T. V. A., of this wicked board. He says they have, without authority, taken millions of dollars out of the Treasury of the United States. I do not know how they got it. I do not know how they could do it. As a matter of fact, they have not done it. They could not do it if they wanted to.

The Senator argued against using the T. V. A. service as a yardstick, and he took up nitrate plant no. 1 and nitrate plant no. 2 and complained that in arriving at a basis upon which they could figure rates the T. V. A. did not put in those plants at what they cost the Government. Here is what he said:

Cost of nitrate plant no. 1, \$13,757,807.58.

That plant has been a failure, and everyone knows it. I said so a hundred times on the floor of the Senate before the Tennessee Valley Act ever was passed. The plant never made a pound of nitrate or produced a pound from the atmosphere. The plant was constructed with the best of intentions. I am not criticizing the men who did it. They thought they knew how to produce nitrogen from the atmosphere by means of an improvement over the cyanamide process, and our chemical engineers under the Wilson administration built nitrate plant no. 2 with the idea of getting nitrogen from the air by the Haber process. Plant no. 1 cost \$13,757,807.58. It is not worth, and never has been worth, anything but its scrap value; and no one ever claimed it was worth anything else. Everyone who has had anything to do with it knows that statement to be true. Many Senators have been there and have seen the plant. It was an absolute failure because our men did not know what they thought they knew about the production of nitrogen from the atmosphere.

Again let me say, I charge no one with bad faith. I think those who constructed the plant acted in good faith, but the experiment was a complete failure. That plant, however, is part of the Government property down there; and under the law the Government property was turned over to T. V. A.; and the question is, when we come to figure rates, What shall be the basis? The Senator objects because they do not figure in the cost of the nitrate plant in arriving at the basis of rates.

Mr. MINTON. Mr. President, that property would not be used and useful in the production of energy there, would it?

Mr. NORRIS. Oh, no; it had nothing whatever to do with the production of energy. The Senator says it is wrong to take that out of the capitalization when we come to figure rates.

Here is nitrate plant no. 2, another one, which cost a little over \$71,000,000. Under the T. V. A. Act the Board is required to keep that plant in good stand-by condition. It is considered in our military plans, so that in case of war we could put it to use; but we know, and the Board knows, and every qualified chemist knows, that it is completely out of date for the production of nitrogen from the atmosphere.

However, if we had a war tomorrow we should probably utilize it the next day, because the expense of recommissioning the plant would be only a small item.

The Senator from Vermont kicks because plant no. 2 is not put in at \$71,181,526.57 in order to have a base upon which to figure rates on electricity. It seems to me it is perfectly foolish, it is perfectly silly, to say that. However, that is a Power Trust argument, and it fits in with the Senator's arguments during 6 years of service here any time any measure has come up providing for regulating a public utility.

The total cost of those two plants was \$84,939,334.15. No one who wants to be fair would provide that the users of electricity from any dams constructed by the T. V. A. should be required to pay any interest and any income on that nitrate-plant property. The same thing is true of the other property referred to by the Senator from Vermont. He says on this point:

Oh, but this is just the beginning—"only the beginning." I proceed:

Warrior Dam, power plant and equipment, not including the locks, \$46,971,955 and some cents.

That is what it cost. The Senator wants the Board to put that in at cost and to make the electric-light users pay an income on it. Everyone knew that it was never worth what it cost. Constructed in war times at peak of prices no one supposed it was worth what we paid for it, because at that time we had to pay fabulous war prices for everything. Again, I am not criticizing the men who did that. They did the best they could. We knew we were paying too much for the dam, but now to charge us what that dam cost and make us pay interest on it if we take electricity from the T. V. A. would be an economic sin.

The Senator further says:

Warrior-Sheffield transmission line, including Gorgas steam plant, \$5,012,643 and some odd cents.

Mr. President, the Warrior steam plant was sold by the Government of the United States before the T. V. A. Act was passed. The T. V. A. Board never had anything to do with it. Is the Senator treating the Senate fairly if he leaves the impression that that was one of the properties which ought to be included in fixing a base for electric-light rates?

Mr. President, the Gorgas steam plant was built during the war. It was practically a duplication of the Alabama steam plant on the Warrior River. The Government of the United States furnished the money with which to build it. They made a contract with the Alabama Power Co. that at the conclusion of the war the Alabama Power Co. should have a right to buy it on a certain basis of valuation. The Government built the plant and built a lot of houses there. I have been there. I have been all over the property. Gorgas is located on a bend of the Warrior River. A small village sprang up there. The Government owned about half the houses. They built a number of houses there. They were all ordinary houses. There would be a Government house and then next to the Government house would be an Alabama Power Co. house, and then another Government house. It was all war-made, all war-built, all hurried.

The Government doubled the capacity of that plant and built houses in which the employees could live. That was done under a contract with the Alabama Power Co. It was done upon land owned by the Alabama Power Co. No one

could unscramble that mixture afterward by any manner of means. There were the two plants. It was really all in the same building. They practically duplicated the buildings.

The land on which the houses were built was all owned by the Alabama Power Co., but the Government went in there as a war measure and made a contract with the Alabama Power Co., by which they agreed to spend the money and make this improvement. The T. V. A. had no more to do with it than the flowers that bloom in the springtime. The contract provided that at the close of the war the Alabama Power Co. could buy the Government interest, and they did buy it.

That was done while Mr. Weeks was Secretary of War. I remember he was criticized by some who said he did not get enough money out of it. In my weak way I went to his relief. I said that Weeks was bound to do it under a contract made with the Alabama Power Co. by the Government, and therefore he was right in doing it, and that I thought he had received for the Government a fair price for the property. It was much less than it cost, it is true. But what has that to do with the determination of a basis on which we shall fix rates in the Tennessee Valley? All this was done before the Tennessee Valley Authority was dreamed of. Yet the Senator has it all here in his speech. If Senators were not familiar with the facts they would think the T. V. A. had the Warrior plant down there and that it was turned over to them. I do not know that they ever heard of it or that they know anything about it.

Adding all these costs together, the Senator from Vermont makes a total of \$136,000,000, and says that the amount of the balance upon which the basis is figured was reduced to \$51,000,000. Let me tell how that came about.

In the first place, the Wilson Dam was not worth what it cost. The nitrate plant was not worth much of anything. In the next place, there is the law which Congress enacted, and I shall read it so Senators may see how the valuations were made. I tell Senators and the law tells Senators, but the Senator from Vermont did not tell Senators how these valuations were made. The T. V. A. is not to blame for it. If anybody is to blame we are, and Senators will see in a moment that there is no blame anywhere. Here is what the law provides, the original Tennessee Valley Act now on the statute books, section 14:

The Board shall make a thorough investigation as to the present value of Dam No. 2 and the steam plants at nitrate plant no. 1 and nitrate plant no. 2, and as to the cost of Cove Creek Dam.

Notice the difference. They shall make an investigation of the present value—not what it cost. Everybody knew it was not worth what it cost. The steam plant, for instance, was several years out-of-date. It had been a fine steam plant and up-to-date when it was built; but we cannot build a steam plant now and expect 10 years from now to get what it cost. Accordingly the law said:

They shall make a thorough investigation as to the present value * * * and as to the cost of Cove Creek Dam.

There the cost was taken into consideration, but the steam plant at nitrate plant no. 2 and the steam plant at nitrate plant no. 1 were taken at their value and Wilson Dam was taken at its present value. The Board has done that. Let us read on:

The Board shall make a thorough investigation as to the present value of Dam No. 2 and the steam plants at nitrate plant no. 1 and nitrate plant no. 2, and as to the cost of Cove Creek Dam—

There is a difference between cost and value—

for the purpose of ascertaining how much of the value or the cost of such property shall be allocated and charged up (1) to flood control, (2) to navigation, (3) to fertilizer, (4) to national defense, (5) to development of power.

There they were using them for all those purposes. We directed just how it should be done, and we did right when we did it. We directed them to find out how much should be charged to navigation, how much should be charged to flood control, how much should be charged to power, how much should be charged to fertilizer. That is the reason why we can produce power down there, where it only pays its own legitimate charge, cheaper than any private com-

pany anywhere in the South can produce it. That is what they were instructed to do.

The findings thus made by the Board, when approved by the President of the United States, shall be final, and such findings shall thereafter be used in all allocations of value for the purpose of keeping the book value of said property.

That is what they did, and yet the great Senator from Vermont makes a great splurge about their committing a grievous sin, threw out all these values, and did not take the cost, when they ought not to have done it anyway and when the law, which he did not cite, provided that they should do just what they did.

Further on the law says:

In like manner the cost and book value of any dams, steam plants, or other similar improvements hereafter constructed and turned over to said Board for the purpose of control and management shall be ascertained and allocated.

First, the T. V. A. took the cost of all these dams. The properties which were already built were 10 or 15 years old at the time they took them. They took them on the basis of what they were worth. They made the appraisal. With the approval of the President, that became the book value of these properties. So what is the meaning of all this splurge of the Senator from Vermont to try to make us believe that the T. V. A. Board are trying to cut down the rates of electricity there because they are taking away the basis upon which rates should be based, and that they have no right to do so? Under the Senator's figuring, he estimates that instead of that \$51,000,000 they ought to have had \$132,000,000, I think. I have explained what the T. V. A. Board did, however, and I have read you what the law says; and I submit again that if we should follow the Senator from Vermont we would get an erroneous idea of what was true. We would get an erroneous idea of what was done. We would get an erroneous idea of what ought to have been done.

The Senator says:

It is safe to assume, is it not, that this was a transaction between a willing vendor and a willing purchaser, and that that valuation probably was correct? What did they do, however, in order to carry out the objective of having a yardstick? Of course, they were confronted with the question of whether they could ever make a return on that amount of money invested in their capital structure that would show in the black. So what do they do? They write it down, and they account for it all on their books with a set-up of 38 percent of the cost of the property transferred; that is to say, \$51,000,000. Now, they are almost down to the authority granted by the act.

I submit, Senators, that the presentation made by the Senator from Vermont had no fairness in it, no justification in it. It only carries out what I have said before—that since he has been in the United States Senate, on every occasion and every time, he has been found on the side of the interests that used to be his clients, even if they are not now.

The Senator says, at another place:

Third. By allotment to Electric Home and Farm Authority, incorporated under the laws of the State of Delaware, for invested capital, allotment from the N. I. R. A. fund, \$1,000,000.

He goes into the subject of the Electric Home and Farm Authority. Let me tell the Senate what the facts were, and what all of us know if we will think about the matter.

It is not enough to give the people of the country cheap electricity. They must also be given cheap appliances. For instance, if \$200 is charged for a refrigerator, that ought to be sold for \$50, or if \$150 is charged for a stove that ought to be sold for \$50, the price is so high that the poor man cannot buy these appliances. If he cannot buy them, he cannot use electricity, even if it is given to him. So the officials of the T. V. A. were confronted with the fact that we desired to give the people cheap electricity, and in order to do so it was necessary to enable them to buy appliances that would use the electricity, and buy them at a fair price; but the T. V. A. had no authority under the law to take such action.

The Senator from Vermont charges up to the T. V. A. what he claims to be the evils of this other corporation. The T. V. A. had not a thing in the world to do with it. The T. V. A. did not handle the money of the other corporation.

The T. V. A. did not give them any money. They never got a cent from the T. V. A. The President, as he had a right to do under the authority given him by law, allocated some of the special funds which had been appropriated to him, and he organized a corporation with a capital stock of a million dollars, and he put in as the officers of the corporation the members of the T. V. A. Board.

That was done as a matter of economy. These men never got any salaries as such officers. They never got any pay from the President. They drew only their original salaries.

This corporation was organized in the way I have stated. Mr. Lilienthal went to see the electrical-appliance manufacturers all over the United States, and he said to them:

You have always been against the people. You have always stood with the power companies. They charge a high price for electricity. You charge a high price for the means by which electricity can be used. It is to your interest to make something that is cheaper, that the poor people can buy. They are going to have cheap electricity down in the Tennessee Valley. There will be a great demand for refrigerators, for stoves, for water-heating arrangements, for fans, for ironing machines, for washing machines. You wish to get some of that business, and it is to your interest to make these things cheaper.

So Mr. Lilienthal made arrangements with the manufacturing concerns to manufacture a lot of those appliances cheaper, and make them just as good as the standard ones, but not quite so beautiful to look at, perhaps; and this new corporation sold them to the people. When the people bought the appliances they became consumers of electricity, getting their appliances at practically half what they used to cost, and getting their electricity at one-third of what it used to cost. That is not very agreeable to the holding companies; that is not very agreeable to the Power Trust, and they find fault with it.

However, that has not anything to do with this bill. This bill does not enlarge the power of the Electric Home and Farm Authority. It does not take anything away from its power. It has not a thing on earth to do with it. Let us see, though. While I am not going to discuss it in detail, I think this corporation, the Electric Home and Farm Authority, has done a wonderful thing.

I have in my hand a report from the Banking and Currency Committee of the House of Representatives, and I desire to quote from that report. It was made in reporting a certain bill to the House of Representatives. The committee says:

It is felt that an unusual benefit should result from each dollar spent toward aiding in financing the sale of electrical, plumbing, and air-conditioning appliances and equipment. The Electric Home and Farm Authority, an agency of the Tennessee Valley Authority, to which the Reconstruction Finance Corporation agreed to make available the sum of \$10,000,000 to aid in financing the sale of electrical appliances and equipment in the immediate Tennessee Valley States, has proved eminently successful in reducing both the cost to the consumer of his electrical appliances and equipment and the rates he has to pay for electricity. Before the advent of the Electric Home and Farm Authority a vicious circle existed in the Tennessee Valley region, i. e., power rates were high because of the scarcity of consumers and the low consumption, and users were few and consumption low because of the high rates. The Electric Home and Farm Authority provided the lever by which this circle was completely broken.

It is not part of my province to go into a defense of this corporation. They need no defense; but it seemed to me that in passing I ought to read something of that kind. That is a report from a standing committee of the House of Representatives.

Much of the objection which is made has been because the corporation has done this and that. It has been the means—outside of the Tennessee Valley Authority, the greatest one of all—that has enabled the people of the Tennessee Valley to get cheap appliances and low rates.

Mr. President, I desire now to refer to another deception which I think was practiced on the Senate. Let us see just what it was. I read from the CONGRESSIONAL RECORD what the Senator said in his speech yesterday:

Thus we find donations appropriated by it to various activities like the C. W. A. I find a record of a donation of \$58,338.91 made by this corporation, which now comes in and asks us to proceed to

the consideration of a bill to permit it to borrow \$100,000,000, to be payable by the people of the United States if this corporation fails to earn money enough to pay the debt.

That is a statement one cannot have any difficulty in construing. It says, in effect, that the T. V. A. made donations amounting to over \$58,000 to the C. W. A. The Senator had said before that:

Although we were led to believe, when we enacted the T. V. A. Act, that the corporation would have definite and specific powers and limited purposes, curiously enough the corporation has become an eleemosynary corporation, a social organization, and it has entered upon all kinds of activities outside those named in its authority.

Then follows what I read, and I repeat it:

Thus we find donations appropriated by it to various activities like the C. W. A. I find a record of a donation of \$58,338.91 made by this corporation, which now comes in and asks us to proceed to the consideration of a bill to permit it to borrow \$100,000,000.

Senators, you have heard me read twice the language which the Senator used yesterday, and I call attention to the fact that there is not a word of truth in what he said on that subject—not a word. The T. V. A. never made a donation to the C. W. A. or to anybody else of that amount. There is no foundation of fact for that. What impression did you get yesterday when that assertion was made? That is just one of the many illusionary things he proclaimed, and by which he led every honest Senator who was following him into error.

He said in another place:

Apparently those in charge believe that because the original act did not enable them to engage in the business of selling refrigerators, curling machines, household aids of various kinds operated by electrical energy, nevertheless they had the power to go up into Delaware and form another corporation which would have that authority. So we find them spreading out, the shadow of their great hand falling over a large part of the United States of America, with a threat that they not only intend to have this a yardstick but a model and a form for all communities in this great land of ours.

Leaving the impression that the T. V. A. was selling refrigerators, when the T. V. A. never bought a refrigerator and never sold one. I do not mean to criticize the corporation which did. I think it has done a wonderful work, as the House committee report says.

Here is another reference to the section providing for bonds, which I have shown is a limitation, and under which the bonds can be issued for only one purpose. He did not tell the Senate anything of that kind. Here is another reference he makes to it:

One of the amendments proposes to double the amount of money and to broaden out the time and the power so that this may be an open-end mortgage, and there can be in existence at any time from now ad infinitum \$100,000,000 of those bonds.

Which you know is not true; which he had no right to say to the Senate.

He cannot plead ignorance, of course. He conveyed to the Senate the idea that they would run through all time, when a reading of it shows that it provides nothing of the kind. That is the kind of argument that is made by a Senator who now says that he does not represent the Power Trust, but the evidence shows he did before he was elected, and, if his action in the Senate can be taken as any criterion, at least so far as the Senate is concerned, he has represented them ever since he has been here.

He said:

Of course, this would be regarded as a very small corporation, having a capital of only \$300,000, and I have already shown that it obtained that capital from F. E. R. A. funds.

That is as far as we ought to go. They get their capital from some other corporation. It is not right to charge that up, even if it is wrong. But this official report of the committee shows that it has been very satisfactory. It has not lost a dollar, not a cent. It has reduced prices to the poor who have to buy electrical appliances by practically 50 percent.

He makes fun of this corporation, which was organized with \$20,000 capital. Perhaps that may be wrong. I do not think so. But suppose it is wrong; what has that to do with

this bill? Not a thing on earth. They will do it again if the bill is passed, they will do it again if the bill is not passed, unless some law on the subject is passed by Congress.

He said:

Proceeding with the varied and colorful businesses engaged in by the United States through the Tennessee Valley Authority, we come to Haywood County Cannery Association, \$7,500; next, Farmers' Confederated Cannery, Hendersonville, \$6,000; Norris Town Stores Consumers' Corporation, \$10,000; Shady Grove Cannery, \$2,500. Thus we have all of these diverse activities summed up at a cost in money of the taxpayers of \$94,500.

Again, all misleading.

Since this refers to the town of Norris, what was done there that is criticized by the Senator? It is the finest exhibition in the world of the development of hydroelectric power without any injury to labor, without any injury to anyone on earth, with perfect satisfaction to everyone engaged in it.

What do we find to be the facts? The Norris Dam is away ahead of schedule—the schedule fixed by the Army engineers of the great military authority which the Senator wishes to have consider this bill. It is away below the estimated cost; yet it has paid better wages and worked men fewer hours than any development of a hydroelectric concern by a private corporation ever performed in the history of the United States.

The laborers there are better housed, they have more modern homes, they work fewer hours, they are better satisfied than the laborers on any privately constructed operation of a similar nature in the United States. Between 10,000 and 12,000 persons are now employed there. Senators have not heard of any labor trouble there. Senators have not heard of any trouble with politicians there. Senators have not heard of any misuse of funds. No; it has all been on the square.

That project is the shining light in the United States today, and everyone admits it except the holding companies, the Power Trust. It has given more employment with less difficulty than the operation of any other governmental function in the United States during this depression, and I say that with measured words; and yet the men who are executing the project are condemned in the severest of terms. The dam is going to cost less than the Army engineers estimated it could be built for. The same thing is true of the Wheeler Dam. It is ahead of the estimates in time and below the estimates in cost. Is not that a pretty good record?

A great many things with which fault has been found by the Comptroller General have been called to our attention by the Senator from Vermont, and yet in no place that I know is there an insinuation or a charge that one penny was stolen or misappropriated. In one case I happen to know what the dispute was. The Comptroller General has been very strict, and I do not blame him for it. An auditing officer cannot be too strict with this corporation, or any other governmental function to suit me. When they do anything wrong, I want them to be corrected; and if the Comptroller General finds anything wrong in their method of bookkeeping I want it rectified, just as any other citizen does.

I happen to know about the request for bids for a certain improved method that was to be utilized in carrying dirt, and perhaps cement as well, on a certain kind of carrier. It was expensive. Bids were had. The bids were opened. The man who put in the lowest bid—referred to by the Senator today and on yesterday—had a certain kind of contrivance. When Dr. Morgan took up the matter and called in the engineers, and they examined the contrivance, they believed it would not do. Dr. Morgan himself told me that the chief engineer said:

If you accept that bid I shall wash my hands of the whole thing. We shall be called upon to pay for dead men who will be killed by the machine. It will not work long enough to build this dam, and you will have to buy another one.

The upshot was that the Board took the next bid and got a better machine, as they thought, and I think it is true. That machine is operating today. No one has been killed

by it. There has not been any injury from it; and the machine is going to wear long enough, I understand, to complete the dam. The Board saved a considerable amount of money by what they did, but technically, probably they did not obey the commands of the Comptroller General, and they got into trouble with him.

Dr. Morgan is not a politician. Dr. Morgan, as all Senators know, is a professional engineer and an instructor of great ability. He is an educator. He knows nothing about politics, but he is an expert in his line. It probably grated on him somewhat, when he knew he could save a thousand dollars or \$5,000 by taking the bid which was not the lowest, to be compelled to take the lowest bid. If, however, the Comptroller General finds that to be required by the law Dr. Morgan must follow it, even if it results in greater cost to the Government.

I do not know anything about all these things which have been put into the RECORD, but I have no doubt on earth that if the cases cited were run down it would be found that there was not the misappropriation of a cent. A great many times it would be found that the Comptroller General would say, "What does this mean? What does that mean? I reject this or that."

I know one case in point. A member of the T. V. A. Board came from Chicago with his wife. He was engaged on official business of the Board, but his wife was with him on the trip, and when he sent in his expense account he allocated a certain amount to be charged to himself and a certain amount to be charged to his wife which could not be charged against the T. V. A. When that account went in to the Comptroller General there was something lacking about it, I understand. The Comptroller said it did not appear why one allocation was made, or why the other was not made. That is probably one of the cases which has been read to intimate that there was something wrong; but there was nothing wrong in that case.

Of course, the man did not expect his wife's expenses to be charged up to the Government. I will guarantee, however, that if the president of the great New England Power Co. went across the country and took his wife with him the books would not show that he had privately paid his wife's expenses. No private company would do it. We are doing something better than private companies do. We ought to do it better. I want it done better.

I understand there is another dispute. When the T. V. A. Act was passed, the first Dr. Morgan, of Ohio, was appointed a member of the Board. He was confirmed by the Senate before the other two appointments were made. After he was confirmed by the Senate, the President asked him to help him select the other two men. The President sent Dr. Morgan to the State of Washington, he sent him to Oregon, he sent him to California, he sent him to Wisconsin, he sent him to New York, and then, I think, he sent him into New England. I am not sure about the latter statement. He also sent Dr. Morgan all over the South, and in all these places Dr. Morgan looked up men whose applications the Board had, whose recommendations they had, in order to determine who was the best one of all and, if possible, to get him. That trip cost Dr. Morgan some money. I understand that expense money is in dispute at the present time. I have not received my information from anyone connected with the Authority, but I have been told that the Comptroller General holds that Dr. Morgan has no right to charge that traveling expense up to the T. V. A., and I am not sure but that the Comptroller General is right about it. Whatever he holds must be followed. I am in favor of abiding by his decision, even though I do not believe it is right. Like a Supreme Court decision, we must have things decided, even if they are decided wrong.

Now let me tell the Senate of another case which the Senator from Vermont put into the RECORD yesterday. An overpayment, he said, appears there, or something of that kind, something over \$1,100 for each one of the members of the Board. How did that come about?

We passed the Economy Act making a reduction in salaries. It never occurred to the members of the Board, being mem-

bers of the corporation, that it applied to them. They did not think it did. The question was not even raised. They paid their salaries, but when the matter came to Mr. McCarl, the Comptroller General, he said: "It applies to you. You cannot have your full salary. You are subject to the Economy Act." It appeared on the books and appeared here that they had overdrawn their salaries. The Government did not lose a cent. It was all an honest mistake. There is not going to be any loss anywhere. It is just what might happen in the dealings of any great corporation.

I have here a list of their employees. They employ between 10,000 and 12,000 people. They have a large number of executives, some of the finest electrical engineers in the United States. They pay out in salaries about \$1,000,000 every month. They have been one of the greatest instrumentalities in the United States to relieve unemployment. There has never been a cry of anything wrong in it all. There is no doubt that now and then, here and there, quite often the Comptroller General might perhaps say, "This is not right; you cannot do this." What would be wrong if he did? If Mr. Morgan cannot be paid his expenses from the T. V. A. while he was helping the President, then he cannot be paid from the T. V. A. and must be paid from some other fund. No one would want him to bear that expense.

Here is another item mentioned by the Senator from Vermont of \$36 for photographs.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. McKELLAR. I want to know if a claim has ever been made, in order that the books might be straightened out?

Mr. NORRIS. I do not know.

Mr. McKELLAR. I have no doubt Congress would allow the item.

Mr. NORRIS. I do not know. No one would dispute that it ought to be allowed, but if the Comptroller General will not allow it they must pay for their photographs out of their own pockets, and then probably they would not have any more taken.

How did it come about? There were thousands and thousands of letters almost every day, and thousands and thousands of visitors coming to the dam to see it. Would they treat those people with contempt? Would those people want a photograph of the buildings? Would they want a photograph of Dr. Morgan? If they asked for it and he had it, would he not give it to them? Suppose they all went away without a picture of a house, without a picture of the dam, does anyone think the Government ought to be so stingy that it would not pay and do what an ordinary private person always pays and always does, and which is perfectly legitimate and perfectly honest? I think there is nothing criminal in that. If these men had to bear all the expense of furnishing these things, they would have an expense account twice as large as their salaries. I think it is perfectly foolish to make such objections.

Then it is alleged that they paid for somebody else, and that was the basis for another objection. Suppose the Senator from Idaho [Mr. POPE], now listening to me, went down there; how would they feel if they had to tell the Senator, "We have nobody to act as your guide. Congress will not allow us to pay the salary of such a man. You will just have to go around by yourself." Does anyone suppose they would act that way?

Would not any Senator expect, if he went there, or if anybody went there and respectfully asked to see the property, that he would be treated with courtesy and shown what he came there to see? Of course, it would cost something to do it. In the aggregate it would cost a great deal. Do we want to stop that sort of thing? Are we so stingy that we are going to complain about that kind of thing?

The Senator from Vermont in all his great practice for public utilities, running back over the years, has never seen a time yet when the private utilities were so careful that they would refuse to show a visitor about their property. I do not think there is anything in these objections. They seem to me to be silly—to be foolish. They originate in minds which have nothing in view but to find fault and to

see how many monkey wrenches can be thrown into the machinery.

Mr. President, I have on my desk a copy of the New Republic for May 1, 1935, in which I find an article by Morris L. Cooke. Most Senators know him. He is probably as high-class a man as lives, whose record for ability, honesty, and efficiency is second to none. He wrote an article on What Electricity Should Cost. He has some references in the article to some of the things we have been discussing. I want to read just a little of his introduction:

We have now 20,000,000 domestic consumers. There are around 12,000 different kinds of monthly bills, a majority of which are not only unintelligible, but fluctuate violently in price for the same amount of current served under like conditions. These facts are rapidly becoming known and are almost as irritating to the public as the high cost of current itself. The legitimate costs of generating, transmitting, and distributing electricity are now known. It is not only practicable, but financially feasible for the industry as a whole to put in force this year a domestic rate schedule of the following order which would combine the three essential elements of reduction, uniformity, and simplicity.

Then he gives the rates and goes on to say:

To take a late example from a region much in the news. As a direct result of the low rate schedules set up by the T. V. A. for Muscle Shoals current, the Commonwealth & Southern Corporation and its subsidiaries in Alabama, Georgia, and Tennessee cut their rates on September 1, 1934, and made them uniform over these States, which include over 1,300 communities. The companies announced an estimated "loss" of \$1,500,000 in domestic revenue—

That is what they always say, "Cut down our rates and we are ruined." The day this writer is speaking of was, as I remember, the day when the T. V. A. took over the properties—Dam No. 2, and so forth—belonging to the United States. That day the Alabama Power Co., the Tennessee Power Co., and the Georgia Power Co., covering those three States and parts of others, voluntarily reduced their rates to the amount of \$1,500,000 per annum. Just the threat of this corporation's coming into existence brought about that kind of a reduction.

The companies said that was a loss—a donation to the public. It turned out to be a benefit, as this article shows, and as I shall now read:

The companies announced an estimated "loss" of \$1,500,000 in domestic revenue, but instead of a loss, September 1934—

That is just 1 month afterward—

showed an increase of 0.3 percent as against the same month in 1933, and the third month, November, yielded an increase of 2.8 percent as against the same month of the previous year.

The companies were making money by their reduction. They could not see that that would be the case before they did it. They cannot see in front of their faces farther than their noses anyway; but those who do see and do study realize that in the case of electric rates it is possible to put the rates so high that the company cannot make anything.

That was the third month. Now, let us go on.

In September—

That was a year afterward. Let us see what they did.

In September there was a 32-percent increase in the number of kilowatt-hours used and a 10-percent increase in the number of customers.

The writer of the article says farther on:

The immediate increase of company revenues shown again demonstrates the axiom that usage increases as rates are reduced. This is still more strikingly proven by results achieved under the still lower standard T. V. A. rates. They were first put into effect in Tupelo, Miss., in March 1934 with the following domestic schedule:

First 50 kilowatt-hours per month at 3 cents per kilowatt-hour.
Next 150 kilowatt-hours per month at 2 cents per kilowatt-hour.
Next 200 kilowatt-hours per month at 1 cent per kilowatt-hour.
Excess over 400 kilowatt-hours at 0.4 cent per kilowatt-hour.

This represented an average drop of about 55 percent as against the preceding rates charged by the city, the profits then being turned into the town treasury. From an average residence consumption of only 42 kilowatt-hours per month, usage jumped to 61 in June and to 98 in November.

In other words, the consumption jumped from 42 to 98 kilowatt-hours in just a few months.

The average national consumption is about 53 kilowatt-hours per month.

That is, in the whole United States. There it is 98 kilowatt-hours per month.

T. V. A. service to Corinth, Miss., and Athens, Ga., shows the same trend. The above experiences confirm the soundness of low rates from every point of view. Customers benefit from cheap, abundant use; manufacturers of electrical equipment are doing a profitable business. In these communities gross revenues are adequate to cover operating and fixed costs, provide for new construction, and retire bonds.

Observation of a multitude of such facts as are here presented, plus intensive engineering and cost-accounting studies by impartial official agencies, have swept aside the mysteries surrounding the electrical industry and justify the contentions here made. The New York State Power Authority's recent report reached this significant conclusion, among others.

I ask unanimous consent to have that conclusion printed at this point in my remarks without reading.

The PRESIDING OFFICER (Mr. McGUIRE in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

Variation in the cost of distributing electricity to any class of customer, as between the various municipalities, proves to be much less than commonly understood. * * * An intensive study of conditions over a wide area in the United States shows that the savings in retail electric rates justified by this survey would not mean a corresponding decrease in the revenues derived from the supplying of electric service, because a truly promotional rate would result in a rapid increase in average use per customer. Private companies * * * have improved both their gross and net income by reducing rates to the levels suggested. * * * We are confident that a single residential rate schedule for the entire State, including farm service, will eventually be found economically practicable.

Mr. NORRIS. The article continues:

It is a well-known and useful truth of utility history that the more pronounced reductions in private company rates, the results of which have been so instructive, have been forced by the fact or threat of competition with publicly owned plants. President Roosevelt, in the case of Muscle Shoals and other projects, including his earlier advocacy of the St. Lawrence development, made a wider application of a well-tried, sound method of regulation.

In 10 States adjacent to Muscle Shoals savings of over \$10,000,000 through rate reductions are reported to have been effected.

That is something for which we ought to give the T. V. A. credit—a reduction of \$10,000,000.

Influenced by developments in the T. V. A. territory, the city of Cincinnati and the Union Gas & Electric Co. in July 1934, reached a rate agreement that will benefit over 400,000 people. It provided progressive reductions from 1934 to 1937.

Then the writer of this article speaks of Chattanooga:

Chattanooga recently voted, 2 to 1, to join the T. V. A. The belief that the public plant is the only method by which low rates and abundant use can be achieved is rapidly spreading. All that is now needed to turn this impression into a passionate mass conviction is a continuance of the old methods of propaganda, lawsuits, lobbyists, and interference in politics.

I desire to say at this point, Mr. President, that the Senate has adopted a resolution instructing the Power Commission to investigate the injunctions and restraining orders which have been issued all over the United States against the installation of municipal plants, including the injunctions issued against the T. V. A. When that report comes in it will startle Senators. It will show them that we are now in danger of being governed by injunction rather than by law. We are in danger of having our laws made by a judge, one-man-made laws, where there will be no legislation and no statute, and the jail will open for the person who happens to violate the law made by one man in injunction proceedings.

It will be idle for the industry to plead taxes and losses due to the depression as an excuse. Every soundly financed electric operating company has pulled through this depression successfully. It is time we heard more of these successes and the stellar part the domestic consumer has played in keeping these companies out of the red by actually increasing his use at a time when revenue from the industrial consumer fell off disastrously.

It is unwise for the industry to attempt to force domestic consumers to furnish a disproportionate share of its profits. Hence the next great problem facing the industry is whether it will reward these consumers by the general introduction of uniform rates at fair levels.

If the leaders who control these electrical properties—

And I submit that argument to those who are filibustering against this bill—

If the leaders who control these electrical properties—in contradistinction to the investors who own them—prove themselves incapable of gaging the peril of the situation in its threat to bona fide investments, and act accordingly, then we can look forward to a rapid transition to public ownership.

Mr. BARBOUR. Mr. President, will the Senator yield?

Mr. NORRIS. Not just now.

The people will not continue to pay through the nose to insure dividends on inflated values. They now know what rates should be and the part that plentiful, cheap, and widely distributed power can play in the social economy now in the making. They will overthrow the present system of private-utility ownership rather than be thwarted by it. The people now know how to bypass ineffective regulation.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nominations of Drs. John W. Knutson and George R. Jones to be assistant dental surgeons in the United States Public Health Service, to take effect from date of oath.

Mr. BYRD, from the Committee on Finance, reported favorably the nomination of Thomas W. Page, of Virginia, to be a member of the United States Tariff Commission for the term expiring June 16, 1941 (reappointment).

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. McGILL in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

GEORGE W. CARRIER

The legislative clerk read the nomination of George W. Carrier to be postmaster at Newcastle, Ind., which had been reported adversely from the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. The question is, Shall the Senate advise and consent to the nomination of George W. Carrier to be postmaster at Newcastle, Ind.?

The nomination was rejected.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Alvin Mansfield Owsley, of Texas, to be Envoy Extraordinary and Minister Plenipotentiary to the Irish Free State.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Leland Harrison of Illinois, to be Envoy Extraordinary and Minister Plenipotentiary to Rumania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John R. Putnam, of Oregon, to be consul general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations for promotion in the Marine Corps.

Mr. ROBINSON. I ask that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations for promotions in the Navy.

Mr. ROBINSON. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Navy are confirmed en bloc.

ADJOURNMENT

Mr. ROBINSON. I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 45 minutes p. m.) the Senate adjourned until tomorrow, Friday, May 10, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 9 (legislative day of May 7), 1935

ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY

Alvin Mansfield Owsley to be Envoy Extraordinary and Minister Plenipotentiary to the Irish Free State.

Leland Harrison to be Envoy Extraordinary and Minister Plenipotentiary to Rumania.

CONSUL GENERAL

John R. Putnam to be consul general.

PROMOTIONS IN THE NAVY

To be lieutenant commanders

Joseph W. McColl, Jr.	Henry L. Pitts
Burton E. Rokes	Charles F. Waters
Cyril E. Taylor	Edward B. Peterson
Lewis R. McDowell	Charles R. Jeffs
Roscoe F. Good	Raymond E. Farnsworth
Edward E. Pare	Leslie E. Gehres
Felix L. Baker	Donald McA. Mackey
Oberlin C. Laird	Barrett Studley
Lewis Corman	George T. Campbell
Hugh E. Haven	Thomas J. Bay
Harry L. Thompson	Henry S. Nielson
Arthur Gavin	Ernest W. Litch
Raymond G. Deewall	Elwood M. Tillson
John Q. Chapman	Warner W. Angerer
Harry F. Newton	George A. Seitz
Charles M. Johnson	

To be lieutenants

Gerald B. Ogle	Archibald G. W. McFadden
Neville L. McDowell	Joseph I. Taylor, Jr.
Eugene E. Paro	Edwin J. Taylor, Jr.
Wallace S. Newton	Dewey H. Collins
Rodmon D. Smith	Wallis F. Petersen
Lewis S. Parks	Charles C. McDonald
Donald C. Beard	William V. Deutermann
Alwin D. Kramer	John H. Morrill
Harold C. Pound	Elliott W. Shanklin
Willard K. Goodney	Albert N. Perkins
Willis E. Cleaves	John E. Spahn
George A. Sinclair	Chester E. Carroll
Thomas A. Turner, Jr.	John B. Rooney
Kenneth Earl	Frederick J. Bell
James B. Ricketts	Frank H. Ball
Allen P. Calvert	Max C. Stormes
LeRoi B. Blaylock	Richard F. Johnson, Jr.
Harold B. Miller	Henry W. Goodall
Robert S. Carr	Glenn R. Hartwig
Wilkie H. Brereton	Charles A. Ferriter
Louis D. Sharp, Jr.	Harry B. Temple
Lawrence J. McPeake	Thomas C. Ritchie
William H. Duvall	John C. Daniel
William E. Verge	John L. Melgaard
Donald J. Ramsey	Joe W. Stryker
Henry E. Richter	Cecil B. Gill
William R. McCaleb	Bruce D. Kelley

Franklin D. Karns, Jr.
Horace W. Blakeslee
Anthony L. Rorschach

To be lieutenants (junior grade)

Arthur L. Wilson
Alfred B. Metsger

Chester C. Smith
George C. Wright
Clarence C. Ray

Nelson M. Head
Carlton C. Lucas

To be surgeons

Charles F. Behrens
Albert J. Desautels
Robert M. Cochrane
Ben Hollander
Navy F. X. Banvard

James J. O'Connor
Lloyd L. Edmiston
Robert E. Duncan
Fred M. Rohow

To be passed assistant surgeons

Charles F. Flower
Harold V. Packard
Leon D. Carson
Gerald W. Smith
Thomas M. Arrasmith, Jr.
Franklin V. Sunderland
Walter F. James
Arthur W. Loy
Albert T. Walker
Albert Ickstadt, Jr.

Thomas Jackson, Jr.
Glenn S. Campbell.
Herman M. Maveety
Charles R. Wilcox
French R. Moore
Joseph W. Kimbrough
Raymond W. Hege
Bruce E. Bradley
Theophilus F. Weinert

To be dental surgeon

Raymond D. Reid

To be passed assistant dental surgeons

Herman P. Riebe
Eric B. Hoag
Rae D. Pitton
Clifford T. Logan
Alvin F. Miller
James L. Purcell

Ralph W. Malone
Frank K. Sullivan
Arthur Siegel
Hector J. A. MacInnis
Alfred Dinsmore
Edward H. Delaney

To be paymasters

Gordon S. Bower
Guild Bruda
Robert H. Mattox
Jonas F. Rupert
Robert G. Robeson
Isaac W. Thompson
Frederick Schwab
Raphael Gering
Fillmore S. C. Layman
Harold R. Lehmann
Leon I. Smith
Myron W. Willard
Archie A. Antrim
John H. Gallion
Harold E. Humphreys
Hugh A. Phares
Percy W. McCord
James E. Brennen
Tipton F. Woodward
George P. Smallman
George E. Duffy
George L. Thomas

Samuel L. Bates
Robert R. Thompson
John C. Poshepny
Edward Mixon
Henry C. McGinnis
Frank J. Manley
Harry F. Hake
Harry G. Kinnard
Percival F. Patten
Michael A. Sprengel
William E. McCain
Golden F. Davis
Grandison J. Tyler
Chester B. Peake
Frank P. Delahanty
Worth B. Beacham
Carl J. Buck
John H. Skillman
Charles D. Kirk
Charles S. Bailey
Walter W. Mahany
John H. Davis

To be passed assistant paymasters

Arnold R. Kline
Lloyd H. Thomas
Joseph L. Herlihy

To be civil engineers

James T. Mathews
Paul J. Searles

To be chief carpenter

Robert L. Barry

To be chief boatswain

Harold S. Bogan

MARINE CORPS

John M. Arthur to be lieutenant colonel.
Robert H. Pepper to be major.
John B. Wilson to be major.
Merrill B. Twining to be captain.
Frank H. Lamson-Scribner to be captain.

William R. Hughes to be captain.
William J. Scheyer to be captain.
John B. Hendry to be first lieutenant.

POSTMASTERS

ALABAMA

George W. Floyd, Alabama City.
William L. Mason, Attalla.
Eunice D. King, Midway.
Addie M. Cannon, Mount Vernon.

COLORADO

Faye P. Steffen, Bennett.
Agnes J. Beynon, Frederick.

IDAHO

Guy E. Van Buskirk, Potlatch.

INDIANA

Noel A. Booher, Albany.
Basil L. Ferguson, Bargserville.
Irvin J. L. Harmeier, Cambridge City.
William E. Morrison, Cloverdale.
Earl W. Miller, Coal City.
William H. Luking, Connorsville.
Earle C. Stewart, Daleville.
Robert R. Saunders, Eaton.
Merle F. Shepard, Edwardsport.
Audley Dildine, Gaston.
Albert Rumbach, Jasper.
Harry T. Ferguson, Jeffersonville.
Rowland R. Morgan, Knightstown.
Jess E. Stevens, Liberty.
Lee Fattic, Middletown.
Charles J. Roy, Mishawaka.
Louis W. Thomas, Mount Vernon.
William L. Newbold, Rushville.
Russell L. Hildebrand, Sandborn.
Charles A. Wall, Winchester.

RHODE ISLAND

Robert E. Bitgood, Hope Valley.

WEST VIRGINIA

Frank C. Ellis, Dunbar.
Orrin D. Madison, Powellton.

REJECTION

Executive nomination rejected by the Senate May 9 (legislative day of May 7), 1935

POSTMASTER

INDIANA

George W. Carrier to be postmaster at Newcastle.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 9, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Infinite God, we rejoice that in the midst of selfishness and the disordered condition of this life the fountain of Thy mercy is accessible and open to all. They that put their trust in the Lord shall be as Mount Zion that cannot be removed. Though our infirmities be as the sands of the sea-shore, Thou art our bountiful Father. We pray that we may have an initial leaning toward goodness, virtue, and truth. When different avenues of duty are before us, do Thou help us to accept the worthiest and the most excellent. We ask Thee to give us the right angle of vision of the needs of our country, and may we make our survey in the light of the teaching of the Man of Galilee. Holy Spirit, purify our dispositions and give enrichment to our personal pleasures. As we view the field of purpose and duty, of life and destiny, we beseech Thee to appoint us to a place in the vast design. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had agreed without amendment to a concurrent resolution of the House of the following title:

H. Con. Res. 20. Concurrent resolution authorizing the Committee on Banking and Currency of the House of Representatives to have printed for its use additional copies of the hearings on the Banking Act of 1935.

The message also announced that the Senate agrees to the amendments of the House to bills and joint resolution of the Senate of the following titles:

S. 282. An act for the relief of William Kemper;

S. 563. An act for the relief of the Jay Street Terminal, New York;

S. 1616. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory and supplementary thereto; and

S. J. Res. 43. Joint resolution for the establishment of a commission for the construction of a Washington-Lincoln Memorial Gettysburg Boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield of Gettysburg in the State of Pennsylvania.

The message also announced that the Vice President had appointed Mr. GLASS, Mr. PITTMAN, Mr. WALSH, Mr. HALE, and Mr. METCALF members of the joint committee on the part of the Senate to greet Rear Admiral Byrd upon his arrival at the navy yard on May 10, as provided for in House Joint Resolution 274.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 672. An act for the relief of the city of Baltimore.

PUBLIC GRAZING LANDS

Mr. LEWIS of Colorado, from the Committee on Rules, reported the following privileged resolution for printing in the RECORD:

House Resolution 215

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 3019, "A bill to amend sections 1, 3, and 15 of 'An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, etc.', approved June 28, 1934." That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

LEAVE OF ABSENCE

Mr. CARY. Mr. Speaker, I rise to announce that my colleague the gentleman from Kentucky [Mr. CARDEN] has been seriously ill for about 10 days and has been necessarily absent from the House. I therefore request an indefinite leave of absence for the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes on the processing tax.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, I am going to object to any speeches after 12:30 o'clock today.

Mr. MARTIN of Massachusetts. Mr. Speaker, I intended to ask unanimous consent to address the House following the gentleman.

Mr. VINSON of Georgia. Mr. Speaker, I modify my request and ask unanimous consent to address the House for 15 minutes. This will leave 9 minutes for the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. I only desire about 7 minutes, and it is not on anything that the gentleman from Georgia [Mr. VINSON] wants to talk about.

Mr. SNELL. Mr. Speaker, what is there special about 12:30?

Mr. O'CONNOR. That is the morning half hour.

Mr. VINSON of Georgia. Mr. Speaker, I demand the regular order.

Mr. SNELL. Mr. Speaker, I think some of the rest of us are going to have something to say about this matter if we cannot have time to speak after 12:30.

The SPEAKER. That is a question for the House itself to determine.

Mr. TRUAX. Mr. Speaker, the Chairman of the Rules Committee would prevent all talk, particularly on bills on the Private Calendar. He made an arbitrary ruling the other day that no Member would be recognized for the purpose of speaking on private bills.

Mr. BLANTON. Mr. Speaker, I make the point of order that the time of the House is in the control of the House. The House itself controls its own time.

The SPEAKER. The gentleman is correct. Undoubtedly any Member has a right to object to any unanimous-consent request that is submitted.

Mr. VINSON of Georgia. Mr. Speaker, I renew my request that I may be permitted to speak for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 7 minutes at the conclusion of the speech by the gentleman from Georgia [Mr. VINSON].

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. WOODRUM. Mr. Speaker, reserving the right to object, would the gentleman from Massachusetts [Mr. MARTIN] mind telling us on what subject he is going to speak?

Mr. MARTIN of Massachusetts. It is purely on a district matter. I am not entering into any controversial question at all. My subject deals with how the silver question affects the silver industry in my district, hoping that we may reach a solution of the problem.

Mr. SNELL. Is the gentleman going to object to bringing in controversial matters?

Mr. WOODRUM. The gentleman has the floor.

Mr. SNELL. I am asking the gentleman from Virginia.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. WOODRUM. Mr. Speaker, reserving the right to object, the gentleman from Massachusetts [Mr. MARTIN] is a distinguished Member of this House. I shall certainly not object to his speaking at this time. The gentleman would not permit me to have a little time the other day, but I am glad to have the gentleman address the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. MARTIN]?

There was no objection.

THE PROCESSING TAX

Mr. VINSON of Georgia. Mr. Speaker, we have listened at length during the past few weeks to a discussion of the processing tax, some urging its repeal with much fervor. We have seen the clamor rise to a height that no doubt some people, not familiar with the situation, were fully convinced

that the 4.2 cents a pound levy on cotton was responsible for the major portion of the ills of the very sick textile industry.

Nor was this campaign confined to Congress. Delegations come to Washington, marching to a tune which was a curious mixture of threat and supplication, and casual readers of newspapers must have wondered why Congress would allow a levy so generally hated and reviled to remain in effect.

During those days I felt sorry for some of those who advocated a repeal for they knew that the textile industry has been one of our most persistent industrial invalids for years.

It is rather significant to note at this point that while the United States produces approximately one-half of the world's cotton less than 20 percent of the cotton spindles of the world are in the United States. In 1934 there were 156,000,000 cotton spindles in the world and of this number some 30,000,000 were in the United States.

I am glad to say, however, that during the past few days I have noticed, or seemed to have noticed, at any rate, some of the hysteria abate, because I know a reasonable attitude and a calm discussion are a prerequisite for an understanding and a solution of the textile troubles.

The textile industry has too many real problems; problems that will demand patient cooperation to solve, to be beclouding and befuddling the issue with processing-tax harangues. The processing tax could be removed tomorrow and, in my judgment, it would be only a matter of time, and a short time at that, before the wails and cries would go up again from the textile industries.

The processing tax has been coupled with increasing Japanese imports, although there is not the slightest relation between the two. The levy in no way changes the competitive situation so far as domestic and foreign textiles are concerned.

A compensatory import tax, equal to the full amount of the domestic cotton-processing tax, must be paid in addition to the tariff duties when manufactured textiles are imported into this country. Conversely, the amount of the processing tax is refunded when manufactured articles are exported from the United States. So that the domestic processing tax does not put our mills at a disadvantage in selling their products in foreign markets.

But it is not my purpose at this time to endeavor to prescribe for the textile operators. I sympathize with them, and so does the administration. They are entitled to the consideration given other groups of citizens, the farmers among them, but no more, may I emphasize, than that given other groups. And all that the farmer desires is equality of treatment.

A Cabinet committee is making a textile ailment diagnosis. I hope that it finds a remedy, an efficacious one, but I will venture a prediction that it will not find that abolition of the processing tax would do a real service to the textile industry. I know that some have declared that the committee has prepared its case beforehand. But let me prophesy that any impartial group which studies the question in the future will come to the conclusion that little is to be gained for the textile industry, but much is to be lost for the farmer by removal of the processing tax.

The processing tax is the farmer's tariff, the first such levy he has had during all the years that the mills which spun his staple had their output protected from foreign competition.

It is rumored that some textile interests are seeking a higher tariff for themselves, and at the same time they are working day and night for removal of the meager bit of protection for the farmer.

It has become generally recognized, I think, that one of the prime causes of the farmers' difficulties, many difficulties they are, is the one-sided tariff policy this country has pursued for years.

The factory owners talk about cheap labor and the need for protecting the American workman from it. I do not intend to enter into a tariff argument. I favor an adequate tariff, but let me point out that the American farmer has

raised and sold his product in competition with some of the cheapest labor in the world. The price of American cotton has set the world price, but the cotton grower has bought his goods in a tariff-protected market. He sold low and bought high, and that is burning the economic candle at both ends. You know the result. The depression started on the farm and spread like a drought; over country towns; the smaller cities; and on toward the giant centers of commerce.

Just a few days ago my good friend from Kansas [Mr. Hope], the ranking Republican member of the House Agricultural Committee, summed up the processing-tax situation in clear and vigorous fashion. To the surprise and dismay of some of the Republicans, he said that if the processing tax was removed that the entire tariff structure should—and would—be torn down. Mr. Hope said he was not voicing a threat, but that the farmer could not exist under an economic system which forced him to sell in competition with the world and buy in a closed market.

I have said—and let me repeat—that I am a friend of the textile interests. I have some of the largest mills in the South in my district. I think I am considerably more of a friend than some of those who are shouting for the repeal of the processing tax so vociferously.

A man suffering from an organic malady is not benefiting himself by taking patent medicines designed to "tone up the system." The textile industry should, in cooperation with the Government, study its problems carefully; and then whatever aid Federal authorities can give should be willingly extended. I do not think, however, that assistance should come at the expense of the cotton farmer. I do not believe the fair-minded leaders of the mill operators seek advantage at the expense of others.

Just how, may I ask, has the processing tax operated to the detriment of the textile operators? I have not seen one bill of particulars on that. I have heard a lot of charges, but no figures to back them up. I am convinced that they cannot supply the proof. On the other hand, I feel certain that it is fairly easy to show that the textile industry would be one of the most prosperous in all the world if the cotton tax were its only problem.

The most common assertion is that the processing tax on cotton has raised the price of textiles to the point that people are buying more wool, more rayon, and the like.

In 1932, with cotton prices near the record low point, the total consumption of cotton was 2,457,600,000 pounds, or 84.1 percent of total fiber consumption. Wool consumption was 240,900,000, or 8.2 percent; silk 73,700,000, or 2.5 percent; and rayon 152,200,000, or 5.2 percent. Much the same picture is presented for 1931, another year of low cotton prices. Cotton consumption was 2,656,000,000, or 82.7 percent; wool was 320,900,000, or 10 percent; silk 79,100,000, or 2.4 percent; and rayon 157,300,000, or 5.2 percent.

The cotton-processing tax went into effect in August 1933 and the consumption of cotton, instead of declining in 1933, rose sharply to 3,052,500,000 pounds, although the percentage declined slightly to 83.7 percent. The comparative figures for competing fibers are wool, 324,300,000, 8.9 percent; silk, 62,400,000 pounds, 1.7 percent; and rayon, 207,400,000, 5.7 percent.

Even more revealing are figures for 1934 when the cotton-processing tax was in effect during the entire year. The consumption of cotton declined slightly as compared to 1933, due largely to the textile strike in the fall of 1934, the figure for 1934 being 2,662,900,000 pounds; but the percentage of cotton to total consumption increased to 84.2 percent.

Instead of being displaced by competing fibers, the percentage of cotton consumed increased over both 1931 and 1932, years in which there was no processing tax and in which the price of the staple was very low.

The comparative figures for competing fibers last year are: Wool, 240,200,000, 7.6 percent; silk, 61,400,000, 1.9 percent; and rayon, 3,164,000, 6.3 percent.

The consumption of rayon increased in percentage during 1933 and 1934, years of the processing tax; but that increase was apparently at the expense of fibers such as silk, which

compete with cotton and which had no processing tax to carry.

It seems to me that these figures offer convincing proof in refutation of the statement that the processing tax is causing buyers to purchase competing materials.

However, if the processing tax on cotton is causing a shift from cotton to competing materials, the law provides for compensating taxes on competing fibers. To get the compensating taxes levied it is only necessary for cotton mills to show that such shifts are taking place and are due to the processing tax.

Just how much does the processing tax increase the cost of cotton goods to the consumer? That question can be answered, and that answer, I believe, will show better than thousands of words of argument that the tax has not really injured the textile industry.

Official estimates are that the added cost of the processing tax for a pair of overalls selling at \$1.30 is 8 cents—8 cents only, mind you. The figures which show what that same pair of overalls would cost if they were imported are interesting. The tariff—the tariff which has protected the textile industry for years—would be 48¾ cents, six times that of the processing levy.

An imported work shirt which cost 70 cents would pay a processing tax of 3 cents and a tariff of 31½ cents; a house dress which cost 80 cents would pay a processing tax of 3 cents and a tariff of 30 cents.

However, the processing tax, like the tariff, is not paid by the manufacturer, but is passed on to, and is paid by, the consumer.

I have heard the assertion that the cotton tax is pyramided and I have heard also that the operator must absorb the levy due to intensive competition in the business. Both claims cannot be true, and all available data indicates that the cotton spinner is simply the collecting agency through which the Government collects the levy. The Bureau of Internal Revenue has been liberal in its regulations, and in some instances it has allowed the mills 6 months to pay the tax; that is, 6 months from the time the cotton is purchased. The mills thus are oftentimes permitted to actually sell the goods before the tax is paid.

There is not as much opportunity to pyramid the processing tax as there is to pyramid an equal increase in the price of cotton. Cotton passes through several hands between the producer and the mill, and there is therefore more opportunity to pyramid price than there is to pyramid the tax.

In section 9 of the Agricultural Adjustment Act are provisions designed to prevent pyramiding.

Let me define the cotton processing tax and state its purpose briefly. It is a levy of 4.2 cents a lint pound on cotton when it is first processed or prepared for its finished form. It should be borne in mind that the processing tax is not paid by the textile industry nor is it paid by the farmer, but the processing tax is passed on to the consuming public. The amount of the processing tax is not deducted from the value that the cotton producer receives for his cotton. From the tax, about \$115,000,000 was raised last year, or approximately 90 cents per capita.

That \$115,000,000 went into a fund to pay cotton growers who signed contracts with the Secretary of Agriculture to adjust production. As most of you know, unusually large crops and reduced consumption due to the depression, had resulted in the accumulation of a huge cotton surplus, which will act as a force to depress prices until it is reduced to normal. The sensible way to pare the carry-over, in fact, the only practical way, is to raise less until the surplus has been consumed.

The processing tax is used to pay the cotton growers to reduce their acreage; but do not get the idea that the levy is charity or an outright gift at the expense of the American people.

For years some of our foremost leaders have realized that the farmer's prices were falling further and further below those for the manufactured articles he must buy. Our leaders have realized, too, that there must be steps to remove the disparity, and restore the equality between agriculture

and industry. The grower paid more and more for the things he bought and got less and less for the things he sold. You know the result—bankruptcy, poverty, distress, resentment, despair. Eventually the farmer's inability to buy caused thousands upon thousands of city workmen to be "ploughed" out on the street.

The Agricultural Adjustment Act was passed to restore the relationship between farm and industrial products which existed in the 1909-14 period. There have been mistakes, of course, but on the whole it has worked, too well to suit many selfish people. Just compare the price of the major farm products with the price when President Roosevelt took office. There is your answer.

One reason, a primary reason, for effectiveness of the act is that the processing tax raises funds to pay the farmers to cooperate. It would not be fair to ask the growers, the victims of long years of economic injustice, to make still another sacrifice and bear all the cost of getting rid of their surpluses.

I wish to state emphatically also that the only sensible way to handle this farm problem is through controlled production. Some industrialists must believe the man who tills the soil is a gullible creature. The factory owners close their plants without hesitation when they have piled up a surplus which threatens to reduce their profits. They have done it since the industrial system began and have not been criticized for it. The farmer must do the same thing or he is at a hopeless disadvantage.

Heretofore the growers have been unable to cooperate. There was no mechanism to help and direct them. I recall during the various cotton-price crises that southern leaders would meet and confer. This would be proposed and that would be proposed, but there was no means of belling the cat. We got acquainted with some fine people during those conferences, but we went back home and continued to raise too much cotton.

The Adjustment Act, for the first time, gave the growers a way to get together and adopt the methods of big business. It has given the farmers a way to adjust their production to demand. Many persons do not seem to realize it, but the farmer cannot continue indefinitely to grow crops at a loss.

Anyone familiar with the textile industry knows that it has been having a series of ups and downs for years. This is particularly true of New England, where the trend has been steadily downward since 1920.

In 1921 there were 337 textile mills in operation in the New England States. There were only 194 in 1933. Statistics show that during the 12-year period, the period of Harding, Coolidge, and Hoover, that 95,505 workers lost their jobs in the textile mills; lost them permanently. Why not blame the processing tax for that?

If partisanship will insist upon saddling the Roosevelt administration with the troubles of the New England textile industry since March 1933, the Republicans must accept the blame for the loss of 143 mills and 95,505 jobs, representing wages of \$110,754,000. The Republicans must accept the blame also for strange silence and complacency during the 12 years when this was taking place. Is it not peculiar that the realization came only after Franklin D. Roosevelt became President?

In the Washington Post of some days ago I read that Gov. Theodore F. Green, of Rhode Island "sprang a surprise on the President's Cabinet committee investigating the cotton-textile situation by suggesting wholesale changes within the industry itself to relieve distress."

The article adds that the Governor devoted scant attention to the "processing tax and the effect of Japanese imports" and that among other things he proposed a Federal commission to bring about reorganization of the industry.

Governor Green apparently realizes fully and knows there is nothing to be gained by an attempt to confuse the issue by talking about the processing tax. He knows that the sooner the questions which must be solved are tackled the sooner will real progress be made. I agree with him, and I am sure that every true friend of both the textile operators and the farmers does too.

The farmers of the cotton-growing sections do not have to be told what the Roosevelt administration and the agricultural programs have done for them. You know that the close of the Hoover administration found the cotton farmers in a condition that they had not approached since the end of the Civil War. We were nearing the end of our endurance; both town and country were prostrate.

We are told now that the forces of natural recovery are responsible for the improvement made thus far. But we are aware that the cotton program is primarily responsible for the rise in cotton prices, and we know, too, that increase in the staple's price is the lever that has had most to do with the lift back toward prosperity.

There are no figures more revealing than those on cotton income in my own great State. The total return from cotton grown in Georgia in 1932 was \$34,642,000. That, as you well remember, was a year of despair.

In March 1933, the first year of the Roosevelt administration, the cotton program, and the processing tax, Georgia received \$75,510,000 for her cotton. Quite a contrast with \$34,642,000, is it not? Of that \$75,510,000, \$13,371,000 was in benefit payments which were raised through the processing tax. The income from Georgia cotton increased still more in 1934. The total was \$88,212,000, and \$9,969,000 was in benefit payments.

Georgia farmers have already received directly \$23,340,000 through the processing tax, and that exclusive of the payments to be made in 1935.

The southern cotton farmer has received \$228,565,000 in benefit payments, and before the end of this year the cash given them to adjust production in an effort to help themselves will total \$350,000,000.

Think of what that \$350,000,000 and the money that has been paid out to farmers because of the sharply increased price of cotton has meant to the South and in turn to the Nation. It is like a good soaking rain upon a field parched and blistered from drought.

If the cotton levy should be repealed, it would mean the end of the present adjustment plan. The Bankhead bill might remain in effect, theoretically, but it is actually a supplement to the present program, and even its most ardent supporters do not assert that it could stand alone. In my judgment, a compulsory cotton-control bill would be ruinous to the farmer unless some means were provided to pay him for curtailment.

The Government would be forced to abandon its present loan policy if the processing tax were abolished. The only reason the Commodity Credit Corporation can lend now and enable the farmer to receive higher prices is because the cotton program enables control of production. This gives assurance that the carry-over gradually can be reduced, and, with the reduction of the surplus, the price of the staple will tend to rise above the loan.

Abandonment of the adjustment program would mean almost inevitably a collapse of price and in turn expanding cotton acreages, for in an effort to get the money he needs so badly the farmer would plant more cotton and work overtime to raise and harvest it.

Anyone familiar with the cotton-growing South cannot deny that the Agricultural Adjustment Act's cotton program has been a success. Again the figures speak for themselves.

The cash value of the cotton crop for the entire belt, including rental and benefit payments, were: 1932-33—when no program was in effect—\$464,330,000; and with the program in effect in 1933-34, \$861,733,000; and 1934-35, \$838,666,000 in spite of the worst drought in history.

The cotton-growing South, and most of the South is directly or indirectly dependent upon the staple, is just now in the condition of a man slowly gathering strength after a long illness. We are full of hope and confidence, but a relapse would have disastrous effects and the repercussions would be felt over the Nation and the world.

Although it may not be realized generally, the South's come-back during the past 2 years has been a genuine stimulus to the undoubted progress the Nation has made. Recovery in other agricultural sections, due, I believe, to the

administration's farm programs, has helped in the rally. Agricultural income in 1934 was a billion dollars over that in 1933 and a good part of that billion went to buy the products of factories.

Removal of the processing tax on cotton probably would be followed by its removal on other farm commodities. If industry objects to the continuance of the farmer's tariff, it must be prepared for a vigorous effort to remove industrial protection.

The farmer cannot continue to buy in a protected market and sell in competition with the cheapest labor in the world. He is entitled to the same consideration and the same protection that the textile industry receives. [Applause.]

The SPEAKER. Under the special order of the House, the gentleman from Massachusetts [Mr. MARTIN] is recognized for 7 minutes.

Mr. MARTIN of Massachusetts. Mr. Speaker, it quite frequently happens in a street fight an innocent bystander gets the worst of it. The industry that I am going to talk about this afternoon finds itself in that position.

When the Silver Purchase Act was before the Congress it was considered entirely as a monetary measure, and no serious attention was given to the price those engaged in industry would be compelled to pay for silver. I am not going to talk today about either the merits or the demerits of the silver-purchasing policy of the administration.

In addressing you I do so for the purpose of bringing to the attention of this body an injustice and a hardship which, because of legislation enacted, threatens one of the country's oldest and most high-grade industries and its workers. It is in many respects a unique industry, depending, as it does, to a degree unusual in these times upon the individual artistic craftsmanship of the thousands it employs. I refer to the silverware industry, which, though already established in the day of Paul Revere, whose patterns have had recently a deserved revival, has continued to advance in step with general technical progress and stands with our important modern industries in its methods both of manufacture and distribution.

The making of silverware is, I want to emphasize at the outset, an American enterprise that eminently deserves to continue. Certainly under no conception of the public good does it merit extinction, and under no conception of that same good do its workers merit having their names added to the roll call of the unemployed. Yet both events are possible, indeed, inevitable, unless we address ourselves to finding some means whereby the silverware manufacturer, with other users of silver in the arts and industry, may be relieved from the inexorable increases in the price of silver forced by the provisions of the Silver Purchase Act.

Unfortunately, this act, drawn in a time of extraordinary stress, and, I fear, drawn hastily, made no distinction whatever between silver for currency purposes and silver for fabrication into commercial products. As the matter now stands, to whatever heights monetary silver may be skyrocketed, silver that I may here, for the purposes of the argument, call "commercial" must follow. The price of one has been inescapably tied to the price of the other.

The result is one that I am sure Congress, with its attention focused on other objectives, never intended, and one that I hope with some confidence Congress will now consider every means in its power to mitigate.

The core of the situation is this: The industry, by dint of alert manufacturing and merchandising methods, coupled with fair prices, had as its contribution to the recovery program obtained a very satisfactory acceptance for its goods, bought not so much by the wealthy as by those in very moderate circumstances, to whom it must look for volume. The proof that its energy and courage—much more marked in industry than we are sometimes led to believe—had produced one more item in the credit side of recovery lies in the fact that by 1934 the industry as a whole, despite many obstacles, held fairly well.

It wants to hold and, if possible, advance its level, and I believe the country wants it to. But how can it, if large

and abrupt advances are made arbitrarily in the price of silver, when already such increases have forced silver out of its position relative to general commodity prices that it has held invariably for some score of years? To put it another way, while the silverware industry has thus far managed to make its adjustments, the further price increases dictated by the Silver Purchase Act are bound to force the prices of its completed product rapidly beyond the reach of the average purse. This means, first, a slowing up; next, paralysis—and another heavy burden upon our relief rolls.

I want to make this point very clear. The silverware industry, largest user by a wide margin of silver in the arts and industry, has been able on previous occasions when the silver price started an abrupt ascent to continue in business with little difficulty, for upon these previous occasions silver was not merely rising; it was following a rise in general commodity prices. In this case there is a complete disjointment. Silver is not following the line of commodity prices; it is outstripping that line in wild and erratic manner. Some indication that this must be so is seen in the fact that, though silver for many years has pretty generally held to a price around 60 cents per fine ounce, already, under the pressure of the Purchase Act, it has reached 77 cents and is proposed to be advanced to a dollar and twenty-nine cents—more than double the price at which industry had been long accustomed to acquire it for purposes of fabrication.

Thus far I have referred to those affected as the industry. This, however, I have done only as a matter of convenience. It seems so elemental as scarcely to need a reminder that when you start to consider the social implications of any industry you very quickly go far beyond any question of owners and stockholders; you find yourself contemplating the problem of an often unexpectedly large number of wage and salary employees and their dependents. So it is in the silverware industry. Dependent for food, clothing, and shelter upon the manufacturing branch alone are nearly 70,000 men, women, and children. But this is only the beginning of the story. Silverware is distributed through 20,000 retail jewelry stores in every section of the country, and dependent upon those stores are some 225,000 people. When you add also department-store and wholesale distribution, you find that upon the continued operation, on a favorable basis, of the silverware industry depends the support of more than 300,000 people.

At this point some will say, "Let the jewelry stores sell something else." But the facts do not justify such an observation; the price of silver is a vital matter for every retail jeweler, large or small, in the country. Let me read you from a statement made in Washington recently by Mr. William D. McNeil, president of the American National Retail Jewelers' Association:

In 1933 the volume of representative jewelry stores reporting was from one-half to as low as 20 percent of what it was in 1929. In normal times the sales of silverware in jewelry stores were about 15 percent of their total volume. Recent statistics indicate silver sales are from 25 to 30 percent of the volume. These figures clearly indicate what would happen to jewelers if high prices slowed down silver sales. They are in a precarious condition. With the constriction of their silverware sales, which constitute their bread and butter, many will be crowded to the wall.

Here again you see the possibility of further needless unemployment, which would touch every city and town in the country.

I have not the information, nor do I consider it within my province, to go into any question of comparative benefits, or of competitive benefits as against injuries. Yet, I think the Congress might do well to make a study to determine whether those of our citizens, aside from speculators, who are being benefited by the operations under the Silver Purchase Act are so numerous as to justify a continued threat to the livelihood of 300,000 citizens dependent upon one industry alone—and there are others.

Since this is admittedly and announced a time of experiment, it was inevitable that there should be some unforeseen casualties. But once these casualties have been demonstrated as imminent, is it not the part of common sense and of humanity to take steps against their occurrence?

I have talked with silverware people from my State and other States. I find in the industry no disposition, whatever they or I may think of the wisdom of the silver-purchase policy, to request that we consider abandoning this experiment. They do, on the other hand, very earnestly petition for a modification which will not affect the main purposes of the policy which Congress wrote into law, but which will make available to industrial users of silver a sufficient supply, under proper safeguards, at a price maintaining the former and accustomed relationship between silver and general wholesale commodity prices. In short, they petition for, and I urge upon you, the demarcation between silver for monetary use and silver for use in the arts and industries for which the Congress, in the press of an emergency program, failed to provide in the original legislation.

Senator WALSH, of Massachusetts, and myself expect shortly to introduce legislation, which we hope will be given favorable consideration by the Congress, to the end that we may solve this problem and divorce it from the monetary question and make it possible for one of the oldest industries in the United States to survive. [Applause.]

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GIFFORD. Mr. Speaker, in order that it may appear in the RECORD along with the statement made by the gentleman from Georgia [Mr. VINSON], I may say that we ought not to feel that we know more than the manufacturers themselves. In reply to questionnaires, most of the manufacturers say that they cannot pass on the processing tax by from 1 to 100 percent. One replied that he has had to absorb the definite amount of 43 percent of the tax. Why should we Congressmen think we know more than the manufacturers? When the price of cotton went up because of the devaluation of the dollar and the N. R. A. costs also added, then the processing tax was the last straw. This is why we continually say it is hard to pass on the processing tax, particularly because this was the last cost imposed, and makes it impossible to overcome the sales resistance since encountered, and has resulted in large curtailment of production.

BANKING ACT OF 1935

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. WOODRUM in the chair.

The Clerk read the title and continued the reading of the bill, as follows:

SEC. 207. Subsection (b) of section 14 of the Federal Reserve Act, as amended, is further amended by changing the semicolon at the end thereof to a colon and adding the following: "Provided, That any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities."

SEC. 208. Section 16 of the Federal Reserve Act, as amended, is further amended in the following respects:

(1) By striking out the first 10 paragraphs and substituting therefor the following:

"SEC. 16. Each Federal Reserve bank may issue Federal Reserve notes, which shall be obligations of the United States, secured by a first and paramount lien on all of the assets of such bank. Federal Reserve notes shall be issued and retired by Federal Reserve banks under such rules and regulations as the Federal Reserve Board may prescribe and shall be legal tender for all purposes.

"Every Federal Reserve bank shall maintain reserves in lawful money (other than Federal Reserve notes or Federal Reserve bank notes) of not less than 35 percent against its deposits and reserves in gold certificates of not less than 40 percent against its Federal Reserve notes in actual circulation. Each Federal Reserve note shall bear upon its face a distinctive letter, which shall be assigned by the Federal Reserve Board to each Federal Reserve bank, and also a serial number.

"When received by the Treasurer of the United States from a source other than a Federal Reserve bank, Federal Reserve notes unfit for further use shall be canceled and retired; and, upon receipt of advice of such cancellation and retirement, the issuing Federal Reserve bank shall reimburse the Treasurer of the United States for the notes so canceled and retired. When received by a Federal Reserve bank, Federal Reserve notes unfit for further use shall be canceled and forwarded to the Treasurer of the United States for retirement; and, if issued by another Federal Reserve bank, such issuing bank shall reimburse the Federal Reserve bank which canceled such notes and forwarded them to the Treasurer of the United States.

"In order to furnish suitable notes for circulation as Federal Reserve notes, the Comptroller of the Currency, under the direction of the Secretary of the Treasury, shall cause plates and dies to be engraved in the best manner to guard against counterfeiting and fraudulent alterations, and shall have printed therefrom and numbered such quantities of such notes of the denominations of \$5, \$10, \$20, \$50, \$100, \$500, \$1,000, \$5,000, and \$10,000 as may be required to supply the Federal Reserve banks. Such notes shall be in form and tenor as directed by the Secretary of the Treasury and shall bear the distinctive letters of the several Federal Reserve banks through which they are issued. When such notes have been prepared, they shall be held in the Treasury subject to the order of the Comptroller of the Currency for delivery to the Federal Reserve banks. Federal Reserve notes unfit for circulation shall be returned to the Comptroller of the Currency for cancellation and destruction."

(2) By striking from the sixteenth paragraph the words "or Federal Reserve agent" where they occur in three different places, the words "or his", the words "at the Treasury or at the Sub-treasury of the United States nearest the place of business of such Federal Reserve bank or such Federal Reserve agent", the words "or any Assistant Treasurer", the words "or Assistant Treasurer", and the words "by the Treasurer at Washington upon proper advices from any Assistant Treasurer that such deposit has been made."

Sec. 209. The sixth paragraph of section 19 of the Federal Reserve Act, as amended, is amended to read as follows:

"Notwithstanding the other provisions of this section, the Federal Reserve Board, in order to prevent injurious credit expansion or contraction, may by regulation change the requirements as to reserves to be maintained against demand or time deposits or both by member banks in reserve and central reserve cities or by member banks not in reserve or central reserve cities or by all member banks."

Mr. HOLLISTER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. HOLLISTER: Page 56, line 22, strike out section 209.

Mr. HOLLISTER. Mr. Chairman, section 209 gives the Federal Reserve Board as a board the right to change the requirements regarding the amount of reserves to be maintained against the demand and time deposits, or both, by member banks in the central reserve cities and reserve cities or by member banks not in reserve or central reserve cities or by all member banks.

At the present time the law provides the reserves that shall be maintained against deposits by banks in the various classes of cities, distinguished between central reserve cities, reserve cities, and other banks, the requirements being greater in the central reserve cities and tapering down to country banks.

At the present time reserves may only be changed as a matter of emergency. Five members of the Federal Reserve Board, by declaring an emergency, with the approval of the President, may make a change in the Reserve requirements.

Section 209 would give the right to a bare majority of a quorum, or three members—a quorum being five—of the Federal Reserve Board, to change Reserve requirements of all banks up or down as they see fit.

The theory of providing that the Federal Board may change the requirements in time of emergency is that there should be some little flexibility to the statutory requirements as to the reserves which should be maintained by the various classes of banks, it being felt that there were times when it might be wise that certain changes should be made, but that such change could not be made too easily or without due and proper consideration. It is necessary, however, that the five members of the Board act; that they declare an emergency; and that they get Presidential approval.

I suppose you all know what it means when the right is given to change the Reserve requirements. Naturally, to the extent that the Reserve requirements are increased, to that

extent the lending functions of the banks are affected. A sudden increase will mean the calling of loans by the various banks; in other words, a deflationary movement which might be great or small, depending entirely on how large an increase was made in the Reserve requirements.

On the other hand, a great reduction in reserve requirements would be inflationary, because it would naturally give to the banks a much greater lending ability in that so much of their resources would not be tied up in keeping reserves at the Federal Reserve banks. I believe that this is one of the steps which we should keep very strictly under control and that there should not be given to the Federal Reserve Board the power to affect so quickly and so drastically the lending functions of the banks of the country. I ask Members to note that this is not a control solely over the Federal Reserve banks like some of the other objectionable provisions of this bill, but is a control over all of the member banks of the system. This gives to the Federal Reserve Board the right to dictate the lending policies, quickly and drastically, of all of the banks of the Federal Reserve System.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HOLLISTER. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. HANCOCK of North Carolina. Is it not a fact that under the proposed change in this bill the Federal Reserve Board would actually have greater independence of the Executive in the exercise of this power than it now has?

Mr. HOLLISTER. Greater power?

Mr. HANCOCK of North Carolina. Would it not have greater independence so far as the Executive is concerned?

Mr. HOLLISTER. I do not think so, because I consider the Board is much controlled by the Executive.

Mr. HANCOCK of North Carolina. Under the present law, before the reserves could be changed the Board would have to secure the approval of the President.

Mr. HOLLISTER. That is right.

Mr. HANCOCK of North Carolina. Under the proposed law they would not have to declare to the world that an emergency was imminent.

Mr. HOLLISTER. That is correct; but under existing law it takes five members of the Board before it can be done, and that is quite different from the proposed law.

Mr. HANCOCK of North Carolina. Is it not fair to conclude that under the proposed law it would require the action of a majority, which would mean five, and also that no action could be taken until the Board had conferred with a committee of the governors of the banks?

Mr. HOLLISTER. Not necessarily. Three members of the Board can act under the proposed law, and can act at once, without declaring an emergency and without the approval of the President.

Mr. HANCOCK of North Carolina. Does the gentleman mean to say that under the proposed law three members of the Federal Reserve Board can control the action of eight?

Mr. HOLLISTER. They could if only five were present at the meeting.

Mr. HANCOCK of North Carolina. But does not the gentleman believe that the entire membership would, if possible, be present at a meeting when this important issue was to be considered?

Mr. HOLLISTER. I cannot tell who would be present, and neither can the gentleman. I am speaking of the possibilities of this proposal. As a matter of fact, it is generally known that there are certain members of the Board who are not very regular in their attendance at meetings.

Mr. HANCOCK of North Carolina. The gentleman recognizes that control, so far as the reserves are concerned, must be vested in some body.

Mr. HOLLISTER. I feel very strongly that it is much better to fix by law the reserve requirements and then make

it a rather difficult matter, and only in time of emergency, to change those reserve requirements. I believe that the right to change them so quickly is dangerous and that it should not be granted to any board.

Mr. HANCOCK of North Carolina. Does not the gentleman recognize that a situation might exist whereby the other powers conferred on this Board would be ineffective?

Mr. HOLLISTER. Ineffective for what?

Mr. HANCOCK of North Carolina. For controlling an emergency situation. In other words, the gentleman understands that a situation might exist whereby the other powers vested in this board would be ineffective to control a dangerous monetary situation unless they could resort to the power of regulating the reserves. For instance, suppose the Federal Reserve banks had a less amount of Government and other securities than the total amount of excess reserves of member banks. The rediscount rate would be ineffective and open-market operations could not absorb the reserves. Is not that correct?

Mr. HOLLISTER. It depends entirely on what the gentleman is trying to achieve. If the gentleman is a believer in the use by an administration-controlled board to manipulate to achieve a certain price level, then the gentleman is correct. I myself am not a believer in such manipulation.

Mr. HANCOCK of North Carolina. Suppose we faced a serious and undesirable credit-expansion situation, and the Federal Reserve banks had only \$2,000,000,000 in Government bonds and securities, and the excess reserves of the member banks were two and a half billion dollars, the gentleman will admit the rediscount rate would have little effect, and neither would the open-market operations, as a means of checking or controlling the situation in the public interest.

Mr. HOLLISTER. As a means of controlling inflation?

Mr. HANCOCK of North Carolina. Yes.

Mr. HOLLISTER. I do not know of anything that could control inflation under some circumstances. There are plenty of provisions in the Federal Reserve Act today which give the right to the Federal Reserve Board to take certain steps to control credit inflation. Those steps were unfortunately not taken advantage of by the Federal Reserve Board in the past.

Mr. HANCOCK of North Carolina. By "inflation", of course, the gentleman means unjustified expansion.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. HOLLISTER] has again expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. HOLLISTER].

The question was taken; and on a division (demanded by Mr. HOLLISTER) there were—ayes 44, noes 78.

So the amendment was rejected.

The Clerk read as follows:

SEC. 210. The first paragraph of section 24 of the Federal Reserve Act, as amended, is amended to read as follows:

"Sec. 24. Subject to such regulations as the Federal Reserve Board may prescribe, any national banking association may make real-estate loans secured by first liens upon improved real estate, including improved farm land and improved business and residential properties. The amount of any such loan hereafter made shall not exceed 60 percent of the appraised value of the real estate; but this limitation shall not prevent the renewal or extension of loans heretofore made and shall not apply to real-estate loans which are insured under the provisions of title II of the National Housing Act. No bank shall make such loans in an aggregate sum in excess of the amount of the capital stock of such association paid in and unimpaired plus its unimpaired surplus fund, or in excess of 60 percent of the amount of its time and savings deposits, whichever is the greater. The Federal Reserve Board is authorized to prescribe from time to time regulations defining the term 'real-estate loans' and other terms used in this section and regulating and limiting the making of real-estate loans by member banks, with a view of preventing an unreasonably large proportion of each bank's assets from being invested in real estate and real-estate loans, preventing such loans from exceeding a reasonable percentage of the appraised value of the real estate in view of the circumstances existing at the time, and otherwise requiring the banks to conform to sound practices in making real-estate loans."

Mr. BLANTON. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 58, line 13, at the end of the section, add a new section numbered appropriately as follows: "Hereafter no officer or agent or employee of the Federal Reserve Board, Federal Reserve bank, or Federal Reserve System shall be paid a salary exceeding \$15,000 per annum."

Mr. HOLLISTER. Mr. Chairman, I make a point of order against the amendment.

Mr. BLANTON. Mr. Chairman, it is subject to a point of order if the gentleman insists upon it. I would like to have the gentleman reserve the point of order.

Mr. HOLLISTER. Mr. Chairman, the matter is not germane.

Mr. BLANTON. Very well, Mr. Chairman. I will withdraw the amendment.

The amendment was withdrawn.

Mr. BLANTON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. BLANTON. Mr. Chairman, there is always a means of doing what you want to do if you really want to do it. I want to call attention to the fact that the thing just now which is causing the greatest unrest in this country and the greatest dissatisfaction on the part of the people as a whole is the fact that a few men, comparatively, in the Nation are receiving tremendous salaries, beyond their just deserts, while the great mass of people are underpaid and many starving to death.

There is no reason in the world why certain officers and agents of the Federal Reserve System should receive salaries of \$25,000, \$30,000, \$40,000, and \$50,000 per annum. None of them earn these outrageous salaries. They are overpaid. I have been doing everything possible to stop it. I cannot do it. But this Congress can stop it if enough of my colleagues will make a determined fight.

Mr. HOFFMAN. Will the gentleman yield for a question?

Mr. BLANTON. I am sorry, but I cannot, as I have not the time.

Why should a Federal Reserve official receive \$50,000 per year when the great Speaker of this House of Representatives receives a salary of only \$15,000? He is the man who is next in authority to the President of the United States, and yet he receives only \$15,000, while some Federal Reserve officials are paid several times that amount.

The Vice President of the United States, who presides over the Senate of the United States, receives a salary of only \$15,000. Our distinguished friend, who may be the national leader of his party and the Republican candidate for President next year, the distinguished gentleman from New York [Mr. WADSWORTH], who formerly sat with honor in the United States Senate, then received a salary of only \$10,000 as a United States Senator, and now receives a salary of \$10,000 as a Congressman, yet there are some Federal Reserve and other officials who receive \$50,000 per year. It is outrageous the salaries that these Federal Reserve officers and agents get under the bank bills that we continually pass in this House.

I am not going to let another one pass without raising my voice in protest against it.

Oh, they say that the officers of big corporations receive \$100,000 and \$200,000. And that is outrageous and disgraceful. I will tell you what the people are going to do hereafter. The people of the United States who invest their funds in the stocks of those companies are going to look up those facts about officers' salaries before they make their investment.

The Securities and Exchange Commission has just revealed that there are 41 executives who last year received salaries ranging from \$50,000 to \$100,000 each. This Commission showed that Francis B. Davis, chairman United States Rubber Co., received a salary of \$125,000; that Edward G. Seubert, president of the Standard Oil Co. of Indiana, received a salary of \$117,500; that Francis H. Brown-

ell, chairman of the American Smelting & Refining Co., received a salary of \$100,000. And that is one reason why this company could not pay any dividends worth mentioning to its stockholders last year. William E. Levis, president of the Owens-Illinois Glass Co., and George Horace Lorimer, editor of the Saturday Evening Post, each receive a salary of \$100,000 per year.

The people who pay the bills are getting tired of it. I hope that Americans will stop investing their hard-earned savings in the stock of any of these corporations which pay their officials outrageous salaries. I want to suggest to the people of the United States that they require a statement from every corporation in which they own stock as to what salaries are paid, and that they quit supporting such corporations and get out of them just as fast as they can, unless this pernicious practice is stopped.

The people are going to find out what all the officers of these big corporations receive, and when they are paid these tremendous sums out of all reason they will not invest their money in any of their stocks. They are going to stop investing. Then what will become of the big corporate interests? They depend on the investing public for the money with which to operate.

Instead of paying the earned income in proper dividends to their investors, they vote it to themselves in big salaries and big bonuses. Then when they get in trouble they come to Congress and want to borrow from the P. W. A. great sums—millions of dollars. The American investing public is getting tired of it. Talk about trouble in this country. That is the thing that is causing more trouble than anything else.

I want to say again that when I came to this Congress the distinguished gentleman from Alabama [Mr. STEAGALL] was my leader on financial matters. He was the clearest and most logical thinker and speaker on this floor. I used to follow him here, but since he has been chairman of this great committee he has not been able to follow his own judgment altogether, and is forced to bring in bills here that I know he does not believe in all of their provisions. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman from Texas [Mr. BLANTON] has expired.

Mr. BLANTON. Mr. Chairman, I withdraw the pro forma motion.

The CHAIRMAN. Without objection, the pro forma motion is withdrawn.

There was no objection.

Mr. HANCOCK of North Carolina. Mr. Chairman, I desire to submit a unanimous-consent request.

The CHAIRMAN. The gentleman will state it.

Mr. HANCOCK of North Carolina. Mr. Chairman, following up the unanimous-consent request I made yesterday to insert in the RECORD an amendment to title I, I now ask unanimous consent to return to title I and consider the amendment.

Mr. CHRISTIANSON. Mr. Chairman, reserving the right to object, and I dislike very much to object, but I shall have to on account of commitments I have made to constituents of mine.

Mr. SISSON. Mr. Chairman, will not the gentleman withhold his objection?

Mr. CHRISTIANSON. Mr. Chairman, I withhold the objection for the moment, but I reserve the right to object.

Mr. HANCOCK of North Carolina. Mr. Chairman, on yesterday, by unanimous consent, I inserted in the RECORD copy of an amendment to be added to the last subdivision of section 101 in title I of this bill. The amendment speaks for itself, and I assume that every Member present today has understood that this amendment would be offered for consideration by the House. The parliamentary situation was such yesterday that for a while none of us seemed to know where we were, or the procedure to be followed in amending the bill. I do not for a minute undertake to create the impression that there was anything wrong or unfair in connection with the motion of my good friend from Massachusetts; but it was rather an unusual thing to suspend the reading of 43 pages of a bill of this character. I have no excuse, for

immediately after the reading of title I was suspended I offered another motion, which the House voted down.

Every Member here who has read the report filed by the Committee on Banking and Currency will know that in the supplemental views of Mr. BROWN of Michigan this language appeared:

The results desired can best be achieved by restoring section 23 of title I of H. R. 5357 (referring to the original bill), requiring insured nonmember banks within a reasonable time to join the Federal Reserve System, which will be offered on the floor by Representative HANCOCK of North Carolina—

And so forth.

The motion which I am asking unanimous consent to have the House consider at this point is, as all of you probably know, designed to bring about a unified system of banking for the United States. Under the liberalized provisions of this bill, if this amendment is adopted, all active banks which are members of the Federal Deposit Insurance Corporation on July 1, 1938, will be eligible for admission to the Federal Reserve System. Of course, their admission into the System would in the final analysis be left to the discretion of the Federal Reserve authorities; but under section 202 of title II of the bill all requirements for admission are expressly waived. Under existing law all banks that are members of the Federal Deposit Insurance Corporation as of July 1, 1937, would have to join the Federal Reserve System on or before that date if they are to continue to enjoy the benefits and protection of the Federal Deposit Insurance Corporation. Every proper means is provided in this bill to safeguard the rights of the smaller banks and to place them on a parity with the larger banks. If I were not convinced beyond the shadow of a doubt in my own mind that a unified system, under the direction and supervision of Federal authorities, would be to the advantage of the smaller banks, I would not advocate the adoption of the amendment which I am asking to be considered.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Certainly.

Mr. O'CONNOR. Mr. Chairman, as I understand it, this request grows out of a situation that developed yesterday, rather a peculiar situation, and nobody understands just why that procedure was taken. When the Clerk began reading the bill, some Member asked unanimous consent that title I in its entirety be passed over, 43 pages, a most unusual procedure.

Mr. HANCOCK of North Carolina. Very unusual.

Mr. O'CONNOR. Mr. Chairman, I know nothing of the merits of the gentleman's proposed amendment. I do not know what I would do about it, but I do believe he was taken unawares. Everybody knew he was going to offer this amendment to the first title. I think, from the standpoint of fairness and sportsmanship, he ought to be granted this permission, for he had declared his intention to the House of offering the amendment.

I think this, it is an exceptional situation, and nobody ought to take advantage of it by objecting to the gentleman's request, because had anybody thought such a thing would have happened permission never would have been granted to pass over 43 pages of this great banking bill without even reading them in the Committee. Of course, I realize the move was made in good faith, but it was very unusual and naturally was not expected.

Mr. CHRISTIANSON. Mr. Chairman, I desire to be fair to the gentleman from North Carolina, but I want also to be fair to the State banks of the State of Minnesota, and I therefore insist upon my objection.

Mr. SISSON. Mr. Chairman, will not the gentleman reserve his objection further, that the gentleman from North Carolina may be heard?

Mr. CHRISTIANSON. Mr. Chairman, I withhold my objection to give the gentleman from North Carolina an opportunity to express his views, but I reserve the right to object.

Mr. HANCOCK of North Carolina. Mr. Chairman, I want to say further that if this amendment should be carried we would have 3 years instead of 2 years as provided in the existing law within which to determine how much further

we should go in the direction of bringing about a unified system of banking. My good friend the gentleman from Illinois [Mr. DIRKSEN], who has given considerable thought to this legislation and who is interested, as all of us are, in protecting and aiding the small banks throughout the country, referred to the fact that under this amendment, which I have proposed, many banks would not be permitted to come into the system on account of the fact that deferred certificates had been issued to waiving depositors. Under the provisions of this bill, which the House now has under consideration, even these banks could come into the Federal Reserve System without further material capital adjustment if they were members of the Federal Deposit Insurance Corporation.

This amendment has the hearty approval of the Governor of the Federal Reserve Board. His testimony regarding its merits may be found on page 286 of the hearings conducted by the committee. He was at the time being cross-examined or questioned by the gentleman from Illinois [Mr. DIRKSEN].

It has been the intention of the authors and framers of all banking legislation since 1933, or at least of those representing the administration viewpoint, that ultimately every bank enjoying the privileges and protection of the Federal Deposit Insurance Corporation should come into the Federal Reserve System. Those who have carefully analyzed the banking and financial situation as it is developing at this time, are obliged to realize that we cannot possibly have an effective Nation-wide monetary policy with half the banks in the system and half the banks out of the system. Under our present system, with 49 degrees of regulation, our banking system will never be strong, efficient, and effective to meet economic ups and downs.

I would very much appreciate it if the gentleman from Minnesota would withdraw his objection and let the House consider the amendment on its merits; if it is good, sound, and desirable adopt it; if it is not, vote it down; but at least let us be willing to face the proposition in the proper legislative way.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Gladly.

Mr. SISSON. Will the gentleman from Minnesota withhold his objection long enough for me to submit a unanimous-consent request to be heard on this matter for 3 minutes?

The CHAIRMAN. The matter is pending before the Committee on a reservation of objection by the gentleman from Minnesota to the unanimous-consent request submitted by the gentleman from North Carolina. Until the regular order is demanded the discussion may proceed, but the Chair feels that if another unanimous-consent request is to be submitted, the reservation of objection should first be disposed of.

Mr. CHRISTIANSON. Mr. Chairman, I further reserve the right to object to permit the gentleman from New York to make his statement.

The CHAIRMAN. Without objection, the Chair will recognize the gentleman for 5 minutes.

There was no objection.

The CHAIRMAN. The Chair would like to make a brief statement in order to clarify the RECORD.

When title I of the bill was being read yesterday a unanimous-consent request was made by the gentleman from Massachusetts [Mr. McCORMACK] that the further reading of the bill be dispensed with and that it be printed in full in the RECORD. The Chair put that request to the Committee and it was agreed to by the Committee. The Chair then announced that the first section of the bill was open to amendment.

The gentleman from North Carolina offered an amendment to the section, which was debated and voted down. The Chair desires to make this statement because it would not be correct for the RECORD to show that there was any question about the regularity of the proceedings or the understanding as to exactly what was happening. The Chair now recognizes the gentleman from New York [Mr. SISSON] for 5 minutes.

Mr. SISSON. Mr. Chairman, I offer no criticism of the regularity of the proceedings of yesterday and I am sure the purpose of the Member who asked that the reading of title I be dispensed with had nothing to do with this particular provision. It was simply for the purpose of saving time. But in the confusion and noise that inevitably accompanies the proceedings, the matter escaped the attention of the gentleman from North Carolina [Mr. HANCOCK], the gentleman from Michigan [Mr. BROWN], and myself. This proposition ought to be considered on its merits, as a matter of fairness.

Mr. Chairman, I am going to give what I say is the undisputed history of this legislation. I am not well enough versed in parliamentary rules to know whether the proposed amendment of the gentleman from North Carolina [Mr. HANCOCK] can be held to be germane except to title I of this bill, but the orderly way to consider it is to go back to title I. Here are the facts and they are undisputed.

In 1933, after a long fight, we passed a Federal deposit-insurance law as a part of the Banking Act of 1933, and I am telling you at this time it was fairly understood in the Banking and Currency Committee, of which I have been a member since that time, that we would consider on its merits the proposition of making it possible, easy, and desirable, in order to bring about the unification of the banking system of this country, to bring the nonmember State banks into the Federal Reserve System. Why? If you have read the supplementary report of the gentleman from Michigan [Mr. BROWN], a very able report, you have the facts and figures why this should be done. It is not a partisan question. I can appeal to all Members, regardless of their party affiliation in this House, as a matter of information, public policy, and in the interest of the depositors, and in the interest of the control of the monetary policy of this country.

We understood this in 1933 and we wrote it into the law in 1933, that the nonmember State banks, in order to retain the benefits of Federal deposit insurance, should eventually be required to come into the Federal Reserve System. We again wrote it in the law of 1934. It is in the law now.

Mr. Chairman, what I am about to say I hoped I would not be obliged to say, but what this committee did was at a time when the House was in session. The Banking and Currency Committee took this vital provision out of the present law by a roll-call vote, a bare majority of a bare quorum. I had hoped that the gentleman from North Carolina [Mr. HANCOCK] would get the consent of the committee to go back to title I and consider this amendment. It was done when I was not in the committee. It was done when other members were not in the committee. It was done by a roll call vote of the committee when the committee was sitting without permission to sit and when the House was in session.

On its merits and as a matter of fairness, no Member of this House has any moral right to object to going back and considering this amendment on its merits. That is the history of the matter, and it is undisputed. I challenge anybody to contradict one single statement which I have made.

And furthermore the Banking and Currency Committee is presenting in this bill a bill which in this respect has been emasculated, and which is absolutely contrary to the administration's plan to gradually but eventually unify our banking system in order to protect the depositors of the country and to place the control of our monetary policy in the Government rather than in the private bankers.

[Here the gavel fell.]

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina [Mr. HANCOCK]?

Mr. CHRISTIANSON. Mr. Chairman, I object.

The Clerk read as follows:

TITLE III—TECHNICAL AMENDMENTS TO THE BANKING LAWS

Sec. 301. Subsection (c) of section 2 of the Banking Act of 1933, as amended, is amended by adding at the end thereof the following paragraph:

"Notwithstanding the foregoing, the term 'holding company affiliate' shall not include (except for the purposes of section 23A of the Federal Reserve Act, as amended) any corporation all of the stock of which is owned by the United States of America or any organization which, in the judgment of the Federal Reserve Board,

is not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies."

Sec. 302. The first paragraph of section 20 of the Banking Act of 1933, as amended, is amended by inserting before the period at the end thereof a colon and the following: "Provided, That nothing in this paragraph shall apply to any such organization which shall have been placed in formal liquidation and which shall transact no business except such as may be incidental to the liquidation of its affairs."

Sec. 303. (a) Paragraph (1) of subsection (a) of section 21 of the Banking Act of 1933, as amended, is amended by inserting before the semicolon at the end thereof a colon and the following: "Provided, That the provisions of this paragraph shall not prohibit national banks or State banks or trust companies (whether or not members of the Federal Reserve System) or other financial institutions or private bankers from dealing in, underwriting, purchasing, and selling investment securities to the extent permitted to national banking associations by the provisions of section 5136 of the Revised Statutes, as amended (U. S. C., title 12, sec. 24; Supp. VII, title 12, sec. 24): *Provided further*, That nothing in this paragraph shall be construed as affecting in any way such right as any bank, banking association, savings bank, trust company, or other banking institution, may otherwise possess to sell, without recourse or agreement to repurchase, obligations evidencing loans on real estate."

(b) Paragraph (2) of subsection (a) of such section 21 is hereby repealed.

Mr. SNELL. Mr. Chairman, I move to strike out the last word in order to ask a question of the Chairman of the Banking Committee.

As I understand the situation under the present law, the executives of all national banks must liquidate their loans before the 15th of June of this year.

Mr. STEAGALL. That is correct.

Mr. SNELL. My understanding is, further, this bill extends that time 4 or 5 years.

Mr. STEAGALL. It is extended to 1938.

Mr. SNELL. What does the gentleman think would be the situation in country banks, where this applies especially, if this bill does not pass before the 16th of June?

Mr. STEAGALL. I call the gentleman's attention to the change that has just been suggested, and also in the pending bill there is a liberalizing provision which would permit loans to an executive officer not in excess of \$2,500. This would take care of an officer in a small bank who might be in difficulty because of illness or some emergency which would make it necessary to secure accommodations. We believe the amendment to which I have referred would afford relief to a large extent in the case of officers of small banks and situations such as the gentleman seems to have in mind.

Mr. SNELL. I do not quite understand what the amendment is. I could not hear the gentleman when he referred to the amendment.

Mr. STEAGALL. It is that the executive officer of a bank may borrow \$2,500 on his own obligation from the bank of which he is an officer.

Mr. SNELL. That is, under this bill?

Mr. STEAGALL. Yes; there is that liberalizing provision in the bill.

Mr. SNELL. What happens to whatever loans they happen to have at the present time?

Mr. STEAGALL. They may renew them with the approval of the directors of the bank.

Mr. SNELL. But only up to \$2,500?

Mr. STEAGALL. No; there is no limitation as to renewals.

Mr. SNELL. What does the gentleman think would be the situation in a country bank where they have such loans and this bill is not passed by June 16?

Mr. STEAGALL. Well, there would be some difficulties, but I do not think they would be very serious.

Mr. SNELL. The gentleman does not think they would be very disastrous, but, as a matter of fact, in the small country communities there is no possibility of their paying these loans and there is no place they can borrow the money.

Mr. STEAGALL. Provision is made for renewal of existing loans, and there is provision also authorizing a new loan in the amounts already indicated.

Mr. SNELL. Does the gentleman think anything serious would happen if this bill should not become a law by the 16th of June when the time expires?

Mr. STEAGALL. The matter of the definition of an executive officer is left open and the practical situation would be such that in many cases the matter involved could be worked out. It is highly desirable, I think, that this legislation should go through before the date indicated, and I do not doubt that the legislation will be passed within that time. I think that is the practical situation.

Mr. FULLER. Mr. Chairman, the purpose of this measure is to regulate banking. It should provide a protection for those engaged in the banking business and at the same time protect those doing business with these institutions. There is nothing in this bill, nor has anything come from the Banking Committee, to put the Government out of the banking business. The Federal Government is now engaged in the banking business in competition with private capital. It is maintaining a banking business through the postal-savings deposits in the Post Office Department of practically every community in the United States. I have introduced H. R. 5286, which proposes to prohibit the acceptance of postal-savings deposits in communities where adequate banking facilities, members of the Federal Deposit Insurance Corporation, are available.

It is high time the Government was getting out of the banking and other business. I am strongly opposed to the Federal Government engaging in business in opposition to citizens. [Applause.] There is no reason for the passage of stringent laws to encourage honest, legitimate banking business and at the same time maintain an agency in constant competition, such as the Postal Savings. Such a course seriously jeopardizes the welfare of the banking institutions of this country, especially the smaller banks. These small banks are not making any money; in fact, they are having a hard time to survive.

Money deposited in the Postal Savings of the Post Office Department practically goes out of circulation. No taxes are paid upon this money, no more help is employed, no loans from this source are ever made in the community and this Postal Savings bank does nothing to build up the community in which the deposits are accepted.

The emergency has passed when Postal Savings was a good thing for the country. Then banks were more or less shaky and people wanted to deposit their money where they knew it would be safe and guaranteed by the Federal Government. They wanted it with the Post Office Department because they knew they could get it at any time. Today the banks have their deposits guaranteed up to \$5,000 for each depositor. My bill provides that only in communities where there is a bank member of the guaranty deposit system shall the Government be prohibited from maintaining a Postal Savings department. This provision should have been included in this bill.

Money deposited in Postal Savings is never kept in the community where deposited. As soon as it is deposited the postmaster sends it to the great banking centers, except possibly in the larger cities. Take a bank, for instance, with \$25,000 capital; it can borrow this money through the Post Office Department, here in Washington, by putting up approved bonds and paying 2½-percent interest; the Post Office Department pays 2-percent interest for its postal savings and will accept deposits up to \$2,500.

The history of Postal Savings shows that the Government is making no money from this source. You will not hear the big banks of the Nation wanting this law changed, because they are reaping a benefit from the present system. Take a bank of \$500,000 capital stock; they take \$100,000 of their money and buy that many Government bonds, borrow \$100,000 in cash from the Postal Savings, then take this cash and buy more bonds, and multiply it until they get \$500,000 in Government bonds, which is the amount of their capital stock, by the investment of \$100,000 of their own money. Thus they are in the attitude of drawing interest on \$500,000 in Government bonds with only \$100,000 invested. For the

big banking institutions of the country the Postal Savings System is a good thing, but it is sounding the death knell of 90 percent of the small banks of the Nation.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. WOLCOTT. I think the gentleman is perhaps correct in one statement, but I think the banks get their currency as incidental to their investment in the bonds, and they do not invest in the bonds for the purpose of getting currency issues, due to the fact that the banks today hold about \$26,000,000,000 in Government obligations, when there is only about \$5,600,000,000 of currency outstanding.

[Here the gavel fell.]

Mr. FULLER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. FULLER. The gentleman is correct; but he is talking about something that I am not discussing at all and is not involved in this issue at all.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. RANKIN. I have listened to the gentleman's statement, which is very interesting. Will this bill cure the situation in any way?

Mr. FULLER. No; but we should remedy this condition in this bill.

Mr. RANKIN. The gentleman from Arkansas has put his finger on the greatest danger involved in this legislation, and it is a matter that ought to be cured in some way.

Mr. FULLER. I shall offer my bill as an amendment, if they will not object to it; and I am satisfied the committee could not be opposed to it.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. SABATH. Does not the gentleman think we could cure the situation by providing that the money deposited in various post offices should remain in the districts or in the cities where such money has been deposited as Postal Savings?

Mr. FULLER. That would do some good and would be better than nothing.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. BROWN of Michigan. In the first place, since the gentleman has received 5 additional minutes, I would like to call attention to two or three things in the present bill.

Mr. FULLER. I would not want the gentleman to take up my time on that. The gentleman does not mean that there is any remedy for this situation provided in the bill?

Mr. BROWN of Michigan. In section 340 we legislate upon this subject.

Mr. FULLER. How does the committee legislate upon it?

Mr. BROWN of Michigan. We have restricted the amount of interest that can be paid on postal savings to the same amount as that fixed by the Federal Reserve Board for payment of interest by the banks.

Mr. FULLER. Yes; but that would allow Postal Savings to pay as much interest on deposits as banks.

Mr. BROWN of Michigan. Second, I may say to the gentleman that under existing law the money deposited in a Postal Savings bank must be deposited in the nearest member bank of the Federal Reserve that will put up the proper security.

Mr. FULLER. Yes; I know that, but what about 7,000 banks not members of the Federal Reserve System but members of Deposit Insurance Corporation?

Mr. BROWN of Michigan. And the first \$5,000 can be taken care of by any member bank, because no security is required for the first \$5,000 other than that required by the Deposit Corporation.

Mr. FULLER. The Government discriminates in favor of the Postal Savings department as against the banks of the country. Bank members of the Federal Deposit Insurance

Corporation are required to pay a certain percentage for guaranteeing deposits; no such requirement is made of the Post Office Department. The Post Office Department is willing to accept postal-savings deposits which are withdrawable at any time without expense to those who withdraw, but when one makes a deposit in a bank for 6 months he cannot withdraw that money before the expiration of the 6 months' period under Government rules and regulations; another discrimination against private business. At this time there are \$500,000,000 of postal-savings deposits loaned to the banks of the country, \$600,000,000 invested in Government bonds and \$20,000,000 surplus.

Stockholders of banks have a double liability for the stock they own unless it is common stock issued since June 16, 1933. In order for a banking institution to be successful, serve the community and the Nation, and honestly administer its affairs, it should be fairly treated by the Government, not discriminated against, as well as properly regulated. The only way the small banks are surviving is by making a charge for services, which they are required to do by the Federal Reserve System. In almost every small community having a small bank there is as much money in the Postal Savings department on deposit as in the bank.

I have no defense for unscrupulous, dishonest bankers, and they are not entitled to any sympathy, but no community can prosper without banking facilities. The history of this country is the history of banks assisting in building up communities. They pay taxes, hire men and women, take an active interest in local affairs, and their competitor, the Post Office Department, does nothing in this regard.

Mr. TRUAX. Will the gentleman yield?

Mr. FULLER. I yield to the gentleman.

Mr. TRUAX. The gentleman's statement about big banks collecting interest on \$500,000, whereas they actually invest only \$100,000 confirms the statement I have often made that these big banks do have a racket and practice a racket which has a disastrous effect on the small banks of the country.

(The time of Mr. FULLER having expired, he was given 5 minutes more.)

Mr. TRUAX. I want to ask the gentleman a question which was brought out in committee, that the big banks of the country have a direct subsidy whereby they collect to the amount of \$350,000,000 a year by reason of tax-exempt securities. Is the gentleman in favor of that?

Mr. FULLER. I have always been opposed to it. I know the condition of the small banks and the obstacles they are required to overcome.

I have no brief and no defense for the men who have been connected with the banking business and have been dishonest, but many banks went down conducted by honest men and honest officials. The emergency has passed, and most all are now members of the guaranteed banking system. I hope my contention is written into this bill before it becomes a law, or at least the Postal Savings department reduces this rate of interest to 1 percent.

The maintenance of this Postal Savings System causes prejudice against and lack of confidence in the local banks. Those who now deposit in the Postal Savings are afraid of banks, and the Government encourages that fear and prejudice by being in the banking business. A bank can say "our deposits are guaranteed", but the uninformed or suspicious depositor sees that Uncle Sam is running a bank of his own; therefore, doubts this being true and deposits his money where he knows Uncle Sam is guaranteeing his deposits and will let him withdraw at any time.

If we want to help the banks survive by rules and regulations why not give them some encouragement.

It is not generally known that I have introduced such a measure, but in my own State, where it is known, the banks unanimously endorsed the measure as did the State banking commissioner. I have received hundreds of letters of endorsement from building-and-loan associations, banks, and bank associations all over the Nation. The bankers of the Middle West recently approved my bill.

What we lack is confidence; confidence in banks and individuals. How can we expect to help banks and restore

and maintain confidence in them when the Government is in competition. [Applause.] People who are not well read and who do little, if anything, to build up a community or employ labor or pay taxes are the ones who deposit most in the Postal Savings. In one sense they are not to be criticized, but the emergency is passed, and they can now deposit their money in a bank and be guaranteed its safety. Most of them really do not know that their deposits in the banks would be as safe as in the Post Office Department. By its actions the Government seeks to inflame and encourage that fear and lack of knowledge. [Applause.]

Mr. GIFFORD. Mr. Chairman, I rise to bring to the attention of the House a matter already suggested, found on page 78 of the bill. No executive officer can borrow from a member bank, and no member bank may loan to an executive officer of such bank. It has been asked if this bill does not pass before June 16, what will happen. We are referred to section 30 of the Banking Act of 1933, and the provisions of that section are rather frightening. Every day that nonpayment continues there is a violation and it is also a misdemeanor, and while many of us may think, if they cannot pay the indebtedness by that date, nothing much will be done about it, except to make a demand. It is fairly apparent that those executive officers are liable to lose their jobs as well.

Under this bill these loans may be extended for 5 years if, in the opinion of the directors, the executive officer has endeavored to pay and if there appears to be good reason for granting the extension. But later on in that paragraph you will read that no executive officer of any member bank, whether he borrows money of his bank or not, may borrow money of another member bank unless he first gives in writing to his own bank a statement of how much he borrows, the purposes for which he borrows it, the term of his borrowings, and the security he gives therefor. Think of the harassment of an executive officer of any importance in the business world if he is to be subjected to such conditions as those. I presume the members of the committee may have thought that if he did borrow \$2,500, then perhaps he ought to give an account to that bank of all his transactions in any other bank. I hope that feature will be taken out of this bill. I warned of it a few days ago, and when that section is read I hope an amendment to strike out will receive approval. Will you not kindly study page 78 and decide whether you approve of that particular feature to which I have called attention?

Mr. RANKIN. Mr. Chairman, I move to strike out the last two words. We have heard so much argument pro and con that I am reminded of an expression used by Shakespeare, in which he said that—

Between the acting of a dreadful thing
And the first motion, all the interim is
Like a phantasma, or a hideous dream:
The Genius and the mortal instruments
Are then in council; and the state of man,
Like to a little kingdom, suffers then
The nature of an insurrection.

Our feelings have gone through many insurrections as we have listened to this debate, and many are in doubt now as to how they should vote.

I rise to point out to you one danger with reference to this Federal Reserve law. When the Federal Reserve Act was first passed it gave the Board the power to expand or contract the currency, without the consent of the Congress, and I fear that you are writing the same iniquity into this bill.

You gentlemen who are afraid of inflation, or who shy when the words "expansion of the currency" are mentioned, overlook the fact that those same bankers who now presume to throw up their hands in affected horror at the mention of currency expansion began in 1914, with the passage of the Federal Reserve Act, to expand or inflate the currency. At that time we had \$34.92 per capita in circulation or on the books. By 1920 we had \$53 per capita on the books or in circulation, including Federal Reserve notes. That was inflation pure and simple. They expanded or inflated until they virtually doubled the amount of currency that was really in circulation.

The result was rising commodity prices. Cotton, wheat, hogs, lard, lumber, labor, manufactured articles—all went up. People contracted debts on that expanded currency and on those price levels. We floated bonds to fight the war. We floated bonds to cut our drainage canals. We floated bonds to build our roads and schoolhouses. We established our standard of living and fixed our wage scale and levied our taxes. What happened? In 1920, in my opinion, the most iniquitous conspiracy that ever transpired occurred between a group of Republican politicians and a Democratic Governor of the Federal Reserve Board.

I say that in order that you may take no more responsibility than we do for the contraction of the currency in 1920. What did they do? They called the loans and raised the rediscount rates and brought on the panic of 1920 and 1921 that wrecked the farmers of this country to an extent that they have never recovered. Farmers in the South plowed under a great deal of their cotton, because the price would not pay for picking and ginning it, while farmers in the West burned corn in their stoves because it was cheaper than coal. They deflated values, but they did not deflate the values of the holdings of those individuals who had been shrewd enough to invest their money in tax-exempt securities. That was one of the greatest crimes of all time. It brought rack and ruin to millions of our citizens.

That is the reason I say we ought not to delegate the power of Congress, vested in us by the Constitution, to coin money and regulate the value thereof to selfish individuals or to a group of selfish individuals.

Now, let us see further. In 1924 they saw there was going to be a revolt. It really took place in 1922, and almost overturned the administration.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RANKIN. They began to reexpand and did it rapidly, until in 1926 they had brought commodity-price levels back to what we call the average between 1921 and 1929. At that time, however, this man Kemmerer, this Dr. Kemmerer, this self-appointed guardian of the gold standard that tries to tell Congress what to do, was on the pay roll of the House of Morgan, went into South America and started that great drive down there to get all South American countries on to the gold standard, and also to float these bonds that were brought back here and sold to you, which today are not worth the paper they are written on. They also induced the British Empire to force India on to the gold standard. Then they began to contract this currency in the same way they did in 1920, but not so precipitately. What was the result?

By 1929 they had us back down to \$35 per capita, or almost where we were in 1914. I can see little difference between that machinery and the machinery you are setting up here. I cannot conscientiously sit here without protesting that more safeguards be thrown around this legislation and that Congress and the President retain the power that was vested in us by the Constitution, and for which we cannot escape responsibility.

Instead of using the powers of the Federal Reserve for the benefit of all the American people, they financed all the speculation on the stock market, at a time when the people in the agricultural States were losing their lands or having their homes swept away for debts or sold to pay their taxes, because they could not get money to carry on. That was the most diabolical and damnable proceeding of them all, in my opinion. Are we going to say that although they have done this in the past, and that they were both Republicans and Democrats, are we going to say that we are going to find a group of men who will carry out this responsibility and do justice to the American people?

I, for one, am not willing, unless there are more safeguards thrown around this bill, to trust that responsibility to private individuals who are likely to feel that they owe nothing

to the American people, unless I thought there was a chance to get these changes made in the Senate.

The Goldsborough amendment was defeated yesterday. It contained a portion of the safeguards I am asking for. I am appealing to you Members, if you sow the seeds of another panic you may expect it, like the dragon's teeth, to produce another crop of disaster that may be more bitter than the panic through which we have just passed.

I consider this one of the most important bills that has come before the American Congress, and as far as I can see I fear we have not in it met the responsibility that rests upon us as representatives of the American people. [Applause.]

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. GOLDSBOROUGH. I would like to say to the gentleman that if the previous question can be voted down on the motion of the gentleman from Ohio [Mr. HOLLISTER], my amendment will be offered as an amendment to the motion to recommit. [Applause.]

Mr. RANKIN. I understand that, and I want to say to the gentleman from Maryland, with whom I have served in this House many years and for whom, of course, I have a high regard, that I have seen him do some valuable things in this House, but he never rendered greater service to this country than he is rendering today in making this fight. I, for one, shall go with him to vote down the previous question and then vote to amend the motion to recommit it and insert the Goldsborough amendment. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

SEC. 304. Section 22 of the Banking Act of 1933, as amended, is amended by adding at the end thereof the following sentence: "Such additional liability shall cease on July 1, 1937, with respect to all shares issued by any association which shall be transacting the business of banking on July 1, 1937: *Provided*, That not less than 6 months prior to such date, such association shall have caused notice of such prospective termination of liability to be published in a newspaper published in the city, town, or county in which such association is located, and if no newspaper is published in such city, town, or county, then in a newspaper of general circulation therein. If the association fail to give such notice as and when above provided, a termination of such additional liability may thereafter be accomplished as of the date 6 months subsequent to publication, in the manner above provided."

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment proposed by Mr. Brown of Michigan: Page 60, between lines 20 and 21, insert the following new section, and renumber the succeeding sections of the bill accordingly:

"SEC. 305. Paragraph (c) of section 5155 of the Revised Statutes, as amended [U. S. C., Supp. VII, title 12, sec. 36], is amended (1) by inserting after the first sentence thereof the following new sentence: 'In any State in which State banks are permitted by statute law to maintain branches within county or greater limits, if no bank is located and doing business in the place where the proposed agency is to be located, any national banking association situated in such State may, with the approval of the Comptroller of the Currency, establish and operate, without regard to the capital requirements of this section, a seasonal agency in any resort community within the limits of the county in which the main office of such association is located, for the purpose of receiving and paying out deposits, issuing and cashing checks and drafts, and doing business incident thereto: *Provided*, That any permit issued under this sentence shall be revoked upon the opening of a State or national bank in such community; and (2) by striking out the first word in the second sentence of such paragraph (c) and inserting in lieu thereof the following: 'Except as provided in the immediately preceding sentence, no.'"

Mr. STEAGALL. Mr. Chairman, there is no objection to the amendment on the part of the committee.

Mr. McFARLANE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, because of the confusion and noise existing, I would like to ask the author of the amendment some questions.

As I gather from hearing the amendment read, it has for its purpose the establishment of branch banks, in effect, in the small towns in those States which permit branch banking.

Mr. BROWN of Michigan. Mr. Chairman, I may say to the gentleman from Texas that after some considerable controversy in the committee and some discussion since that time I have decided not to press the branch-banking amendment at this time. I have been convinced by some members of the committee that it is too controversial a subject to bring up in connection with this bill and that we ought to legislate separately upon that subject.

Mr. McFARLANE. What are the limitations of this amendment?

Mr. BROWN of Michigan. This amendment will provide for banking services in resort communities during the season when those communities are busy.

Mr. McFARLANE. Does it apply to resort communities only?

Mr. BROWN of Michigan. It applies only to resort communities. It provides for seasonal agencies in resort communities for the purpose of receiving deposits and paying them out.

Mr. McFARLANE. Where those communities have no banking facilities?

Mr. BROWN of Michigan. Where there is no bank; and if a bank should be established in such a community after this agency has been established and commences operation, the Comptroller of the Currency must thereupon revoke the permit given for the establishment of this agency. Does that satisfy the gentleman?

Mr. McFARLANE. Yes.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. HEALEY. The idea behind the amendment is to provide banking facilities to persons who are on vacation at resorts.

Mr. BROWN of Michigan. It is for the establishment of agencies at resort communities for the resort season, nothing more.

Mr. McFARLANE. It applies, then, only to resort communities and does not apply to the country generally.

Mr. BROWN of Michigan. The gentleman is right.

Mr. McFARLANE. Would it apply to State banks as well as to national banks?

Mr. BROWN of Michigan. That, of course, would be a matter of State law. We can legislate only with respect to national and member banks.

Mr. McFARLANE. I understand, but I thought we could take care of the matter of regulations whether a State or national bank member of the Federal Reserve System was to be installed.

Mr. BROWN of Michigan. State member banks of the Federal Reserve System would be covered by this amendment, but not nonmember State banks.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment of the gentleman from Michigan.

The amendment was agreed to.

Mr. DOBBINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOBBINS: On page 60, lines 10 to 20, after the figures "1937", in line 10, strike out the colon, insert a period, and strike out the remainder of the section.

Mr. DOBBINS. Mr. Chairman, the purpose of this amendment is to make the law with reference to the liability of stockholders in national banks uniform throughout the country. Evidently this was the thought in the mind of the committee when they brought in the amendment which they propose in this section, because at the present time, under the law as it stands, those stockholders who acquired their stock after the enactment of the banking law of 1933 are not doubly liable, whereas the old stockholders are. This amendment, as the committee brings it in, would require that a bank which wishes to have all of its stockholders treated

alike must first publish notice in the newspaper. Six months after such notice relief from the double liability will inure to all of the bank's stockholders.

The objections to the plan are quite obvious. In the first place, it amounts to a delegation to each national bank of the power of choice as to what the law shall be with reference to that particular bank. This Congress itself should say whether or not stockholders in all national banks are to be held doubly liable to their depositors and to the creditors of the bank, and not leave it to each bank to say whether or not its old stockholders shall be thus liable. I insist that this would be an unlawful delegation of authority against which we have heard so much condemnation here on the floor of this House. But this delegation is not proposed to be made to another elected official of the Government; it is delegated to the banks themselves.

Here is what I foresee if this law should be adopted in its present form: A strong bank in a community, or a bank that professes to be strong, or one where the question of the liability of its stockholders is not of much concern, is going to advertise to prospective depositors in that city: "We spurn this offer from the Congress; we are going to continue to have our directors and our stockholders doubly liable to you. The Government has left it to us to say whether or not our stockholders shall be held for double liability. We are not going to take advantage of this opportunity the Government has given us; our stockholders stand back of this bank; they have confidence in it; and they will manifest that confidence by continuing to assume their double liability to our depositors."

The result, as to those other banks that wish to take advantage of this privilege, is going to be to their disadvantage, if a competing bank wishes to reject the offer to elect for themselves what the law shall be with reference to their banks. The gentleman from Michigan [Mr. Brown], in response to an interrogation on this question the other day, said he could not conceive that any bank would refuse to take advantage of this provision. If it will not, why not assume that, and make the law certain and uniform?

It was suggested that this may be necessary in order to make the law constitutional. It is ridiculous to say that constructive notice in a newspaper given 6 months before the event by a bank is any more notice to the depositors in that bank than notice given by an enactment of this Congress at this time. Why, men are hung under laws as to which they have only constructive notice; their personal rights and liberties are frequently taken away from them on constructive notice necessarily implied from the fact of the enactment of a statute by the Congress. Actual notice to depositors is not contemplated by the proposed act, as reported by the Committee on Banking and Currency. It provides for constructive notice only. Constructive notice depends entirely for its effectiveness upon the statute which authorizes it and can certainly add nothing to such effectiveness. When we know now what that notice is going to be and when it is to be given, why do we not give it definitely in this statute that we are now enacting?

To say that mere constructive notice in a newspaper, the form of which is not even prescribed in this bill, can have the effect of modifying a contract between the bank and its depositors, if an act of Congress could not have that effect, is ridiculous, it seems to me.

[Here the gavel fell.]

Mr. BROWN of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the purpose of section 304 of the bill before us for consideration is to clear up an uncertain condition that exists at the present time relative to the liability of stockholders in national banks. In 1933 we passed a banking act which provided in substance that the stockholders whose stock was issued after the effective date of that act, should not be liable to the depositors. This left a condition in which the owners of all stock issued prior to 1933 were responsible up to the amount of 100 percent of the investment in the stock. In this act we eliminate that double liability in

what I consider the only constitutional way in which it can be eliminated.

The courts of most of the States of the Union have held that there is a contractual relationship between the depositor and the bank and we on the committee feel that we cannot change that contractual relationship between the depositor and the bank without giving notice to the depositor; therefore we have provided in the law that up to July of 1937 the double liability shall continue in all cases where it now exists, and that if 6 months prior to that time any bank shall give newspaper notice to the effect that double liability shall cease 6 months thereafter, such liability will then cease.

The purpose of the provision which the gentleman from Illinois [Mr. DOBBINS] would strike out is to give to all persons who have deposited their money in the bank the right to decide whether or not they will continue to leave their money in those banking institutions, and in my judgment, and in the judgment I think of most of the lawyers on the Banking and Currency Committee, such notice is necessary in order to enact a valid statute.

Mr. DONDERO. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Michigan.

Mr. DONDERO. How does the gentleman answer the question raised by the gentleman from Illinois as to a situation in a town where one bank chooses to do that very thing and the other bank does not choose to do it?

Mr. BROWN of Michigan. I think that is a question for each bank to decide for itself. If elimination of double liability is a bad thing the bank must, of course, suffer the consequences of its refusal to act.

Mr. DONDERO. What is the real objection to terminating the double liability by statute as to all banks where they come under this law as long as we have insurance on deposits?

Mr. BROWN of Michigan. I do not think that we can affect the contractual relationship as between the depositor and the bank by statute. I think it is necessary to give notice to the depositor so that he may terminate the relationship if he so desires.

Mr. DONDERO. Is not the passage of this law notice to the depositor?

Mr. BROWN of Michigan. I do not think it is.

Mr. DONDERO. I think it is.

Mr. BROWN of Michigan. That is the reason why we have a constitutional provision against impairment of contract. Under the circumstances, we felt notice must be given. I may say to the gentleman, having some practical knowledge of the situation, I do not think any bank is going to fail to give that notice. I believe it will establish a uniform rule throughout the country.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DOBBINS].

The amendment was rejected.

The Clerk read as follows:

Sec. 305. Section 4 of the act entitled "An act to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes", approved June 16, 1934 (48 Stat. 969), is amended to read as follows:

"Sec. 4. So much of section 31 of the Banking Act of 1933, as amended, as relates to stock ownership by directors, trustees, or members of similar governing bodies of any national banking association or of any State bank or trust company which is a member of the Federal Reserve System is hereby repealed."

Sec. 306. Effective January 1, 1936, section 32 of the Banking Act of 1933, as amended, is amended to read as follows:

"Sec. 32. No officer, director, or employee of any corporation or unincorporated association, no partner or employee of any partnership, and no individual, primarily engaged in the issue, flotation, underwriting, public sale, or distribution, at wholesale or retail, or through syndicate participation, of stocks, bonds, or other similar securities, shall serve at the same time as an officer, director, or employee of any member bank except in limited classes of cases in which the Federal Reserve Board may allow such service by general regulations when in the judgment of the Federal Reserve Board it would not unduly influence the investment

policies of such member bank or the advice it gives its customers regarding investments."

Sec. 307. (a) The second sentence of paragraph seventh of section 5136 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 24), is amended to read as follows: "The business of dealing in securities and stock by the association shall be limited to purchasing and selling such securities and stock without recourse, solely upon the order, and for the account of, customers, and in no case for its own account, and the association shall not underwrite any issue of securities or stock: *Provided*, That the association may purchase for its own account investment securities under such limitations and restrictions as the Comptroller of the Currency may by regulation prescribe. In no event shall the total amount of the investment securities of any one obligor or maker, held by the association for its own account, exceed at any time 10 percent of its capital stock actually paid in and unimpaired and 10 percent of its unimpaired surplus fund, except that this limitation shall not require any association to dispose of any securities lawfully held by it on the date of enactment of the Banking Act of 1935."

(b) The fourth sentence of such paragraph seventh is amended to read as follows: "Except as hereinafter provided or otherwise permitted by law, nothing herein contained shall authorize the purchase by the association for its own account of any shares of stock of any corporation."

Sec. 308. Section 5138 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 51), is amended by adding the following sentence at the end thereof: "No such association shall hereafter be authorized to commence the business of banking until it shall have a paid-in surplus equal to 20 percent of its capital: *Provided*, That the Comptroller of the Currency may waive this requirement as to a State bank converting into a national banking association."

Sec. 309. The last paragraph of section 5139 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 52), is amended to read as follows:

"After the date of the enactment of the Banking Act of 1935 no certificate evidencing the stock of any such association shall bear any statement purporting to represent the stock of any other corporation, except a member bank or a corporation existing on such date engaged primarily in holding the bank premises of such association, nor shall the ownership, sale, or transfer of any certificate representing the stock of any such association be conditioned in any manner whatsoever upon the ownership, sale, or transfer of a certificate representing the stock of any other corporation, except a member bank or a corporation existing on such date engaged primarily in holding the bank premises of such association: *Provided*, That this section shall not operate to prevent the ownership, sale, or transfer of stock of any other corporation being conditioned upon the ownership, sale, or transfer of a certificate representing stock of a national banking association."

Sec. 310. (a) The first paragraph of section 5144 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 61), is amended to read as follows:

"Sec. 5144. In all elections of directors each shareholder shall have the right to vote the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate such shares and give one candidate as many votes as the number of directors multiplied by the number of his shares shall equal, or to distribute them on the same principle among as many candidates as he shall think fit; and in deciding all other questions at meetings of shareholders, each shareholder shall be entitled to one vote on each share of stock held by him; except that (1) this shall not be construed as limiting the voting rights of holders of preferred stock under the terms and provisions of articles of association, or amendments thereto, adopted pursuant to the provisions of section 302 (a) of the Emergency Banking Act of March 9, 1933, as amended, (2) in the election of directors, shares of its own stock held by a national bank as sole trustee, whether registered in its own name as such trustee or in the name of its nominee, shall not be voted by the registered owner unless under the terms of the trust the manner in which such shares shall be voted may be determined by a donor or beneficiary of the trust and unless such donor or beneficiary actually directs how such shares shall be voted, (3) shares of its own stock held by a national bank and one or more persons as trustees may be voted by such other person or persons, as trustees, in the same manner as if he or they were the sole trustee, and (4) shares controlled by any holding company affiliate of a national bank shall not be voted unless such holding-company affiliate shall have first obtained a voting permit as hereinafter provided, which permit is in force at the time such shares are voted, but such holding-company affiliate may, without obtaining such permit, vote in favor of placing the association in voluntary liquidation or taking any other action pertaining to the voluntary liquidation of such association. Shareholders may vote by proxies duly authorized in writing; but no officer, clerk, teller, or bookkeeper of such bank shall act as proxy; and no shareholder whose liability is past due and unpaid shall be allowed to vote. Whenever shares of stock cannot be voted by reason of being held by the bank as sole trustee, such shares shall be excluded in determining whether matters voted upon by the shareholders were adopted by the requisite percentage of shares."

(b) The first sentence of the third paragraph of such section 5144 is amended to read: "Any such holding-company affiliate may make application to the Federal Reserve Board for a voting permit entitling it to vote the stock controlled by it at any or all meetings of shareholders of such bank or authorizing the trustee or trustees

holding the stock for its benefit or for the benefit of its shareholders so to vote the same."

Sec. 311. Section 5154 of the Revised Statutes, as amended (U. S. C., title 12, sec. 35), is amended by adding at the end thereof the following paragraph:

"The Comptroller of the Currency may, in his discretion and subject to such conditions as he may prescribe, permit such converting bank to retain and carry at a value determined by the Comptroller such of the assets of such converting bank as do not conform to the legal requirements relative to assets acquired and held by national banking associations."

Sec. 312. Section 5162 of the Revised Statutes (U. S. C., title 12, sec. 170) is amended by adding at the end thereof the following paragraph:

"The Comptroller of the Currency may designate one or more persons to countersign in his name and on his behalf such assignments or transfers of bonds as require his countersignature."

Sec. 313. Section 5197 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 85), is amended by inserting after the second sentence thereof the following new sentence: "The maximum amount of interest or discount to be charged at a branch of an association located outside of the States of the United States and the District of Columbia shall be at the rate allowed by the laws of the country, territory, dependency, province, dominion, insular possession, or other political subdivision where the branch is located."

Sec. 314. Section 5199 of the Revised Statutes (U. S. C., title 12, sec. 60) is amended to read as follows:

"Sec. 5199. The directors of any association may, semiannually, declare a dividend of so much of the net profits of the association as they shall judge expedient; but each association shall, before the declaration of a dividend on its shares of common stock, carry not less than one-tenth part of its net profits of the preceding half year to its surplus fund until the same shall equal the amount of its common capital."

Sec. 315. Section 5209 of the Revised Statutes (U. S. C., title 12, sec. 592) is hereby amended by inserting after the words "known as the Federal Reserve Act", the words "or of any insured bank as defined in subsection (c) of section 12B of the Federal Reserve Act"; and by inserting after the words "such Federal Reserve bank or member bank", wherever they appear in such section, the words "or insured bank"; and by inserting after the words "or the Comptroller of the Currency" the words "or the Federal Deposit Insurance Corporation."

Sec. 316. Section 5220 of the Revised Statutes (U. S. C., title 12, sec. 181), is amended by adding at the end thereof the following paragraph:

"The shareholders shall designate one or more persons to act as liquidating agent or committee, who shall conduct the liquidation in accordance with law and under the supervision of the board of directors, who shall require a suitable bond to be given by said agent or committee. The liquidating agent or committee shall render annual reports to the Comptroller of the Currency on the 31st day of December of each year showing the progress of said liquidation until the same is completed. The liquidating agent or committee shall also make an annual report to a meeting of the shareholders to be held on the date fixed in the articles of association for the annual meeting, at which meeting the shareholders may, if they see fit, by a vote representing a majority of the entire stock of the bank, remove the liquidating agent or committee and appoint one or more others in place thereof. A special meeting of the shareholders may be called at any time in the same manner as if the bank continued an active bank and at said meeting the shareholders may, by vote of the majority of the stock, remove the liquidating agent or committee. The Comptroller of the Currency is authorized to have an examination made at any time into the affairs of the liquidating bank until the claims of all creditors have been satisfied, and the expense of making such examinations shall be assessed against such bank in the same manner as in the case of examinations made pursuant to section 5240 of the Revised Statutes, as amended (U. S. C., title 12, secs. 484, 485; Supp. VII, title 12, secs. 481-483)."

Sec. 317. Section 5243 of the Revised Statutes (U. S. C., title 12, sec. 583) is amended by striking out the semicolon therein and all that precedes it and substituting the following:

"Sec. 5243. The use of the word 'national', the word 'Federal' or the words 'United States', separately, in any combination thereof, or in combination with other words or syllables, as part of the name or title used by any person, corporation, firm, partnership, business trust, association, or other business entity, doing the business of bankers, brokers, or trust or saving institutions is prohibited except where such institution is organized under the laws of the United States, or is otherwise permitted by the laws of the United States to use such name or title, or is lawfully using such name or title on the date when this section, as amended, takes effect;"

Sec. 318. (a) Section 5 of the Federal Reserve Act, as amended, is amended by striking out the last three sentences thereof and inserting in lieu thereof the following: "When a member bank reduces its capital stock or surplus it shall surrender a proportionate amount of its holdings in the capital stock of said Federal Reserve bank. Any member bank which holds capital stock of a Federal Reserve bank in excess of the amount required on the basis of 6 percent of its paid-up capital stock and surplus shall surrender such excess stock. When a member bank voluntarily liquidates it shall surrender all of its holdings of the capital stock of said Federal Reserve bank and be released from its stock subscription not previously called. In any such case the shares surrendered shall

be canceled and the member bank shall receive in payment therefor, under regulations to be prescribed by the Federal Reserve Board, a sum equal to its cash-paid subscriptions on the shares surrendered and one-half of 1 percent a month from the period of the last dividend, not to exceed the book value thereof, less any liability of such member bank to the Federal Reserve bank."

(b) Section 6 of the Federal Reserve Act, as amended, is amended by striking out the last paragraph thereof.

SEC. 319. The fifth paragraph of section 9 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following sentence: "Such reports of condition shall be in such form and shall contain such information as the Federal Reserve Board may require and shall be published by the reporting banks in such manner and in accordance with such regulations as the said Board may prescribe."

SEC. 320. (a) The first sentence of paragraph (m) of section 11 of the Federal Reserve Act, as amended, is amended by inserting before the period at the end thereof a colon and the following: "Provided, That with respect to loans represented by obligations in the form of notes secured by not less than a like amount of bonds or notes of the United States issued since April 24, 1917, certificates of indebtedness of the United States, or Treasury bills of the United States, such limitation of 10 percent on loans to any person shall not apply, but State member banks shall be subject to the same limitations and conditions as are applicable in the case of national banks under paragraph (8) of section 5200 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 84)."

(b) Paragraph (8) of section 5200 of the Revised Statutes, as amended (U. S. C., Supp. VII, title 12, sec. 84), is amended by inserting after the comma following the words "certificates of indebtedness of the United States", the words "or Treasury bills of the United States."

SEC. 321. The third paragraph of section 13 of the Federal Reserve Act, as amended, is amended by changing the words "indorsed and otherwise secured to the satisfaction of the Federal Reserve bank" in that paragraph to read "indorsed or otherwise secured to the satisfaction of the Federal Reserve bank."

SEC. 322. Subsection (e) of section 13b of the Federal Reserve Act, as amended, is amended by striking out "upon the date this section takes effect", and inserting in lieu thereof "on and after June 19, 1934"; and by striking out "the par value of the holdings of each Federal Reserve bank of Federal Deposit Insurance Corporation stock", and inserting in lieu thereof "the amount paid by each Federal Reserve bank for stock of the Federal Deposit Insurance Corporation."

SEC. 323. (a) The first paragraph of section 19 of the Federal Reserve Act, as amended, is amended to read as follows:

"SEC. 19. The Federal Reserve Board is authorized for the purposes of this section, to define the terms 'demand deposits', 'gross demand deposits', 'deposits payable on demand', 'time deposits', 'savings deposits', and 'trust funds', to determine what shall be deemed to be a payment of interest, and to prescribe such rules and regulations as it may deem necessary to effectuate the purposes of this section and prevent evasions thereof: *Provided*, That, within the meaning of the provisions of this section regarding the reserves required of member banks, the term 'time deposits' shall include 'savings deposits'."

(b) The tenth paragraph of such section 19 is amended to read as follows:

"In estimating the reserve balances required by this act, member banks may deduct from the amount of their gross demand deposits the amounts of balances due from other banks (except Federal Reserve banks and foreign banks) and cash items in process of collection payable immediately upon presentation in the United States, within the meaning of these terms as defined by the Federal Reserve Board."

(c) The last two paragraphs of such section 19 are amended to read as follows:

"No member bank shall, directly or indirectly, by any device whatsoever, pay any interest on any deposit which is payable on demand: *Provided*, That nothing herein contained shall be construed as prohibiting the payment of interest in accordance with the terms of any certificate of deposit or other contract entered into in good faith which is in force on the date on which the bank becomes subject to the provisions of this paragraph; but no such certificate of deposit or other contract shall be renewed or extended unless it shall be modified to conform to this paragraph, and every member bank shall take such action as may be necessary to conform to this paragraph as soon as possible consistently with its contractual obligations: *Provided further*, That this paragraph shall not apply (1) to any deposit of such bank which is payable only at an office thereof located outside of the States of the United States and the District of Columbia; (2) to any deposit made by a mutual savings bank or a savings bank as defined in section 12B of the Federal Reserve Act, as amended; (3) to any deposit of public funds made by or on behalf of any State, county, school district, or other subdivision or municipality, or to any deposit of trust funds if the payment of interest with respect to such deposit of public funds or of trust funds is required by State law; or (4) to any deposit of funds by the United States, any Territory, District, or possession thereof (including the Philippine Islands), or any public instrumentality or agency of the foregoing, with respect to which interest is required by law to be paid."

"The Federal Reserve Board shall from time to time limit by regulation the rate of interest which may be paid by member banks on time and savings deposits; may classify time and savings deposits according to maturities, locations of banks, conditions respecting receipt, withdrawal, or repayment, or otherwise, as it

may deem necessary in the public interest; and may prescribe different rates for deposits of different classes. No member bank shall pay any time deposit before its maturity except upon such conditions and in accordance with such rules and regulations as may be prescribed by the Federal Reserve Board, or waive any requirement of notice before payment of any savings deposit except as to all savings deposits having the same requirement: *Provided*, That the provisions of this paragraph shall not apply to any deposit which is payable only at an office of a member bank located outside of the States of the United States and the District of Columbia."

(d) Such section 19 is amended by adding at the end thereof the following new paragraph:

"Notwithstanding the provisions of the First Liberty Bond Act, as amended, the Second Liberty Bond Act, as amended, and the Third Liberty Bond Act, as amended, member banks shall be required to maintain the same reserves against deposits of public moneys by the United States as they are required by this section to maintain against other deposits."

SEC. 324. Section 21 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following paragraph:

"Whenever member banks are required to obtain reports from affiliates, or whenever affiliates of member banks are required to submit to examination, the Federal Reserve Board or the Comptroller of the Currency, as the case may be, may waive such requirements with respect to any such report or examination of any affiliate if in the judgment of the said Board or Comptroller, respectively, such report or examination is not necessary to disclose fully the relations between such affiliate and such bank and the effect thereof upon the affairs of such bank."

SEC. 325. (a) Subsection (a) of section 22 of the Federal Reserve Act, as amended, is amended by inserting in the first paragraph thereof, after "No member bank", the following: "and no insured bank as defined in subsection (c) of section 12B of this act"; by inserting before the period at the end of the first sentence of such paragraph "or assistant examiner, who examines or has authority to examine such bank"; and by inserting after "any member bank" in the second paragraph thereof "or insured bank"; by inserting before the period at the end thereof "or Federal Deposit Insurance Corporation examiner"; and by adding at the end of such subsection a new paragraph, as follows:

"The provisions of this subsection shall apply to all public examiners and assistant examiners who examine member banks of the Federal Reserve System or insured banks, whether appointed by the Comptroller of the Currency, by the Federal Reserve Board, by a Federal Reserve agent, by a Federal Reserve bank, or by the Federal Deposit Insurance Corporation, or appointed or elected under the laws of any State; but shall not apply to private examiners or assistant examiners employed only by a clearing-house association or by the directors of a bank."

(b) Subsection (b) of such section 22 is amended by inserting therein after "no national bank examiner" the following: "and no Federal Deposit Insurance Corporation examiner"; and by inserting after "member bank" the following: "or insured bank"; and by inserting after "from the Comptroller of the Currency" the following: "as to a national bank, the Federal Reserve Board as to a State member bank, or the Federal Deposit Insurance Corporation as to any other insured bank."

(c) Subsection (g) of such section 22 is amended to read as follows:

"(g) No executive officer of any member bank shall borrow from or otherwise become indebted to any member bank of which he is an executive officer, and no member bank shall make any loan or extend credit in any other manner to any of its own executive officers: *Provided*, That loans made to any such officer prior to June 16, 1933, may be renewed or extended for periods expiring not more than 5 years from such date where the board of directors of the member bank shall have satisfied themselves that such extension or renewal is in the best interest of the bank and that the officer indebted has made reasonable effort to reduce his obligation, these findings to be evidenced by resolution of the board of directors spread upon the minute book of the bank: *Provided further*, That with the prior approval of a majority of the entire board of directors, any member bank may extend credit to any executive officer thereof, and such officer may become indebted thereto, in an amount not exceeding \$2,500. If any executive officer of any member bank borrow from or if he be or become indebted to any bank other than a member bank of which he is an executive officer, he shall make a written report to the board of directors of the member bank of which he is an executive officer, stating the date and amount of such loan or indebtedness, the security therefor, and the purpose for which the proceeds have been or are to be used. Borrowing by, or loaning to, a partnership in which one or more executive officers of a member bank are partners having either individually or together a majority interest in said partnership, shall be considered within the prohibition of this subsection. Nothing contained in this subsection shall prohibit any executive officer of a member bank from endorsing or guaranteeing for the protection of such bank any loan or other asset which shall have been previously acquired by such bank in good faith or from incurring any indebtedness to such bank for the purpose of protecting such bank against loss or giving financial assistance to it. The Federal Reserve Board is authorized to define the term 'executive officer', to determine what shall be deemed to be a borrowing, indebtedness, loan, or extension of credit, for the purpose of this subsection, and to prescribe such rules and regulations as it may deem necessary to effectuate the provisions of this subsection in accordance with its purposes and to prevent evasions of such

provisions. Any executive officer of a member bank accepting a loan or extension of credit which is in violation of the provisions of this subsection shall be subject to removal from office in the manner prescribed in section 30 of the Banking Act of 1933: *Provided*, That for each day that a loan or extension of credit made in violation of this subsection exists, it shall be deemed to be a continuation of such violation within the meaning of said section 30."

SEC. 326. The third paragraph of section 23A of the Federal Reserve Act, as amended, is amended to read as follows:

"For the purpose of this section, the term 'affiliate' shall include holding-company affiliates as well as other affiliates, and the provisions of this section shall not apply to any affiliate (1) engaged primarily in holding the bank premises of the member bank with which it is affiliated or in maintaining and operating properties acquired for banking purposes prior to the date this section, as amended, takes effect; (2) engaged solely in conducting a safe-deposit business or the business of an agricultural credit corporation or livestock loan company; (3) in the capital stock of which a national banking association is authorized to invest pursuant to section 25 of this act, as amended, or a subsidiary of such affiliate, all the stock of which (except qualifying shares of directors in an amount not to exceed 10 percent) is owned by such affiliate; (4) organized under section 25 (a) of this act, as amended, or a subsidiary of such affiliate, all the stock of which (except qualifying shares of directors in an amount not to exceed 10 percent) is owned by such affiliate; (5) engaged solely in holding obligations of the United States Government or obligations fully guaranteed by the United States Government as to principal and interest, the Federal intermediate credit banks, the Federal land banks, the Federal home-loan banks, or the Home Owners' Loan Corporation; (6) where the affiliate relationship has arisen out of a bona fide debt contracted prior to the date of the creation of such relationship; or (7) where the affiliate relationship exists by reason of the ownership or control of any voting shares thereof by a member bank as executor, administrator, trustee, receiver, agent, depository, or in any other fiduciary capacity, except where such shares are held for the benefit of all or a majority of the stockholders of such member bank; but as to any such affiliate, member banks shall continue to be subject to other provisions of law applicable to loans by such banks and investments by such banks in stocks, bonds, debentures, or other such obligations. The provisions of this section shall likewise not apply to indebtedness of any affiliate for unpaid balances due a bank on assets purchased from such bank or to loans secured by, extensions of credit against, or purchases under repurchase agreement of, obligations of the United States Government or obligations fully guaranteed by the United States Government as to principal and interest."

SEC. 327. Section 24 of the Federal Reserve Act, as amended, is amended by adding at the end thereof the following new paragraph:

"Loans made to establish industrial or commercial businesses (a) which are in whole or in part discounted or purchased or loaned against as security by a Federal Reserve bank under the provisions of section 13b of this act, (b) for any part of which a commitment shall have been made by a Federal Reserve bank under the provisions of said section, (c) in the making of which a Federal Reserve bank participates under the provisions of said section, or (d) in which the Reconstruction Finance Corporation cooperates or purchases a participation under the provisions of section 5d of the Reconstruction Finance Corporation Act, shall not be subject to the restrictions or limitations of this section upon loans secured by real estate."

SEC. 328. Effective January 1, 1936, the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 730), as amended, is further amended (1) by striking out section 8A thereof and (2) by substituting for the first three paragraphs of section 8 thereof the following:

"Sec. 8. No director, officer, or employee of any member bank of the Federal Reserve System shall be at the same time a private banker or a director, officer, or employee of any other bank, banking association, savings bank (other than a mutual savings bank), or trust company except in limited classes of cases in which the Federal Reserve Board may allow such service by general regulations when in the judgment of the Federal Reserve Board such classes of institutions are not in substantial competition."

SEC. 329. (a) Section 1 of the act of November 7, 1918, as amended (U. S. C., title 12, sec. 33; Supp. VII, title 12, sec. 33), is amended by striking out the second proviso down to and including the words "to be ascertained" and inserting in lieu thereof the following: "And provided further, That if such consolidation shall be voted for at said meetings by the necessary majorities of the shareholders of each of the associations proposing to consolidate, any shareholder of any of the associations so consolidated, who has voted against such consolidation at the meeting of the association of which he is a shareholder or has given notice in writing at or prior to such meeting to the presiding officer that he dissents from the plan of consolidation, shall be entitled to receive the value of the shares so held by him if and when said consolidation shall be approved by the Comptroller of the Currency, such value to be ascertained as of the date of the Comptroller's approval."

(b) Such section 1 is further amended by adding at the end thereof the following paragraphs:

"Publication of notice and notification by registered mail of the meeting provided for in the foregoing paragraph may be waived by unanimous action of the shareholders of the respective associations. Where a dissenting shareholder has given notice as above provided to the association of which he is a shareholder of

his dissent from the plan of consolidation, and the directors thereof fail for more than 30 days thereafter to appoint an appraiser of the value of his shares, said shareholder may request the Comptroller of the Currency to appoint such appraiser to act on the appraisal committee for and on behalf of such association.

"If shares, when sold at public auction in accordance with this section, realize a price greater than their final appraised value, the excess in such sale price shall be paid to the shareholder. The consolidated association shall be liable for all liabilities of the respective consolidating associations. In the event one of the appraisers fails to agree with the others as to the value of said shares, then the valuation of the remaining appraisers shall govern."

SEC. 330. (a) Section 3 of the act of November 7, 1918, as amended (U. S. C., Supp. VII, title 12, sec. 34 (a)), is amended by striking out the first sentence following the proviso down to and including the words "to be ascertained" and inserting in lieu thereof the following: "If such consolidation shall be voted for at said meetings by the necessary majorities of the shareholders of the association and of the State or other bank proposing to consolidate, and thereafter the consolidation shall be approved by the Comptroller of the Currency, any shareholder of either the association or the State or other bank so consolidated, who has voted against such consolidation at the meeting of the association of which he is a stockholder, or has given notice in writing at or prior to such meeting to the presiding officer that he dissents from the plan of consolidation, shall be entitled to receive the value of the shares so held by him if and when said consolidation shall be approved by the Comptroller of the Currency, such value to be ascertained as of the date of the Comptroller's approval."

(b) Such section 3 is further amended by adding at the end thereof the following paragraph:

"Where a dissenting shareholder has given notice as provided in this section to the bank of which he is a shareholder of his dissent from the plan of consolidation, and the directors thereof fail for more than 30 days thereafter to appoint an appraiser of the value of his shares, said shareholder may request the Comptroller of the Currency to appoint such appraiser to act on the appraisal committee for and on behalf of such bank. In the event one of the appraisers fails to agree with the others as to the value of said shares, then the valuation of the remaining appraisers shall govern."

SEC. 331. The act entitled "An act to prohibit offering for sale as Federal farm-loan bonds any securities not issued under the terms of the Farm Loan Act, to limit the use of the words 'Federal', 'United States', or 'Reserve', or a combination of such words, to prohibit false advertising, and for other purposes", approved May 24, 1926 (U. S. C., Supp. VII, title 12, secs. 584-588), is amended by inserting in section 2 thereof, after "the words 'United States'", the following: "the words 'Deposit Insurance'; and by inserting in said section, after the words 'the laws of the United States', the following: "nor to any new bank organized by the Federal Deposit Insurance Corporation as provided in section 12B of the Federal Reserve Act, as amended,"; and by striking out the period at the end of section 4 and inserting the following: "or the Federal Deposit Insurance Corporation."

SEC. 332. The act entitled "An act to provide punishment for certain offenses committed against banks organized or operating under laws of the United States or any member of the Federal Reserve System", approved May 18, 1934 (48 Stat. 783), is amended by striking out the period after "United States", in the first section thereof, and inserting the following: "and any insured bank as defined in subsection (c) of section 12B of the Federal Reserve Act, as amended."

SEC. 333. Section 5143 of the Revised Statutes, as amended, is hereby amended by striking out everything following the words "Comptroller of the Currency", where such words last appear in such section, and substituting the following: "and no shareholder shall be entitled to any distribution of cash or other assets by reason of any reduction of the common capital of any association unless such distribution shall have been approved by the Comptroller of the Currency and by the affirmative vote of at least two-thirds of the shares of each class of stock outstanding, voting as classes."

SEC. 334. Section 5139 of the Revised Statutes, as amended, is amended by adding at the end of the first paragraph the following new paragraph:

"Certificates hereafter issued representing shares of stock of the association shall state (1) the name and location of the association, (2) the name of the holder of record of the stock represented thereby, and (3) the number and class of shares which the certificate represents, and (4) if the association shall issue stock of more than one class, the respective rights, preferences, privileges, voting rights, powers, restrictions, limitations, and qualifications of each class of stock issued shall be stated in full or in summary upon the front or back of the certificates or shall be incorporated by a reference to the articles of association set forth on the front of the certificates. Every certificate shall be signed by the president and the cashier of the association, or by such other officers as the bylaws of the association shall provide, and shall be sealed with the seal of the association."

SEC. 335. The last sentence of section 301 of the Emergency Banking Act of March 9, 1933, as amended, is amended to read as follows: "No issue of preferred stock shall be valid until the par value of all stock so issued shall be paid in and notice thereof, duly acknowledged before a notary public by the president, vice president, or cashier of said association, has been transmitted to the Comptroller of the Currency and his certificate obtained specifying the amount of such issue of preferred stock and his approval

thereof and that the amount has been duly paid in as a part of the capital of such association; which certificate shall be deemed to be conclusive evidence that such preferred stock has been duly and validly issued."

SEC. 336. The additional liability imposed by the act of April 26, 1922, as amended (D. C. Code, title 5, sec. 300; Supp. I, title 5, sec. 300a (b)), upon the shareholders of savings banks, savings companies, and banking institutions and the additional liability imposed by section 4 of the act of March 4, 1933 (D. C. Code, title 5, sec. 361), upon the shareholders of trust companies, shall cease to apply on July 1, 1937, with respect to such savings banks, savings companies, banking institutions, and trust companies which shall be transacting business on such date: *Provided*, That not less than 6 months prior to such date, the savings bank, savings company, banking institution, or trust company, desiring to take advantage hereof, shall have caused notice of such prospective termination of liability to be published in a newspaper published in the District of Columbia and having general circulation therein. In the event of failure to give such notice as and when above provided, a termination of such additional liability may thereafter be accomplished as of the date 6 months subsequent to publication in the manner above provided. Each such savings bank, savings company, banking institution, and trust company shall, before the declaration of a dividend on its shares of common stock, carry not less than one-tenth part of its net profits of the preceding half year to its surplus fund until the same shall equal the amount of its common stock.

SEC. 337. The second paragraph of section 9 of the Federal Reserve Act, as amended, is amended by striking out the period at the end thereof and adding thereto the following: "except that the approval of the Federal Reserve Board, instead of the Comptroller of the Currency, shall be obtained before any State member bank may hereafter establish any branch and before any State bank hereafter admitted to membership may retain any branch established after February 25, 1927, beyond the limits of the city, town, or village in which the parent bank is situated."

SEC. 338. Section 5234 of the Revised Statutes, as amended (U. S. C., title 12, sec. 192), is amended by striking out the period after the words "money so deposited" at the end of the next to the last sentence of such section and inserting in lieu of such period a colon and the following: "*Provided*, That no security in the form of deposit of United States bonds, or otherwise, shall be required in the case of such parts of the deposits as are insured under section 12B of the Federal Reserve Act, as amended."

SEC. 339. Section 61 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided*, That no security in form of a bond or otherwise shall be required in the case of such part of the deposits as are insured under section 12 (b) of the Federal Reserve Act, as amended."

SEC. 340. Section 8 of the act entitled "An act to establish postal savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes", approved June 25, 1910, as amended (U. S. C., title 39, sec. 758; Supp. VII, title 39, sec. 758), is amended by striking out the first sentence thereof and inserting in lieu thereof the following: "Subject to such regulations as the Postmaster General may prescribe, any depositor may withdraw the whole or any part of the funds deposited to his or her credit with the accrued interest after the expiration of 60 days after giving notice in writing of intention to withdraw, and any depositor may withdraw the whole or any part of such funds without such notice only on condition that there be deducted from the funds to his or her credit derived from interest an amount equivalent to interest for a period of not less than 3 months on the amount withdrawn. Notwithstanding any other provision of law, no interest shall be paid on any deposit in any postal savings depository office at a rate in excess of that which may lawfully be paid on savings deposits under regulations prescribed by the Federal Reserve Board pursuant to the Federal Reserve Act for member banks of the Federal Reserve System located in or nearest to the place where such depository office is situated. Postal savings depositories may deposit funds on time in member banks of the Federal Reserve System subject to the provisions of the Federal Reserve Act and the regulations of the Federal Reserve Board regarding the payment of time deposits and interest thereon."

Mr. STEAGALL (interrupting the reading). Mr. Chairman, I ask unanimous consent that all of title III may be considered as read and printed in the RECORD in full, with the right to any Member to offer amendments to any section of title III.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CROSS of Texas. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. Cross of Texas: On page 70, strike out all of section 318 and insert in lieu thereof the following:

"Sec. 319. Section 7 of the Federal Reserve Act, as amended, is amended by striking out said section and inserting in lieu thereof the following: 'The Secretary of the Treasury is hereby authorized to purchase the stock held by the member banks in the

Federal Reserve banks at par, plus accrued dividends not in excess of 6 percent, and that after the passage of this act, and after all necessary expenses of a Federal Reserve bank shall have been paid or provided for, the net earnings shall be paid into the surplus fund of the Federal Reserve bank.

"Should a Federal Reserve bank be dissolved, or go into liquidation, any surplus remaining, after the payment of all debts or other requirements as hereinbefore provided shall be paid to and become the property of the United States, and shall in the discretion of the Secretary, be used to supplement the gold reserve held against outstanding United States notes, or shall be applied to the reduction of the outstanding bonded indebtedness of the United States under regulations to be prescribed by the Secretary of the Treasury.

"Federal Reserve banks, including the capital stock and surplus therein and the income derived therefrom, shall be exempt from Federal, State, and local taxation, except taxes upon real estate."

"Sections 5 and 6 of the Federal Reserve Act, as amended, as well as every provision of law in conflict with this provision, is hereby expressly repealed."

Mr. HOLLISTER. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. CROSS of Texas. Will the gentleman withhold his point of order?

Mr. HOLLISTER. I withhold the point of order, Mr. Chairman.

Mr. CROSS of Texas. Mr. Chairman, the purpose of my amendment is to give the Treasury Department the authority to purchase the stock now owned by member banks in the Federal Reserve banks, and, Mr. Chairman, as I see it, the amendment is clearly pertinent to this section. In discussing the amendment I wish to bring out these facts.

The Congress, in setting up the Federal Reserve System, not being able itself to act directly in regulating the value of money, established this agency to function in its place.

If you will notice the report of the papers in New York and the banks of New York, you will observe that 19 banks Saturday had on deposit eight and one-quarter billion dollars. There is not over \$5,000,000,000 of congressional money or legal-tender money in the Nation, and yet these 19 banks had on deposit eight and one-quarter billion dollars. This is bank money, this is phantom money, created out of debts, and this money affects the purchasing power of the dollar just as much as if it were legal-tender or congressional money.

The mints of this country and the Bureau of Engraving and Printing combined have put out about \$5,500,000,000 of congressional money or legal-tender money. The banks, private institutions organized for a private gain, are so many mints or so many Bureaus of Engraving and Printing, creating money out of debt, inflating, and deflating, which has a direct effect upon the value of money that, under the Constitution, you are commanded to regulate the value of.

You have set up this agency of the Federal Reserve Board and the Federal Reserve banks to regulate this inflating and deflating of bank money which directly affects the value of congressional or legal-tender money. As it is, these institutions that create this bank money can inflate and inflate and then, overnight, deflate. They can cheapen the purchasing power of your dollar until it is one-half, and then they can turn around and by deflating they can multiply its purchasing power overnight. By such a process they bring about more injustice, do more robbing within the law and within a few months than all the crooks and robbers in this country can perpetrate in 100 years. [Applause.]

[Here the gavel fell.]

Mr. CROSS of Texas. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

The CHAIRMAN. Does the gentleman from Ohio [Mr. HOLLISTER] desire to press his point of order?

Mr. HOLLISTER. Mr. Chairman, I withdraw the point of order and shall ask to be recognized in opposition to the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CROSS of Texas. This institution you have set up, the Federal Reserve System, ought to be purely a congressional institution, with no foreign entanglements entering into it. What are the facts? These 12 Federal Reserve

banks that are to carry out your will, that are organized for no profit-making purposes, but to see that under the Constitution the people of this country are supplied with an adequate medium of exchange and that the value of money is regulated, have directors, two-thirds of whom in every one of these banks are put on there by the very institutions, these private institutions, organized and operating for profit, and these directors always fight to do that which the Federal Reserve System is or should be struggling not to do.

Let me read you some testimony of Governor Harrison, of the Federal Reserve Bank of New York, in 1932, when he said:

It is almost inevitable that the Federal Reserve System or any central bank will always have to be going contrary to what the banks are doing. When they are inflating we have to put pressure on them, and when they are deflating we have to boost them up.

So you have here in your set-up two-thirds of all the directors from member banks who, when inflation is going on, with rising prices, are rampant to inflate further and further, and then when the turn comes, they become frightened, crazy to liquidate, and deflate and deflate and struggle further to deflate.

This is putting into your organization a bunch of directors that go contrary to what this organization of the Federal Reserve System should do. Your organization should be organized to prevent overinflation and to prevent overdeflation; in other words, stabilize and regulate the value of money.

There is no obligation upon the member banks to do these things. They have no command from the Constitution to stabilize or to regulate the value of money. You have that command and your agency through you should have that command, yet you bring into this set-up the very bunch of people you are supposed to try to regulate and you practically turn it over to them.

This amendment would correct this evil. This amendment would let the Federal Government buy this stock. Now, you pay them 6 percent upon the stock that they own in these banks.

[Here the gavel fell.]

Mr. CROSS of Texas. Mr. Chairman, I ask unanimous consent to proceed for 5 more minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CROSS of Texas. The testimony before the committee was that the Government could borrow the money for 2½ percent, and the Government would then own the stock and save the difference between the 2½ percent and 6 percent.

Why, the very people you regulate should be permitted to come in is more than I can understand. Is there opposition to this? Why, of course there is opposition to it—not by the great majority of our right-thinking, patriotic bankers but by that small group who have been manipulating the purchasing power of money in this country for years, and the members of this small group are the ones who are inspiring opposition to anything that will give the Congress the right or the power to regulate the value of money.

That group whose brain and vision are so blinded by Mammon that they cannot sense the chasm that yawns to engulf them—that group, unless they wake up, unless they cease to punish the people by poverty and distress—the time will come when the people, like some powerful, puissant beast, vexed to desperation, will turn in their desperation upon their tormentors; and when they do, woe be unto them and theirs. [Applause.]

Mr. MAY. Will the gentleman yield?

Mr. CROSS of Texas. I yield.

Mr. MAY. Does the gentleman's amendment provide that the capital stock in the Federal Reserve banks be turned into the Treasury?

Mr. CROSS of Texas. It provides that the capital stock shall be bought by the Treasury, owned by the Government,

and that the profits—and it is not a profit organization—that the profits, over and above the running expenses, shall go into the surplus of the Federal banks, and that if and when they are dissolved all the money shall go to the Treasury.

Mr. PATMAN. Will the gentleman yield?

Mr. CROSS of Texas. I yield to the gentleman from Texas.

Mr. PATMAN. I have an amendment which I propose to offer to the gentleman's amendment which will cause the profits to go into the United States Treasury, and I hope the gentleman will not oppose it.

Mr. CROSS of Texas. Not a bit.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. CROSS of Texas. I will yield.

Mr. GOLDSBOROUGH. In case your amendment is adopted, the directors of the Federal Reserve banks will be the direct agents of the people and not of the banks.

Mr. CROSS of Texas. Absolutely. [Applause.]

Mr. HOLLISTER. Mr. Chairman, the chief thing in the amendment of the gentleman from Texas [Mr. Cross] is the requirement that the Government shall purchase at par the stock in the Federal banks, which is owned by member banks, irrespective of the advisability, which is an entirely different question, of having a Government-owned Federal Reserve System. Putting the Government into the central banking business is highly unwise. If anyone will compare the central banks of other countries, they will come to this conclusion.

This amendment is, on the face of the thing, entirely unconstitutional. There is after all, I suppose, something left of the Constitution. The member banks of the Federal Reserve System have invested their money under statutory authority and have acquired the stock in the Federal Reserve banks. This amendment provides that the Government shall acquire this stock at par.

The gentleman from Texas does not state in what way the member banks might be compelled to sell their stock at par if they thought it was better for them to retain it. I am unable to see, notwithstanding the blows that have been aimed at the Constitution—I am unable to see the slightest constitutionality in such a provision.

There is no way that I know of that anybody's property can be taken away without due process of law. I see no way in which member banks who own stock in the Federal Reserve System for which they have paid can be taken away without due process of law. If they think the stock is worth more than par, how can the Government compel them to sell it at par?

Mr. McFARLANE. Would there be any objection to the Government buying this stock should the holders of the stock want to sell it?

Mr. HOLLISTER. If the gentleman had listened to the early part of my statement, he would have heard me say that I think it is unwise that the Government should own the stock in the Federal Reserve banks, but there would be nothing constitutionally against having the Government acquire the stock in case the holders wanted to sell it. The way I understand the amendment is drafted, the Government is required to purchase it at par.

Mr. McFARLANE. But the amendment is permissive and not mandatory.

Mr. HOLLISTER. If that is so, the constitutional point that I raise is of no avail.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. FORD of California. In case a Federal Reserve bank desires to liquidate or withdraw from the Federal Reserve System, does it get more than par for the stock that it surrenders?

Mr. HOLLISTER. No; because then it is performing a voluntary act in withdrawing, and it may get only that for its stock. That is quite a different matter as the gentleman must recognize.

Mr. McFARLANE. The amendment reads:

That the Secretary of the Treasury is hereby authorized to purchase the stock—

And so forth.

Mr. HOLLISTER. At par.

Mr. McFARLANE. It is not a mandatory requirement.

Mr. HOLLISTER. Then I misunderstand the gentleman's amendment. I shall merely say that we are faced with the question of the wisdom of the Government acquiring stock in the Federal Reserve banks. The constitutional question is not raised, if it is not mandatory.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. PATMAN. Mr. Chairman, I offer the following amendment to the Cross amendment which I send to the desk.

The Clerk read as follows:

Amendment by Mr. PATMAN to the Cross amendment: Strike out the words "surplus fund of the Federal Reserve bank" and insert in lieu thereof the following: "the Treasury of the United States."

Mr. CROSS of Texas. Mr. Chairman, I accept the amendment.

The CHAIRMAN. The gentleman from Texas accepts the amendment of his colleague [Mr. PATMAN]. Does the gentleman from Texas [Mr. PATMAN] desire to debate the matter?

Mr. PATMAN. Yes; I would like to debate it.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

EARNINGS OF FEDERAL RESERVE BANKS

Mr. PATMAN. Mr. Chairman, the Cross amendment provides that after all necessary expenses have been paid or provided for, the net earnings shall be paid into the surplus fund of the Federal Reserve bank. My amendment provides that the surplus earnings shall be paid into the Treasury of the United States. It is true that if the amendment is adopted and we should eventually own this stock in the Federal Reserve bank, the earnings, of course, would belong to the Government, although in the surplus fund of the 12 Federal Reserve banks, but I would like to see these excess earnings go into the Treasury annually so as to have some restraint upon the expenditures of the Federal Reserve bank officials. As it is now they pay themselves salaries up to \$30,000 and \$40,000 and \$50,000 a year and they justify it on the ground that the money comes out of the earnings of the bank and does not come from the Treasury, which is all right, but if you put the law back as it was in the beginning and fix the law so that the excess earnings shall go into the Treasury, then Congress will begin to ask why they are paying thirty and forty and fifty thousand dollars a year salaries from money that would otherwise go into the Treasury of the United States were these salaries not paid.

CROSS AMENDMENT FAVORED

I am very much in favor of the Cross amendment. There is a big principle involved in that. Here we have 12 Federal Reserve banks, and in each Federal Reserve district the member banks own that bank. The people do not own one dollar of the stock, the Government of the United States does not own one dollar of the stock. Each Federal Reserve bank is owned by private banking corporations. Therefore you have one supercorporation, the Federal Reserve bank in that district, which is owned by private corporations, and that Federal Reserve bank has the power to issue money on the faith and credit of the United States Government. The big question is, and it is a serious question, Do you believe that a corporation owned by private corporations should be allowed the privilege of issuing blanket mortgages on all the property of all the people of this Nation? That is the present system. They get all the earnings. They pay no taxes on any transaction, not a penny of taxes. They are exempt from every form of tax except, of course, the actual real-estate tax on the building which they own where the banking house is located. That is the only tax they pay.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

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Mr. SNELL. I want to know if I am right in my understanding of the present law that after they have paid the stockholders 6 percent, the remainder goes into the Treasury?

JOKER AMENDMENT

Mr. PATMAN. No; that used to be the law, but there was what I call a joker amendment passed, and I am not criticizing the distinguished gentlemen on the Banking and Currency Committee when I say that; but I want to tell you the price you paid for Federal deposit insurance in connection with this joker.

A bill was brought in here, which was later enacted into law, to insure bank deposits. It contained a provision that all excess earnings of the Federal Reserve bank should go into the surplus of the banks. The law at that time required all excess earnings to be paid into the Treasury. I made a motion to strike out the provision that diverted these excess earnings from the Treasury to the banks, and the House almost unanimously struck it out; but when the bill went to conference at the other end of the Capitol a certain Member of that body insisted that it be put back or there would be no guarantee of deposits in any of the banks of this country, and he made our conferees agree to it or that body would kill the deposit guarantee law. Am I right or am I wrong, Mr. Chairman?

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. If I am wrong about that statement, I hope the Chairman of the Committee on Banking and Currency will rise in his place and say that I am wrong. That is the price we paid to have Federal deposit insurance. The provision was put back. It is in the law, that not one penny of those profits will go to the Government. They go to the surplus fund of the Federal Reserve banks.

PERPETUAL CHARTERS

It will be a sad day in this country when the argument of the gentleman from Ohio [Mr. HOLLISTER] prevails that these banks have in effect a perpetual charter; that they have a right that you cannot divest them of; that they own the Federal Reserve banking system and you cannot acquire their stock unless they want to give it up and pay their price for it. The saddest day in the history of our country will be when that argument prevails. The charters of those Federal Reserve banks are worth billions of dollars. Why should they not be? They can issue money upon the credit of this Nation. They have subject to their disposal all the money that is printed by the Bureau of Engraving and Printing in Washington; at least, all they want.

Five thousand five hundred people work for them in this great city of Washington, at the Bureau of Engraving and Printing, printing money, night and day, when they need it. For what purpose? To be turned over to the Federal Reserve banks. What does the Government get for that money? Every bill is a blanket mortgage on all your property. The taxing power of the Government may be used to redeem it. It is written on the note that it is guaranteed by the United States. What does the Federal Reserve bank pay for that privilege? Not one penny on earth. It pays the actual cost of printing the currency, about 27 cents a thousand dollars, and no more. It pays not one penny of tax. It has control of and uses the seal of our Government. No person or corporation ever had a more valuable and profitable privilege.

Mr. REILLY. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. REILLY. Could not Congress abolish the Federal Reserve System, and all the profits it ever made go to the Government?

Mr. PATMAN. Certainly; but the gentleman from Ohio contends it would be unconstitutional unless we pay the member banks their price for the stock they own; that we

have given them such a grip upon the throats of the American people that it would be unconstitutional to do that without paying them their price for the stock they own.

Mr. HOLLISTER. Now that the gentleman has mentioned my name, I suppose he will yield to me?

Mr. PATMAN. Yes; I yield to the gentleman.

Mr. HOLLISTER. I think the gentleman has misquoted me. What I said was that there was no way that I could see by which they could be required to sell their stock at any particular price.

Mr. PATMAN. That is the way I understood it.

Mr. HOLLISTER. But the gentleman has said that I said that gave them a perpetual franchise.

Mr. PATMAN. If you must pay their price, it is the same as that.

Mr. HOLLISTER. I did not say that at all.

Mr. PATMAN. Because their price will be awfully high.

Mr. HOLLISTER. But I assume it would be possible for Congress to abolish the Federal Reserve System.

Mr. PATMAN. And take all the profits over and above their stock.

Mr. HOLLISTER. And that would leave the banks with certain amounts which were due them. The Federal Reserve System would then cease to be in existence; but the gentleman has misquoted me and should say so.

Mr. PATMAN. I hope I have not misquoted the gentleman, but if I have I shall be very glad to correct it. The gentleman said we could not take this stock from the Federal Reserve banks unless we paid them their price.

Mr. HOLLISTER. I think that is correct; but the gentleman went further and said that I had stated there was a perpetual franchise in the Federal Reserve banks, and I made no such statement.

Mr. PATMAN. Oh, I beg the gentleman's pardon if he understood it that way. The gentleman did not understand it correctly, because I said it would amount to a perpetual charter. Any time you have to pay the other fellow's price you are not going to buy any such valuable franchise.

Mr. HOLLISTER. The gentleman is not very accurate in figuring amounts.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has again expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HANCOCK of North Carolina. Will the gentleman yield for a question?

Mr. PATMAN. I yield.

Mr. HANCOCK of North Carolina. Does not the gentleman think it is much more important that the Government exercise control over the regional banks than it is that they shall own the stock in the banks; and does not the gentleman think that the emphasis should be placed upon the control rather than the ownership, especially where the ownership does not carry with it control?

THE 12 FEDERAL RESERVE BANKS

Mr. PATMAN. I feel that in this case both ownership and control are necessary. This is a question of issuing and distributing currency. That is the question involved in these 12 Federal Reserve banks. It does not involve the 15,000 small banks of this Nation. It only involves the 12 Federal Reserve banks. Those 12 Federal Reserve banks are dispensing Government credit. They are dispensing Government money, that is guaranteed by the Government of the United States. The question is, Are you going to let a corporation that is owned by private corporations continue to exercise this function, which the Constitution says Congress shall exercise? The Constitution says that Congress shall coin money and regulate the value of it. Under the present law it is not doing it. It has farmed out, it has given as an absolute free gift the privilege to these 12 Federal Reserve banks to exercise that great function of government—to issue and distribute money. The question is, Do you want them to continue to enjoy that privilege, or are you willing

to take it away from them and put it back under the supervision and control of Congress, where the Constitution of the United States says it really belongs?

BANKING SYSTEM REFERRED TO

Something was said a while ago about the little banks. I know that every bank is a great asset in a community. I would not do anything to destroy an individual bank, and what I say about banks and bankers is said with reference to a system, not particular banks or individuals.

PRIVILEGES OF NATIONAL BANKS

I desire to discuss the privileges given by our Government to national banks.

First. Every national bank has a charter that is worth a great deal; it has the Government of the United States to protect it from competition unless the competition is needed, in its immediate locality; that is a great privilege.

Second. For many years they have enjoyed the privilege of depositing Government bonds and getting new money in return for those bonds and continuing to draw interest on the bonds, which was a bonus amounting to a large sum annually.

Third. Such a bank is allowed to lend on an average of \$10 for every \$1 it has; in other words, collect interest on \$10 for every \$1 possessed; that is a great privilege, too.

Fourth. The Reconstruction Finance Corporation has purchased half the stock in most of the national banks of this country, and that portion of the capital stock held by the R. F. C. is tax exempt. This means that the banks have gotten a 50-percent tax reduction the last 2 or 3 years. They have not fared so badly.

Fifth. The Government guarantees the deposits of these banks.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 4 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Who pays the premium for this insurance? The Government of the United States put up \$300,000,000 of the premium, and the banks put up only \$39,000,000 of it to guarantee the deposits in their own institutions.

Sixth. Double liability has been taken off their stockholders.

Seventh. They are no longer required to pay interest on demand deposits. In fact, it is a violation of the law.

While they are paying \$39,000,000 into the Federal Deposit Insurance fund, they are being saved approximately \$200,000,000 a year interest on demand deposits that they had been paying heretofore. This is of great benefit to them and saves them an enormous sum of money. They have their deposits guaranteed, a big saving on demand deposits, and have had their taxes reduced in some cases 50 percent.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. WADSWORTH. Can the gentleman inform the Committee whether or not, as a result of the alleged benefits he has just recited, the net earnings of the banks have increased?

Mr. PATMAN. No; because they have ceased to do a banking business; they have gone into the Government bond brokerage business, and are discouraging accounts with service charges. They are rapidly becoming Government-bond brokers and commercial bookkeepers.

Mr. WADSWORTH. Could they help it?

Mr. PATMAN. They are just buying Government bonds, and will continue to as long as we put them out. Why should they want to risk commercial loans when they can buy bonds that are guaranteed by the Government and make their earnings in this way and on service charges?

Mr. WADSWORTH. Can they help buying the bonds?

Mr. PATMAN. Yes; they could put their money out into the channels of trade and commerce if they had the incentive.

Mr. WADSWORTH. Where?

Mr. PATMAN. Investigations have disclosed that the banks generally have refused to make loans even on good security. I realize that there is much to be said on the side of some of these banks in certain localities. We are encouraging them to make their investments in Government bonds by continuing to issue them.

MONEY-ISSUING PRIVILEGE

In concluding I want to ask the Members of this House to consider this: A great principle is involved here. Do you want this great privilege of issuing and distributing money farmed out to a corporation that is owned by private corporations, not one dollar of the stock owned by the Government, not one dollar of the stock owned by the people, corporations which pay no taxes, corporations which enjoy privileges no person enjoys? If you want to bring that power back to the Congress of the United States, the best and the longest step in that direction that you can take is to vote for the amendment offered by the gentleman from Texas [Mr. Cross].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN] to the amendment offered by the gentleman from Texas [Mr. Cross].

The amendment to the amendment was agreed to.

Mr. BROWN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Michigan. As I understand the situation now, the House has adopted the Patman amendment but not the Cross amendment.

The CHAIRMAN. That is correct.

Mr. BROWN of Michigan. The Cross amendment has not yet been disposed of.

The CHAIRMAN. That is correct.

Mr. TRUAX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened in vain to the debate on this bill and have read in vain the CONGRESSIONAL RECORD in an effort to find something of benefit to accrue through the enactment of this bill to the people who deposit the money in the banks of this country.

I agree with the gentleman from Texas [Mr. PATMAN] that this amendment goes a long way toward curing the evil of the international bankers' operations in this country. I expect, therefore, to support the amendment of the gentleman from Texas [Mr. Cross]. I hope to have the opportunity of supporting the amendment of the gentleman from Maryland [Mr. GOLDSBOROUGH]. If these two amendments are adopted, this bill should receive the support of every liberal in this House. If these two amendments are voted down, the bill should receive the opposition of every friend of the people in this House.

I for one believe that the time has come when this Government should cease to throw its protecting arm about the racketeering bankers of this country. [Applause.] The time has come when this Congress should assert its constitutional prerogatives and take away once and for all time the unconstitutional and illegal privilege enjoyed by the bankers of this country of issuing the currency. [Applause.]

Whenever I think of these racketeering bankers I am reminded of one of them who was driving his big Rolls-Royce automobile out in the city streets. His chauffeur ran over a little boy and he dumped the boy into the automobile and rushed him to the hospital. The surgeon stated that the little boy would have to have a blood transfusion, so they took the blood from the banker and they transfused the banker's blood into the little boy. Inside of 30 minutes the little boy froze to death from the banker's blood. [Applause.]

Mr. Chairman, if you have a thief in the House, why keep him there longer? Throw him out, the same as we did with the Capones and the Dillingers. The gentleman from Ohio [Mr. HOLLISTER] stated that you could not take away the banker's property without due process of law. However, that is what the bankers did with the poor farmers. That is what they are doing today with the poor home owners. It took the Government of the United States, Mr. Chairman, to provide

the necessary funds and to enact legislation to protect these home owners and farmers from further losing their homes and farms.

This bill does not inflate the currency nor expand the people's money to their needs. It does make it possible to jam down the throats of an unwilling people millions more of tax-exempt bonds. We are asked to enact more laws for bankers and are threatened at the same time with a veto for the Patman bonus bill, legislation designed not only for the benefit of the World War veterans but for the masses of our people as well, as it places more than \$2,000,000,000 of new currency in circulation and thereby reduces credit inflation or bond inflation to that same extent.

Why ask us to pass additional legislation to help the bankers and then expect us to oppose legislation that will help the soldier, the farmer, the war veteran, and the small-business man. I do not propose to make fish of one and fowl of another. I do not propose to vote for measures that will produce meat for bankers and will act as poison to the great numbers of our people who want more money and demand more money.

What did the boasted Federal Reserve System do for these millions of our people who are in need today? What did the Federal Reserve System do for them during the panic and Hoover depression? The Federal Reserve Board deliberately wrecked the welfare of American agriculture. They started to deflate agriculture and continued that drastic inflation policy for 9 long years until in 1929 a bankrupted agrarian population was the forerunner to the business panic and depression starting in 1929, aided and abetted by the supercredit inflation permitted, sanctioned, and condoned by this same Federal Reserve Board. When they expanded the currency they took enormous profits. When they contracted the credit for the farmer and wage worker and small business man they took hundreds of thousands of farms and homes.

Their activities, their speculations, and their atrocities are played like the old army game—heads, I win; tails, you lose. They made billions of dollars going up on their orgy of unwarranted credit inflation. They made billions of dollars on their way down in their unjustified saturnalia of credit contraction. The farmer, the small business man, the independent manufacturer, and producer—they lost. The private bankers, owners of the Federal Reserve System, made their millions.

This bill still permits the bankers to control the money and fiscal policies of the United States. We are told that if this bill is enacted the Government will control the currency policies. That might be true. That is exactly what President Hoover did during his administration. The Federal Reserve banks at his behest and urge approved a terrific spree of speculation, gambling, and pyramiding credit. This was known as the "Hoover bull market", which finally pulled the whole Nation down in the ensuing ruins.

Some say that the present banking machinery is all right if only the present machinists who are operating the machinery will do a better job. I say the machinery is all wrong. This bill does not change that machinery. It only perpetuates the illicit banking machinery which we have found to be the most expensive machinery in the world.

Mr. Chairman, I am becoming a little tired of voting for legislation that is solely for the benefit of the banking fraternity of this country. If the Goldsborough amendment is adopted, I shall vote for the bill. If the Patman-Cross amendment that proposes to buy the stock in the Federal Reserve banks owned by private bankers by the Government is adopted, I will support this bill. If these two amendments written in the interest of all the people instead of the benefit of the overprivileged bankers are not adopted, I will vote against the bill.

I hear Democratic Members say that if these two amendments are defeated they will hold their noses and vote for the bill anyway. I do not propose to do any such thing. It is high time that this House of Representatives at least, who are elected by the people for 2-year terms, who are responsible and answerable every 2 years to their constituents,

followed the wishes of the majority of those constituents and supported legislation not to further enhance these special favors enjoyed by the greedy and selfish bankers but to call a halt once and for all upon their nefarious practices.

This bill distinctly does not do. Its passage only means a continuation of that system which has brought the Nation to its knees. It is that system which I condemn and deplore and which I shall vote against unless the Goldsborough and the Patman-Cross amendments are adopted.

I do not mean to say that banking is all rotten nor bankers all bad. We have some good bankers as well as lots of bad bankers. We even have honest, well-meaning bankers in Congress. It is the system under which they operate that I condemn and deplore. It was that system which caused the banks to collapse and fall flat on their backs when Herbert C. Hoover walked out as the thirty-first President of the United States of America. It was that system which made it necessary for Franklin D. Roosevelt to close all the banks—his first official act upon assuming office, to sort out the wheat from the chaff and to keep the big racketeer bankers from stealing all the depositors' money. It was that system which impelled the Seventy-third Congress to guarantee bank deposits without which there would not have been a single solvent bank open and doing business today. It was that system which enabled them to show a book deposit of \$44,000,000,000 when the crash came when only 5½ billion dollars of money actually was in existence—a system that permitted them to indicate a book deposit of \$59,000,000,000 at the peak of the highest tide of credit inflation the country has ever known, the so-called "Hoover bull market" which collapsed and fell with the thunderous shock that rocked the universe in October 1929. That is the system which robbed widows and orphans of their all, which stole the home of the unemployed workman, filched from the farmer his homestead that had taken him a lifetime to build, and set small business men back 40 years to the zero point from which he started.

What we should do with the banking, financial, currency, and credit structure of the country instead of further permitting the bankers, the money lenders, and the Shylocks to exploit the people to the tune of \$10,000,000,000 per year—that is the amount of interest that is collected annually—instead of further allowing them to work their racket of illegally and unconstitutionally issuing currency and charging interest on \$10 whereas actually they own only \$1, instead of collecting 50 to 60 percent interest on every dollar that they actually own, instead of receiving money from the Government and then hoarding it instead of loaning it, we should tear off these shackles and barriers to progress and prosperity and operate the banks, issue the currency, and allot the credit for the rights and benefits of all the people instead of the favored few.

One of the greatest rackets in the country today is the unconstitutional National Bank Act passed during the Civil War over the resistance of President Lincoln. Lincoln's Secretary of the Treasury, Salmon P. Chase, who afterward became a member of the United States Supreme Court, showed extreme penitence for his part in jamming it through a docile and bewildered Congress when it was too late.

This Congress should repeal it. Better still, it should be challenged in the courts. I do not doubt that the Supreme Court would throw it out on stronger grounds than they threw out the section of the N. R. A. Act dealing with "hot-oil" shipments, since it is patently more unconstitutional than the 1933 measure.

Under the National Bank Act Congress abrogates its constitutional powers to coin money and regulate its value. The amazing thing about it is that our Supreme Court has just said Congress cannot check its constitutional rights to another branch of government.

How, then, could the principle of the Congress giving its power to private bankers be sustained? The answer is that it cannot.

Mr. Chairman, if you want to prove the fallacy of so-called "inflation hurting the common people", just turn to the

market reports in the newspapers of today. I find in the Washington Post, under date of May 8, the following:

A dispatch from New York says stocks today indulged in a rousing surge that was surprising even to the bulls. Gains of 1 to 4 percent were chalked up throughout the list. The Associated Press reports a "brisk advance features the curb market." It states the curb market moved spiritedly upward today to the tune of heavy demand in virtually all categories.

Some of the larger life insurance companies record new highs. On May 8 from Minneapolis press reports say "peak insurance sales in 50 years' business" and that the largest April sales of new life insurance in its history are reported by Northwestern National Life Insurance Co. of Minneapolis with a total of \$6,002,373 for the month. This is an increase of 15 percent over April 1934 and of 60 percent over the same month of 1933. The best previous April in the company's 50 years of business was in 1930, with a total of \$5,721,670.

From the sun-kissed shores of San Francisco comes the following: "Coast stocks soar in surge of buying. Speculative fever broke out on the stock exchange here today, apparently inspired by the passage of the Patman bonus bill." From New York again comes a report from one of the large chain-store outfits of the country. J. C. Penney Co. announces that their sales were up 13.7 percent in April. They go on to say that the sales of J. C. Penney Co. during April totaled \$17,596,845, compared with \$15,475,133 in the same month last year, an increase of 13.71 percent. Sales for the first 4 months were \$58,073,173, compared with \$56,141,346 in the same period in 1934, an increase of 3.44 percent. Sales of Lerner Stores Corporation in April amounted to \$2,902,327, compared with \$2,225,702 in the same month last year.

Back to the Chicago Board of Trade and grain markets we find that the renewal of inflation talk, coupled with reported moves toward possible overriding of a Presidential veto of the Patman bonus bill, accompanied higher grain prices today. It was asserted that submitting the bonus bill to President Roosevelt would be delayed until friends of the measure had mustered full strength in the Senate and would be able perhaps to nullify an expressed intention on his part to exercise veto power. Another bullish factor was evidence of growing belief that there would be a notable shortage of domestic hard winter wheat production this season. Wheat closed firm, ½ to 1 cent above yesterday's finish, July 95½ to 95¾; corn, ½ off to ¾ up, July 81¾ to 87½; oats, ½ to ¾ advance; and provisions unchanged to a rise of 7 cents. Corn and oats prices averaged higher, responsive to tightening up of premiums for Chicago May delivery of corn. Provisions reflected grain rallies, as well as strength shown by the cottonseed-oil market.

Is it not apparent to any sound-minded, clear-thinking man or woman that if these forecasts of so-called "inflation measures", if all that inflationary talk has such stimulating and buoyant effects upon selling markets of commodities, stocks, and securities, that the enactment into law of real inflationary legislation, such as the Patman bill, the Frazier-Lemke refinance bill, and others, would not have even more lasting and beneficial effects as to commodity prices? Is that not what we want? Is that not what we have been fighting for—to get back to the level of 1926, as we proposed to do under the Goldsborough amendment? Why, of course, it is. But, instead of letting this distinct trend for the better continue, we attempt to throttle and strangle it by enacting this legislation and by opposing the Patman bonus bill.

Is the banking system sound today? Only as the United States Government makes it sound. Had it not been for Government guaranty of deposits the banks would be the most unsound financial institutions in our midst today. If it is a sound credit system for the farmer it is because of the Government's activities to provide funds by separate lending agencies known as "the Farm Credit Administration." If the credit system today is sound for owners of homes, then it is only sound through Government activity in legislating and authorizing appropriations of nearly \$5,000,000,000 to be loaned to distressed home owners under the provisions of the Home Owners' Loan Corporation—a Gov-

ernment institution created and owned by all the people instead of a few selfish, greedy bankers.

Why not go all the way? Why must the Government bear the load of refinancing homes and farms and then permit these pirates of high finance—namely, Federal Reserve bankers, to continue as overlords of the money and currency, to rob and plunder the taxpayers and to still enjoy the illegitimate privilege of issuing currency, regulating the value thereof, and charging interest for \$500,000 when they actually own only \$50,000 of currency. This bill does not stop these vicious and unforgivable practices; therefore, I cannot support the bill. I will support—today, tomorrow, or at any time in the future—a real, honest bill that proposes to nationalize the banks, take them all over, and destroy once and forever the throttling of the racketeering bankers.

Whenever I talk about inflation of the currency the bankers, the capitalists, the rich, and the near-rich commence to yell, "fiat money", greenback money, printing-press money. The money lenders who have the pawnshop complex have their intellectual facilities wholly concentrated on interest; naturally they, too, oppose inflation.

Inflation to the average banker is like a pound of putty in the stomach of a miserable dyspeptic. The vast numbers of people who can be affected favorably by currency inflation know that a piece of green paper money has the same purchasing power as that of a yellow bond with gold back of it. Theoretically the yellow paper may be worth more than the green paper, but in practice it does not work out that way. The green paper money of the United States Government is worth just as much and will buy just as much as the yellow bonds of the United States Government.

Since President Roosevelt so nobly and heroically took us off the gold standard, yellow bond paper covers no more ground today than green currency paper. Both are guaranteed by the Government and have the Government's promise to pay that makes them valuable. The property, the incomes, the earnings of all the people are back of United States currency whether it be yellow or green paper.

When we try to inflate or expand the currency the bankers and other calamity howlers hold up the so-called "terrible example" of Germany. Germany and other foreign nations inflated their currency because their resources and credit were exhausted. They wiped the slate clean, however, repudiating debts, and today are in an enviable position economically and financially speaking.

Call it "fiat money", "greenbackism", if you will. The indisputable fact remains, nevertheless, that all our currency, even though it be Federal Reserve bank notes, is not worth a damn without the guaranty and promise to pay of the Government of the United States. National-bank notes signed by John D. Rockefeller or Andy W. Mellon are not worth a cuss unless countersigned by the Government of the United States. The Government money is better money than that of all the millionaires of this country or of the world, because all the people of the United States and their holdings and their properties and their wealth stand squarely back of that Government money.

Proponents of this bill assert that the Federal Reserve System functioned well during the World War. Why not? The country was prosperous; commodity prices were high; the majority of our people had money; they had property; they had incomes. The depression, if not actually induced, was at least aggravated by the credit inflation. When commodity prices fell, farm values toppled; then the System was powerless to stop the flood of deflation and depression.

If we are to have a financial dictatorship, then let us at the same time take over the banks and make them function in the interest of all the people.

Proponents of this bill further state that the credit system is a "delicate system." That has not been my experience, I beg to observe. When the banks failed to function, instead of being delicate they were hard-boiled and foreclosed with ruthless abandon upon the debtor classes.

Others state that the banks are full of money; that they are bursting with money; that their walls are about to fall

down because of too much money. If that be true, then why do they not lend that money to those who are in need of it? The fact is banks have outlived their day of usefulness unless guaranteed by the Government which they exploit. Members of the Banking and Currency Committee during this debate have stated that the banking system will never be strong and efficient with half the banks in and half the banks out in the depository-insurance feature. Yet in this very bill you permit nearly half of them to remain out of the Federal Reserve System, and you permit approximately 6,000 out of the 15,000 banks in operation to be owned by the Government. Then why not let the Government take them all over and receive the profits recorded instead of the private bankers?

I state without fear of successful contradiction that the system which we condemn stands indicted and convicted in the minds of men and women. Instead of driving the money changers from the temple, we actually intend to further protect them, when they should have been indicted on the following misdeeds:

First. They permitted war loans of billions of dollars, all for profit and gain for themselves.

Second. They caused the wrecking of thousands of small banks by loading these banks up with rotten securities and stocks.

Third. They steadfastly refused to supply the people with more and adequate currency to properly take care of their own currency needs.

Fourth. By expanding credit subject to their whims and desires they have taken billions of dollars of profits away from the people.

Fifth. By contracting credit once available to farmers, small business men, producers, and home owners, they have taken thousands of homes and farms by the uncalled-for and unjustified forced sales of these properties.

Sixth. They have exploited, plundered, and ruined hundreds of smaller banks.

Seventh. They have concentrated and centralized billions of dollars of ill-gotten wealth in the hands of the few by their promotion of trusts, monopolies, and mergers of big business.

Eighth. They promulgated, sponsored, and perpetuated a Government of the rich, for the rich, and by the rich.

Immediate expansion of the currency is necessary. All economists and even the thick-headed professors of the "brain trust" admit that most of our economic troubles are caused by what they call a "money famine."

How, then, can this money famine be dissolved except by the Government issuing more currency or the bankers issuing more currency? If we should give the national bankers the special privilege of issuing five billions in new currency instead of permitting Congress to go back to the Constitution and issue it in the name of the Federal Government, we would have no hue and cry against currency expansion.

We have to expand the currency. We must call in some of those tax-exempt bonds and pay them off before they are repudiated. Instead of financing relief work with bond issues, which only relieves the bankers in the long run, we must do that with non-interest-bearing Treasury certificates.

With the supply of gold and silver bullion now in the vaults of the Treasury Department we could justify an additional issue of \$20,000,000,000 in currency and put it in circulation.

Let us judge the merits of inflation by the process of elimination. Whom will it hurt? Will it hurt the farmer, who is down and out and has lost nearly \$40,000,000,000 in the diminished value of his properties?

Will new currency hurt the soldier, who now, in most cases, is without property, without income, and without a job?

It cannot hurt him, but, on the other hand, if we pass the Patman adjusted-compensation measure its benefits will be observed not only in the ex-soldiers' own homes but in every avenue of trade and in every line of commerce that comes in contact with the World War veteran—the butcher, the baker, and the candlestick maker.

The third distressed class is the wage earners who are receiving barely enough to eke out existences. Inflation cannot hurt them. They have everything to gain and nothing to lose by it.

The small business man and the independent producer constitute the fourth class of people who are in distress. Will inflation hurt them? No. On the other hand, it will assist them in every way possible.

It will mean that the independent factories which are now flat on their backs because of the lack of financing can open up once more and put millions of our idle to work. These industries cannot now borrow money from the bankers. They cannot borrow money from the Government agencies, as was so amply demonstrated when we reauthorized the Reconstruction Finance Corporation to continue in existence.

Under the National Bank Act, and now under this act, Congress abrogates its constitutional powers to coin money and regulate its value. The amazing thing about it is that our Supreme Court has just said Congress cannot check its constitutional rights to another branch of the Government.

How, then, could the principle of the Congress giving its power to private bankers be sustained? The answer is that it cannot.

Under this special privilege national bankers, by a process thoroughly explained in the July 1934 issue of Plain Talk, make a profit of from 9,583 to 13,333 percent on their money. This profit comes out of the pockets of the American taxpayers.

This racket makes the activities of the Capones and Dillingers, and even of the Dawses and Insulls and Mitchells, pale into insignificance.

This banking bill, H. R. 7617, does not abolish nor eliminate the racket of the national bankers. If it in the slightest measure or manner corrected that iniquitous evil, then I would gladly support the bill; but the leopard does not change his spots, the skunk never loses his smell, so why dress up these bank racketeers in a new suit of clothes, wrap around them a protecting cloak of additional Government protection and security which means nothing more nor less than more exploitation and plundering of the people's earnings, their property, their homes, and their farms?

I for one propose to say and have it known by the whole world that my efforts are not directed to promoting the interests and aims of bankers, but to protect the welfare of the millions of common people who have suffered long and keenly by the milking and duping of the Federal Reserve Banking System and the vested interests which they serve. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not expect to match either in eloquence or knowledge the gentleman who has just preceded me on this question.

Let us look at this thing in a sensible way. What does it mean? The adoption of this amendment would simply mean the destruction of the Federal Reserve System. There would not be any such thing as a national banking system at all if this amendment is adopted. There is not any question about that proposition. We have the proposal here that the Government purchase the stock of the member banks in the System. If that is done, it is the end of our banking system. We have not anything left. Where would the members be if you bought their stock? Where would you have any members in the Federal Reserve System if you bought the stock that is now owned by them? There is absolutely no machinery set up, and all you could do under the law would be to annul their charters and reorganize them.

Mr. Chairman, the argument has been made here that you cannot compel these member banks to sell their stock. You cannot do that. You cannot make them sell their stock because they have bought the stock and they have paid their money. There is not any doubt about that proposition; still it is proposed here to buy stock in the banks.

Not only that, but may I say, in my judgment, if that could be done, it is not a desirable thing to do. Of course, it cannot be done. There are those who believe that there is too much power placed in the Board under the additional powers given here. This amendment will put the Board not only in

control of the monetary policy and the credit administration of this country—and I am in favor of that—but this amendment will, in addition to that, absolutely start them in the banking business for the Government of the United States. This is an entirely different proposition, and I think everybody recognizes that fact.

It is one thing for the Government to control the monetary system and the credit policy of the country and another thing entirely for the Government to go into the details of banking. If there is objection to this proposition on the ground that it places too much power in the Federal Reserve Board, where are we going to be if we buy out the Federal Reserve System and place the Board directly in charge, not only of the credit policy and expansion and contraction of the currency, as well as the credit policy of the country, but in the business of making loans to the various banks and individuals throughout the country? In that event we have absolutely abandoned the principle of keeping the Government out of business, and there is no more reason why the Government should be in the banking business than in the railroad business, in the manufacturing business, or in any other enterprise. [Applause.]

[Here the gavel fell.]

Mr. BROWN of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the Members of the House ought to have some idea of the origin of the Federal Reserve System in considering this amendment. When the Federal Reserve System was established the law provided that its stock might be allotted to the Government of the United States. The idea of the Congress when this System was set up was that the national banks and such State banks as desired to join the System would provide a portion of the capital of the institution. It was also provided in the law that the Government itself might subscribe to the stock. The section of the law relative thereto is very brief. It is still the law of this land and has not been repealed. It reads as follows:

Stock of a Federal Reserve bank allotted to the United States shall be held by the Secretary of the Treasury and disposed of for the benefit of the United States in such manner, at such time, and at such prices, not less than par, as the Secretary of the Treasury shall determine (sec. 284, title 12, U. S. C.).

There is nothing in the law at the present time, and I have examined it rather carefully, that would prevent an increase in the stock of Federal Reserve banks and the allotment of that increase to the Treasury of the United States today. There is nothing to prevent that at the present time.

The amendment offered by the gentleman from Texas [Mr. Cross], as has been brought out by the gentleman from Texas [Mr. McFARLANE] in connection with the questions he asked of the gentleman from Ohio [Mr. HOLLISTER], does not in any way compel the banks of the United States to sell their stock. If the United States Treasury or the Government, because the Treasury is the Government, desires to acquire stock in Federal Reserve banks they may do so by the process of adding to the total capital stock of those institutions by action of the Federal Reserve Board and then subscribing for the stock. If we adopt the Cross amendment we shall do nothing but authorize the Treasury to buy stock in the Federal Reserve banks.

They have this right now. They can under the law now acquire stock in the Federal Reserve banks. I do not believe it is necessary to adopt the Cross amendment in order to accomplish this result. I say it will be a futile and a useless thing.

Let me call your attention to the fact that there is nothing in the amendment which requires the banks to sell their stock, and if such a provision were in the Cross amendment, as the gentleman from Ohio [Mr. HOLLISTER], who is a thorough constitutional lawyer, has told you, it certainly would be unenforceable under the Constitution of the United States, because you cannot compel a private individual or a corporation to sell his stock or his property.

As the gentleman from Missouri [Mr. WILLIAMS] well said, if you want to abolish the Federal Reserve System as it

exists today, there is a way you can do it. Revoke the charters by law.

[Here the gavel fell.]

Mr. BROWN of Michigan. Mr. Chairman, I ask unanimous consent to proceed for 3 more minutes.

Mr. PATMAN. Mr. Chairman, reserving the right to object, and I shall not object, I hope the gentleman will answer one question. The gentleman, I believe, stated there is nothing to prevent the Government from acquiring member-bank stock at this time. The gentleman certainly does not refer to the \$146,000,000 outstanding now.

Mr. BROWN of Michigan. They could not acquire that stock.

Mr. PATMAN. The gentleman is exactly right. This amendment applies to the \$146,000,000 outstanding now, and this amendment would be required before the Government could acquire that stock.

Mr. BROWN of Michigan. Does the gentleman believe that under this amendment any bank in the country could be compelled to divest itself of its Federal Reserve stock?

Mr. PATMAN. Under this amendment, it could not, but this is a good, long step in the right direction.

Mr. FIESINGER. Mr. Chairman, reserving the right to object, may I ask the gentleman what will happen now if we vote on the Cross amendment? The Cross amendment includes the amendment submitted by the gentleman from Texas [Mr. PATMAN], which we have adopted.

Mr. BROWN of Michigan. Yes.

Mr. FIESINGER. How can we get a separate vote on the Patman amendment?

Mr. BROWN of Michigan. We have already taken a vote on the Patman amendment to the Cross amendment.

Mr. FIESINGER. If we vote down the Cross amendment now, that will also vote down the Patman amendment.

Mr. BROWN of Michigan. That is right; but if you want a vote on the Patman amendment, it could be obtained by reoffering it if the Cross amendment is rejected.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. CRAWFORD. May I ask what return the member banks receive as owners of this stock?

Mr. BROWN of Michigan. I am pleased the gentleman has asked that question, and I think the committee ought to hear this. All that the member banks in the Federal Reserve System have ever received is 6 percent interest on their stock, and the amount of stock that any bank can hold in the Federal Reserve System is illustrated by the fact that a bank with \$100,000 capital and surplus has \$6,000 stock, in round figures, in the Federal Reserve System, which means a return to them of \$360 per year.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a correction? As the gentleman knows, they only paid in half their capital stock, or \$180 a year; therefore, they will get 6 percent on \$3,000.

Mr. BROWN of Michigan. Yes; and they get 6 percent only on the one-half that they paid in, which in the case given is on \$3,000 paid in.

Mr. FIESINGER. Does the gentleman agree with the gentleman from Texas [Mr. PATMAN] that the Patman amendment was in the original Federal Reserve Act?

Mr. BROWN of Michigan. No; not the Patman amendment. In the original Federal Reserve Act there was a provision which authorized the Government to purchase stock in the Federal Reserve banks. The Federal Reserve Board could allot such portion of the stock to them as they desired.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Michigan.

Mr. CRAWFORD. What steps could we take to reduce the return on the stock which they now hold?

Mr. BROWN of Michigan. That could be done by statute law, reducing the amount from 6 percent to 4 percent or 3 percent, or any figure that may be provided by law.

Mr. CRAWFORD. If it were reduced to 3 or 4 percent, would not the banks very likely desire to sell the stock?

Mr. BROWN of Michigan. I do not think so, but possibly it could be done in that way.

I desire to say in line with the assertion made by the gentleman from New York [Mr. WADSWORTH], and also calling attention to the statement of the gentleman from Oregon [Mr. PIERCE] made last Saturday upon this floor, it is a fact that at the present time the bankers of the country have been tremendous losers and not gainers by the fact they have held bank stock during the past 5 years. It seems to me we are in a condition of mind at the present time where we think that these men have reaped an enormous profit from the people of the country, which is not the fact. Bank deposits were an excellent investment, but bank stock was generally a burden.

Mr. McFARLANE. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I rise in favor of the Cross amendment as amended by the Patman amendment.

I believe this amendment goes a long way in the right direction in permitting the Government to properly control the credit of the Government of the United States, and it permits the Congress to carry into effect article I of section 8 of the Constitution, which directs the Congress to assume its constitutional duties and coin money and regulate its value.

The amendment does no more or less than this. This is a directory amendment. There is nothing mandatory about it. It simply authorizes the Federal Reserve to buy this \$146,000,000 of outstanding stock that is now owned by the Federal Reserve member banks all over the Nation. Why should we not own this stock, so that we can properly control our monetary system as we should control it?

Under the original Federal Reserve Act the Government was authorized to purchase stock in these banks—and these banks have bought only one-half of the stock they were authorized to purchase. I believe it will work out for the best interests of all concerned to buy the stock from these bank members, so that they would then have no legitimate claim to the continued free use of the Government's credit and other supposed claims they are making to rights and privileges they are not entitled to have under the law. If they do not wish to sell, they need not.

Just remember this. I make this prediction, and it will not be long until it happens, just like it happened in the last Congress: There will be a bill brought into this Congress, with both Houses passing it, in which they are going to amend this law and slip a joker in giving at least all existing profits made out of the Federal Reserve System to the holders of the Federal Reserve bank stock. You will remember that we had just such an amendment put over on us in the last session of Congress when the committee put back in free conference an amendment the House struck out which required all excess earnings of the System to go into the Treasury of the United States.

So I say we ought not to tempt them to do that. We ought to take away from them as far as we can through legitimate means and pay them for the value of their stock. They do not have to sell their stock if they do not want to. Let us buy all we can of this stock. If the Government owns it, we will secure excess profits that really belong to the Government but which are now being withheld under the law just mentioned which amounts to now about \$300,000,000.

Mr. PATMAN. One hundred and forty-seven million dollars, but they gave it back to the Federal Reserve banks' surplus in the law to encourage Federal Reserve banks to make direct loans to industry.

Mr. McFARLANE. The gentleman, I believe, has in mind the money contributed by this fund to the guaranty deposit insurance fund out of Federal Reserve earnings. We have taken a part of it. Now the balance of the profit made from the Federal Reserve System ought to go into the Treasury of the United States, and if we adopt this amend-

ment you are going a long step in the right direction, not only of placing the surplus of profit made from using the credit of the Government by this private corporation but we will be taking a proper step toward taking over the System so that we can properly manage it and properly control the credit of the Nation for the future. I hope the amendment of the gentleman from Texas, as amended by the amendment of Mr. PATMAN, will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. CROSS], as amended by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. STEAGALL) there were 61 ayes and 112 noes.

So the amendment was rejected.

Mr. BROWN of Michigan. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 88, commencing with line 18, strike out all through line 23, and insert in lieu thereof the following:

"Sec. 336. The additional liability imposed by section 4 of the act of March 4, 1933, as amended (D. C. Code, Supp. I, title 5, sec. 300a), upon the shareholders of savings banks, savings companies, and banking institutions, and the additional liability imposed by section 734 of the act of March 3, 1901 (D. C. Code, title 5, sec. 361)."

Mr. BROWN of Michigan. Mr. Chairman, the reference in section 336 of the act of the District of Columbia respecting the liability of stockholders in District banks is wrong. The amendment perfects section 336 and refers to the right statute. I have taken the matter up with the legislative counsel, and he has prepared the amendment to section 336 which I have offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of North Carolina: On page 90, in line 13, change the period to a comma and insert the following before the quotation marks: "That no part of the deposits of any bank, banking association, savings bank, or trust company which is not a member of the Federal Reserve System shall be or remain insured under section 12B after July 1, 1938."

Mr. CHRISTIANSON. Mr. Chairman, I make the point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. CHRISTIANSON. It seems to me that this is a matter that has already been disposed of. It is not germane to this section.

Mr. HANCOCK of North Carolina. Mr. Chairman, I do not think there is any question at all about the germaneness of the amendment. The amendment contained in the bill relates to a class of deposits which are insured under section 12B of the Federal Reserve Act and contemplates the substitution of insured deposits for the security contemplated by the deposit of securities as previously required. The proposed amendment to the section also relates to deposits which are insured under section 12B of the Federal Reserve Act, and is therefore germane to the present bill. The proposed amendment is in effect a limitation upon the preceding provision contained in the bill, in that it provides that the deposits of a bank, banking association, savings bank, or trust company which is not a member of the Federal Reserve System shall not be or remain insured under section 12B after July 1, 1937, and therefore bonds will have to be pledged as security by such banks after that date if deposits of the class referred to are made. It might also be argued that the proposed amendment to section 338 would add additional security to the deposits of funds authorized through the maintenance of sound conditions in such insured member banks by the exercise of the supervisory power vested in the Federal Reserve System.

The CHAIRMAN. The Chair thinks the amendment is an additional limitation and is germane. The point of order is overruled.

Mr. HANCOCK of North Carolina. Mr. Chairman, ladies, and gentlemen of the Committee, this amendment speaks for

itself. In my effort to secure unanimous consent for the consideration of an amendment to title I of the act, I undertook in a general way to explain the purpose of the amendment. If you adopt this amendment, on July 1, 1938, we will have in this country a unified system of banking. This amendment changes the existing law merely by extending the time within which nonmember State banks will come into the Federal Reserve System to July 1, 1938, instead of July 1, 1937. In my judgment this legislation, which we are certain to pass today, cannot hope to accomplish in the fullest measure the desirable objectives without a unified banking system. I shall try to avoid repetition in discussing the merits of this amendment. I want you to realize, however, that arguments which heretofore have been directed against a unified system by membership in the Federal Reserve System are no longer applicable. Until the Federal Reserve System could be reorganized and liberalized, I would not have been able to support enthusiastically the amendment which I am asking you to adopt. I do not deem it necessary to review the statistical record of banks during the past 15 years or to make comparisons between banks in the System and banks out of the System with respect to failures. A picture of the operations of the different types of banks is very effectively portrayed in the supplemental opinion of Mr. Brown of Michigan as a part of the report filed by the House Committee on Banking and Currency. I cannot, however, refrain from emphasizing the importance of the adoption of this amendment, if we hope to accomplish by this legislation stable economic conditions throughout the Nation. I realize that there is serious objection to any program which looks to forcing small banks into a Federal system, and I want to go on record here and now that I would not advocate any plan which I did not conscientiously believe would be for the best interests of the small banks in the outlying districts, and particularly those banks which are really community service stations. I believe, however, that the time has come when we should consider the banking situation from a national standpoint rather than from a local viewpoint. Remember that this is the philosophy behind the heart of the bill which we are now considering. You should also bear in mind that without this viewpoint we could not justify setting up a permanent system of Federal deposit insurance which carries with it the right of the Corporation to make assessments against the entire deposit liabilities of all the banks within the system rather than against the insured liability.

I also fully realize that many big banks are not particularly enthusiastic about this proposal for the reason that it would tend to restrict their business by a removal of the deposits of the smaller banks from the larger correspondent banks to the Federal Reserve System. I am also fully conscious of the fact that many of the small banks are dependent upon their exchange fees for profits. I believe, however, that with the unified system the advantages which would accrue to the smaller banks would greatly offset the loss of this income. We should not forget that in time of stress and strain there is no source other than the Federal Reserve System to which the smaller banks can turn for real financial assistance. I trust you will give me your attention for just a few minutes in my effort to present as effectively as possible the reasons why I think it is desirable for all banks to belong to the Federal Reserve System.

Out of a total of about 16,000 active banks in the United States today, between 6,500 and 7,000 are members of the Federal Reserve System.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes.

Mr. MAY. Under the gentleman's amendment, every one of the other 9,000 banks, regardless of size, would be required to come into this system?

Mr. HANCOCK of North Carolina. That is correct.

Mr. MAY. Then what would happen to the small State banks that might not be able to qualify under the provisions of this bill relating to the guaranty of deposits?

Mr. HANCOCK of North Carolina. If they were able to qualify for continuing membership in the Federal Deposit Insurance Corporation, they would, on July 1, 1938, be eli-

gible for admission to the Federal Reserve System. Of course there is a provision in the bill which would permit the Federal Reserve authorities to require banks admitted to the System to improve their capital structure within a reasonable time. Such changes would depend upon the relation between unimpaired capital structure and the deposit liabilities of the bank.

Mr. MAY. But if they could not qualify under the Federal Deposit Insurance Corporation, they would go out of business?

Mr. HANCOCK of North Carolina. I expect they would have already gone out of business.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BROWN of Michigan. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. JOHNSON of Texas. Can the gentleman state how many banks are now included in the Federal Deposit Insurance Corporation that are not members of the Federal Reserve?

Mr. HANCOCK of North Carolina. About 8,500. The exact number is available by reference to the able report of Mr. Crowley.

Mr. DONDERO. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. DONDERO. And how many are outside the Federal Deposit Insurance?

Mr. HANCOCK of North Carolina. I think there are about 1,100 in all.

Mr. DONDERO. Outside the Deposit Insurance? State banks and other banks I refer to.

Mr. HANCOCK of North Carolina. There are about 1,100.

Mr. DONDERO. Only 1,100 in the country?

Mr. HANCOCK of North Carolina. Outside of the Federal Deposit Insurance Corporation; that is correct.

Mr. CRAWFORD. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. CRAWFORD. If I understood the gentleman correctly, he said that all State banks would be eligible to membership in the Federal Reserve System. If they did not carry Federal deposit insurance the business would flow from them, would it not?

Mr. HANCOCK of North Carolina. I expect the tendency would be that way if they were not able to qualify for membership. That is really the way it should be—

Mr. CRAWFORD. Would they then, under any circumstances, with this amendment, be permitted to receive the benefits of the insurance unless they became members of the Federal Reserve System?

Mr. HANCOCK of North Carolina. No; they would not.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. FITZPATRICK. I understood the gentleman to say there are about 700 banks now that do not come under the insurance system. Is that correct?

Mr. HANCOCK of North Carolina. No; I think there are about 1,100 banks that are not members of the Federal Deposit Insurance Corporation for one reason or another.

Mr. FITZPATRICK. There seems to be a feeling around here that if the gentleman's amendment is adopted there will be about 3,000 more banks eliminated. That seems to be the feeling among the members.

Mr. HANCOCK of North Carolina. I regret that an erroneous impression of that kind has gained ground in the House, because the provisions for admission to the Federal Reserve System are as liberal as they could possibly be made. Of course, if they are not in position to qualify for insurance, they could not expect to be admitted to the System. In this connection you should remember that membership

in the F. D. I. C. under existing law depends only on solvency rather than soundness.

Mr. FITZPATRICK. All those that are in the System now could remain in, even if the gentleman's amendment is adopted?

Mr. HANCOCK of North Carolina. That is correct. They would be eligible for admission.

I wish to make this point: If we believe that the time has come in this country when we must have conscious control of the monetary powers vested in a governmental body, and if we believe that through the exercise of those powers we can accomplish the objectives set out so definitely and clearly in the mandate on page 51, it will be absolutely impossible for these powers to be exercised effectively when half of the banks are in the system and half are out. Banks are under our monetary system creators of credit. Remember that 90 percent of the money that we use in this country is check money.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. CHRISTIANSON. The purpose of the gentleman's amendment, then, is to put every bank in the United States, State as well as National, under the thumb of the Federal Reserve Board?

Mr. HANCOCK of North Carolina. Yes; for the purpose of helping the banks and protecting the depositors.

Mr. CHRISTIANSON. In other words, the gentleman would practically destroy whatever authority the State banking departments now have over State banks?

Mr. HANCOCK of North Carolina. By this amendment we would do away with 49 degrees of regulation that exist in this country, which has always produced competition in laxity rather than effective regulation and profitable community service.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. Sisson. Mr. Chairman, I ask unanimous consent that the gentleman be allowed to proceed for 15 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CHRISTIANSON. Will the gentleman yield further?

Mr. HANCOCK of North Carolina. I yield.

Mr. CHRISTIANSON. Does not the gentleman, sitting as he does on the Democratic side of the aisle, believe that we should retain at least some vestige of State rights in this country?

Mr. HANCOCK of North Carolina. I am a strong believer in private ownership and State rights, but it is my candid opinion that if the Federal Government is to extend its authority in any direction whatever in behalf of the protection of the people, it should be in the matter of proper regulation and supervision of our banking and monetary systems. [Applause.]

Mr. PEARSON. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. PEARSON. Does the gentleman concede that the adoption of this amendment will mean the immediate closing and involuntary liquidation of some five or six thousand small State banks throughout this Nation?

Mr. HANCOCK of North Carolina. No such construction could possibly be fairly placed upon this amendment.

Mr. PEARSON. Would it not necessarily follow that on account of their inability to meet the restrictions placed upon them by the Federal Reserve System, they would be compelled to liquidate, and be unable to proceed further with the conduct of their business?

Mr. HANCOCK of North Carolina. That conclusion is perfectly incorrect.

Mr. PEARSON. Does the gentleman think that a small bank, with a small capital structure, which is having a struggle to exist even under present conditions, could comply with such restrictions as the Federal Reserve System might place upon it, and still be able to function?

Mr. HANCOCK of North Carolina. I think so. I want to call your attention to this fact: That when the banking crisis came in this country in 1933 all lines were wiped out so far as classes of banks were concerned, and the Federal Reserve System was opened up to every nonmember bank in the United States. These banks were permitted, notwithstanding the fact they were not members, to bring their sound assets to the regional Reserve banks and secure currency, and lest you forget from now on, Mr. Chairman, the only place a bank can get currency in times of distress and emergency in this country will be from the Federal Reserve System. To be a member of the System will inspire confidence and carry assurance of safety and protection to every depositor and borrower.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. COLDEN. Is not the gentleman's amendment very much in the interest of the depositors in the small banks?

Mr. HANCOCK of North Carolina. Yes; and I want to again emphasize that point, although I think perhaps the distinguished gentleman from Michigan [Mr. Brown], a member of the committee, is better prepared to discuss it than I am; but if you will examine the record of bank failures throughout this country during the past 15 years, you will not hesitate to advise your little bank to come under the wing and protection of the Federal Reserve System as quickly as possible. I must again confess that up until the present time I could not see the real benefits of such requirements, but with the liberalized eligibility provisions of this bill, together with the fact that we are changing the entire monetary system, due to the radical changes in economic conditions, my viewpoint has altered, and personally I cannot understand why the small banks will not welcome the privilege of coming into the Federal Reserve System.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. FIESINGER. I believe the chairman of the committee said that if this provision were put into effect by 1937, it would put out of business 2,100 banks. Under the gentleman's amendment the time is extended 1 year. Am I correct in my statement about the 2,100 banks?

Mr. HANCOCK of North Carolina. The chairman of our committee always is able to take care of himself and to speak his own opinions. He and I differ widely about this amendment. He has been, as the House knows, against this plan for a long time; all of us appreciate, too, that he is conscientious in his opposition. But in this respect I think that he is wrong and that I am right. I have a mind and he has one, too. As a member of the committee, I do my own thinking. I think the House knows this by now. May I now proceed without interruption to present my proposed argument in favor of the amendment? Reverting to my statement at the beginning, I am satisfied that this bill will not accomplish what we want and expect it to do unless you have a unified system of banks in this country.

The division of authority between the 48 States and the Federal Government over the chartering and supervision of banks has been a source of weakness in the banking structure. It has resulted in excessive ease in granting bank charters, has interfered with the effective supervision of banks, and has fostered unsound banking legislation. Moreover, the fact that so much banking power is represented by institutions which are not members of the Federal Reserve System is an important limiting factor upon the possibility of the Federal Reserve System's assuming responsibility for national monetary policies.

When the national banking system was established during the Civil War, its sponsors believed that by imposing a prohibitive tax on State bank-note issues these banks would be put out of business and a unified banking system under Federal jurisdiction would result. This expectation, however, was not realized, largely because the rapid development of deposit banking enabled State institutions to operate profitably without issuing notes. When the Federal Reserve System was established in 1914, it was hoped that unification of banking would be attained through its membership. All

national banks were required to become members of the System and eligible State banks could become members if they wished.

Soon after its organization the Federal Reserve Board expressed the hope that a unified system of banking would develop through the Federal Reserve System, and stated that—

There can be but one American credit system of Nation-wide extent, and it will fall short of satisfying the business judgment and expectation of the country and fail of attaining its full potentialities if it rests upon an incomplete foundation and leaves out of its membership any considerable part of the banking strength of the country.

The Board extended liberal terms of admission to State banks, but no more than a small fraction of them ever became members of the System.

Before the beginning of this century it had become evident that State banks had many competitive advantages over national banks, notably in the matter of lower minimum capital and other requirements for receiving charters and in more extensive powers and privileges. The granting of similar powers and privileges to national banks tended to remove some of the restrictions previously imposed by the National Bank Act. Thus it was that about the beginning of the present century, or somewhat earlier, there began between the national and the several State systems a form of rivalry which has been described as a competition in laxity. To meet State bank competition the minimum capital requirements for national banks were reduced in 1900, and many other examples of liberalization in the National Bank Act since that time were the direct expressions of a desire to make national-bank charters attractive as compared with State charters.

Bank officials and directors are likely to resent criticism, and the ease with which they may escape existing supervision by changing from one system to another greatly reduces the effectiveness of examining authorities. Effective supervision has been handicapped largely by two factors. In the first place, supervisory authorities, whether national or State, have not been granted adequate powers; and in the second place, they have been unable to make full and effective use of such powers as have been given them. To what extent the failure of legislative bodies to grant adequate powers is due to the dual system is difficult to determine, but the inability of supervisors to make full and effective use of such powers as they have arises out of the fact that banks are able to avoid the supervision of one system by leaving it and entering the other.

Banks which do not belong to the Federal Reserve System and contribute nothing to its support nevertheless are strengthened by the stability which the System gives to the banking structure. During the recent banking crisis when the banks were subjected to the strain of wholesale withdrawals and liquidation, all classes of banks turned for assistance to the Federal Government. Measures taken by the Government to cope with the crisis cut across the lines of distinction between national and State banks and between members and nonmembers of the Federal Reserve System. Distinction between the various classes of banks was of little importance when public confidence was undermined by disclosure of serious weakness anywhere within the System. As a consequence the essential unity of the commercial banking structure has been increasingly recognized, and the movement for overcoming the difficulties arising out of dual control has gained momentum.

The broadening of membership in the Federal Reserve System would be advantageous to the banks and would enable the System to function more effectively. In the past nonmember banks have benefited indirectly from the operations of the System through their contacts with member correspondent banks. Correspondent relationship is not, however, an adequate substitute for membership in the System. It does not give to the nonmember banks the same assurance of credit and currency accommodations in time of need as would actual membership or make available to them direct access to the other services through which the System facilitates the operations of member banks. It does not place the

Federal Reserve banks in direct contact with nonmember banks, which are a source of demand for credit and currency accommodation, or afford them an opportunity to examine or supervise such banks, notwithstanding the fact that the condition and operation of these banks affect the strength of the banking system as a whole.

Members of the Federal Reserve System must conform to rules and regulations which make for sound banking, while nonmembers are subject to different regulations of a varying degree of soundness or laxity; yet these nonmembers, without making contribution to the support of the System, benefit from the stability afforded by it. If all banks were required to be members of the Federal Reserve System, standards of banking conduct could be established to place banking in this country on a much higher plane than it has ever attained. Competition between the two banking systems, resulting in an overbanked condition and lax standards, has materially hampered the effective functioning of Federal instrumentalities; that is, the national banking system and the Federal Reserve System. This has been in some measure responsible for the development of unsound banking practices, the ineffectiveness of supervision, and the serious banking difficulties during the past decade.

BUSINESS FLUCTUATIONS AND CREDIT ADMINISTRATION

At the suggestion of the Governor of the Federal Reserve Board the Committee on Banking and Currency of the House of Representatives would impose upon the Federal Reserve System, as provided in section 11 as amended, a responsibility:

To exercise such powers as it possesses in such manner as to promote conditions conducive to business stability and to mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of monetary action and credit administration.

The report of the Committee on Banking and Currency on this bill states in this connection:

In view of the added powers proposed to be conferred on the Federal Reserve Board, and to insure that these powers will be exercised in the public interest, it is desirable for Congress to lay down as definite instructions as are practicable. The present objective, the accommodation of commerce, industry, and agriculture, is inadequate as an expression of the will of Congress. It is felt that what the people really expect of monetary management is that it should be directed toward promoting business stability.

This objective is unequivocally specific and definite as to aims and yet leaves to the Federal Reserve Board discretion as to the choice of means. It would furnish a criterion by which the public and its Representatives in Congress could assess the merits of monetary policy. It would provide an added assurance that monetary control would be exercised in the interest of the Nation as a whole.

In order to work toward the objectives described in this language, the Federal Reserve System will be expected consciously to attempt to influence not only the quality of bank credit but its quantity as well. With a large number of banks of deposit outside the System and its control, its effectiveness in this connection will be limited. For example, at the beginning of this year banks which were not members of the Federal Reserve System, including mutual savings banks, had aggregate deposits of about \$16,000,000,000, a figure almost half as large as the deposits controlled at that time by members of the Federal Reserve System. It is apparent from these figures to what extent it would be possible to have an extensive increase in bank credit over which the Federal Reserve System would have no control. Such an increase might result at one time or another in serious instability.

If the Federal Reserve System is to be charged with taking action in the monetary and credit fields looking to mitigation of unstabilizing fluctuations, every effort should be made to bring all banks of deposit in this country under its jurisdiction. It would be unfair to the Federal Reserve System and dangerous for the country to increase the powers of the System, to impose upon it additional responsibilities, and yet to continue our haphazard, conflicting, and unwieldy plan of having banks under 49 different jurisdictions which

have the power to influence the volume of money available to transact the Nation's business. [Applause.]

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from North Carolina in presenting his amendment with his usual clarity has created the impression that all requirements for membership in the Federal Reserve System are waived in order to allow all State nonmember banks to come in. This is true with certain restrictions and within certain limitations. Section 202 of the bill, appearing at page 47, provides that—

Upon application to the Federal Reserve Board by any nonmember bank which at the time of such application has been admitted to the benefits of insurance by the Federal Deposit Insurance Corporation under section 12B of this act, the Federal Reserve Board, in its discretion, in order to facilitate the admission of such bank to membership in the Federal Reserve System, may waive in whole or in part the requirements of this section relating to the admission of such bank to membership: *Provided*, That if such bank is admitted with a capital less than that required for the organization of a national bank in the same place and its capital and surplus are not, in the judgment of the Federal Reserve Board, adequate in relation to its liabilities to depositors and other creditors, the Federal Reserve Board may, in its discretion, require such bank to increase its capital and surplus to such amount as the Board may deem necessary within such period prescribed by the Board as in its judgment shall be reasonable in view of all the circumstances: *Provided, however*, That no such bank shall be required to increase its capital to an amount in excess of that required for the organization of a national bank in the same place.

Thus, the Federal Reserve Board, if this amendment is adopted, is given jurisdiction of every State nonmember bank in every four corners of this country, and a situation is created whereby the Federal Reserve Board can compel any State nonmember bank to increase its capital as it, the Federal Reserve Board, within its discretion, may deem necessary.

Those of us who represent communities where there are a few small State banks, which are not members of the Federal Reserve System, realize what yeoman service these little banks are doing in these communities. They have not the perspective of Wall Street; they have not the objectives of the banks in the big urban communities; they serve that little community and they grow with that community, and the community grows with the banks. They are there for a specific purpose, to give credit to that little community; and their sphere of activity is restricted to the limits of the community; they have no relationship whatsoever with Wall Street, Detroit, Chicago, or any other big city. They are doing a strictly local banking business, and the Federal Reserve Board has no more right to come in there and establish for them their policy than it has to establish the policy to be followed by some merchant trying to do a little business in the community.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. KNUTSON. I have received several communications from small bankers expressing apprehension that if something along the line of the amendment proposed by the gentleman from North Carolina is inserted in this bill it will put the little banks of the country out of business. Is that right?

Mr. WOLCOTT. The Federal Reserve Board will have the authority to put that bank out of business by establishing an arbitrary and unwarranted capital requirement up to which that bank must build.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SISSON. In this connection, I ask the gentleman if it is not his construction of the legislation, that is, the present legislation and the legislation proposed by the amendment of the gentleman from North Carolina [Mr.

HANCOCK], that if a bank can qualify to become or remain a member of the Federal Deposit Insurance Corporation and have for its depositors the benefit of the Federal insurance of deposit, that automatically it will become eligible to be a member of the Federal Reserve System?

Mr. WOLCOTT. Not necessarily, because the Federal Deposit Insurance Corporation and the Federal Reserve System should be as completely divorced as are the Treasury of the United States and the treasury of the city of Port Huron, Mich.

Mr. SISSON. Should be, but are not under present law.

Mr. WOLCOTT. Mr. Chairman, I cannot yield further.

The Federal Deposit Insurance Corporation to me is so much bigger and more important than the Federal Reserve System and I am so concerned that it operate successfully that I do not want to see the Federal Deposit Insurance Corporation used as a club to force these banks into the Federal Reserve System.

What we are creating here is just that situation whereby you force all of the State banks to come into the Federal Deposit Insurance Corporation. They are forced in because of public sentiment, and you gentlemen are taking advantage of the public sentiment behind the Federal Deposit Insurance Corporation to compel these small banks to come into the Federal Reserve System. I repeat that there is no more comity of interest between the Federal Reserve System and the small banks in my district in Michigan than there is between the Treasury of the United States and the treasury of my home city. I hope the House in its wisdom will not force these small banks into a situation where they may be forced out of existence by being compelled to increase their capital to the extent that the bank will cease to become the agency by which our small merchants and our farmers get the necessary credit to carry on business in those communities.

Mr. MAY. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. MAY. As a matter of fact, the Federal Reserve System will have power not only to say what amount of capital they shall have, but they can make other rules and regulations?

Mr. WOLCOTT. My fear, as expressed the other day, is if we force a situation whereby all of these banks come under the jurisdiction of the Federal Reserve Board, it will not be more than 2 years before the Federal Reserve Board at Washington, under political control, will be establishing the loan policies of every bank in the United States, and I think I am justified in saying in that connection that the President of the United States will be dictating that policy. So far as I am concerned, I shall never vote to uphold a situation whereby Wall Street, Washington, or any other banking center is going to tell the small independent banks in what manner and to whom they shall lend money and extend credit, to the prejudice of the farmers and the small industries in my district.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there are approximately 8,800 State banks in the United States. Just fasten that number in mind. Of that number 7,700 are now insured, which means that of the 8,800 State banks in the United States there are only 1,100 that are not now carrying insurance. There are only 980 State banks out of the 8,800 that are members of the Federal Reserve bank. You may wonder why only such a small percentage has joined the Federal Reserve System. The reason is that the Federal Reserve has never wanted them to join and has not invited them particularly to join. Here comes an amendment which, through indirection, seeks to force them into the Federal Reserve System.

Mr. SISSON. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from New York.

Mr. SISSON. I know the gentleman does not want to mislead the House, but does not the gentleman know that under existing law they must eventually become members of the

Federal Reserve System in order to participate in the benefits of the Federal deposit insurance?

Mr. DIRKSEN. I appreciate that; but the fact is we struck that provision out of the bill in committee, and this is merely an attempt to reinsert it in the bill at this time.

Mr. SISSON. We struck it out of the bill in committee against the recommendation of every monetary authority and against the advice coming from every Government and every administrative representative. We struck it from the present law, so the gentleman should not speak of it as a change in existing law. Does not the gentleman concede also that the nonmember State banks will never come into the Federal Reserve System if they can get all of the benefits of the Federal deposit insurance without coming in, in order to have strength in the structure and afford that protection to their depositors?

Mr. DIRKSEN. I may say to the gentleman from New York that there has never been any occasion for the little banks to come into the Federal Reserve System. The fact of the matter is that 43 percent of all the little State banks, somewhere around four or five thousand, are situated in towns of less than 1,000 population. They are scattered all through the Western and Southern States. There has never been anything more than an academic contention here on the floor as to why these little banks should join the Federal Reserve System. I think the gentleman from New York [Mr. Sisson] will agree that in the present bill we provide that the Federal Deposit Insurance Corporation may terminate the insurance of an unsound bank.

Mr. SISSON. Does not the gentleman think the Federal Deposit Insurance Corporation ought to have that power?

Mr. DIRKSEN. Why, certainly. I am only elaborating upon the powers we have conferred on the Federal Deposit Insurance Corporation for the purpose of protecting the depositors and the soundness of these various banks participating in the insurance.

Secondly, the Federal Deposit Insurance Corporation can regulate the interest payments, insofar as nonmembers are concerned, on time deposits precisely as the Federal Reserve does it, insofar as the member banks are concerned.

Next, the Federal Deposit Insurance Corporation can require burglary and fidelity insurance, so that there will be no difficulty attending a bank in case there is a hold-up of some kind.

Fourth, the Federal Deposit Insurance Corporation must give approval for any kind of a merger or consolidation or for a reduction in the capital of one of these State banks.

Here are 7,700 banks that have insurance at the present time, and they have qualified under all the provisions of the law.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. I am very much interested in the argument which the gentleman is making. I know he is sincere in making the argument, but he has referred to small banks all over the country, and I would like to know whether the gentleman would be willing to support an amendment which would tend to bring into the System all nonmember banks with deposits of \$500,000 or more?

Mr. DIRKSEN. I may say to the gentleman that that matter is not pending now. We are discussing the pending amendment, and I would rather not be led astray.

Let me continue for just a moment. The Federal Deposit Insurance Corporation can require reports of conditions from all these State banks. So there is not a thing left undone in this law to insure the solvency and the soundness

of every bank that participates in insurance. There is careful scrutiny at all times, and yet, under this amendment, you are going to say arbitrarily that on the first of July 1938 this insurance shall be taken away unless they join the Federal Reserve, irrespective of whether they have any use for the Federal Reserve or not. How much use does a little bank in a town of 600 or 1,000 people have for the rediscount facilities of the Federal Reserve System? Very little, if any, and yet they will have to subscribe for 6 percent of their capital stock and surplus and pay half cash, although they have no use for it whatsoever, because they are amply protected under this law.

It has been said that the record of failures so far as State banks are concerned is a bad one. Let us look at the capital investment of the Reconstruction Finance Corporation in all banks at the present time. The R. F. C. has a capital investment in 5,412 banks right now and this capital investment amounts to \$810,000,000. How is this classified? First of all, 1,759 national banks, 296 State member banks and 3,357 nonmember banks. How much does the R. F. C. have invested in these respective banks?

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I ask unanimous consent to proceed for 2 more minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Of the 1,759 national banks, the R. F. C. has a capital investment of \$440,000,000 and the average is \$250,000 for the national banks.

Of the 296 State member banks, it has \$175,000,000 invested, or approximately \$580,000 per bank.

In the 3,357 nonmember State banks, the R. F. C. capital investment, right now, is \$204,000,000, or an average of only \$61,000 as against \$250,000 for the national banks and \$580,000 for the State member banks.

This indicates pretty well what kind of banks have to have the most capital help from the Reconstruction Finance Corporation, and the figures that have been adduced heretofore to show how bad was the State banking structure, I think, are fully dissipated by the figures of the R. F. C., and the thing for this committee to remember is that if this amendment passes you arbitrarily cover over 7,000 State banks into the Federal Reserve System and if they do not come in you say to them, "We are sorry, but on the first of July 1938 your insurance will be automatically terminated."

[Here the gavel fell.]

Mr. SISSON. Mr. Chairman, I move to strike out the last five words.

Mr. BROWN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BROWN of Michigan. Do I understand that debate has been limited?

The CHAIRMAN. Debate is always limited in Committee of the Whole to 5 minutes on the side on each amendment, and there has been 30 minutes' debate on this amendment.

Mr. SISSON. Mr. Chairman, I hope before the members of the Committee decide this important question they will at least read the supplemental report of the gentleman from Michigan [Mr. Brown], which is attached to the committee report and which contains, I believe, an unanswerable argument in support of what is substantially the present law and in support of the Hancock amendment. The report contains the figures which are indisputable of the banking history of this country for the period of 1921 to 1933 before we had Federal deposit insurance.

This shows the enormously greater losses to the depositors of America who had their deposits in nonmember State banks than those who had their deposits in either national banks or member State banks.

I am in entire sympathy with the argument of men like my friend the gentleman from Minnesota [Mr. CHRISTIANSON] and others who have spoken about wanting to take care of the small State banks and not lose to the business life of these little communities their present banking facili-

ties, and the Hancock amendment is not going to cause them to close up at all. Such a statement is entirely misleading and without foundation.

What is the present legislative status? Under existing law these banks, as a part of the consideration for having their deposits insured up to the extent of \$5,000 per deposit through the Federal Deposit Insurance Corporation, must, by the 1st of July 1937, come into the Federal Reserve System. In addition to this, the present law, together with the Hancock amendment, brings it about that if they are qualified to remain in the Federal Deposit Insurance Corporation and have this benefit, they are automatically qualified to come into the Federal Reserve System.

This is the whole purpose, and the committee ought to come out frankly and tell the House the history of it and not mislead the House by statements such as have been made, I am sorry to say, by my friend from Illinois [Mr. DIRKSEN], because it does not mean that these seven-thousand-and-odd nonmember State banks are going to be put out of business. If they are qualified to remain in the Federal Deposit Insurance Corporation, then they automatically are made eligible to go into the Federal Reserve System. And, if they are not qualified to remain in the Federal Deposit Insurance Corporation, do you think they ought to continue? If they are qualified, they automatically become qualified to go into the Federal Reserve System, and all we are asking is that they shall come in and strengthen the whole banking structure and protect depositors all over the country. This is what I am arguing for. [Applause.]

Mr. STEAGALL. Mr. Chairman, the House will remember the circumstances under which the law establishing the Federal Deposit Insurance Corporation was enacted. On two separate occasions this House expressed itself against the proposal that would require nonmember banks to become members of the Federal Reserve System in order to join the Federal Deposit Insurance Corporation. A compromise was worked out in conference because of the practical situation that had to be met if the Federal Deposit Insurance Corporation Act was to be adopted.

Now, what is the situation? We have 960 banks joining the Federal Reserve System voluntarily. They are State banks that came in of their own motion.

That is the number that joined the Federal Reserve System in 20 years.

The Federal Deposit Insurance Corporation, just as did the Federal Reserve Act, automatically covered into its benefits every national bank and every State member bank; 7,638 State nonmember banks have voluntarily joined the Federal Deposit Insurance Corporation in less than 1½ years.

It is a sad commentary that the Federal Reserve System, after failing for 20 years to induce State banks to join the System, unable to persuade nonmember banks to enter the System for business reasons, are now seeking to drive them in. [Applause.] It means no more nor less than that. You who are informed of this situation know not only that the Federal Reserve officials want to enlarge the System and get control of the entire banking structure of the Nation, but that they do not believe there is any justification for many of the small community banks.

It is also well known, deep down in their hearts they feel that many State banks should be destroyed, and that is exactly what is involved in the proposal to drive them into the Federal Reserve System. They do not wish to join the System because the connection is not desirable. They would be denied compensation for services rendered in remitting checks, and subjected to other requirements and regulations obnoxious to them. It would curtail their earnings, and no bank can operate safely that cannot make profits. The Deposit Insurance Act provides that nonmember banks shall be permitted to participate in the benefits of the Federal Deposit Insurance Corporation upon terms of equality with member banks and without regard to capital. Any bank with capital of \$25,000 is eligible to membership in the Federal Reserve System if its deposits are insured. The bill before the House proposes to liberalize the requirements for membership as to nonmember banks. But there is a provision

that would authorize the Federal Reserve Board to raise the capital requirements above those prescribed in the Banking Act of 1933. These requirements would exclude many non-member banks.

The Chairman of the Board of the Federal Insurance Corporation, in a statement 1 week ago, said that 2,314 State banks in the United States were unequipped to meet the technical requirements for membership in the Federal Reserve System. This proposal would destroy those banks. These banks could not live without deposit insurance, and if this number had to close, it would inevitably result in closing hundreds of others. These community banks, built up out of community spirit and community pride, for the advancement of community life are the foundation of the Nation's progress and development. They have weathered the storms of these distressing years and are still serving their communities. Many were destroyed by the collapse of the big banks in 1933, but nearly 9,000 are still carrying on. They constitute the mud sill of the Nation's banking structure. Mr. Chairman, this proposal is an effort to standardize our economic life, to centralize all power and all authority over these institutions. It is not necessary to do this in order to effectuate any policy adopted by the Federal Reserve Board. These banks have only 15 percent of the bank deposits of the country. Fifteen hundred of these banks have only \$100,000,000 of deposits. Most of them do not deal in securities that are handled in open-market operations. This proposal is a cruel, destructive, indefensible thing. It ought not to be done. [Applause.]

Mr. BROWN of Michigan. Mr. Chairman, I move to strike out the last six words. I hesitate very much to cross swords with the eloquent chairman of our committee. So far, upon the main provisions of this bill, I have been in agreement with him and in agreement with the majority of the committee; but I have a very pronounced and deep conviction upon this subject of unified banking in the United States. I think there is something inconsistent in the position of the majority of my committee. The entire purpose of this bill is to establish a unified national banking system, to establish a Government policy in regard to money and banking. It cannot be accomplished under 49 banking systems. By the action of the committee in striking this provision from the original Steagall bill, introduced by the chairman of this committee, our committee no longer followed the administration. Their action tends to break down the banking system proposed by Governor Eccles, Comptroller O'Connor, and I believe I have the right to say the Chairman of the Federal Deposit Insurance Corporation, Mr. Crowley.

The adoption of this measure, as amended in committee, will tend to drive many banks out of the national banking system and out of the Federal Reserve System. This is directly contrary to the purpose of the bill as first introduced—H. R. 5357. Changes in committee, certainly not in line with the desire of the administration, if the original bill expressed that desire, were made. No one ventured to assert in committee that the changes made, which I will discuss, were desired by the President, the Comptroller, or the Federal Deposit Insurance Corporation, or the Federal Reserve Board, but many times the committee was informed that the bill as introduced—H. R. 5357—had the approval of the various agencies affected.

A fairly well unified banking system could be brought about by legislation which would encourage the chartering and extension of national banks and inclusion of State banks in the Federal Reserve System. This bill, together with the existing law unaffected by it, will discourage national banking. It will break down and reverse the policy of our last two banking bills which encouraged a unified, democratic form of banking where each bank was independent in the matter of local credit and at the same time was able to call on the system for aid in extending credit and for aid in time of financial stress.

Under existing law the nonmember banks of the country were admitted as insured banks in the Federal Deposit Insurance Corporation with the understanding that in 1937 such insured banks would have to join the Federal Reserve

System or terminate their membership in the Federal Deposit Insurance Corporation. Under this bill the committee definitely abandons this policy and permits for all time non-member banks to participate in the Federal Deposit Insurance Corporation without membership in the Federal Reserve System. Every act of Congress heretofore passed relating to this subject has announced the policy that insured banks must become members of the Federal Reserve System. In my judgment, if this provision is repealed as is contemplated in H. R. 7617, the pending bill, a unified system of banking with individual autonomy and control of the separate banks is gone.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. Yes.

Mr. O'CONNOR. As I understand it, the amendment offered by the gentleman from North Carolina [Mr. HANCOCK] was in the original bill, was intended to be left in there, and is a part of the program, probably as vital a part as any other part of the program from the administration's standpoint.

Mr. BROWN of Michigan. The gentleman is absolutely correct.

Mr. GOLDSBOROUGH. But is it not a fact that the chairman of the Board of the Corporation testified before the Senate committee about a week ago that he was not in favor of the Hancock amendment, and that the effect of it would be to close about 2,300 State banks in the country.

Mr. BROWN of Michigan. I do not know whether it is a fact or not. I have not read the hearings in the Senate, but if my friend says so, it must be so.

Mr. GOLDSBOROUGH. I say to my friend that it is a fact.

Mr. BROWN of Michigan. I know that the first Steagall bill came from a committee of the three departments of the Government, the Federal Deposit Insurance Corporation, the Treasury Department, and the Federal Reserve Board, and the bill was the united work of those three departments of the Government, and it contained the provision now offered by Mr. HANCOCK of North Carolina.

Mr. SISSON. And is it not a fact that Mr. Crowley, the Chairman of the Board of the Federal Deposit Insurance Corporation, testified at length before this committee, the House Banking and Currency Committee, and recommended that the provisions of the existing law remain?

Mr. BROWN of Michigan. The Chairman of the Federal Deposit Insurance Corporation recommended the passage of the original Steagall bill, which contains the amendment offered by the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. And is it not a fact that if this amendment is adopted it will greatly strengthen the Federal Deposit Insurance Corporation?

Mr. BROWN of Michigan. It certainly will, in my estimation.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BROWN of Michigan. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GOLDSBOROUGH. Is it not a fact that Mr. Crowley, Chairman of this Board of the Federal Deposit Insurance Corporation, testified before our committee that he thought Congress had more sense than to force out of existence some 2,300 State banks?

Mr. BROWN of Michigan. The record will show what the testimony of Mr. Crowley is. I know that Mr. Crowley advocated the passage of the original bill, which contained the substance of the Hancock amendment.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. Yes.

Mr. MOTT. As I get it here, the great issue seems to be whether a standing committee of the House had any moral right to change a bill coming in from the executive departments.

Mr. BROWN of Michigan. That may be so, but I am for the amendment, because it is right, and the administration is usually right. I call the attention of the House to the fact that we have not talked very much about the safety to depositors. If you have read the report filed by myself, you will find an amazing record in that respect. I am going to give you a very few of those figures.

Now, we are talking about the most vital thing there is in the banking business; that is, safety to depositors.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. FITZPATRICK. Will the gentleman give the total amount of money involved in that?

Mr. BROWN of Michigan. I am about to do so.

One cannot contemplate the record of the past without realizing that National and Federal control is highly desirable from the standpoint of the depositor, whose interest is paramount. Let us look at the record.

The record of national, State member, and nonmember banks from 1921 to 1932 shows the superior safety of national banks. Mutual savings banks are not included in these figures with nonmember banks, as they are of a different character. The figures are based on the 1933 report of the Federal Reserve Board.

In 1921 there were 8,150 national banks, with total deposits of \$12,991,000,000. There were 1,595 member State banks, with deposits of \$7,646,000,000. There were 20,181 nonmember banks, with deposits of \$9,529,000,000. In 1932 open national banks had diminished in number from 8,150, 12 years before, to 6,080; the State member banks from 1,595 to 824; the nonmember banks from 20,181 to 11,296.

During the 12-year period just before the abnormal situation of 1933 the average annual number of national banks closing per year were 138, or 1.6 percent of the 1921 total; State member banks, 35 per year, or 2.2 percent; nonmember banks, 732 per year, or 3.6 percent.

In the matter of deposits, the 12-year period shows that the total deposits in national banks suspended was \$1,187,000,000; in State member banks, \$680,000,000; and in nonmember banks, \$3,017,000,000.

When one stops to consider that the 1932 member banks' deposits were three and one-half times the nonmember deposits, and that the deposits in suspended nonmember banks for the 12 preceding years were practically twice the amount of deposits in suspended member banks, it is plain and apparent that a unified system is immensely superior in safety to depositors. The National and Federal Reserve Systems have proven their superiority in the commercial banking field. Figures for the period from 1933 to date are not available, but I am assured, on authority I consider reliable, that the record, when written, will fully sustain the conclusions here reached.

These figures demonstrate that a unified system such as we have should be continued, encouraged, and perfected. This bill will break it down. Give national banks the same rights and privileges State banks have and no more. Give the little bank the same right as you do the big bank, and extend insurance of deposits to all banks that will join the Federal Reserve System and you will assist in the general unification and strengthening of our banking structure.

If we take the record of the closed insured banks, we find experience pointing in the same direction. Up to the 2d of May this year we have had 16 failures of banks in the Federal Deposit Insurance System. Two of them were members of the Federal Reserve System and 14 were nonmembers. The two member banks had total deposits of \$360,000. The 14 nonmember banks had deposits of over \$3,000,000. Expressed in another way, aside from deposit insurance, if your money was in a member bank of the Federal Reserve System, your chance of getting it back was about as 300,000 to 1, but in a nonmember bank, based on the experience of the insured nonmember banks, your chances were about 1,500 to 1. In other words, your money was 200 times safer in the Federal Reserve System. Remember that this indicates the additional risk the Deposit Corporation undertakes when it

insures nonmember banks based on the experience of the past 16 months, the only experience we have. The figures are based on the official reports of the F. D. I. C.

Mr. CHRISTIANSON. Does the gentleman believe that was due to the fact that they were nonmembers or that the nonmember banks were smaller banks in smaller communities and did not have as widely diversified portfolios and were not able to withstand the strain?

Mr. BROWN of Michigan. I believe it was due to the superior safety provided by the Federal Reserve System.

I am for the Hancock amendment because, first, it will assure greater safety; second, it will enable the people of the Nation to control its cash and credit money. These, I think, are the main purposes of the bill.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

The question is on the amendment offered by the gentleman from North Carolina [Mr. HANCOCK].

The amendment was rejected.

Mr. GOLDSBOROUGH. Mr. Chairman, I move to strike out the last five words.

Mr. Chairman, in a few minutes the Committee of the Whole House on the state of the Union will rise, and the gentleman from Ohio [Mr. HOLLISTER] will offer a motion to recommit the bill. He will then move the previous question on his motion. Those who are in favor of the Goldsborough amendment should vote against the previous question. If the previous question is defeated, I will then offer to amend the motion of the gentleman from Ohio to recommit, by striking it out and substituting the Goldsborough amendment. [Applause.]

Mr. O'CONNOR. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. HOLLISTER. Mr. Chairman, I ask recognition in opposition to the pro forma amendment. I am a member of the committee.

Mr. O'CONNOR. Very well, Mr. Chairman. I yield to the gentleman.

Mr. HOLLISTER. Mr. Chairman, I move to strike out the last six words.

Mr. Chairman, I am asking recognition for a few moments, inasmuch as the gentleman from Maryland has raised the question of the motion to recommit, to explain what the motion to recommit will be. I expect, if recognized by the Speaker, to offer a motion to recommit the bill to the Committee on Banking and Currency with instructions to return the same forthwith, striking out sections 201, 203, 205, and 209 of title II. Those are the four steps which build up additional power in the Executive; first, over the Federal Reserve Board, and through the Federal Reserve Board, over the operations of the Federal Reserve banks, over the activities of the Federal Reserve banks, and, with respect to some matters, over the member banks. Those are the mandatory provisions to which I have heretofore referred, as distinguished from the permissive provisions. Some of these permissive provisions are not correct, but they are at least purely permissive with respect to the banks, and are not mandatory, and I have, therefore, not included them in the motion to recommit.

I urge every Member who feels that there should not be an extension of power over the operation of the Federal Reserve banks and of the member banks, in any body which may be politically controlled, irrespective of any administration which may be in power, to join in supporting the motion to recommit.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield for a question?

Mr. HOLLISTER. I yield.

Mr. HANCOCK of North Carolina. The four sections to which the gentleman refers constitute the heart of title II, do they not?

Mr. HOLLISTER. These four sections constitute the extension of administration power over the Federal Reserve System of the country.

Mr. FULLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULLER: On page 91, after line 25, insert the following as a new section:

"Sec. 341. That no postal-savings depository located in a city, town, or village in which is located a banking institution which is not closed or in process of liquidation if such banking institution is a member bank of the Federal Reserve System or if its deposits are insured by the Federal Deposit Insurance Corporation shall, under the provisions of the act entitled 'An act to establish postal-savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes', approved June 25, 1910, as amended and supplemented (U. S. C., title 39, ch. 20), (a) permit a new postal-savings account to be opened, (b) accept any deposit from any person having a postal-savings account (but interest may be allowed and credited on any such deposit), (c) accept any postal-savings stamps for the purpose of making a postal-savings deposit, or (d) sell any postal-savings stamps."

Mr. FULLER. Mr. Chairman, I have given some little thought to the preparation of this amendment and have consulted the legal staff of the House, which approved the language. All that is sought by this amendment is to provide that in those communities where there is a bank which is a member of the Federal Deposit Insurance Corporation, that the Post Office Department cannot accept postal savings.

The CHAIRMAN. The question is on the amendment of the gentleman from Arkansas.

The amendment was rejected.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have moved to strike out the last word in order to answer the "lecture" of the gentleman from New York [Mr. O'CONNOR], on the right of the Membership of this House to vote on the motion to amend the motion to recommit.

I do not presume to be any bigger than any other Member of this House, but I contend that every Member has rights and responsibilities here and that no Member needs to be dictated to by any man who assumes that duty on this floor. I drop this mild hint at this point of the argument.

On the motion to recommit we have the right to vote down the previous question. Then we have the right to vote to amend the motion to recommit, and any argument to the effect that we are taking away anybody's rights is nonsense. Under the rules of the House any member of the committee handling the bill who is opposed to the measure, whether he be on the minority side or on the majority side, has the right to make a simple motion to recommit, and that will take precedence over all other motions to recommit. The only recourse the Membership of the House then has is to vote down the previous question on the motion to recommit, and then amend the motion.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. O'CONNOR. The gentleman stated that any Member of the majority or minority side could move to recommit a bill. The gentleman knows that under the established practice of this House the motion must be made by a Member on the minority side.

Mr. RANKIN. Not at all. The gentleman from Mississippi knows what he is talking about without having to ask the gentleman from New York. Any member of the committee who is opposed to the bill under consideration has the right to be recognized to make a motion to recommit. I have seen situations where every member of the committee from the minority side were in favor of a bill, when no man on the minority side who was a member of the committee could make the motion to recommit, but some member of the committee from the majority side, a member who was opposed to the bill, would make the motion to recommit.

Mr. HOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. HOLLISTER. But as a matter of custom and practice the minority side is recognized to make the motion to recommit.

Mr. RANKIN. Of course; but that does not shut off the rest of the Members of the House from voting down the pre-

vious question and amending the motion to recommit. If this were not the rule, if we were not permitted to give the Membership of the House the right to vote on the previous question, and then, if it were voted down, the right to amend, then we should amend the rules of the House so as to provide that the previous question shall be considered as ordered, as is so frequently done in rules brought in by the Rules Committee.

I submit that we are within our rights in this matter, and I for one expect to vote against ordering the previous question. If it is voted down, then I shall vote to amend the motion to recommit to include the Goldsborough amendment. [Applause.]

Mr. STEAGALL. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WOODRUM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 7617) to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes, pursuant to House Resolution 205, he reported the bill back to the House with sundry amendments adopted by the Committee.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. HOLLISTER. Mr. Speaker, I offer a motion to recommit.

The Clerk read as follows:

Mr. HOLLISTER moves to recommit the bill to the Committee on Banking and Currency with instructions to strike out sections 201, 203, 205, and 209 and report the bill back immediately as thus amended.

Mr. STEAGALL. Mr. Speaker, I move the previous question on the motion to recommit.

The question was taken; and on a division (demanded by Mr. GOLDSBOROUGH) there were—ayes 196, noes 91.

Mr. GOLDSBOROUGH. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 221, nays 159, not voting 51, as follows:

[Roll No. 69]

YEAS—221

Andrew, Mass.	Claiborne	Ellenbogen	Johnson, W. Va.
Andrews, N. Y.	Clark, N. C.	Engel	Kahn
Bacon	Colden	Englebright	Kee
Barden	Cole, Md.	Evans	Kelly
Beam	Cole, N. Y.	Fenerty	Kennedy, Md.
Beiter	Collins	Flesinger	Kenney
Bell	Cooley	Fitzpatrick	Kerr
Berlin	Cooper, Ohio	Focht	Kinzer
Biermann	Corning	Ford, Calif.	Kleberg
Blackney	Costello	Fuller	Kloeb
Bland	Cox	Gassaway	Kramer
Bloom	Crosby	Gavagan	Lambeth
Boehne	Crowe	Gifford	Larrabee
Boland	Crowther	Gingery	Lea, Calif.
Bolton	Cullen	Goodwin	Lehlbach
Boylan	Cummings	Granfield	Lewis, Colo.
Brennan	Daly	Green	Lewis, Md.
Brewster	Darden	Greever	Lord
Brooks	Darrow	Haines	Lucas
Brown, Mich.	Delaney	Halleck	McCormack
Brunner	Dempsey	Hancock, N. Y.	McKeough
Buchanan	Dickstein	Hancock, N. C.	McLaughlin
Buck	Dingell	Harlan	McLean
Bulwinkle	Ditter	Hart	McLeod
Burch	Dondero	Hartley	McReynolds
Burnham	Dorsey	Hennings	McSwain
Caldwell	Doughton	Hess	Maloney
Carmichael	Doutrich	Higgins, Mass.	Mansfield
Carter	Drewry	Hill, Ala.	Mapes
Casey	Driscoll	Hobbs	Marshall
Cavichia	Duffey, Ohio	Hoffman	Martin, Mass.
Celler	Duffy, N. Y.	Hollister	Merritt, Conn.
Chandler	Eaton	Holmes	Merritt, N. Y.
Christianson	Eckert	Huddleston	Michener
Church	Edmiston	Igoe	Millard
Citron	Ekwall	Jenkins, Ohio	Mitchell, Ill.

Moritz	Ransley	Smith, Conn.	Turpin
Mott	Rayburn	Smith, Va.	Umstead
Murdock	Reece	Smith, W. Va.	Vinson, Ga.
O'Brien	Reed, Ill.	Snell	Wadsworth
O'Connell	Reed, N. Y.	Somers, N. Y.	Walter
O'Connor	Reilly	Starnes	Welch
O'Leary	Rich	Steagall	West
Oliver	Richardson	Stewart	Wigglesworth
O'Neal	Robertson	Sullivan	Willcox
Owen	Robinson, Utah	Sumners, Tex.	Williams
Palmisano	Rogers, Mass.	Sutphin	Wilson, Pa.
Patton	Rogers, Okla.	Taber	Wolcott
Perkins	Rudd	Tarver	Wolfenden
Peterson, Fla.	Russell	Taylor, Colo.	Wolverton
Pfeifer	Schaefer	Taylor, S. C.	Woodruff
Powers	Seger	Thomason	Woodrum
Quinn	Shanley	Tinkham	Zioncheck
Rabaut	Short	Tolan	
Ramspeck	Sirovich	Tonry	
Randolph	Sisson	Treadway	

NAYS—159

Adair	Eagle	Knutson	Pittenger
Allen	Eicher	Kocalkowski	Plumley
Amle	Faddis	Kopplemann	Polk
Andresen	Ferguson	Kvale	Ramsay
Arends	Fernandez	Lambertson	Rankin
Arnold	Fletcher	Lanham	Richards
Ashbrook	Ford, Miss.	Lee, Okla.	Rogers, N. H.
Ayers	Fulmer	Lemke	Ryan
Bacharach	Gearhart	Lesinski	Sadowski
Binderup	Gehrmann	Lloyd	Sanders, Tex.
Blanton	Gilchrist	Luckey	Sauthoff
Bolleau	Gildea	Ludlow	Schneider
Brown, Ga.	Gillette	Lundeen	Schulte
Buckbee	Goldsborough	McClellan	Scott
Buckler, Minn.	Gray, Ind.	McFarlane	Scrugham
Burdick	Gray, Pa.	McGroarty	Secrest
Cannon, Mo.	Greenway	McMillan	South
Carlson	Greenwood	Maas	Spence
Carpenter	Gregory	Mahon	Stefan
Cary	Griswold	Marcantonio	Taylor, Tenn.
Castellow	Guyer	Martin, Colo.	Terry
Chapman	Gwynne	Mason	Thompson
Coffee	Hamlin	Massingale	Thurston
Colmer	Harter	May	Tobey
Connery	Healey	Mead	Truax
Cooper, Tenn.	Hildebrandt	Meeks	Turner
Cravens	Hill, Knute	Miller	Underwood
Crawford	Hill, Samuel B.	Mitchell, Tenn.	Utterback
Cross, Tex.	Hoeppe	Monaghan	Wallgren
Crosser, Ohio	Hook	Moran	Wearin
Culkin	Hope	Nelson	Weaver
Deen	Houston	Nichols	Werner
Dies	Imhoff	Parks	Whelchel
Dietrich	Jacobsen	Parsons	White
Dirksen	Jenckes, Ind.	Patman	Whittington
Disney	Johnson, Okla.	Patterson	Withrow
Dobbins	Johnson, Tex.	Pearson	Young
Doxey	Keller	Peterson, Ga.	Zimmerman
Duncan	Kimball	Pettengill	
Dunn, Pa.	Kniffin	Pierce	

NOT VOTING—51

Bankhead	Fish	Maverick	Sears
Buckley, N. Y.	Flannagan	Montague	Shannon
Cannon, Wis.	Frey	Montet	Smith, Wash.
Carden	Gambrill	Norton	Snyder
Cartwright	Gasque	O'Day	Stack
Clark, Idaho	Higgins, Conn.	O'Malley	Stubbs
Cochran	Hull	Peyser	Sweeney
Dear	Jones	Robison, Ky.	Thom
DeRouen	Kennedy, N. Y.	Romjue	Thomas
Dockweiler	Lamneck	Eabath	Vinson, Ky.
Driver	McAndrews	Sanders, La.	Wilson, La.
Dunn, Miss.	McGehee	Sandlin	Wood
Farley	McGrath	Schuetz	

So the previous question was ordered.
The Clerk announced the following pairs:
General pairs:

Mr. Cochran with Mr. Fish.
Mr. Romjue with Mr. Higgins of Connecticut.
Mr. Flannagan with Mr. Robison of Kentucky.
Mr. McGehee with Mr. Thomas.
Mr. O'Malley with Mr. Hull.
Mrs. Norton with Mr. Frey.
Mr. Bankhead with Mr. Gambrill.
Mr. Driver with Mr. Farley.
Mr. Sanders of Louisiana with Mr. Clark of Idaho.
Mr. Carden with Mr. Smith of Washington.
Mr. Dear with Mr. Lamneck.
Mr. Schuetz with Mr. Stack.
Mr. Cartwright with Mr. Wood.
Mr. Jones with Mr. Stubbs.
Mr. Dockweiler with Mr. Cannon of Wisconsin.
Mr. Maverick with Mr. Dunn of Mississippi.
Mr. Sweeney with Mr. McGrath.
Mr. Vinson of Kentucky with Mr. Montague.
Mr. Wilson of Louisiana with Mr. Thom.
Mr. DeRouen with Mr. Peyser.
Mr. Montet with Mr. McAndrews.
Mr. Gasque with Mr. Sandlin.
Mr. Sabath with Mr. Sears.

LXXIX—458

Mr. GRAY of Pennsylvania, Mr. LESINSKI, and Mr. BUCKBEE changed their votes from "yea" to "nay."

Mr. HENNINGS changed his vote from "nay" to "yea."

Mr. CULLEN. Mr. Speaker, my colleagues, the gentleman from New York, Mrs. O'DAY, the gentleman from New York, Mr. KENNEDY, and the gentleman from New York, Mr. BUCKLEY, are unavoidably detained. If they were present, they would vote "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on the motion of the gentleman from Ohio [Mr. HOLLISTER] to recommit the bill.

Mr. HOLLISTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 117, nays 261, not voting 54, as follows:

[Roll No. 70]

YEAS—117

Allen	Dirksen	Kimball	Reed, Ill.
Andresen	Ditter	Kinzer	Reed, N. Y.
Andrew, Mass.	Dondero	Kloeb	Rich
Andrews, N. Y.	Doutrich	Knutson	Richardson
Arends	Eaton	Lambertson	Robertson
Bacharach	Elcher	Lanham	Rogers, Mass.
Bacon	Ekwall	Lehlbach	Secrest
Blackney	Engel	Lord	Seger
Bland	Englebright	Ludlow	Short
Boehne	Fenerty	McLean	Smith, Va.
Bolton	Focht	McLeod	Snell
Brewster	Gearhart	Maas	Stewart
Buckbee	Gifford	Mapes	Taber
Burch	Gilchrist	Marshall	Tarver
Burnham	Goodwin	Martin, Mass.	Taylor, Tenn.
Carlson	Guyer	May	Thurston
Carter	Gwynne	Merritt, Conn.	Tinkham
Castellow	Halleck	Michener	Treadway
Cavichia	Hancock, N. Y.	Millard	Turpin
Christianson	Hartley	Mott	Umstead
Church	Hess	O'Neal	Wadsworth
Cole, N. Y.	Hobbs	Pearson	Wigglesworth
Collins	Hoeppe	Perkins	Wilson, Pa.
Connery	Hoffman	Pettengill	Wolcott
Cooper, Ohio	Hollister	Pittenger	Wolfenden
Corning	Holmes	Plumley	Wolverton
Crawford	Hope	Powers	Woodruff
Crowther	Jenkins, Ohio	Ramspeck	
Culkin	Kahn	Ransley	
Darrow	Kenney	Reece	

NAYS—261

Adair	Cox	Gingery	Larrabee
Amle	Cravens	Goldsborough	Lea, Calif.
Arnold	Crosby	Granfield	Lee, Okla.
Ashbrook	Cross, Tex.	Gray, Ind.	Lemke
Ayers	Crosser, Ohio	Gray, Pa.	Lesinski
Barden	Crowe	Green	Lewis, Colo.
Beam	Cullen	Greenway	Lewis, Md.
Belter	Cummings	Greenwood	Lloyd
Bell	Daly	Greever	Lucas
Berlin	Deen	Gregory	Luckey
Biermann	Delaney	Griswold	Lundeen
Binderup	Dempsey	Haines	McClellan
Blanton	Dickstein	Hamlin	McCormack
Bloom	Dietrich	Hancock, N. C.	McFarlane
Bolleau	Dingell	Hart	McGroarty
Boland	Disney	Harter	McKeough
Boylan	Dobbins	Healey	McLaughlin
Brennan	Dorsey	Healey	McMillan
Brooks	Doughton	Hennings	McReynolds
Brown, Ga.	Doxey	Higgins, Mass.	McSwain
Brown, Mich.	Drewry	Hildebrandt	Mansfield
Brunner	Driscoll	Hill, Ala.	Marcantonio
Buchanan	Duffey, Ohio	Hill, Knute	Martin, Colo.
Buck	Duffy, N. Y.	Hill, Samuel B.	Mason
Bulwinkle	Duncan	Hook	Massingale
Burdick	Dunn, Pa.	Houston	Mead
Caldwell	Eagle	Huddleston	Meeks
Cannon, Mo.	Eckert	Igoe	Merritt, N. Y.
Carmichael	Edmiston	Imhoff	Miller
Carpenter	Ellenbogen	Jacobsen	Mitchell, Tenn.
Casey	Evans	Jenckes, Ind.	Monaghan
Celler	Faddis	Johnson, Okla.	Moran
Chandler	Ferguson	Johnson, Tex.	Moritz
Chapman	Fernandez	Johnson, W. Va.	Murdock
Citron	Fiesinger	Jones	Nelson
Claiborne	Fitzpatrick	Kee	Nichols
Clark, Idaho	Fletcher	Keller	O'Brien
Clark, N. C.	Ford, Calif.	Kelly	O'Connell
Coffee	Ford, Miss.	Kennedy, Md.	O'Connor
Colden	Fuller	Kerr	O'Leary
Cole, Md.	Fulmer	Kleberg	Oliver
Colmer	Gassaway	Kniffin	Owen
Cooley	Gavagan	Kocalkowski	Palmisano
Cooper, Tenn.	Gehrmann	Kopplemann	Parks
Costello	Gildea	Kramer	Parsons
	Gillette	Lambeth	Patman

Patterson	Ryan	Starnes	Wallgren
Patton	Sabath	Steagall	Walter
Peterson, Fla.	Sadowski	Stefan	Warren
Peterson, Ga.	Sanders, Tex.	Sullivan	Wearin
Pfeifer	Sauthoff	Summers, Tex.	Weaver
Pierce	Schaefer	Sutphin	Welch
Polk	Schneider	Taylor, Colo.	Werner
Quinn	Schulte	Taylor, S. C.	West
Rabaut	Scott	Terry	Whelchel
Ramsay	Scrugham	Thomason	Whittington
Randolph	Shanley	Thompson	Wilcox
Rankin	Sirovich	Tobey	Williams
Rayburn	Sisson	Tolan	Withrow
Reilly	Smith, Conn.	Tonry	Wood
Richards	Smith, W. Va.	Truax	Woodrum
Robinson, Utah	Snyder	Turner	Young
Rogers, N. H.	Somers, N. Y.	Underwood	Zimmerman
Rogers, Okla.	South	Utterback	Zioncheck
Rudd	Spence	Vinson, Ga.	The Speaker
Russell			

NOT VOTING—54

Bankhead	Farley	Mahon	Schuetz
Buckley, N. Y.	Fish	Maloney	Sears
Cannon, Wis.	Flannagan	Maverick	Shannon
Carden	Frey	Mitchell, Ill.	Smith, Wash.
Cartwright	Gambrill	Montague	Stack
Cary	Gasque	Montet	Stubbs
Cochran	Higgins, Conn.	Norton	Sweeney
Darden	Hull	O'Day	Thom
Dear	Kennedy, N. Y.	O'Malley	Thomas
DeRouen	Kvale	Peyser	Vinson, Ky.
Dies	Lamneck	Robison, Ky.	White
Dockweiler	McAndrews	Romjue	Wilson, La.
Driver	McGehee	Sanders, La.	
Dunn, Miss.	McGrath	Sandlin	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BYRNS, and he answered "no."

So the motion to recommit was rejected.

The Clerk announced the following additional pairs:

On this vote:

Mr. Thomas (for) with Mr. Maverick (against).
 Mr. Darden (for) with Mr. Wilson of Louisiana (against).
 Mr. Higgins of Connecticut (for) with Mr. Sandlin (against).
 Mr. Fish (for) with Mr. Montet (against).
 Mr. Robison of Kentucky (for) with Mr. Sanders of Louisiana (against).

Until further notice:

Mr. Cochran with Mr. Hull.
 Mr. Dies with Mr. Kvale.
 Mrs. Norton with Mr. Frey.
 Mr. Bankhead with Mr. Farley.
 Mr. Driver with Mr. Gambrill.
 Mr. Carden with Mr. Smith of Washington.
 Mr. Dear with Mr. Lamneck.
 Mr. Schuetz with Mr. Stack.
 Mr. Cartwright with Mr. Stubbs.
 Mr. Dockweiler with Mr. Cannon of Wisconsin.
 Mr. Sweeney with Mr. McGrath.
 Mr. Vinson of Kentucky with Mr. Montague.
 Mr. DeRouen with Mr. McAndrews.
 Mr. Flannagan with Mr. Mahon.
 Mr. Gasque with Mr. O'Malley.
 Mr. Dunn of Mississippi with Mr. Thom.
 Mr. Sears with Mr. McLaughlin.
 Mr. Peyser with Mr. Mitchell of Illinois.
 Mr. Cary with Mr. Maloney.

Mr. KVALE. Mr. Speaker, I desire to vote "no."

The SPEAKER. Was the gentleman in the Chamber listening when his name was called?

Mr. KVALE. I was called away from the Chamber, Mr. Speaker, and was not present when my name was called.

The SPEAKER. The gentleman does not qualify.

Mr. HUDDLESTON changed his vote from "yea" to "nay."

Mr. CULLEN. Mr. Speaker, my colleagues the gentleman from New York, Mrs. O'DAY, and the gentleman from New York, Mr. BUCKLEY, and the gentleman from New York, Mr. KENNEDY, are unavoidably absent. If present, they would vote "no."

Mr. WILLIAMS. Mr. Speaker, my colleague the gentleman from Missouri, Mr. ROMJUE, is unavoidably absent. If present, he would vote "no" on this motion to recommit.

Mr. FORD of Mississippi. Mr. Speaker, I desire to announce that my colleague the gentleman from Mississippi, Mr. McGEHEE, is necessarily detained from the Chamber. If present, he would vote "no" on this motion to recommit.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. STEAGALL and Mr. SNELL demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 271, nays 110, answered "present" 2, not voting 49, as follows:

[Roll No. 71]

YEAS—271

Adair	Dorsey	Kloeb	Richards
Arnold	Doughton	Kniffin	Richardson
Ashbrock	Doxey	Kocalkowski	Robertson
Ayers	Drewry	Kopplemann	Robinson, Utah
Barden	Driscoll	Kramer	Rogers, N. H.
Beam	Duffy, N. Y.	Kvale	Rogers, Okla.
Beiter	Duncan	Lambeth	Rudd
Bell	Dunn, Pa.	Larrabee	Russell
Berlin	Eagle	Lea, Calif.	Ryan
Biermann	Eckert	Lee, Okla.	Sabath
Bland	Edmiston	Lesinski	Sadowski
Blanton	Ellenbogen	Lewis, Colo.	Sanders, Tex.
Bloom	Evans	Lewis, Md.	Sauthoff
Boehne	Faddis	Lloyd	Schaefer
Boileau	Ferguson	Lucas	Schulte
Boland	Fernandez	Luckey	Scott
Boylan	Fitzpatrick	Ludlow	Scrugham
Brennan	Fletcher	McClellan	Secrest
Brooks	Ford, Calif.	McCormack	Shanley
Brown, Ga.	Ford, Miss.	McFarlane	Sirovich
Brown, Mich.	Fuller	McKeough	Sisson
Brunner	Fulmer	McLaughlin	Smith, Conn.
Buchanan	Gassaway	McMillan	Smith, Va.
Buck	Gavagan	McReynolds	Smith, W. Va.
Buckler, Minn.	Gehrmann	Mahon	Snyder
Bulwinkle	Gildea	Maloney	Somers, N. Y.
Burch	Gillette	Mansfield	South
Caldwell	Gingery	Martin, Colo.	Spence
Cannon, Mo.	Goldsborough	Mason	Starnes
Carmichael	Granfield	Massingale	Steagall
Carpenter	Gray, Pa.	May	Stefan
Cary	Green	Mead	Sullivan
Casey	Greenway	Meeks	Summers, Tex.
Castellow	Greenwood	Merritt, N. Y.	Sutphin
Celler	Greever	Miller	Tarver
Chandler	Gregory	Mitchell, Tenn.	Taylor, Colo.
Chapman	Griswold	Monaghan	Taylor, S. C.
Citron	Haines	Moran	Terry
Claborn	Hamlin	Moritz	Thomason
Clark, Idaho	Hancock, N. C.	Murdock	Thompson
Clark, N. C.	Harlan	Nelson	Tolan
Coffee	Hart	Nichols	Tonry
Colden	Harter	O'Brien	Turner
Cole, Md.	Healey	O'Connell	Umstead
Colmer	Hennings	O'Connor	Underwood
Cooley	Hildebrandt	O'Leary	Utterback
Cooper, Tenn.	Hill, Ala.	O'Neal	Vinson, Ga.
Corning	Hill, Knute	Owen	Wallgren
Costello	Hill, Samuel B.	Palmisano	Walter
Cox	Hobbs	Parks	Warren
Cravens	Hook	Parsons	Wearin
Crosby	Houston	Patman	Weaver
Cross, Tex.	Huddleston	Patterson	Welch
Crosser, Ohio	Igoe	Patton	Werner
Crowe	Imhoff	Pearson	West
Cullen	Jacobsen	Peterson, Fla.	White
Cummings	Jenckes, Ind.	Pettengill	Whittington
Daly	Johnson, Okla.	Pfeifer	Wilcox
Darden	Johnson, Tex.	Pierce	Williams
Deen	Johnson, W. Va.	Polk	Withrow
Delaney	Jones	Quinn	Wolverton
Dempsey	Kee	Rabaut	Wood
Dickstein	Keller	Ramsay	Woodrum
Dies	Kelly	Ramspeck	Young
Dietrich	Kennedy, Md.	Randolph	Zimmerman
Dingell	Kenney	Rankin	Zioncheck
Disney	Kerr	Rayburn	The Speaker
Dobbins	Kleberg	Reilly	

NAYS—110

Allen	Crowther	Hess	Merritt, Conn.
Amie	Culkin	Higgins, Mass.	Michener
Andresen	Darrow	Hoepfel	Millard
Andrew, Mass.	Dirksen	Hoffman	Mott
Andrews, N. Y.	Ditter	Hollister	Perkins
Arends	Dondero	Holmes	Peterson, Ga.
Bacharach	Doutrich	Hope	Pittenger
Bacon	Duffey, Ohio	Jenkins, Ohio	Plumley
Binderup	Eaton	Kahn	Powers
Blackney	Eicher	Kimball	Ransley
Bolton	Ekwall	Kinzer	Reece
Brewster	Engel	Knutson	Reed, Ill.
Buckbee	Englebright	Lambertson	Reed, N. Y.
Burdick	Fenerty	Lehbach	Rich
Burnham	Fiesinger	Lemke	Rogers, Mass.
Carlson	Focht	Lord	Schneider
Carter	Gearhart	Lundeen	Seger
Cavichia	Gifford	McGroarty	Short
Christianson	Gilchrist	McLean	Snell
Church	Goodwin	McLeod	Stewart
Cole, N. Y.	Guyer	Maas	Taber
Collins	Gwynne	Mapes	Taylor, Tenn.
Connery	Halleck	Marcantonio	Thurston
Cooper, Ohio	Hancock, N. Y.	Marshall	Tinkham
Crawford	Hartley	Martin, Mass.	Tobey

Treadway
Truax
Turpin

Wadsworth
Whelchel
Wigglesworth

Willson, Pa.
Wolcott

Wolfenden
Woodruff

ANSWERED "PRESENT"—2

Gray, Ind.

Lanham

NOT VOTING—49

Bankhead
Buckley, N. Y.
Cannon, Wis.
Carden
Cartwright
Cochran
Dear
DeRouen
Dockweller
Driver
Dunn, Miss.
Farley
Fish

Flannagan
Frey
Gambrell
Gasque
Higgins, Conn.
Hull
Kennedy, N. Y.
Lamneck
McAndrews
McGehee
McGrath
McSwain
Maverick

Mitchell, Ill.
Montague
Montet
Norton
O'Day
Oliver
O'Malley
Peyser
Robison, Ky.
Romjue
Sanders, La.
Sandlin
Schuetz

Sears
Shannon
Smith, Wash.
Stack
Stubbs
Sweeney
Thom
Thomas
Vinson, Ky.
Wilson, La.

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BYRNS, and he answered "yea."

So the bill was passed.

The following pairs were announced:

On this vote:

Mr. Maverick (for) with Mr. Thomas (against).
Mr. Sandlin (for) with Mr. Higgins of Connecticut (against).
Mr. Montet (for) with Mr. Fish (against).
Mr. Sanders of Louisiana (for) with Mr. Robison of Kentucky (against).

General pairs:

Mr. Cochran with Mr. Hull.
Mrs. Norton with Mr. Oliver.
Mr. Bankhead with Mr. Farley.
Mr. Driver with Mr. Gambrell.
Mr. Carden with Mr. Smith of Washington.
Mr. Dear with Mr. Lamneck.
Mr. Schuetz with Mr. Willson of Louisiana.
Mr. Cartwright with Mr. Stubbs.
Mr. Dockweller with Mr. Cannon of Wisconsin.
Mr. Sweeney with Mr. McGrath.
Mr. DeRouen with Mr. Frey.
Mr. Gasque with Mr. O'Malley.
Mr. Dunn of Mississippi with Mr. Thom.
Mr. Peyser with Mr. Mitchell of Illinois.
Mr. Sears with Mr. Stack.
Mr. McSwain with Mr. McAndrews.

Mr. CULLEN. Mr. Speaker, the lady from New York, Mrs. O'DAY, the gentleman from New York, Mr. BUCKLEY, and the gentleman from New York, Mr. KENNEDY, are unavoidably absent, and if present would vote "aye."

Mr. SPENCE. Mr. Speaker, the gentleman from Kentucky, Mr. VINSON, was called home on account of the death of his mother. I ask unanimous consent that he be given an indefinite leave of absence.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WILLIAMS. Mr. Speaker, my colleague, Mr. ROMJUE, is absent on account of sickness in his family. If present, he would vote "aye."

Mr. FORD of Mississippi. Mr. Speaker, my colleague, Mr. McGEHEE, is unavoidably absent. If present, he would vote "aye."

Mr. BLAND. Mr. Speaker, my colleague, Mr. FLANNAGAN, is unavoidably detained by illness in his family. If present, he would vote "aye."

Mr. MAHON. Mr. Speaker, I was unavoidably called from the Chamber on the motion to recommit. If I had been present, I would have voted "no."

The result of the vote was announced as above recorded.

On motion of Mr. STEAGALL, a motion to reconsider the vote whereby the bill was passed was laid on the table.

JOINT COMMITTEE TO GREET REAR ADMIRAL BYRD

The SPEAKER. Pursuant to the provisions of Public Resolution No. 16, the Chair appointed as members of the joint committee to greet Rear Admiral Richard E. Byrd upon his arrival at the navy yard on May 10, 1935, the following Members of the House of Representatives: Mr. ROBERTSON, of Virginia; Mr. SCRUGHAM, of Nevada; Mr. DARDEN, of Virginia; Mr. MARTIN, of Massachusetts; and Mr. HANCOCK, of New York.

EXTENDING THE TIME DURING WHICH DOMESTIC ANIMALS WHICH HAVE CROSSED THE BOUNDARY LINE MAY BE RETURNED DUTY FREE

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 6143) to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free.

The Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of subparagraph (c) of paragraph 1606 of title II of the Tariff Act of 1930, horses, mules, asses, cattle, sheep, and other domestic animals, straying across the boundary line into any foreign country, or which have been driven across such boundary line by the owner for temporary pasturage purposes only, or which may so stray or be driven before November 1, 1935, and the offspring and increase of any such animals, shall be admitted free of duty under regulations heretofore or to be hereafter prescribed by the Secretary of the Treasury, if brought into the United States at any time before June 30, 1936.

With the following committee amendments:

Page 1, line 10, after the word "animals", insert "whether or not accompanying the parent animals."

Page 2, line 2, after the word "regulations", strike out "heretofore or."

Page 2, line 3, strike out the word "hereafter."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE AIR MAIL

Mr. BRUNNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech I made today over the radio.

The SPEAKER. Is there objection?

There was no objection.

Mr. BRUNNER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by myself today:

Friends of the farm and home hour, as a resident of Rockaway Beach, New York City, where the first successful trans-Atlantic flight was started on May 16, 1919, and as chairman of the subcommittee on Air Mail Service, I was very happy to accept the invitation of the Post Office Department to bring you a message from our standpoint concerning the air mail.

It was just 16 years ago that the first regular air mail line was inaugurated between Washington and New York, a distance of 218 miles. The service was inaugurated with a few remodeled Army planes and was more or less uncertain and undependable.

Today the domestic air mail system covers a total of 28,967 route miles and employs daily in this service 408 modern planes operated by 645 highly trained pilots.

During the first year of operation 30,000 miles were flown over the route between New York and Washington. At the present time the schedules provide for 40,000,000 flying miles a year.

The first planes required between 2½ and 3 hours to fly from Washington to New York. Today this route is covered in 80 minutes, and service is maintained several times a day over the route.

In the past year there has been an increase of 3,719 route miles in the domestic service, which means an increase of 5,000,000 flying miles. It is expected that if present recommendations are approved by Congress that 3,000 additional miles will be added to the routes within the year. Notwithstanding the increases in the number of routes, miles, and frequency of trips, the Post Office Department today is spending only half as much for the Air Mail Service as was spent in 1932. This great air mail system gives direct service to 46 States and indirect service to the other 2, and even the Hawaiian Islands have an interisland service.

The volume of air mail carried is increasing by leaps and bounds. In December 1934 there were transported by air mail 931,425 pounds; roughly more than 30,000,000 letters, which is more than a million letters a day. The volume is almost six times as great as was carried during the same month in 1927.

The rates on air mail have been reduced so that today a person pays but 6 cents an ounce regardless of the distance any place within the United States. This lower rate has brought a great increase in the volume and the volume has increased to such a point that the receipts are almost as great today as those received under the former high rates.

The speed of your air mail is almost inconceivable. The planes attain a speed in excess of 200 miles per hour, which is almost half the speed of a rifle bullet.

The banker in Los Angeles today calls his correspondent in New York for valuable papers which must be in his hands by tomorrow. If these papers are sent at the close of banking hours this afternoon they will be in the hands of the banker in Los

Angeles in the forenoon of tomorrow, without the loss of a single business day or hour.

A letter will travel between New Orleans and New York from sunset to sunrise. The recent experimental flight from San Francisco to the Hawaiian Islands and return, completed within the last month, brings vividly home to us the entire practicability of transoceanic mail transport within the very near future. Air transport has already made less effective the navies of the past as a means of defense; it has necessitated the reorganization of armies; it is causing the railroads and other forms of transportation to adopt more efficient trains and types of equipment. Having in mind the value of this great system, not only for the transmission of mails and the transportation of passenger traffic but its absolute need as one of the vital forces for a national defense, both my colleagues and myself on this committee will be ever alert to see that air transport in the United States will always be kept in the forefront of the nations of the world.

May I also add at this time that Amelia Earhart Putnam's flight yesterday from Mexico City to New York established another milestone in air mail history, because Mrs. Putnam, who is a New Yorker, is also a licensed air mail pilot.

COTTON VERSUS JUTE

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FULMER. Mr. Speaker, much has been said recently by the representatives of the textile industry and several Members in Congress about losing our foreign cotton markets, placing the blame on the present farm program and the processing tax. However, I have not heard a word from these complainants about new uses for cotton or using our own perfectly good American cotton instead of foreign products.

Annually the Post Office Department consumes around 1,000,000 pounds of twine to tie the mails of the United States. Its purchases are confined to jute twine. Why? Because jute is cheaper than cotton. In other words, it appears to be satisfactory and good business on the part of our Government to spend millions to plow under cotton, for which it receives no returns, but it is unwise to spend a few thousand dollars, the difference in the prices of jute and cotton twine, and thereby consume around 200 bales more cotton annually. Legislation was passed some 2 years ago requesting the Government to give preference to American products and articles manufactured from American products although the price might be somewhat higher. However, the jute mills of New England, the section where the complaints against the agricultural program are coming from, are always able to get the business.

I have a bill pending making it possible to use millions of dollars' worth of cotton, utilizing cotton, stalks, bolls, and leaves, in the manufacture of cellulose which can be used in making paints, varnishes, paper, ammunition for war purposes, and many other articles. However, I have no assistance from these grumblers and the mourners of the loss of our foreign markets.

I have a net-weight bill pending that would permit the using of cotton bagging in covering cotton instead of old, heavy, ragged, disgraceful jute, thereby consuming 200 additional bales of cotton, but these tariff barons and representatives of the jute interests are opposing my bill.

Also, I have a bill pending proposing to put a proper tariff on jute and jute products which would give additional markets for 2,000,000 bales annually, but no assistance is given me from New England in passing this bill.

You are clamoring for increased tariffs on foreign textiles, kicking about farmers controlling their production, which is in line with the policy of the textile mills, but you are not willing to pass constructive legislation in the interest of cotton farmers and that would mean everything to textile mills and textile employees.

I have been notified by the Post Office Department that bids have been requested on 40,000 pounds of twine, bids to be submitted not later than May 28. If you are really interested in the cotton farmers of the South and our textile mills, I am hoping that you will join with me in seeing to it that the order is given for cotton twine.

If you want a larger production of cotton and if you want to do away with the processing tax, I challenge you to join

with me in passing legislation that will bring about new uses for cotton and the protection of our own markets for our own American cotton.

LETTER TO SECRETARY WALLACE

Hon. HENRY A. WALLACE,
Secretary Department of Agriculture,
Washington, D. C.

MY DEAR MR. WALLACE: The purchasing agent of the Post Office Department has notified me that bids will be requested on 40,000 pounds of twine, to be filed with the Department not later than May 28. This invitation for bids specifies:

Twine, jute, wrapping (unfinished), 6-ply.

Twine, cotton, wrapping (unfinished), white.

Sometime ago I had placed in one of the appropriation bills an amendment providing that preferences should be given, in purchasing for the Government, to products of the United States, although higher in price, unless the difference was unreasonable.

We all know that cotton twine is higher than jute twine. However, yard for yard, cotton will go much farther than jute. In the meantime, it makes a neater package, much easier to handle, and, although higher in price, because of the cotton situation, certainly, the Post Office Department should buy cotton twine.

With all of the complaints coming from the cotton industry, textile workers, and on account of the millions of dollars that we are spending indirectly in special benefits to farmers, even plowing under and giving away cotton, as stated, the Post Office Department should certainly give the order to the cotton-textile industry.

I cannot understand why we plow under perfectly good cotton and pay for same, then refuse to buy cotton twine, although higher than jute. In other words, we paid farmers twenty million or more for plowing under cotton and refuse to contribute the difference between the price of jute twine and cotton twine.

It is my belief that if you will take this matter up with General Farley, you will be able to secure this order for the cotton textile industry, which would not only be proper thing to do, but should certainly put a good taste in the mouth of the textile interests, cotton farmers, and textile workers.

I would like to know whether or not you propose to vigorously look after this important matter, or whether or not you are perfectly willing to spend millions, considered by many people nothing more than a dole, and permit the Government to continue to purchase jute, which is imported from India, the second and next largest cotton-producing country to the United States, and which country—it is claimed by the textile industry—is increasing its cotton production, all of which is destroying our cotton export.

Yours very sincerely,

H. P. FULMER, M. C.

THE IDEALS OF THOMAS JEFFERSON

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WHITE. Mr. Speaker, under the permission to extend my remarks in the RECORD, I desire to include the address of Hon. George A. Meffan, former State Senator, now United States marshal for Idaho, on the ideals of Thomas Jefferson, delivered at Twin Falls, Idaho, on April 15, as follows:

My friends, we are assembled here tonight to commemorate the natal day of one whose life was worthy of the emulation of every true American. * * * He was a lawyer, statesman, diplomat, founder of the University of Virginia, author of the Declaration of Independence, cofounder of a new nation, a new freedom, and third President of the United States of America—Thomas Jefferson.

Much time is spent in this country paying lip tribute to the dead, but, in my opinion, men of the high type and character of Jefferson—if he could return to the realm of the living—would rather observe the people of the Republic he so materially aided in formation, holding high the torch he left radiantly burning, and by active execution of his lofty principles, carry on, than be the beneficiary of worship without deeds.

The record of his generous life runs like a vine around the memory of our dead, and every sweet, unselfish act is now a perfumed flower.

Jefferson was a real humanitarian, a man of defiance, unusual mentality, courage, and success in its broadest meaning. He carried to his heart the burdens of our race. He looked through pity's tears upon the faults and frailties of mankind. He knew the springs and seeds of thought and deed, and saw with cloudless eyes through all the winding ways of greed, ambition, and deceit (where folly vainly plucks with thorn-pierced hands the fading flowers of selfish joy) the highway of eternal right.

The creed that Jefferson gave American democracy is expressed in these words: "Man over money, human rights over property rights, equal and exact justice to the rich and the poor, with special privilege to none." Like all men of vision, and leaders in advanced thought, he had much opposition, but I know that in the court where his own conscience sat as judge he stood acquitted—pure as light and stainless as a star.

What I have outlined to say to you tonight, in my humble opinion, will be similar to the broad viewpoint of justice, as the records

of Jefferson reflect his views when molding a new code of government.

There are those, of course, who scorn new ideas, reformation, and new deals; those whom the orthodox in all forms of social and economic life will suffice and rebel against progress. This type of mentality always was and always will be. Then there are those who care naught what the old calls the new; what last year's leaf says to this year's bud. The Athenians had the same opinion of Socrates; the Jews so regarded Christ.

It is gratifying to millions of Americans to know that America today has again a man in our worthy President, who thus far has displayed wisdom and courage. He who took charge of a government at a time when its foundation was crumbling, the walls cracked, the pillars leaning, and the great dome swaying and about to fall. Never in American history were we as a nation so close to absolute chaos as when this man of the hour took over the task of strengthening the foundation, repairing the walls and pillars, and now from its great dome radiates the beams of hope. In the new deal I believe that our President's philosophy is in keeping with the thought of the poet who said:

"Why greet the new day, if it is to be
A copy of the day that went before—
A tale of wrongs unrighted, golden ore unmined,
Of victory that infirm hands let slip—
Of children's tears that no one tried to dry?
How dare we write another page, unless it set alight
A beacon for the marchers down the years?"

"Now by our vision of a brighter day,
Our hope of dawn in everlasting night,
Let this day see us farther on the way
That winds through darkness to the sun-crowned height—
Where gleams a shining city. Ah, behold—
And make the new day better than the old."

Those of the old school of political thought, if they are imbued with the slightest degree of patriotism and righteousness should yield to the reformation. Americans are not surrendering their homes for lairs to satisfy the avarice and greed of plutocrats; Americans are not discarding Jeffersonian Democracy for aristocracy. We had an old school of thought in centuries of the past, whose advocates rebelled against progress and human rights. For thousands of years a "thinker" was hunted down like an escaped convict. To him who had braved public opinion every door was shut—every knife was open. To shelter him from the wild storm, to give him a crust when dying, to put a cup of water to his cracked and bleeding lips—these were all crimes, not one of which power could forgive. They were exterminated as scorpions and vipers. But we are not retrogressing toward those days.

When I hear and read the opposition of the old school of thought scornfully and viciously attack the President of our Government and his departure from the old order—with claims of radicalism, in the light of his efforts to provide employment, perpetuate financial institutions, to make it possible for agrarians to stay with their farm problems, and his Government aid to home owners, when both borrower and lender knew not which way to turn; the aid to sheep and cattle men, mining men, expansion of currency; his Bank Guaranty Act, the embargo against gold exports; the public-works program and the civic-works activities; the thousands of young men assigned to C. C. C. camps; the drive against crime, with its marked results; direct relief to the needy, and many other splendid accomplishments in the last 2 years, I cannot but classify the ingrates of the present with the intolerance, narrowness, and bigotry of the past.

Thomas Jefferson was ridiculed in his day by the same type of mentality who howl today about the sacredness of the gold standard; the violation of the Constitution. By that same type who have been willing to plunge a nation into debt for war profits to themselves but strike at the humane impulse which creates debt to perpetuate life and security for millions of destitute American citizens. The United States Chamber of Commerce (the mouth-piece of all big-business monopolies and financial institutions), the Liberty League, and other selfish and unpatriotic agencies are today hindering progress, after their members were saved from ruin by the administration they censure.

Those in Washington today are required to use supercourage in resisting the cunning and tremendous lobby of special interest. Much progressive legislation must yet be passed, and we can but hope that the President and his Congress, after the splendid record of the last 2 years—preserving our Government—will carry on with their reformation for permanent recovery and security for all as will prevent a repetition of the disaster from which we are gradually recovering. Labor and agriculture represent the backbone of our Nation. Happy is the country where those who toil and cultivate the land, own their homes and the land they till. And this must be made possible. Patriotism is born in the woods and fields, by lakes and streams, by crags and plains. In homes, be they where they are, large or small, farming ought to be reasonably profitable. The farmers and laborers have not attended to their own interests as they should. They have in many years gone by been robbed and plundered in a hundred ways. Cunning avarice grasps and holds the net profits of honest toil, and I sincerely trust that when the "new dealers" finish the picture they have started it will reflect the sunset of excess tribute and ours will then be the most prosperous country in the world.

Long ago those in high governmental offices, captains of industry and finance have realized the truth in the fact that present robbery means future bankruptcy.

We hope to reclaim America so that the millions of good, honest working people will be home owners and lovers of home; so that they may have employment at living wages in order to maintain homes as they should be kept and equipped. Homes make patriots. He who has sat by his own fireside with wife and children will defend it. When he hears the word "country" pronounced he thinks of home. It was this type of people who created this Government, defended its honor in battle, pioneered its wilds, developed new land, and through their brains, brawn, and genius raised the standard of American life.

The tax burden on this classification of our citizens has been entirely out of proportion and they should be relieved by the mandate that there shall be no tax-exempt wealth. In this country today there are tens of billions of tax-exempt, interest-bearing securities. Tens of billions of tax-exempt, high-interest-bearing mortgages, while the small home and farm owner is required to submit to a double tax burden to make possible the escape from taxes those far more able to pay.

Today President Roosevelt is keenly interested in the development of hydroelectric power and its distribution to the consuming public. The Bonneville Dam, the Tennessee Valley project, and others prove his determination to adjust a long-existing condition where special privilege has performed without conscience. However, this program, as well as his price-fixing program, and that splendid act which provides for the payment in legal tender in lieu of gold as regards public and private debts, has been taken into Federal courts by certain groups. I rejoice in the victory for the administration as regards the gold clause, but lament the various decisions whereby certain Federal judges decided against the Government in that it has no right to sell power which the Government (and the Government is the people) produces to communities in competition with the excessive rates and established special privileges. I do not condemn the judges of these courts for their adverse decisions in the power question, as they may be complying with their individual interpretations of the Constitution of our Government. They must stay within the word and letter of the present law as regards property rights; but if the law can be so construed, then it should be changed where human rights are in jeopardy. Our Constitution is one of the greatest codes of government, but we face a situation today, after a century and a half of constant change in our social and economic affairs, which leads me to believe that another amendment should be passed and added to that Constitution, whereby when Congress passes a law by a two-thirds majority in both Houses—they, the representatives of the people and sensing their needs—this should be final and outside the jurisdiction of any court of the land.

More legislation of a humane nature must be passed in the near future—pensions for the aged; shorter hours of labor under national regulation; the limiting of interest rates; Government banks; no tax-exempt securities; further expansion of currency; the wringing out of long-standing water in public utilities and industries, and the fixing of honest rates for service and prices of commodities; high levies on excessive incomes; the limitation of incomes; a revision of our judiciary system; high levies against massive estates when the creator thereof has passed on to his reward (whatever that might be); and many other changes as affect the rights of States. The framers of the original Constitution never dreamed of such centralized wealth as we have today or the problems involved in interstate commerce; and if we are to be confronted with the barrier toward human rights and progress with court decrees of "unconstitutional", I maintain again that our Constitution should be amended so that the machinery of constructive legislation in times of emergency can be put in motion for the general welfare without hindrance from the courts. This amendment, in my opinion, would be the greatest safeguard against any complete departure from our established form of government. I believe that when two-thirds of the Members of Congress act on legislation it is a sufficient safeguard and should be final. Delays in any country in meeting the urgent needs and demands of its people are dangerous. We as Americans are particularly and generously blessed by old Mother Nature. Ours is a heritage which kings would covet; and, by the way, in many respects the kings of industry and finance have not only coveted but acquired. When I think of people going hungry in this country who are willing to work, suffering from lack of adequate shelter, and in need of garments, it is like a man starving to death in a well-stocked store with every necessity of life. Our principal error in government has been the tolerance of maldistribution. When one family in this country can amass over \$7,000,000,000 in wealth in a generation, and many others hundreds of millions, it is high time to curtail tribute.

In recent years, under the lash of high efficiency, mass production, and our modern man-power-replacing machinery, fast transportation, and with the last frontier removed from new prospective settlers, we have been confronted with a complex problem. The present administration realizes the gravity of affairs, and we can but hope that they will not be as others preceding them in office, who spent their days finding out not what ought to be but what has been; with their backs to the sunrise and worshipping the night. Too many politicians in the past have been interested in only one future event, and that their reelection.

Our problem in Government is to work out our own salvation. Modify our system of government so that it will warrant the utmost respect of every citizen. This, of course, requires Government regulation and interference, and this is just as justifiable in government as when it restrains criminals from violating the human and property rights of others. Whenever monopolies and centralized wealth get strangleholds on the populace, of course, the Gov-

ernment, which is the agency of the people, through its authorized officers, should restrain and dictate.

During the last 5 years in particular, and all my life in general, I have observed that the wealthy think the world has been made for them alone. I have been told that I, like millions of others, should have saved my money when I was working, or enjoying profits in business ventures. That the working people during the prosperous days should not have bought cars, radios, modern farm and household equipment, expensive clothes, etc. But, in my opinion, it has been the demands of the masses for the necessities and luxuries of life, which brought to us our prosperous years. Through our demands upon industry we created employment all the way from woodland and mine to factories; transportation and distribution. I think I speak for the masses when I express my viewpoint, in that there is more in life than mere existence. Civilized people with impulses beyond that of beast want "life" and in more abundance than the slaves of the dead past. It is natural to crave good foods, good clothes, beautiful cars, radios, comfortable beds, and household conveniences. There is pride in possession of a good home and beautiful landscape, and that urge is a noble impulse.

True Americans want the opportunity to work and produce at a reasonable profit. If the millions have buying power, they will again make demands on industry of which they are in reality a part. Americans want to look well and keep well. They want to adorn themselves. In fact, to adorn ourselves seems to be a part of nature, and this desire seems to be everywhere and in everything. I have sometimes thought that the desire for beauty covers the earth with flowers. It is this desire that paints the wings of moths, tints the chamber of the shell, and gives the bird its plumage and its song. With the coordination of our resources and the energies and skill of our citizens, the cravings of normal people can be satisfied.

Jefferson's creed of "man over money, human rights over property rights, equal and exact justice to the rich and poor, with special privilege to none" has been violated. We are living in a fast-moving world of progress, but human rights have been neglected. If we are normal patriots, we should all be students of political science . . . honest and sincere . . . unselfish. Not merely thinking "what can I get out of it", but what can I put in. We should be more than interested in just neighborly gossip. As good citizens we should be students of national and international affairs. We should contribute to society constructive thought and serve with such merit so that we might feel that the census of the universe would not be complete without counting us, and I believe that this meeting tonight was called for the purpose of stimulating us to action; for the encouragement of hope and confidence in our Government—present and future. There should be but one type of democracy in Democrats, and that the true, unadulterated "Jeffersonian democracy", which embraces all of the virtues and none of the vices of all political philosophies. All Democrats should be missionaries of the broad, righteous doctrine of human rights, and fearlessly insist upon the application of those splendid principles. The merchant should have no fear of loss of custom; the professional man no fear of loss of clients; the politician no fear of losing votes; and the preacher no fear of losing his pulpit. Communion with one's own conscience should be of major importance; our greatest reward in life should be in the knowledge that we made the world a little better because we were a part of it.

These are days when it is a duty alike incumbent upon all citizens to think, investigate, and conclude for themselves. Every mind should be true to itself. Of course, wealth and power hate a thinker—precisely for the same reason a robber dislikes a sheriff, or a thief the prosecuting witness; as forgers hate to have the signatures examined by an expert, and the impostor detests curiosity. Tyranny likes courtiers, flatterers, followers—flawners. Much has been said by wealth and power against inflation and insist upon the continuance of the gold standard as the only sound money. I would like to talk on this subject at length tonight, but time does not permit. However, I want to leave this one fact with you, that the sound-money dollar value has ranged under the gold standard all the way from 45 cents to \$2.82 in the last 65 years. Just draw your own conclusions. Those who have wealth like to control the monetary system instead of having the Government dominate in issuing money and fixing the value thereof as provided for in our Constitution. The money changers like interest, and lots of it. How does this sound from the pen of Ainsworth R. Spofford, who took the time to figure interest and compound it:

One dollar loaned at 6 percent for 100 years, with the interest collected annually and added to the principal, will amount to \$340; at 8 percent, \$2,203; at 3 percent, only \$19.25; and at 10 percent, which we tolerated in Idaho for many years, \$13,809, or about 700 times as much as the 3 percent. Stay out of debt. This interest eats like a cancer. At night, when we should be at peace with the world, in restless slumber, we can feel it gnaw.

Again I infer that the Government should be the guiding influence of the people comprising that Government. It should not permit national and international bankers, industrialists, and utilities to dictate policies and legislation to the detriment of the masses. These should be subservient to the dictates of an authorized government and that government should be fearless of their threats and avoid compromise which is not in the interest of the great majority of our people, who want to be law-abiding patriots; but, patriotism is a flower that thrives best in the soil of justice.

I feel that the American people are appreciative of the courage thus far displayed by the present administration, and hope that our President and Congress will continue steadfast in their high resolve that America enjoy a more abundant life.

At this moment Europe is again sharpening its swords; each nation in a mad rush to outdo the other in deadly implements of warfare, and it is very apparent that they are on the brink of legalized, wholesale slaughter. It should be the policy of this country to remain neutral in the event of another foreign conflict. While I am a strong advocate of preparedness to resist invasion of our own soil and domestic rights, such force and resources should never again be used to protect American financiers' investments abroad. When those under special privilege have exploited American natural resources, the sweat and blood of honest toil and the consuming public—amassing billions in wealth and then, as they have been doing since 1921 in particular, take billions of that wealth and invest it in foreign countries in American-owned factories—using foreign materials and cheaper labor, and thus supplying the foreign trade, which we previously enjoyed and supplied from American plants in the good old United States of America, causing the closing down of domestic factories, and curtailed production in others, why should the millions betrayed protect such foreign investments? When America, where this wealth they transplanted was created, is not good enough for these alleged patriots to live in and invest their fortunes, then let them depend upon the destiny and protection of such countries to which they have diverted so much of their wealth, causing industrial despair in their native land.

Our former experience abroad should be a life-long lesson. The repudiation and refusal of foreign powers to pay America their obligations should conclude any future alliance with countries which are so lacking in international honor. America still has gigantic domestic problems to solve to make this country all that God intended it to be; economically, socially, and spiritually. Let us continue to put our own house in order before attempting to be the big benevolent brother to a hostile world.

As for myself, I think I see the sun beginning to rise in the East after the long night of depression. I feel the vibrations of hope everywhere. The conversations of little business men seem more joyful. The highways and freight trains are not so congested as 3 or 4 years ago with humanity drifting here and there—homeless, hungry, ragged, and discouraged.

The farmer is getting better prices for his products; the banks (and thanks to the Roosevelt bank guaranty act and the new blood the administration added to our monetary circulation) have three billions more deposits than the previous year. Industry, through Government aid and its many C. W. A. and public-works activities, has moved off center, and wheels are picking up momentum.

As Jefferson said years ago, during the formation of the Union, when they, too, had their problems—"A little patience, and we shall see the people recovering their true sight, restoring their Government to its true principles."

In closing, I want to leave this thought with my splendid and appreciative audience. We cannot all attain high office, influence, and affluence, but we can all be good citizens and good neighbors. We can, if we will, make this world a better place in which to live, and love, and labor, as in this quotation, entitled "Patriotism":

He serves his country best who lives pure life and doeth righteous deeds,
And walks straight paths, however others stray;
And leaves his sons, as uttermost bequest a stainless record, which
all men may read;
This is the better way.

No drop but serves the slowly lifting tide;
No dew but has an errand to some flowers,
No smallest star but sheds some helpful ray
And man by man, each helping all the rest,
Make the firm bulwark of the country's power;
There is no better way.

Mr. KOPPLEMANN. Mr. Speaker, on Monday last I secured unanimous consent to insert in the RECORD an address delivered by the Speaker of this House. I failed at that time to ask that there also be included the introductory remarks of the chairman of that meeting, Mr. Cohen. I ask unanimous consent that those introductory remarks may be inserted in conjunction with the remarks of the Speaker in the permanent RECORD.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. DUNN of Mississippi, for 10 days, on account of business.

To Mr. MITCHELL of Illinois, for 5 days, on account of business.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following titles:

S. 282. An act for the relief of William Kemper; and
S. J. Res. 43. Joint resolution for the establishment of a commission for the construction of a Washington-Lincoln Memorial Gettysburg Boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield of Gettysburg in the State of Pennsylvania.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 40 minutes p. m.) the House adjourned until tomorrow, Friday, May 10, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

(Friday, May 10, 10 a. m.)

Hearings on bill (H. R. 5379) to regulate water carriers.

COMMITTEE ON THE DISTRICT OF COLUMBIA

(Friday, May 10, 9:30 a. m.)

Subcommittee on fiscal affairs will hold hearings to consider House Joint Resolution 150, rent profiteering; H. R. 3809, rent commission; and H. R. 7732, rent reduction, room 345, old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

322. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1935, in the sum of \$12,500 (H. Doc. No. 171); to the Committee on Appropriations and ordered to be printed.

323. A communication from the President of the United States, transmitting deficiency and supplemental estimates of appropriations for the Department of the Interior for the fiscal year 1934 in the amount of \$4,800; for the fiscal year 1935 in the amount of \$20,000; and for the fiscal year 1936 in the amount of \$19,000; in all, \$43,800 (H. Doc. No. 172); to the Committee on Appropriations and ordered to be printed.

324. A communication from the President of the United States, transmitting two estimates of appropriations for the Navy Department for the fiscal year 1935, totaling \$1,983,000 (H. Doc. 173); to the Committee on Appropriations and ordered to be printed.

325. A communication from the President of the United States, transmitting draft of a proposed provision pertaining to existing appropriations for the War Department, fiscal year 1936, for finance service and incidental expenses of the Army (H. Doc. No. 174); to the Committee on Appropriations and ordered to be printed.

326. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year ending June 30, 1935, for the War Department, for protective works and measures, Lake of the Woods and Rainy River, Minn., amounting to \$125,000 (H. Doc. No. 175); to the Committee on Appropriations and ordered to be printed.

327. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Labor for the fiscal year 1936 amounting to \$39,480 (H. Doc. No. 176); to the Committee on Appropriations and ordered to be printed.

328. A communication from the President of the United States, transmitting estimates of appropriations submitted by the Commissioners of the District of Columbia to pay claims and suits which have been settled by them under the provisions of the act approved February 11, 1929 (45 Stat. 1160), as amended by the act approved June 5, 1930 (46 Stat. 500), amounting to \$8,981.25 (H. Doc. No. 177); to the Committee on Appropriations and ordered to be printed.

329. A communication from the President of the United States, transmitting deficiency estimates of appropriations

for the fiscal year 1933 and prior years in the sum of \$3,052,48, and supplemental estimates of appropriations for the fiscal years 1935 and 1936 in the sum of \$835,980, amounting in all to \$839,032.48, and three drafts of proposed provisions pertaining to existing appropriations for the Department of Justice (H. Doc. No. 178); to the Committee on Appropriations and ordered to be printed.

330. A communication from the President of the United States, transmitting three estimates of appropriations for the Post Office Department which include supplemental estimates for the fiscal year 1935 of \$2,685,000 for the Rural Delivery Service and \$5,000 for star-route service, Alaska, and a deficiency estimate of \$15,000 for payment of rewards, amounting in all to \$2,705,000 (H. Doc. No. 179); to the Committee on Appropriations and ordered to be printed.

331. Communication from the President of the United States, transmitting supplemental estimates of appropriations for the fiscal years 1935 and 1936 amounting to \$204,459.68, and draft of a proposed legislation of a proposed provision pertaining to an existing appropriation, for the Department of State (H. Doc. No. 180); to the Committee on Appropriations and ordered to be printed.

332. A communication from the President of the United States, transmitting a deficiency estimate of appropriations for the protection of the United States in matters affecting oil lands in former naval reserves for the fiscal year 1934 and prior years, amounting to \$26,500, a supplemental estimate of appropriation for the Thomas Jefferson Memorial Commission for the fiscal year 1936 amounting to \$15,000, and a draft of a proposed provision pertaining to an item for the Tennessee Valley Authority contained in the Budget for the fiscal year 1936 under the head of General Public Works (H. Doc. No. 181); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 6670. A bill to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes; with amendment (Rept. No. 848). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 6734. A bill to create a National Park Trust Fund Board, and for other purposes; with amendment (Rept. No. 849). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATMAN: Committee on the District of Columbia. H. R. 6656. A bill to authorize the Pennsylvania Railroad Co., by means of an overhead bridge, to cross New York Avenue NE., to extend, construct, maintain, and operate certain industrial sidetracks, and for other purposes; with amendment (Rept. No. 850). Referred to the Committee of the Whole House on the state of the Union.

Mr. HARTER: Committee on Military Affairs. H. R. 4507. A bill to amend sections 1, 2, and 3 of the act entitled "An act to provide for the commemoration of the termination of the War between the States at Appomattox Court House, Va.", approved June 18, 1930, and to establish the Appomattox Court House National Historical Park, and for other purposes; without amendment (Rept. No. 851). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH of West Virginia: Committee on Mines and Mining. H. R. 7958. A bill to relieve unemployment in mining districts, increase the monetary gold and silver reserve of the United States, and to develop strategic, deficiency, and noncompetitive mineral resources of the Nation, and for other purposes; without amendment (Rept. No. 853). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. H. R. 1418. A bill to authorize an extension of exchange authority and addition of public lands to the Willamette National Forest

in the State of Oregon; with amendment (Rept. No. 854). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLENBOGEN: Committee on the District of Columbia. H. R. 3642. A bill to amend section 483 of the Code of the District of Columbia as to residence of members of the police department; with amendment (Rept. No. 855). Referred to the House Calendar.

Mr. PETERSON of Florida: Committee on the Public Lands. H. R. 7085. A bill to provide for the creation of a memorial park at Tampa, in the State of Florida, to be known as the "Spanish War Memorial Park", and for other purposes; with amendment (Rept. No. 856). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. H. R. 7164. A bill to add certain lands to the Siskiyou National Forest in the State of Oregon; without amendment (Rept. No. 857). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLENBOGEN: Committee on the District of Columbia. H. R. 7167. A bill to provide for unemployment compensation in the District of Columbia, authorize appropriations, and for other purposes; with amendment (Rept. No. 858). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. H. R. 7566. A bill to amend an act entitled "An act to accept the cession by the State of Oregon of exclusive jurisdiction over the lands embraced within the Crater Lake National Park, and for other purposes"; without amendment (Rept. No. 859). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 7874. A bill to change the name of the German Orphan Asylum Association of the District of Columbia to the German Orphan Home of the District of Columbia; without amendment (Rept. No. 860). Referred to the House Calendar.

Mr. ELLENBOGEN: Committee of the District of Columbia. House Joint Resolution 201. Joint resolution giving authority to the Commissioners of the District of Columbia to make special regulations for the occasion of the Seventieth National Encampment of the Grand Army of the Republic, to be held in the District of Columbia in the month of September 1936, and for other purposes, incident to said encampment; with amendment (Rept. No. 861). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. S. 1023. An act to provide for the payment of a military instructor for the high-school cadets of Washington, D. C.; without amendment (Rept. No. 862). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. S. 2276. An act to authorize participation by the United States in the Interparliamentary Union; without amendment (Rept. No. 863). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HARTER: Committee on Military Affairs. H. R. 1471. A bill for the relief of Felix Nowicki; without amendment (Rept. No. 852). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KING: A bill (H. R. 7974) to withdraw and restore to their previous status under the control of the Territory of Hawaii certain Hawaiian homes lands now in use as an airplane landing field; to the Committee on the Territories.

Also, a bill (H. R. 7975) to permit alien wives of American citizens who were married prior to the approval of the Immigration Act of 1924 to enter the United States; to the Committee on Immigration and Naturalization.

By Mr. GASQUE: A bill (H. R. 7976) to provide for the payment of salaries to certain referees in bankruptcy; to the Committee on the Judiciary.

By Mr. KENNEY: A bill (H. R. 7977) to authorize the purchase of the bust of Abraham Lincoln by Charles Henry Niehaus; to the Committee on the Library.

By Mr. CONNERY: A bill (H. R. 7978) to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes; to the Committee on Labor.

By Mr. LLOYD: A bill (H. R. 7979) to extend the times for commencing and completing the construction of a bridge across Puget Sound at or near a point commonly known as "The Narrows" in the State of Washington; to the Committee on Interstate and Foreign Commerce.

By Mr. DOUGHTON: A bill (H. R. 7980) to protect the revenue of the United States and provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs-enforcement areas, and for other purposes; to the Committee on Ways and Means.

By Mr. MORAN: A bill (H. R. 7981) to further the development and maintenance of an adequate and well-balanced American merchant marine, to provide for the separation of the regulatory functions of the Government over shipping from the Government's business interests in ships and shipping, to repeal certain former legislation, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. KLEBERG: A bill (H. R. 7982) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wild life administered by the Department of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. BACON: A bill (H. R. 7983) to amend section 15 (a) of the Agricultural Adjustment Act as amended; to the Committee on Agriculture.

By Mr. MORITZ: A bill (H. R. 7984) to regulate traffic and trade, protect small business houses and industry, promote orderly marketing, encourage individual initiative, decentralize business, and give the consumers the benefit of free competition denied them by chain ownership and operation, holding companies, and interlocking directorates; to the Committee on Ways and Means.

By Mr. BACON: Resolution (H. Res. 217) directing the Secretary of Labor to furnish to the House of Representatives the annual report for the Department of Labor covering the fiscal year 1934; to the Committee on Expenditures in the Executive Departments.

Also, resolution (H. Res. 218) directing the Secretary of Labor to furnish to the House of Representatives the annual report for the Department of Labor covering the fiscal year 1934; to the Committee on Expenditures in the Executive Departments.

By Mr. MARCANTONIO: Resolution (H. Res. 219) directing the Attorney General to transmit to the House of Representatives information concerning the kidnapping of David Levinson and Robert Minor; to the Committee on the Judiciary.

By Mr. BREWSTER: Joint resolution (H. J. Res. 280) for the designation of a street or avenue in the Mall to be known as "Maine Avenue"; to the Committee on the District of Columbia.

By Mr. THURSTON: Joint resolution (H. J. Res. 281) relating to the sale, reorganization, or dismemberment of the Minneapolis & St. Louis Railroad Co.; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Oklahoma: Joint resolution (H. J. Res. 282) to provide funds for soil conservation; to the Committee on Appropriations.

By Mr. SHORT: Joint resolution (H. J. Res. 283) for the designation of a street or avenue in the Mall to be known

as "Missouri Avenue"; to the Committee on the District of Columbia.

By Mr. McSWAIN: Joint resolution (H. J. Res. 284) requesting the Department of State of the United States Government to negotiate with the proper authorities of the Republic of France to procure the consent of the Republic of France to permit the American Battle Monuments Commission, or its successor, to restore the original inscriptions obliterated from the Three Hundred and Sixteenth Infantry Memorial erected by a French organization on property of that organization at Sillon-Fontaine (Cote 378), Territoire de Sivry-sur-Meuse, and directing the American Battle Monuments Commission, or its successor, to restore the original inscriptions obliterated from the said Three Hundred and Sixteenth Infantry Memorial; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GASQUE: A bill (H. R. 7985) to establish a National Bureau of Fine Arts; to the Committee on Education.

By Mr. CALDWELL: A bill (H. R. 7986) for the relief of Joseph E. Wooten; to the Committee on Claims.

By Mr. CELLER: A bill (H. R. 7987) for the relief of the Polygraphic Co. of America; to the Committee on Claims.

By Mr. CHURCH: A bill (H. R. 7988) for the relief of H. A. Currie; to the Committee on Claims.

By Mr. HEALEY: A bill (H. R. 7989) for the relief of John Lewis; to the Committee on Military Affairs.

By Mr. KNUTE HILL: A bill (H. R. 7990) granting a pension to Emma Zetta Bowden; to the Committee on Invalid Pensions.

By Mr. MITCHELL of Tennessee: A bill (H. R. 7991) for the relief of John A. Bass; to the Committee on Pensions.

By Mr. PFEIFER: A bill (H. R. 7992) for the relief of Archie J. McKee; to the Committee on Military Affairs.

By Mr. SADOWSKI: A bill (H. R. 7993) for the relief of Joseph Frank Schmidt; to the Committee on Naval Affairs.

By Mr. SMITH of Washington: A bill (H. R. 7994) to provide a preliminary examination of Goldsborough Creek, in Mason County, State of Washington, with a view to the control of its floods; to the Committee on Flood Control.

By Mr. TERRY: A bill (H. R. 7995) to authorize a preliminary examination and survey of the Arkansas River and Fourche Bayou with a view to the control of floods in the vicinity of Little Rock and North Little Rock, Ark.; to the Committee on Flood Control.

By Mr. WEST: A bill (H. R. 7996) for the relief of Sallie Gillespie; to the Committee on Claims.

By Mr. MASSINGALE: Resolution (H. Res. 216) to pay Malissa Worthley, mother of Vivian Worthley, 6 months' compensation and not to exceed \$250 funeral expenses; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8341. By Mr. BOYLAN: Resolution adopted unanimously at a meeting of the Federal Custodial Club, Detroit, Mich., favoring the passage of House bill 7267, providing for the classification of salaries of employees in the custodial service of the Treasury and Post Office Departments, etc.; to the Committee on the Civil Service.

8342. By Mr. FORD of California: Resolution of the Los Angeles County Civil Service Commission, urging Congress to enact House bill 5359, for creation of a National Civil Academy to train qualified young men and women for all branches of public service through a school of public administration maintained by the Government to secure professionalized public-service personnel; to the Committee on Education.

8343. By Mr. GOODWIN: Petition of Sheffield Producers Co-Operative Association, Inc., expressing opposition to amendments proposed to the Agricultural Adjustment Act by Senate bill 1807 and House bill 5585; to the Committee on Agriculture.

8344. By Mr. FULMER: Resolution of the Charleston County Petroleum Industries Committee, relating to the Federal gasoline tax; to the Committee on Ways and Means.

8345. Also, resolution of the Charleston County Petroleum Industries Committee, relating to the proposition of levying of tax on fuel oil; to the Committee on Ways and Means.

8346. By Mr. HALLECK: Petition of the citizens of Logansport, Ind., and vicinity, favoring pending bills for the regulation of carriers in interstate commerce; to the Committee on Interstate and Foreign Commerce.

8347. By Mr. HEALEY: Resolution of the General Court of Massachusetts, requesting the President of the United States to exercise the powers which he possesses under the National Industrial Recovery Act to the end that the cotton-textile industry throughout our country may proceed under conditions of economic equality, and that the readily apparent burdens which are now laid upon the cotton-textile industry in Massachusetts may be removed, and that Massachusetts manufacturers and Massachusetts operatives may be assured that no discrimination is practiced against them; to the Committee on Appropriations.

8348. Also, resolution of the board of directors of the National Association of Manufacturers of the United States, urging that a joint commission be appointed by Congress to investigate oriental competition and its effect upon American industries; to the Committee on Ways and Means.

8349. Also, resolution of the Common Council of Everett, Mass., stating that they firmly believe that an adjustment of the tariff duties on foreign manufactures and the repeal or modification of the processing tax will save our great New England industries, thereby providing employment for a large proportion of the population; to the Committee on Ways and Means.

8350. Also, resolution of the House of Representatives and Senate of the Commonwealth of Massachusetts, requesting the National Recovery Administration to grant speedy relief to the leather boot and shoe industry of this Commonwealth, and that vertical differential in wages is preferable to the existing geographical population and sex differentials, that higher minimum wage scale based on the skill of the shoe workers is preferable to the present minima sanctioned by the National Recovery Administration, and that uniform wages for all shoe factories throughout the Nation seems wise; to the Committee on Appropriations.

8351. Also, resolution of the General Court of Massachusetts, urging Congress and the President of the United States to exercise their powers to provide for a national system of unemployment insurance; to the Committee on Ways and Means.

8352. Also, resolution of the Everett City Council, Everett, Mass., condemning the social service, and requesting that this council go on record as condemning the establishment of an autocratic bureau made up of individuals as efficient as Army officers, who think more of saving a dollar at the expense of the other fellow than of relieving hunger and suffering, and who regimentate their fellowman in a fingerprint method of relief work; to the Committee on Appropriations.

8353. By Mr. KRAMER: Petition of the Southern California Photo Engravers' Association, requesting that the National Recovery Administration continue Photographers' Code for at least another 2-year period; to the Committee on Appropriations.

8354. By Mr. LAMBERTSON: Petition signed by citizens and taxpayers of the city of Atchison, Kans., for the benefit of soldiers and sailors and marines who served in the Regular Army, Navy, and Marine service; to the Committee on Pensions.

8355. By Mr. PFEIFER: Petition of the coat makers trade board of the Amalgamated Clothing Workers of America, concerning continuation of the National Recovery Act and the Wagner labor disputes bill; to the Committee on Labor.

8356. Also, petition of Joseph Mitchell, of 247 Moore Street, Brooklyn, N. Y., and 24 other residents of the Third Congressional District, New York, concerning the Lundeen bill (H. R. 2827); to the Committee on Labor.

8357. Also, petition of F. H. Von Damm, Brooklyn, N. Y., and its employees, concerning the Wagner labor disputes bill; to the Committee on Labor.

8358. Also, telegram from the pants makers trade board of the Amalgamated Clothing Workers of America, concerning continuance of the National Recovery Act and Wagner labor-disputes bill; to the Committee on Labor.

8359. Also, telegram from the vest makers trade board of the Amalgamated Clothing Workers of America, concerning continuance of the National Recovery Act and the Wagner labor-disputes bill; to the Committee on Labor.

8360. By Mrs. ROGERS of Massachusetts: Petition of the General Court of Massachusetts, seeking national unemployment insurance legislation; to the Committee on Ways and Means.

8361. Also, petition of the General Court of Massachusetts, requesting the National Recovery Administration to grant to Massachusetts boot and shoe manufacturers and others relief from unfair competition; to the Committee on Appropriations.

8362. By Mr. SADOWSKI: Petition of the Federal Custodial Club, endorsing House bill 7267; to the Committee on the Civil Service.

8363. Also, petition of the Michigan State Farm Bureau board of directors, concerning the Agricultural Adjustment Act and pending amendments; to the Committee on Agriculture.

8364. Also, petition of Group 1766 of the Polish National Alliance, endorsing House bill 2827; to the Committee on Labor.

8365. Also, petition of Corporal James W. Johnson Post, No. 78, Veterans of Foreign Wars, Detroit, Mich., endorsing the erection of a veterans' hospital in the Detroit area; to the Committee on World War Veterans' Legislation.

8366. Also, petition of Corporal James W. Johnson Post, No. 78, Detroit, Mich., Veteran of Foreign Wars, petitioning Congress and the President that the United States of America be kept out of any war of aggression; to the Committee on Foreign Affairs.

8367. By Mr. STEFAN: Resolution adopted by Nebraska State Senate, asking consideration of some appropriate location in the State of Nebraska as the site for an interior Army air base contemplated under House bill 4130; to the Committee on Military Affairs.

8368. By Mr. TINKHAM: Resolutions relative to protection of American industry and employees from foreign competition; to the Committee on Ways and Means.

8369. Also, resolutions requesting the National Recovery Administration to grant to Massachusetts boot and shoe manufacturers and others relief from unfair competition; to the Committee on Ways and Means.

8370. Also, resolutions seeking national unemployment insurance legislation; to the Committee on Ways and Means.

8371. Also, resolutions memorializing Congress in favor of requesting the President of the United States to exercise certain powers under the National Industrial Recovery Act for the benefit of the cotton-textile industry; to the Committee on Appropriations.

8372. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing the National Emergency Council and the Works Allotment Board to create a mining works project in the dormant southwestern Wisconsin mineral area; to the Committee on Mines and Mining.

8373. Also, memorial of the Legislature of the State of Wisconsin, memorializing the President and Congress of the United States and the Administrator of the Federal Emergency Relief Administration to provide for the continuance of aid in lime and marl production; to the Committee on Appropriations.

8374. By Mr. TRUAX: Petition of Ohio Valley & Eastern Lakes Department of the Brotherhood of Railway Clerks, by their general secretary, Edward H. Holtman, urging prompt and favorable support to House Joint Resolution 219, or to extend the Railroad Emergency Transportation Act; to the Committee on Interstate and Foreign Commerce.

8375. Also, petition of the Policemen's Association, District of Columbia, by J. E. Fondahl, chairman, soliciting support of House bill 3642, recently reported on favorably by the Committee on the District of Columbia and referred to the Committee of the Whole House, which permits members of the police department to live outside of the District of Columbia, within the metropolitan district; to the Committee on the District of Columbia.

8376. Also, petition of Painesville Auxiliary 32, U. S. W. V., Painesville, Ohio, by Anna J. Klumph, Margaret K. Jackson, Elva Leibold, and Arlina Marppo, urging support of House bill 5541, known as the "American Flag Act"; to the Committee on the Judiciary.

8377. Also, petition of the Willing Workers League of Lucas County, J. V. Saath, secretary, Toledo, Ohio, urging support of the Patman bonus bill and such other legislation as is known to be of vital importance to the working class of people; to the Committee on Ways and Means.

8378. Also, petition of the National Association of Retail Druggists, by J. W. Dargavel, Chicago, Ill., urgently requesting opposition to the Clark resolution extending the National Recovery Act for 1 year and providing for the restriction of codes to purely interstate business and the prohibition of all price-fixing provisions except on certain natural-resource industries; to the Committee on Ways and Means.

8379. By the SPEAKER: Petition of the Pacific Traffic Association of San Francisco, Calif.; to the Committee on Interstate and Foreign Commerce.

8380. Also, petition of depositor's committee of the closed First National Bank and Peoples National Bank, Pitscain, Pa.; to the Committee on Banking and Currency.

SENATE

FRIDAY, MAY 10, 1935

The Reverend Harry Lee Doll, assistant rector of Epiphany Episcopal Church of Washington, D. C., offered the following prayer:

O Lord Jesus Christ, who didst face the world alone and unafraid, strong in the knowledge and love of Thy Father, help us to live so close to Thee that we may partake of Thy unbounded courage and meet the responsibilities which Thou hast intrusted to our care, upheld by Thy power and might. We ask it for Thy name's sake. Amen.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, May 9, 1935, was dispensed with, and the Journal was approved.

TRIBUTE TO THE LATE SENATOR CUTTING

The VICE PRESIDENT laid before the Senate a letter from the Secretary of State, transmitting copy of a note received from the Ambassador of the Union of Soviet Socialist Republics, expressing his condolences on the death of Senator Bronson Cutting, which, with the accompanying paper, was ordered to lie on the table.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Burke	Frazier	Lonergan
Ashurst	Byrd	George	Long
Austin	Capper	Gerry	McAdoo
Bachman	Caraway	Gibson	McGill
Bailey	Carey	Glass	McKellar
Bankhead	Clark	Gore	McNary
Barbour	Connally	Guffey	Maloney
Barkley	Coolidge	Hale	Metcalf
Bilbo	Copeland	Harrison	Minton
Black	Couzens	Hastings	Murphy
Bone	Dickinson	Hayden	Murray
Borah	Dieterich	Keyes	Neely
Brown	Donahey	King	Norris
Bulkeley	Duffy	Lewis	O'Mahoney
Bulow	Fletcher	Logan	Overton

Pittman
Pope
Radcliffe
Robinson

Russell
Schall
Sheppard
Shipstead

Thomas, Utah
Townsend
Trammell
Truman

Tydings
Van Nuys
Walsh

Mr. LEWIS. I announce the absence of the junior Senator from South Carolina [Mr. BYRNES], the Senator from New Jersey [Mr. MOORE], the senior Senator from South Carolina [Mr. SMITH], the Senator from Washington [Mr. SCHWELLENBACH], who are necessarily detained, and the absence of the Senator from Colorado [Mr. COSTIGAN], the Senator from New Mexico [Mr. HATCH], the Senator from Nevada [Mr. McCARRAN], the Senator from Oklahoma [Mr. THOMAS], the Senator from New York [Mr. WAGNER], and the Senator from Montana [Mr. WHEELER] in attendance upon the funeral of our late honored colleague, Senator Cutting, of New Mexico.

I also announce that the Senator from North Carolina [Mr. REYNOLDS] is absent on an official mission to the Virgin Islands.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness; that the Senator from South Dakota [Mr. NORBECK] and the Senator from North Dakota [Mr. NYE] are necessarily absent, and that the Senator from California [Mr. JOHNSON], the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from Oregon [Mr. STEWER], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Maine [Mr. WHITE] are absent in attendance on the funeral of the late Senator Cutting, of New Mexico.

The VICE PRESIDENT. Seventy-five Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a memorial of the Legislature of the State of Florida, favoring the prompt enactment of the so-called "Bland bill", relative to the menhaden-fish-fertilizer industry, which was referred to the Committee on Finance.

(See memorial printed in full when presented by Mr. FLETCHER on the 7th instant, p. 7302, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a memorial of the Legislature of the State of Florida, favoring the prompt establishment and location of an Army Air Service base in De Soto County, Fla., which was referred to the Committee on Military Affairs.

(See memorial printed in full when presented on yesterday by Mr. FLETCHER, p. 7196, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Depositors' Committee of the closed First National Bank and Peoples National Bank, of Pitsburgh, Pa., and the closed First National Bank of Trafford, Pa., favoring the prompt enactment of legislation for the relief of depositors in closed banks, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the Philadelphia (Pa.) Methodist Episcopal Ministers' meeting, opposing interference by the United States in the internal affairs of Mexico, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted at the annual reunion and dinner of Battery B, Three Hundred and Eighth Field Artillery, Seventy-eighth Lightning Division, American Expeditionary Forces, held in New York City, N. Y., favoring the enactment of the so-called "Patman bonus bill", which was ordered to lie on the table.

He also laid before the Senate a telegram from Clarence E. Taunt, of San Pedro, Calif., stating, "If veterans' bonus vetoed, please overrule", which was ordered to lie on the table.

Mr. WALSH presented letters in the nature of petitions from Local Union No. 143, American Federation of Musicians, Worcester Musicians' Association; Local Union No. 2332, United Textile Workers of America, of Northbridge;

and Wire Workers' Union, No. 19859, American Federation of Labor, of Worcester, all in the State of Massachusetts, praying for the enactment of legislation placing a graduated tax on cigarettes, which were referred to the Committee on Finance.

He also presented resolutions adopted by the Common Council of Everett and Lawrence Post, No. 15, the American Legion, of Lawrence, both in the State of Massachusetts, favoring the taking of adequate measures for the relief of the textile industry, and also the abolition of the cotton-processing tax, which were referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Commonwealth Lodge, No. 229, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, of Worcester, Mass., praying for the enactment of Senate Joint Resolution 112, extending the Emergency Railroad Transportation Act, which was referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a memorial from the secretary on behalf of the directors of the Lawrence (Mass.) Chamber of Commerce, remonstrating against the enactment of pending legislation to change the existing rate-making basis of the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a memorial from the board of directors of the Boston (Mass.) Chamber of Commerce, remonstrating against the enactment of Senate bill 1417, for the regulation of the bituminous-coal industry, which was referred to the Committee on Mines and Mining.

He also presented a letter in the nature of a petition from the executive committee of the American Legion, Department of Massachusetts, praying for the enactment of pending legislation providing for the issuance of a special postage stamp to commemorate the one hundred and fiftieth anniversary of Commodore John Barry, which was referred to the Committee on Post Offices and Post Roads.

He also presented a letter in the nature of a petition from District Lodge No. 64, International Association of Machinists, Fall River, Mass., praying for the enactment of the so-called "Black 30-hour work week bill", which was ordered to lie on the table.

He also presented petitions numerous signed by sundry citizens of the State of Massachusetts, praying for the enactment of the so-called "Patman bonus bill", which were ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. CAREY, from the Committee on Military Affairs, to which was referred the bill (S. 1561) to provide relief for disbursing officers of the Army in certain cases, reported it with amendments and submitted a report (No. 605) thereon.

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (S. 1138) for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period, reported it with an amendment and submitted a report (No. 606) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 2727) to authorize the acquisition of land for military purposes in Bexar County, Tex., for use as an addition to Kelly Field Military Reservation, and to settle certain claims in connection therewith, reported it without amendment and submitted a report (No. 607) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the joint resolution (S. J. Res. 103) to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy, to be held at Brussels, Belgium, in June 1935, reported it without amendment and submitted a report (No. 608) thereon.

ADDITIONAL COPIES OF HEARINGS ON ECONOMIC SECURITY BILL

Mr. HAYDEN. From the Committee on Printing I report back favorably Senate Concurrent Resolution 14, and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The concurrent resolution will be read.

The legislative clerk read Senate Concurrent Resolution 14, submitted by Mr. HARRISON on the 8th instant, and it was considered by the Senate and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Finance of the Senate be, and is hereby, empowered to have printed 1,000 additional copies of the hearings held before the committee during the current session on the bill S. 1130, the Economic Security Act.

THE COLONY OF CONNECTICUT

Mr. HAYDEN. From the Committee on Printing I report back favorably Senate Resolution 133, for which I ask immediate consideration.

The PRESIDING OFFICER. The resolution will be read.

The legislative clerk read Senate Resolution 133, submitted by Mr. LONERGAN on the 9th instant, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That 19,000 additional copies of Senate Document 53, current session, entitled "The Colony of Connecticut and Its Beginning, Growth, and Characteristics to the Observance of Its Tercentenary Celebration in 1935", be printed for the use of the Senate document room.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 9th instant that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 51. An act for the relief of Frank Kroegel, alias Francis Kroegel;

S. 553. An act to authorize the settlement of individual claims for personal property lost or damaged, arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War;

S. 559. An act to authorize settlement, allowance, and payment of certain claims;

S. 728. An act for the relief of Elton Firth;

S. 896. An act for the relief of Anna W. Ayer, widow of Capt. Asa G. Ayer, deceased;

S. 1037. An act authorizing adjustment of the claims of Sanford A. McAlister and Eliza L. McAlister;

S. 1039. An act authorizing adjustment of the claim of the West India Oil Co.;

S. 1053. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.;

S. 1055. An act authorizing adjustment of the claim of Frank Spector;

S. 1056. An act authorizing adjustment of the claim of Schutte & Koerting Co.;

S. 1057. An act authorizing adjustment of the claim of the Pennsylvania Railroad Co.;

S. 1302. An act for the relief of certain disbursing officers of the Army, and for other purposes;

S. 1414. An act for the relief of the rightful heir of Joseph Gayton;

S. 1502. An act for the relief of Charles L. Graves;

S. 2024. An act to give proper recognition to the distinguished services of Col. William L. Keller; and

S. J. Res. 94. Joint resolution establishing a commission for the participation of the United States in the observance of the three hundredth anniversary of the founding of the Colony of Connecticut, authorizing an appropriation to be utilized in connection with such observance, and for other purposes.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 2801) to further protect interstate and foreign commerce against bribery and other corrupt trade practices; to the Committee on the Judiciary.

Mr. LEWIS. I introduce a bill at the request of Representative MITCHELL of Illinois, who is introducing a similar bill in the House of Representatives.

By Mr. LEWIS:

A bill (S. 2802) to assure to persons within the jurisdiction of every State the equal protection of the laws, and to punish the crime of lynching; to the Committee on the Judiciary.

By Mr. CAREY:

A bill (S. 2803) to authorize the sale of restricted lands between Indians, and for other purposes; to the Committee on Indian Affairs.

By Mr. BORAH and Mr. CAREY:

A joint resolution (S. J. Res. 125) relative to the purchase of beef and beef products for the use of the United States Army; to the Committee on Military Affairs.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker, pursuant to the provisions of Public Resolution 16, appointed Mr. ROBERTSON, Mr. SCRUGHAM, Mr. DARDEN, Mr. MARTIN of Massachusetts, and Mr. HANCOCK of New York members on the part of the House of the committee to greet Rear Admiral Richard E. Byrd upon his arrival at the Navy Yard, Washington, D. C., on May 10, 1935, from his second Antarctic expedition.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6143. An act to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free; and

H. R. 7617. An act to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 282. An act for the relief of William Kemper;

S. 563. An act for the relief of the Jay Street Terminal, New York;

S. 1616. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory and supplementary thereto; and

S. J. Res. 43. Joint resolution for the establishment of a commission for the construction of a Washington-Lincoln Memorial Gettysburg Boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield of Gettysburg in the State of Pennsylvania.

TENNESSEE VALLEY AUTHORITY—AMENDMENTS

Mr. BARBOUR and Mr. COUZENS each submitted an amendment intended to be proposed by them, respectively, to the bill (S. 2357) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes", approved May 18, 1933, which were ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated below:

H. R. 6143. An act to extend the time during which domestic animals which have crossed the boundary line into

foreign countries may be returned duty free; to the Committee on Finance.

H. R. 7617. An act to provide for the sound, effective, and uninterrupted operation of the banking system, and for other purposes; to the Committee on Banking and Currency.

PURCHASE OF FOREIGN BEEF BY THE ARMY

Mr. BORAH and Mr. CAREY, jointly, submitted the following resolution (S. Res. 134), which was referred to the Committee on Military Affairs:

Whereas it is reported that there are now pending before the War Department bids on contracts for the purchase of beef for the use of the United States Army in the Philippine Islands; and

Whereas it is reported that the contract will be let for the purchase of Argentine or Australian beef: Therefore be it

Resolved, That it is the sense of the Senate that the bid for supplying foreign beef be rejected; and that hereafter no foreign beef or beef products shall be purchased for the use of the United States Army.

EXPERIMENTAL FARM AT BELTSVILLE, MD.—E. W. SHEETS

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The legislative clerk read the resolution (S. Res. 126), submitted by Mr. CAREY on the 3d instant, as follows:

Resolved, That the Committee on Appropriations, or any duly authorized subcommittee thereof, is authorized and directed to investigate the cost of the construction, development, and expansion of the experimental farm of the Department of Agriculture at Beltsville, Md., and to investigate the circumstances connected with the demotion or dismissal of E. W. Sheets, formerly head of the Division of Animal Husbandry of the Bureau of Animal Industry in the Department of Agriculture, with a view to determining the connection, if any, between such demotion or dismissal and the construction, development, and expansion of said experimental farm. The committee shall report to the Senate, as soon as practicable, the result of its investigations, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$1,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. ROBINSON. I suggest to the Senator from Wyoming that the resolution should go first to the Committee on Agriculture and Forestry.

Mr. CAREY. I have no objection to that reference.

The VICE PRESIDENT. The resolution will be referred to the Committee on Agriculture and Forestry.

PUBLICITY ACTIVITIES OF GOVERNMENTAL AGENCIES

The VICE PRESIDENT. The Chair lays before the Senate another resolution coming over from a preceding day, which will be read.

The legislative clerk read the resolution (S. Res. 131) submitted by Mr. DICKINSON on the 7th instant, as follows:

Whereas there is a specific restriction in the law prohibiting printing of any material in any form without direct authorization of law; and

Whereas various departments of the Government and various emergency bureaus are publishing miscellaneous and promiscuous reports; and

Whereas same emergency bureaus are publishing pamphlets and newspapers, both in multigraph and printed form; and

Whereas the expense, both for personnel employed and the cost of printing, is a large item; and

Whereas various bureaus of the Government, at the expense of the taxpayer, are having prepared and presenting to the public motion pictures and displays; and

Whereas various bureaus of the Government are setting up information booths inviting the public to go into debt in remodeling their homes; and

Whereas, either directly or indirectly, radio information is given to the public setting forth the benefits of remodeling homes, and suggesting that the Government will loan the money therefor: Now, therefore, be it

Resolved, That the Committee on Appropriations, or any duly authorized subcommittee thereof, is authorized and directed to make an investigation with a view to determining (1) the authority under which such information is being printed and dis-

seminated; (2) the cost incident to such printing and dissemination, including personnel, motion-picture production, multigraphing, and distribution costs; and (3) all expenditures made since March 4, 1933, by any executive department, independent commission, board, bureau, office, agency, or other establishment of the Government incident to such printing and dissemination. The committee shall report to the Senate, as soon as practicable, the result of its investigation, together with its recommendations.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expense of the committee, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman.

Mr. ROBINSON. I suggest that that resolution go over for the day.

The VICE PRESIDENT. The resolution will lie over.

REPORT OF BUSINESS ADVISORY COUNCIL

The VICE PRESIDENT. The Chair lays before the Senate another resolution coming over from a preceding day, which will be read.

The legislative clerk read the resolution (S. Res. 132) submitted by Mr. STEIWER on the 7th instant, as follows:

Resolved, That the President is respectfully requested to transmit to the Senate, as soon as practicable, the complete report recently filed with him by the Business Advisory Council appointed by the Secretary of Commerce.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. ROBINSON. Mr. President, in resolutions directed to the President requesting information it is customary to incorporate the phrase, "if not incompatible with the public interest." I offer that amendment to the resolution, to come in after the word "Senate", on line 2.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. In line 2, after the word "Senate", it is proposed to insert the words "if not incompatible with the public interest."

The amendment was agreed to.

The resolution, as amended, was agreed to.

OCEAN STEAMSHIP SUBSIDIES

Mr. BONE. Mr. President, in the near future there will come before the Senate the new measure which, for want of a better term, we are going to refer to as the subsidy bill, involving the granting of direct subsidies to steamship lines.

Last year the Senate was edified and very much informed concerning the mail subsidies which were a part of the old subsidy plan of the Jones-White Act, enacted in 1928. The Postmaster General made a report on these subsidies and ocean-mail contracts, and that report has been presented to the Senate and is now on the desks of Senators in two volumes, being a letter from the Postmaster General to the Chairman of the Special Committee to Investigate Air Mail and Ocean Mail Contracts.

Mr. President, that is one of the most interesting reports I have seen since I became a Member of this body. Strange as it may seem, for some reason the press of the country has made little or no reference to this report, which is a very startling one. It contains information which, in my judgment, should be in the hands of every voter in this country.

So far as I have been able to ascertain, only one newspaper has published anything like a complete and intelligible summary of Mr. Farley's report. That summary was recently published in the Journal of Commerce, of New York. I think Mr. Farley has done a very fine and courageous piece of work in this report. He has given the people of the country information which, as I have indicated, ought to be in the hands of every voter.

As a part of my remarks I ask to have printed in the RECORD at this point the summary to which I refer.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

[From the New York Journal of Commerce]

FARLEY SHIP REPORTS URGE CANCELSATIONS FOR 19 MAIL AWARDS—ELEVEN STEAMSHIP INTERESTS, THROUGH 16 COMPANIES, HOLD CONTRACTS IN QUESTION—RECOMMENDATIONS MADE IN DATA ISSUED BY BLACK—COPELAND, BLAND TO PUSH SUBSIDY HEARINGS—CITE OCTOBER 3 DEAD LINE FOR DECISION ON AWARDS

By Lee P. Hart

WASHINGTON, May 3.—Specific recommendations for cancellation of 19 of the 43 existing ocean mail contracts are contained in the individual contract reports based on findings of the Post Office Department's investigation made public today by Senator BLACK (Democrat, Alabama), chairman of the Senate committee which conducted an inquiry into shipping subsidies last year.

Eleven steamship interests, through 16 companies, hold the 19 contracts whose cancellation, according to Department estimates, would result in savings to the Government of nearly \$100,000,000, representing mail pay during the balance of the 10-year contracts.

AFFECTED LINES GIVEN

The contractors and the foreign ocean-mail routes involved are: Munson Steamship Line (no. 4), Gulf Mail Steamship Co. (no. 22), Export Steamship Corporation (no. 5), American South African Line (no. 6), Grace Steamship Co. (nos. 8 and 38), Panama Mail Steamship Co. (no. 37), Eastern Steamship Lines (nos. 15 and 53), American Scantic Line (no. 16), American West African Line (nos. 17 and 47), Atlantic & Caribbean Steam Navigation Co. (no. 18), Colombian Steamship Co. (no. 19), New York & Cuba Mail Steamship Co. (nos. 2 and 21), Lykes Bros. Steamship Co. (no. 23), Tampa Intercean Steamship Co. (no. 45), and Lykes Bros.-Ripley Steamship Co. (no. 57).

These contracts were dealt with in the hitherto undisclosed 13 individual reports which Postmaster General Farley submitted to President Roosevelt on January 11, along with his general report on the investigation, contained in the Black committee document known as "part I." Reports on the remaining 24 contracts are now being printed and will be made public next week. They are said to be "typical" of the reports made available today.

The contractors, many of whom were in attendance today at the hearings on the Copeland-Bland ship subsidy bill before Senate and House committees, regarded the Post Office Department's recommendations as "drastic", but they pointed out that in only a few instances did the reports state the contracts "should be canceled", and noted the language generally used was "may be canceled."

HOLD CONTRACTS VALID

They all hold their contracts are valid and refer to Comptroller General McCarl's authorization for disbursements under the contracts to support their contention. They also intend to take the issue to the courts if the President should act in accordance with the Department's recommendations.

Publication of the reports precipitated discussions both among congressional leaders and shipping interests as to the possible effect it will have upon pending legislation, which is designed to enable the President to substitute direct subsidies for the present mail contract system for providing support to the merchant marine.

Chairmen of both congressional committees, Senator COPELAND (Democrat), New York, and Representative BLAND (Democrat), Virginia, of the Senate Commerce Committee and House Merchant Marine Committee, respectively, announced hearings on the measure would proceed without interruption and pointed out the President's authority to modify or cancel the contracts has been extended to October 31 by resolution amending the Independent Offices Appropriation Act of 1934.

Senator BLACK received the individual reports from Postmaster General Farley on April 19 "in compliance with instructions from the President." As H. A. Blomquist, aid to the Black committee, was distributing the reports, the Senator called attention of the Senate to the document which had been placed on the desk of each Senator.

SHARP CRITICISM MADE

The Postmaster General's general report on the investigation, which was conducted by Assistant Postmasters General W. W. Howes and Harlee Branch, and the Solicitor, Karl A. Crowley, contained sharp criticism of the ocean mail contracts. The report charged the contractors have wasted and diverted funds received from the Government and recommended decided changes in the administration of shipping subsidies. Dealing with individual contracts, it outlined steps which could be taken, such as cancellation of contracts or reclaiming of vessels and recovery of amounts of outstanding indebtedness.

The individual reports, contained in the 205-page Senate committee document, summarized evidence developed in the investigation and gave conclusions and recommendations together with effect of cancellation and possible modifications of contracts awarded under the Jones-White Act of 1928.

Summary of the reports follows:

Munson Steamship Lines and Gulf Mail Steamship Co.: The contract on route no. 4 (New York to South America) "may be canceled", for there could be and there was no competitive bidding on the route as required by law. Specifications, including the service to be performed, and types, sizes, and speed of ships to be operated over it, precisely conformed to the then existing service and equipment of the Munson Line, and the time elapsing between the date when the route was advertised and the date when performance was demanded "did not permit formulation of an intelligent bid by any part other than Munson Steamship Line."

PROSPECTIVE BIDDER FIGURES

Further, it was held a prospective bidder other than Munson Steamship Line would have been met by 2 years of guaranteed directly competitive operation on the route by the contractor.

"This contract was let in violation of the public interest, for when it was let the Government was entitled, without expenditure of any money to receive adequate service over this route for a period of at least 2 years."

Cancellation of the contract will effect a saving of \$5,117,680, less payments made since July 1, 1934. The Munson Line will be deprived of a similar amount of revenue over a period ending August 1, 1938.

EFFECT OF CANCELSATION

Effect of canceling this contract and depriving the line of this amount of revenue over this period will be "disastrous." The line is now in bankruptcy with very large outstanding liabilities and practically no cash or liquid assets.

Collection of the full amount of outstanding indebtedness to the Shipping Board will be further jeopardized. This indebtedness totaled as of June 30, 1934, \$2,537,000 and is secured by first preferred mortgages on vessels having a depreciated value (cost plus betterments, less depreciation) of \$2,440,365 on June 13, 1934.

Discussing the Munson Line's Gulf mail route no. 22 (New Orleans to Progreso, Mexico), the Department stated it "may be canceled for failure to substitute the new vessel required to be furnished in 1932." The full performance of this contract is not required in the public interest, and its commercial value is negligible, and it has no postal value.

Cancellation of the contract will result in a saving of \$305,647, less payments made since June 30, 1934, which have not been large on account of the fact that only 11 voyages have been made. The Munson Line will be deprived of this amount of revenue which it otherwise would receive over a period ending June 1, 1939.

EFFECT OF ACTION

The effect of the deprivation of revenue upon the general operations of the line are discussed in the possible modifications of Munson contracts, which are regarded as "peculiarly complex."

"If, within 90 days, satisfactory progress toward proper reorganization has not been made, it is believed that the Government should take all available legal steps to reclaim the vessels, *American Legion, Pan American, Southern Cross, and Western World*, and to recover, insofar as may be possible, the amount of outstanding indebtedness of this company to the Shipping Board. Should this action result, as it may, in the inability of the Munson Line further to perform its contract for service over route no. 4, it would be advisable for the Government to make other provision for the maintenance of a service from New York to the East Coast of South America."

Export Steamship Corporation: This contract, covering route no. 5 (New York to Mediterranean and Black Sea ports), "may be canceled as having been let in violation of the law requiring competitive bidding, and upon the further ground that it was contrary to the public interest in that the Export Steamship Corporation was bound contractually to perform adequate service over the route for not less than 5 years of the contract term. It is estimated that from November 1, 1934, to the end of the contract term there will be paid an amount in excess of poundage rate of \$7,751,457.

\$6,885,812 OWED BOARD

While full effect of cancellation to this contractor cannot be accurately forecast, it would unquestionably be "very damaging." In this connection it may be pointed out that as of June 30, 1934, the contractor was indebted to the Shipping Board in the amount of \$6,885,812. This amount was secured by first preferred mortgages on ships having a net book value as of that date of \$9,669,999.

If the contract is not canceled, then it "may be modified." The line is a bona fide mail carrier and operates over an important trade route.

Under present economic conditions it is clear that the route cannot be operated by the contractor except with some measure of assistance from the Government. It is believed, however, that a detailed survey of the needs of the route, together with possible alteration of the character of the service and putting into effect more economical operations would permit continuation of the trade and postal advantages and at the same time effect substantial savings to the Government.

"The precise amount which can be saved is not susceptible of accurate determination until decisions are reached as to the exact service to be maintained and what operating economics can be put into effect. Present operations appear to be economical and the frequency of service approximately what it should be."

SOUTH AFRICAN LINE

South African Line: The contract for route no. 6 (New York by Capetown, South Africa, to Beira, Portuguese East Africa) "may be canceled" without any offer of compensation for the following reasons:

1. It was not awarded as a result of competitive bidding, as required by law.

2. Full performance is not required in the public interest "because it is apparent that the contractor can and has in normal times made a substantial profit without Government aid."

GRACE STEAMSHIP CO.

Grace Steamship Co. and Panama Mail Steamship Co.: Contracts for routes nos. 8, 37, and 38 (New York to Valparaiso, San Francisco to Habana, and Tacoma, Wash., to Valparaiso) "may be

canceled because they were awarded in violation of the law requiring that such contracts be let upon competitive bids." Contracts were "negotiated" and specifications, compensation, and construction requirements so arranged, together with times of advertisement and dates when performance was demandable, that there could have been and was in each instance only one bidder, the selected agency of the Grace interests.

EFFECT OF CANCELATIONS

Effect of cancellation is given as follows:

1. The United States will save the sum of \$13,119,525, less payments made between July 1, 1934, and the effective date of cancellation, which payments have been averaging \$218,171 per month. Delay in cancellation will effect a decrease in the amount which may be saved slightly in excess of \$7,000 per day.
2. The Grace interests will be deprived of \$13,119,525, but will be released from their obligations to maintain the services and transport the mails.
3. The mails (except from San Francisco to La Libertad, which may be delayed 1 day) will move with equal or greater expedition.
4. No construction demandable under the contracts will be prevented, all such construction being now completed.
5. Collection of loans made through the Shipping Board to the contractors will not be imperiled, as the companies are entirely responsible and the book value of the ships securing these loans by first preferred mortgages exceeds the amount of the loans by \$4,971,458.

MODIFICATION IS PROVIDED

"While it may be doubted if sound public policy permits continuation in any form of contracts let in violation of law, if these contracts are to be recognized at all, they may be modified, except the contract on route no. 37 as the contractor's vessels operate in the protected intercoastal trade in competition with American-flag shipping which does not enjoy Government aid."

EASTERN STEAMSHIP LINES

Eastern Steamship Lines—contracts for routes nos. 15 and 52 (Boston to Yarmouth and New York to Yarmouth) "may be canceled."

They were awarded in violation of law requiring competitive bidding, which did not exist.

Full performance of neither contract is required in the public interest, according to the report. Cancellation of the contracts will result in saving of \$3,568,208, less amounts paid subsequent to June 30, 1934.

Possible modifications of the contracts called for reduced frequency of sailings, and it is recommended that if they are continued there be taken into consideration advisability of requiring the contractor to divorce itself from all intercoastal and coastwise shipping operators, either directly or indirectly by affiliates, subsidiaries, or otherwise.

AMERICAN SCANTIC LINE

American Scantic Line—This contract on route no. 16 (New York to Scandinavian ports) "may be canceled on the ground that there could be and was no competitive bidding on the route, and the specifications for vessels to be operated over it precisely conformed to the route then operated and the vessels owned by the line."

Cancellation will effect a saving of not less than \$3,854,397, the excess of contract pay over the American poundage rate from July 1, 1934, to the end of the contract term.

Suggestions for modification of the contract are set out.

West African Line: Contracts for routes nos. 17 and 47 (New York to West African ports, and New Orleans to West Africa), "may be canceled" for the reason that they were awarded after being negotiated and without opportunity for competitive bidding. It appears that the contract on no. 17 has been breached by the failure to place in operation the required vessel of class 3.

If it be deemed not in the public interest to cancel either or both of these contracts the contractor "should be required to completely divorce itself from foreign-flag connections either through holding, subsidiary, or affiliated companies and the mail pay should be substantially reduced, by reduction in contract sailings to a point where the contractor will not receive the unreasonable profits which it now receives with the present mail pay."

ATLANTIC & CARIBBEAN LINE

Atlantic & Caribbean Steam Navigation Co. (Red D Line): Contract for route no. 18 (New York to Maracaibo, Venezuela) "may be canceled", having been awarded in violation of the law requiring competitive bidding and the contractor having failed to put into operation on the route an additional vessel of class 5. Cancellation will effect a saving of \$1,355,953, the estimated contract pay in excess of the amount which will be necessary to transport the mails at the American poundage rate. If the contract be not canceled, modifications are outlined.

COLOMBIAN S. S. CO.

Colombian S. S. Co.: Contract for route no. 19 (New York to Puerto Colombia) "may be immediately canceled" on the ground it was illegally awarded. Mail may be sent over this route, if the contract be canceled, at American poundage rates at a saving of \$581,639 per year, based on the past year's performance and considering the present rate of pay.

Modifications set forth included a requirement that the Government be reimbursed in the sum of \$344,266, representing the amount of overpayment due to improper classification of vessels originally accepted under the contract.

NEW YORK AND CUBAN MAIL

New York & Cuban Mail Steamship Co. (Ward Line)—Contracts for routes nos. 20 and 21 (New York to Habana and New York via Habana and Progreso to Vera Cruz) "may be canceled" without any offer of compensation for the following reasons:

1. The contracts were negotiated and competitive bidding was precluded.
2. Full performance of the contract is not required in the public interest.

MODIFICATION IS SUGGESTED

If it be deemed not in the public interest to cancel these contracts then savings may be effected by modification of the contracts in the following respects:

(a) Reclassification of the *Oriente* on route no. 20 so as to classify it as class 3 instead of class 2. The estimated savings which may thereby be effected from November 1, 1934, to the end of the contract term is \$483,838.

(b) Reclassification of vessels on route no. 21 so as to classify them as class 6 instead of class 5. The estimated savings which may be effected by such reclassification from November 1, 1934, to the end of the contract term is \$614,176.

Reduction in sailings is recommended, and it is further recommended that if these contracts be continued there be taken into consideration the advisability of requiring the contractor to divorce itself from all intercoastal and coastwise shipping operations, either directly or indirectly by affiliates, subsidiaries, or otherwise.

LYKES BROS. STEAMSHIP CO.

Lykes Bros. Steamship Co., Tampa-Interocean Steamship Co., and Lykes Bros.-Ripley Steamship Co. contracts for routes nos. 23, 45, and 57 (Galveston to Santo Domingo City, New Orleans to Spain, and Gulf ports to United Kingdom and the Far East) are considered in three separate reports. In each report the Department recommends cancellation of the contracts which involve an estimated aggregate expenditure of approximately \$35,622,063. Cancellations would result in savings approximately of \$27,000,000, representing the balance to be paid under the contracts.

"After a review of the record of the Lykes Bros.' activities, one is compelled to the conclusion that the effect of their dealings with the Government has been a distinct detriment to the American merchant marine", the report stresses.

The Lykes Bros., whose contracts were subjected to 3 weeks of investigation before the Department, have, as a result of operating Shipping Board vessels and through their several mail contracts, "made large profits on a small original capital investment", according to the report.

"The record shows that in their dealings with the Shipping Board and the Post Office Department they have been actuated largely by a desire to obtain as much from the Government as possible upon minimum commitments looking to the upbuilding of the American merchant marine", concluded the report.

Steamship interests whose contracts will be considered in the reports set out in part II of the Black committee document are United Fruit Co., Gulf Pacific Mail Line, States Steamship Co., Waterman Steamship Co., Dollar Lines, Tacoma Oriental Steamship Co., Mississippi Shipping Co., Oceanic & Oriental Navigation Co. (American Hawaiian and Matson Lines), Oceanic Steamship Co. (Matson), Roosevelt-International Mercantile Marine Co. (United States Lines and Panama Pacific Lines), Baltimore Mail Line, American Diamond Lines, Pacific-Argentine-Brazil Line, and South Atlantic Steamship Co.

[From the Journal of Commerce]

TEXTUAL SUMMARY OF REPORT ON OCEAN MAIL CONTRACTS

WASHINGTON, May 7.—Following is a textual summary of the findings and recommendations on ocean mail contracts made public today:

OCEANIC STEAMSHIP CO. (MATSON LINE)

Contract for route no. 24 (San Francisco by Honolulu, Pago Pago, and Suva to Sydney, Australia) may be canceled "because it was awarded in violation of the law which requires competitive bidding and the advertisements of the route were so framed and worded and limited bids in such a manner as to preclude competitive bidding, and did accomplish this result." It is further concluded that this contract was "improvident so far as it resulted in the contractor receiving a 100-percent increase in mail pay for an identical service with identical ships until the new ships were commissioned, one in 1931 and one in 1932."

Because this route is an important mail and trade route, and because the contractor's pay since the construction of the new vessels does not appear to be exorbitant, "it is felt that no savings in the public interest can be made by any substantial modifications of the contract unless it is deemed advisable to require the contractor to reimburse the Government for the excess pay which it received on the improper classification of the steamships *Ventura*, *Sierra*, and *Somona*, which excess is estimated to be \$1,457,970.80."

If it be deemed in the public interest not to cancel this contract, then it is recommended that "there be taken into consideration the advisability of requiring the contractor to fully and completely divorce itself from all intercoastal and coastwise shipping operations, either directly or indirectly through affiliated subsidiaries or otherwise."

Discussing the results of the contract to the Government, the report states the route is now served by "two of the newest, most modern, and speediest combination passenger and cargo vessels

(*Mariposa* and *Monterey*) in operation on the Pacific." A third sister ship (*Lurline*) was constructed and qualified for service on the mail route in the event of a demand for an increased frequency on the route or in the event of any contingency which might arise, such as the loss or temporary withdrawal of either of the two ships now serving the route.

These three ships were constructed at a total cost of approximately \$24,600,000, as compared with the total estimated mail pay of \$8,935,413. At June 30, 1934, the contractor was indebted to the Shipping Board in the amount of \$10,509,750, incident to construction loans on these ships. Of this amount the sum of \$8,174,250 will fall due after the expiration of the present mail contract.

DOLLAR LINES

Dollar Steamship Line, no. 25 (San Francisco by Honolulu to Sydney, Australia); Dollar Steamship Lines, Inc., Ltd., no. 27 (San Francisco by Honolulu to Colombo), and Admiral Oriental Line (American Mail Line) no. 26 (Seattle by Yokohama to Manila). These three contracts may be canceled for the following reasons:

1. They were negotiated without opportunity for competitive bidding.

2. Contract no. 27 may be canceled after August 30, 1935, for failure to provide the new class 3 ship required by the contract.

3. Cancellation of contracts 25 and 27 may be indirectly brought about by having the Shipping Board exercise its foreclosure rights.

If it be deemed not in the public interest to cancel these three contracts, it is recommended that contract-mail-pay sailings be equitably reduced on the routes and that the contractors be required to set up adequate earmarked reserve funds to provide in due time for necessary replacements. The contractors should also be required definitely to limit salaries, dividends, and cash withdrawals by the four principal officers, directors, and stockholders. Arrangements should also be made to preclude large cash withdrawals from subsidiary and affiliated companies serving the mail-contracting companies, and arrangements should be made to revise payments by the mail contractors for such services so as to limit the affiliated companies' profits to a reasonable return on the necessary invested capital.

Consideration should also be given to the question of requiring the contractors to discontinue their intercoastal service, except by route no. 27 (round-the-world), on which latter route it appears that the contractor should not be permitted to carry intercoastal cargo.

If these contracts are canceled, service can be continued on route no. 26, but cannot be continued on routes nos. 25 and 27 under present trade conditions. At June 30, 1934, the Dollar Lines, contractors on routes nos. 25 and 27, owed the Shipping Board \$16,684,479. Of this amount \$1,119,701 was past due on construction loans and \$947,500 would have been past due on ship sales notes if extensions and reextensions had not been granted. The contractor on route no. 26 had prepaid all ship-sales notes falling due prior to June 17, 1937, after which \$855,000 will fall due. If the contracts are continued as at present, the contractors will receive about \$18,000,000 in excess of the American poundage rates, whereas they owe the Government a total of \$17,539,479.

"The evidence shows," continues this report, "that in 1925 when Government aid on the Dollar routes was limited to fostering a monopoly of American-flag ships for this company as a result of low-priced ship sales, Messrs. R. Stanley Dollar, J. Harold Dollar, H. M. Lorber, and Herbert Fleishacker withdrew, in cash, the total sum of \$162,000. If this rate of withdrawal had been maintained during the first 5½ years of foreign ocean-mail contract operations (Jan. 1, 1929, to June 30, 1934), the withdrawals would have totaled \$891,000 instead of the \$2,762,257 actually withdrawn as shown by the evidence. This indicates an increase in personal cash withdrawals of \$1,871,257, which amount closely approximates the delinquencies in the Dollar Lines' obligations to the Government.

STATES STEAMSHIP CO.

"Contracts for routes nos. 28 and 29 (Portland, Oreg., via Yokohama to Manila and Portland via Shanghai to Dairen, China) may be canceled because they were awarded in violation of the law which requires competitive bidding and for the further reason that in view of the existing obligations of the contractor and facilities then available for the transportation of the mail over the same route the letting of the contracts were against the public interest.

"It is found as a fact that foreign ocean-mail routes nos. 28 and 29 are without postal value; that at the time when these routes were certified and contracts let the routes were in existence and operated by this contractor, who was bound to continue their operation for a period of 5 years, and that the mail could have been transported over the route at the American poundage rate for sums of money greatly below the sums which have been paid under the contracts. It is further found that the operation of chartered vessels has cost the Government the sum of \$753,440 and that the contractor was permitted to make a particular voyage which was useless to the Government but for which the sum of \$15,370 was paid under the contract.

"The Government is directly protected from loss on the outstanding indebtedness by first-preferred mortgages or ships with a net book value of \$665,406.48 as of December 31, 1933.

"Consideration should be given to a requirement that the contractor divorce itself absolutely from operation in the protected intercoastal trade."

OCEANIC & ORIENTAL NAVIGATION CO., AMERICAN-HAWAIIAN & MATSON

Contracts for routes nos. 30, 31, 48, and 49 (Los Angeles to Auckland, New Zealand; Los Angeles to Melbourne, Australia; San Francisco via Yokohama to Dairen, China; and San Francisco via Shanghai to Saigon) may be canceled for the following reasons:

"(1) Because they were not awarded as the result of competitive bidding as provided by law, but on the other hand were awarded as the result of negotiations between the contractor, the Post Office Department, and the Shipping Board.

"(2) The service having been established and guaranteed for a period of 5 years from the date of sale of the vessels, it was contrary to public policy to award the main contracts solely for the purpose of granting a subsidy to these four established trade routes.

"(3) Because the contracts on foreign ocean mail routes 30, 31, 48, and 49 are not and never were intended to be in accordance with the requirements of the Postal Service nor for the purpose of providing an adequate postal service 'between the ports.'

"If the contracts are not canceled they may be modified to provide for a replacement program which will result in the existence of a serviceable fleet adequate to maintain operations on the routes subsequent to the expiration dates of the present postal contracts.

"The replacement program might be best carried into effect by a provision for the creation of a special fund for that purpose and a recapture clause so that this fund would return to the Government if an attempt were made to utilize it for any purpose other than that for which it was set aside.

"Routes 30 and 31 should be consolidated at a rate of pay not in excess of the rate now allowed on route 31, which will result in a saving to the Government for the balance of the contract term of \$636,525.

"Routes 48 and 49 may possibly be consolidated at a rate of pay not exceeding the rate now allowed on route 42, and if such consolidation were made it would result in savings to the Government of \$2,004,691.50.

"If it be deemed in the public interest not to cancel this contract, then it is recommended that there be taken into consideration the advisability of requiring the contractor to fully and completely divorce itself from all intercoastal and coastwise shipping operations, either directly or indirectly through affiliates, subsidiaries, or otherwise.

AMERICAN LINE STEAMSHIP CORPORATION (PANAMA PACIFIC)

Contract for route no. 32 (New York by Colon to Balboa) may be canceled because it was not awarded as a result of competitive bidding.

Other recommendations and conclusions follow:

"(1) The letting of this contract was not necessary to afford an adequate postal service between the ports served.

"(2) The payments under the contract have not served to assist in the upbuilding of the American merchant marine as no construction is required and as the vessels in service were constructed and arranged to be constructed prior to the advertisement of the mail contract.

"(3) The contractor has been improperly paid for service between Cristobal and Balboa, 38 miles, when no service has been rendered between those ports.

"(4) The payments under this contract are a mere gratuity to the contractor and are discriminatory as against 23 other intercoastal lines operating under the American flag without mail pay aid and consequently serve as a detriment to the American merchant marine.

"(5) If this contract is canceled, the contractor will suffer no damages as it was performing the service required by the contract before the contract was made, and it has not obligated itself to build new vessels.

RECOMMENDATION

"(1) The contract may be canceled because it was not awarded as a result of competitive bidding.

"(2) Although the ships operated under this contract stop at Habana and Cristobal, it is an intercoastal route operating from New York to California and is discriminatory against 25 other coastal routes that do not have mail contracts.

"(3) If it be deemed not in the public interest to cancel the contract, it is recommended that it be modified by the curtailment to show Cristobal as the terminus and, further, that the payments be reduced to the amount the contractor would receive for transporting the mails on the American poundage basis. Such a modification would result in an annual saving of about \$350,000 per year, or a total saving during the balance of the contract term of approximately \$1,485,000."

UNITED STATES LINES

Contracts for routes nos. 42, 43, and 44 (New York to London; New York by Plymouth and Cherbourg to Hamburg; New York by Cherbourg to Southampton) may be canceled on the ground that they were entered into without competitive bidding. Other recommendations and conclusions follow:

RECOMMENDATIONS

"(1) The contracts may be canceled on the grounds that they were entered into without competitive bidding, as hereinbefore outlined.

"(2) Contract 44, from New York to London, does not require any construction of new vessels, and in the absence of such an

obligation, it is believed that the service can be carried on without the aid of mail pay.

"(3) If it be deemed not in the public interest to cancel the contract on route 43, it is recommended that the United States Lines Co. (Nevada), subcontractor, be required to reduce the operating and management commissions being paid the Roosevelt Steamship Co., amounting to approximately 19 percent of the gross voyage revenue (excluding mail) of the subcontractor, to a reasonable and fair commission charge for the service rendered.

"It appears that if this is done the condition of the United States Lines Co. (Nevada) may be improved to an extent that it may be possible to effect a reduction in the mail pay on route 43. It is also recommended that consideration be given to a requirement that the subcontractor divorce itself from any connection with affiliates, subsidiary, or holding companies operating in the intercoastal trade or under foreign flag.

"If contract no. 44 (to London) is canceled, it is believed that, as already pointed out, the service can continue without Government aid. If contract no. 43 (to Hamburg by fast liners *Manhattan* and *Washington*) is canceled, it is probable that some aid will be required by the contractor to continue the service, unless the poundage mail increases sufficiently to offset the present difference between the mileage and the poundage pay.

"(1) A thorough consideration of the operations of the International Mercantile Marine Co. leads one to the conviction that it is unwise and economically unsound for this Government to pay out immense sums as aid for the building of an American merchant marine and then permit their control through a network of holding subsidiary, and affiliated companies which may in any manner permit the dissipation of the funds provided for ship construction and operation.

"If funds are to be provided for insuring the service, which is admittedly the most important to this country, the aid should be given only to a company or to companies directly owned by the investors and not controlled by holding companies.

"(2) These contracts were made after their provisions had been negotiated by the bidder and officials of the Post Office Department. The service called for was that then being performed by the bidder, and the type, size, and speed of vessels required by the advertisements were the vessels then owned by the contractor, which were the only vessels then available for service on the routes. The time allowed for the submission of bids was not sufficient to enable others than the bidders to arrange to submit bids.

"(3) The bids were fatally defective when opened, and, instead of being rejected and new advertisements issued, the bidder was permitted to alter the bids so as to make them conform to the advertisements.

"(4) Service was guaranteed over these routes by the ship-sales agreement with the Shipping Board of 10 years from April 8, 1929, and a performance bond in the sum of \$2,500,000 was required of the purchaser. However, the subcontractor was not required to furnish the Shipping Board a performance bond when it purchased the ship-sales mortgage notes. Service was required by mail contract 44 for 5 years from April 24, 1930, with provision for automatic extension for 5 years additional. Contract 43 requires service for 10 years from March 4, 1931. As the lines were carrying mails at poundage rates there appears to have been no postal or trade necessity for the establishment of the mail routes.

"(5) Both of these routes are important mail routes. Route 43 is more essential than route 44. The contract on route 44 expires on April 24, 1935. On this route the United States Lines, Inc. (Delaware), made a voyage profit of \$1,921,325.12 on 81 voyages for the period from April 24, 1930, to December 8, 1931. The United States Lines Co. (Nevada) made a voyage profit on 56 voyages from December 9, 1931, to December 31, 1932, of \$1,167,939.80. The detailed figures for 1933-34 are not available. The total voyage profit on the 137 voyages for the period of approximately 2 years 7 months was \$3,089,264.92. This gross voyage profit is before inclusion of overhead expenses, depreciation on vessels, and interest on Shipping Board loans. Deduct from this sum the total mail pay for the period, less what it would have cost on the American poundage basis, or \$1,742,401.73, and there will be a voyage profit of \$1,346,863.19, without the mail-contract pay before depreciation, interest, and overhead."

It is estimated that had all intercompany profits, that is, profits on commissions, wharfage, etc., been eliminated and the overhead kept at a minimum, depreciation on vessels figured at cost, the companies would have broken about even for the period under discussion without a mail contract. If such a showing can be made in depression years, then it is reasonable to assume that the vessels in this particular service can be operated at a fair profit in normal times without the aid of a mail contract.

"(6) Both are essential trade routes."

SOUTH ATLANTIC STEAMSHIP CO. OF DELAWARE

Contract covering ocean mail route no. 33, from Savannah, Ga., via Brest to Liverpool, and from Savannah via Plymouth to Bremen, Germany, including service to any other ports at which the vessels may voluntarily call, on a schedule satisfactory to the Postmaster General of not less than 36 trips per annum, which may be increased with the approval of the Postmaster General to not more than 52 trips per annum on the two branches of the route. The officially determined outbound voyage distance between the ports, which constitutes the mileage for the basis of mail pay, is 3,630 miles to Liverpool and 4,149 miles to Bremen. Before the fleet of vessels which operate on foreign ocean mail route no. 33 were sold to the contractor by the United States Ship-

ping Board on October 11, 1928, they were operated for the Government as the American Palmetto Line by the South Atlantic Steamship Line, of which E. S. Trosdal, of Savannah, Ga., was the president.

It is noted that:

"When the Government sold the fleet to the South Atlantic Steamship Co. of Delaware the ships had a book value of \$1,325,634.50 more than was paid for them by the purchaser and which was intended to be, and was, a subsidy granted in consideration of the 5 years' guaranteed service of 36 voyages per annum required under the sales contract of October 11, 1928. The mail contract which was awarded to the South Atlantic Steamship Co. of Delaware is in the nature of a further subsidy to the contractor which thus became the beneficiary of a double subsidy.

"In order to crystallize the benefactions which the United States has bestowed and, if this contract is continued in effect, will have ultimately given to the South Atlantic Steamship Co. of Delaware, both directly and indirectly, there is tabulated below the sums above mentioned:

Difference between book value of fleet and sales price (Oct. 11, 1928, contract)	\$1,325,634.57
Difference between book value and sales price of <i>Georgian</i> and <i>Floridian</i>	376,318.00
Amounts spent by Shipping Board reconditioning original fleet before sale	201,213.09
Total amount of mail pay for the entire contract term (estimated)	3,579,450.00
Total	5,482,615.66

"It is concluded that this contract may be canceled for the reason that it is a contract awarded as a result of negotiations between the contractor, the postal officials, and the United States Shipping Board, and was not awarded as a result of competitive bidding as required by law.

"If it be deemed in the public interest that this contract be not canceled, it may be modified by requiring the contractor to give assurance of the prompt commencement of a construction program to be completed during the remainder of the mail-contract period, at a cost which will not deprive the company of a fair return upon its investment, but which will insure a reasonable expenditure in the interests of the American merchant marine.

"Alternately, if it be deemed in the public interest not to cancel the contract, it may be modified by such reduction in the number of mail pay voyages as will result in substantial savings to the Government.

"Whatever determination be reached as to modification or cancellation of the contract, the South Atlantic Steamship Co. of Delaware should be required to divorce itself from any interests which directly or indirectly aid or encourage competition by foreign-flag vessels with the American merchant marine in any domestic port.

"Respectfully submitted."

PACIFIC-ARGENTINE-BRAZIL LINE

Contract covering route no. 34, awarded December 3, 1928. Route extends from San Francisco and Los Angeles by way of Bahia Blanca to Buenos Aires, Argentina. The record, clearly establishes the nonessential character of route no. 34 from the postal viewpoint. Significant in this connection is the complaint which was made to the postmaster at San Francisco that certain mails specifically addressed for carriage by contractor's vessels were inadvertently delivered through the normal mail channels with the result that they arrived 2 weeks in advance of the date when it was anticipated that they should reach their destination.

It is shown that had the mails been carried at regular poundage rates the Government would have saved \$1,749,332 up to June 30, 1934.

"The Pacific-Argentine-Brazil Line, Inc.", the report says, "was organized in January 1926. Its entire capital stock of \$100,000 is owned by the McCormick Steamship Co., a coastwise and intercoastal operation having facilities for stevedoring, cargo handling, and car loading.

"The contractor states that various terminal facilities and advantages accruing from insurance experience and past steamship operations were placed at the disposal of the Pacific-Argentine-Brazil Line, Inc., by the McCormick Steamship Co. The latter company collects commission charges at the rate of 5 percent outbound, 2½ percent inbound, and 2½ percent management fees on all gross earnings of the mail contractor; and also collects a 50 cents per ton service charge on general cargo handled by the mail contractor over the piers of the McCormick Steamship Co. Wharfing, clerking, car loading, stevedoring, supervision, etc., are performed by the McCormick Steamship Co. for the owner's account at cost."

It is concluded that this contract may be canceled because it was awarded in violation of the law, which requires competitive bidding, and for the further reason that the contractor was obligated for a term of 5 years to operate its vessels over this route, and the letting of the contract was against the public interest.

It is further concluded that the public interest does not warrant the expenditure of public funds so as to result in an average annual return of 20 percent on the contractor's invested capital.

If it be deemed in the public interest not to cancel this contract, then it is recommended that there be taken into consideration the advisability of requiring the contractor to fully and completely

divorce itself from all intercoastal and coastwise shipping operations, either directly or indirectly through affiliates, subsidiaries, or otherwise.

MISSISSIPPI SHIPPING CO., INC.

Route no. 35, from New Orleans or other Gulf ports to Rio de Janeiro and/or Santos and/or Rio Grande do Sul and/or Montevideo and/or Buenos Aires and/or Rosario and/or Santa Fe and/or Bahia Blanca, Argentina, not less than 36 nor more than 52 trips per annum. Contract dated June 28, 1930, for 10-year period. Contract was awarded to the line notwithstanding a lower bid had been submitted by the Munson Steamship Line, which also had been the high bidder for the vessels of the line.

The award was made by the Post Office Department under direction of a joint resolution of Congress. Four reconditioned vessels have been reclassified on speed as class-5 vessels without regard to tonnage.

It may be considered, says the report, that the action of Congress referred to herein authorized the Postmaster General to negotiate this contract in the manner and form as it was entered into.

It is believed and recommended that the contract should be modified by the curtailment of Government-aid sailings at a substantial saving to the United States.

Further, the four old reconditioned vessels should be classified as class 6 vessels instead of class-5 vessels, which will result in saving \$1,060,671.10.

TACOMA ORIENTAL STEAMSHIP CO.

Contract covering mail route no. 36 was let June 25, 1929, for a 10-year term for service by class-6 vessels of 10 knots and not less than 4,500 gross tons, and is from Tacoma by Yokohama and Kobe, Japan, and Hong Kong, China, to Manila, not less than 12 trips per annum, and from Tacoma by Yokohama and Kobe, Japan, Shanghai, Tsingtau, and Dairen to Takue Bar, China, not less than 12 trips per annum.

"While this trade route was operated by the Shipping Board", the report says, "through managing operators, large losses to the Government resulted and since its operation by the purchaser of the vessels (to Dec. 31, 1933), even with the mail pay, losses have been incurred to the extent of 54.06 percent of the invested capital.

"It appears that, if the company had depreciated its ships on the basis of a 20-year life, the original capital investment would now be more than exhausted. There is no prospect of this line being operated by this company, even with the extensive Government aid now being afforded it, in such a manner as to enable it to provide new vessels at the end of the mail contract term to make the service permanent, unless at least \$1,000,000 additional capital is provided. The vessels will have reached the end of their economic life at about the time the mail contract expires.

"The precarious financial condition of this company does not appear to be due to any inefficiency in its operation. For many years the company paid its president no salary and for the past few months his salary has been \$3,600 per annum.

"This contract may be canceled for the reason that it was awarded after negotiation and not as the result of competitive bidding and for the reason that the contractor has failed to provide the substitute vessel as required by the contract.

"The contractor has been unable to meet its deferred payments on the purchase price of the vessels, and on June 30, 1934, owed the Shipping Board a balance of \$286,105.94, of which amount \$171,112.44 was past due. It will be unable to continue the service if the contract is canceled and the vessels will be returned to the Shipping Board."

UNITED FRUIT CO.

Route no. 39, from San Francisco by Corinto, Nicaragua, to Puerto Armueñas, Panama Republic. Approximately 52 trips per annum. From March 23, 1933, service to be via Balboa instead of Corinto without additional pay.

This contract was made March 21, 1930, for the term of 10 years beginning July 1, 1930.

Route no. 40, from New York by Habana, Cuba, and Cristobal, Canal Zone, to Port Limon, Costa Rica. Approximately 26 trips per annum from beginning of service, with increase to 52 trips per annum from the beginning of the second year.

This contract was made March 21, 1930, for the term of 10 years beginning March 21, 1932.

FOREIGN OCEAN MAIL ROUTE NO. 41

Contractor: United Fruit Co.

From: New Orleans by Habana, Cuba, and Cristobal, Canal Zone, to Cartagena, and (or) Puerto Colombia, Colombia.

Frequency: Approximately 52 trips per annum.

Changes: From March 21, 1933, to December 31, 1934, service to end at Cristobal.

This contract was made March 21, 1930, for the term of 10 years, beginning March 21, 1933. Each of the contracts contained a provision that upon an agreement of the Postmaster General and the contractor it might be terminated 5 years from the date of the beginning thereof or at any time thereafter.

It is believed that the cancellation of three contracts is justified because (a) they were awarded as a result of negotiation and not as a result of open, competitive bidding, as required by law, and are therefore illegal; (b) full performance of these contracts is not required in the public interest and their cancellation would result in a saving to the United States of the sum of \$15,640,643.82, less any amount paid since July 1, 1934; (c) the respondent is primarily an industrial concern and, taking the broadest possible view of the question, it does not need the aid of the United States in the maintenance of its fleet of cargo-carrying ships.

"It is clearly shown by the evidence that this contract was a negotiated contract, the principal consideration to the Government to be the securing of new vessels, to be built in the United States, and to compensate the United Fruit Co. for what it claimed to be the construction and operating differential. The evidence clearly shows that this was the understanding between Government officials at that time and the United Fruit Co.

"If it be deemed not in the public interest to cancel these contracts with no offer of compensation, then the contracts may be canceled with an offer of compensation, the amount of such compensation (inclusive of the additional sums already received over and above the poundage rates) to be not in excess of a sum sufficient to pay the construction differential computed upon the basis which the contractor claimed the construction differential to be at the time of the negotiation of the three contracts.

"When these contracts were negotiated, the United Fruit Co. made a proposal to construct eight ships. It claimed a ratio of 3 to 2. On the six ships built and upon revised expenses computed by this Department, the construction differential should have been not in excess of \$8,000,000. Subtracting this from the total mail pay under the contracts of \$20,093,041, the contract could be canceled in this respect at a saving of \$12,093,041.

"It is only fair to point out the claims of the company at this time that the construction differential is at a ratio of 2 to 1. This revised calculation, as computed by this Department, amounts to \$12,203,667; and if the contracts be canceled, allowing this amount, the saving to the Government would be \$7,889,373."

BALTIMORE MAIL STEAMSHIP CO.

Route No. 46: Original contractor, Roosevelt Steamship Co.; subcontractor, Baltimore Mail Steamship Co. From Baltimore by Newport News and/or Norfolk and Le Havre, France, at option of contractor, to Hamburg, Germany. Approximately 52 trips per annum. After an extensive review of the contract, the report says:

"This contract may be canceled without any offer of compensation for the following reasons:

"(a) This contract was a negotiated contract and awarded without authority;

"(b) The contract was illegally transferred and assigned to the subcontractor;

"(c) Full performance is not required in the public interest;

"(d) Savings may be effected in the sum of \$3,772,984, which is the estimated excess contract pay over the American poundage rates for the balance of the contract term.

"If it be deemed not in the public interest to cancel the contract, then it may be modified at a substantial saving to the United States in the following respect:

"(a) The vessels operating over this route were classified upon the basis of speed without regard to tonnage. There is apparently no justification for this arbitrary classification, and the classification should be reduced for the remainder of the term, which will result in a saving to the Government of \$2,821,824.

"The Baltimore Mail Steamship Co. is already in arrears on construction loan notes, and the United States Shipping Board has the right at any time to declare the Baltimore Mail Steamship Co. in default and take action to repossess the five vessels under the terms of the construction loan notes. If this course were followed, then it is probable that the Baltimore Mail Steamship Co. would not be able to protect itself and the vessels would be retaken by the United States Shipping Board. Upon the happening of such contingency, the Baltimore Mail Steamship Co. would not be in a position to carry out the terms of the mail contract."

AMERICA DIAMOND LINES, INC.

Route no. 53, as specified in the contract, extends (a) from New York to Rotterdam, Netherlands; (b) from Baltimore, Md., by Newport News and/or Norfolk, Va., to Rotterdam; and (c) from New York to Antwerp, Belgium, and/or from Baltimore by Newport News and/or Norfolk to Antwerp, or from Boston, Mass., or Philadelphia, Pa., to Rotterdam or Antwerp, on a schedule of not less than 72 nor more than 108 trips per annum on all branches of the route, subject to a change in frequency to 124 voyages per annum or more, if the Postmaster General and the contractor agree, to provide additional pay on the basis of the construction of two new vessels of class 4 in addition to other construction requirements of the contract.

"The Postal Service", says the report, "has in no manner benefited by the establishment of foreign ocean mail route no. 53. The reconditioning of six of the contractor's vessels to increase their speed from 10 knots to 13 knots will not prolong their useful life to any appreciable extent, and at the end of the mail-contract term in 1941 they will be of no practical value either from a commercial, postal, or naval viewpoint. However, it is claimed and it is possibly true that the 3-knot increase in speed has been of some advantage to the contractor in meeting foreign competition. In this respect it cannot be denied, so far as the information developed at the hearing shows, that the American Diamond Lines, Inc., is and has been successful.

"Postponement of the construction of the new 16-knot ship from the third to the sixth year, while it possibly resulted in the Government not expending quite as large a sum in mail pay, is otherwise disadvantageous to the American merchant marine and, if expedition in the carriage of mails be considered, to the Postal Service.

"It is concluded that this contract may be canceled for the reason that it was not awarded as a result of competitive bidding as provided by law, but, on the other hand, was awarded as the result of negotiations between the contractor, the Post Office Department, and the Shipping Board.

"The contract on foreign ocean mail route 53 is not and never was intended to be in accordance with the requirements of the Postal Service nor for the purpose of providing an adequate postal service 'between the ports.'

"If the contract be not canceled, it should be modified to provide mail pay on the basis of the proper classification of ships under the Merchant Marine Act or on the basis of the classification of the ships which most nearly conforms to the specifications of that law, and if the old ships are permitted to receive pay as class 6 vessels and the new ships as class 5 vessels, the savings resulting from this reclassification will amount to \$3,192,295.50.

"Furthermore, if the contract be not canceled, the American Diamond Lines, Inc., should be required to furnish sufficient additional capital or other proper evidence of its purpose and ability to fulfill the construction program now required by both contracts.

"Consideration may be given to the advisability of requiring the contractor to furnish an adequate bond to guarantee performance of the mail service and construction requirements of the contract.

"In connection with any consideration of modification of this contract attention is called to the fact that already there are three other American-flag lines being operated from Atlantic ports to the same or to nearby ports being served by this route."

WATERMAN STEAMSHIP CORPORATION.

Route no. 54: From Mobile or other east Gulf port to Havre, Liverpool, Manchester, Glasgow, Belfast; from Mobile or other east Gulf port to Havre, London, Antwerp, Aberdeen, and intermediate British ports between London and Aberdeen; from Mobile or other east Gulf port to Rotterdam, Bremen, and Hamburg, October 13, 1932, an order was issued granting permission to call at Bremerhaven instead of Bremen when deemed advisable. Not less than 52 nor more than 72 trips per annum. Contract was dated August 19, 1931, and was for a 10-year period, beginning October 1, 1931.

The 14 vessels purchased from the United States Shipping Board were offered for service and accepted by the Post Office Department, the tonnage ranging from 4,963 to 6,094 gross tons, and the stated speeds ranged from 10 knots to 11½ knots. Ten of the vessels were 11 years old on July 8, 1931; 2 were 12 years old; and 2 were 13 years old at that time. All were classified as class 6 vessels, the classification having been based on both speed and tonnage, and the rate of pay was \$2.50 per mile. No speed trials were ever held with a Government representative present to determine if the vessels were capable of "maintaining a speed of 10 knots at sea in ordinary weather." Seven vessels have been reconditioned and speeded up to 13 knots, six of which said vessels have been accepted by the Post Office Department and reclassified as class 5 on the basis of speed without regard to tonnage. There is no record that a Government representative was ever present at any speed trial after the vessels were speeded up to 13 knots. The rate of pay for class-6 vessels is \$2.50 per mile and for class 5 is \$4 per mile.

An argument advanced for the continuation of the policy of reconditioning these ships and increasing the mail pay thereby is to make it possible to take care of all of its reconditioning expense, to pay to its stockholders dividends under the reasonable basis theretofore adopted, namely, 10 percent per annum to the common-stock holders and 7 percent per annum to the preferred-stock holders, and as soon as the reconditioning program is out of the way begin to build up a surplus looking to the construction of new ships of probably not less than 16 knots' speed or to a view to operating the service indefinitely (contractor's brief, pp. 28-29).

"The picture thus painted by the contractor", the report points out, "portrays a so-called 'private operator' with a total outstanding capital of about one-half of what it would take to construct one class-5 vessel, seeking a direct payment from the Government sufficient to make it possible to pay handsome dividends and create a surplus whereby its capitalization can be increased to such an extent that a construction program may be followed at a later date. In other words, the Government is expected to furnish sufficient aid for the contractor to realize excessive profits from which substantial dividends can be paid, and a large surplus created to provide the 25-percent down payment on new vessels, and then loan the contractor the balance of 75 percent of the construction cost at a low rate of interest.

"The establishment of this ocean-mail route was conceived by the Waterman Steamship Corporation. All of the details for the advertisement were agreed to by the officials of the Post Office Department and the representatives of the Waterman Steamship Corporation. The advertisement was worded for the purpose of awarding the contract to the Waterman Steamship Corporation. The Postmaster General knew that no mail could ever be carried over this route."

It is concluded that: "This contract may be canceled without any offer of compensation for the reason—

"(a) The contract was a negotiated one and was not awarded as a result of competitive bidding as required by law.

"(b) The Shipping Board entered into a contract for the sale of ships on this route prior to the date of the contract and the contract was signed on the same date of the mail contract, and under the terms of the Shipping Board agreement the purchaser of the vessels, the Waterman Steamship Corporation, was obliged to operate these vessels purchased over this identical trade route for a period of 5 years and it was, therefore, contrary to public policy.

"(c) The contract was not established as an essential mail route and is not now of any value as a mail route.

"If it not be deemed in the public interest to cancel this contract, then it may be modified in the following respects:

"(a) The old ships which have been speeded up and are to be speeded up should not receive a higher classification than class 6. If so classified on the vessels already alleged to have been speeded up, savings would be effected during the term of the contract in the sum of \$2,606,173.

"(b) Assuming that all 10 of the vessels will be speeded up as agreed and receive a classification of class 6, the savings effected from the present rate of pay for the remainder will amount to approximately \$4,500,000.

"(c) Other American-flag lines are operating over the same or nearby Gulf ports to the same or nearby European ports. Consideration should be given to the rearrangement of these routes.

GULF PACIFIC MAIL LINE, LTD.

"Route 55: This contract was awarded on August 19, 1931. The contract provided that service should begin on October 1, 1931, and provides for the carriage of mail from Seattle by Puerto Colombia and Kingston (Jamaica) to Tampico (Mexico) on a schedule of not less than 12 nor more than 24 trips per annum and for a contract term of 10 years from October 1, 1931. The contract further provides that the contractor shall provide and operate in the performance of the contract cargo vessels of class 6, capable of maintaining a speed of 10 knots at sea in ordinary weather and of a gross registered tonnage of not less than 3,200. It is further provided that for the purpose of this contract vessels employed in its performance should be classified on the basis of speed without regard to tonnage.

"It is further provided (par. 1 (h) (1)) that the contractor shall have one new vessel of class 5, capable of maintaining a speed of 13 knots at sea in ordinary weather and of a gross registered tonnage of not less than 3,200, constructed in an American shipyard and placed in service as soon as practicable, but within 3 years of the beginning of the term of the contract, which is to say, by October 1, 1934.

"Until recently the Gulf Pacific Mail Line, Ltd., chartered its ships operating on the mail route to Swayne & Hoyt, Ltd. (Swayne & Hoyt, Ltd., also being managing agents for the Gulf Pacific Mail Line, Ltd.), who operated the ships on the homeward voyage in a 100-percent intercoastal business. It appears, therefore, that out of four voyages made by Swayne & Hoyt, Ltd., and the Gulf Pacific Mail Line, Ltd., three were almost exclusively in the intercoastal business and the remaining voyage (on which some mail was carried) approximately 15-percent intercoastal.

"The amount of payments made to this contractor in excess of the amount which would have been made under the American poundage rate to June 1934 is \$552,200.40.

"A break-down of competitive cargo moved by the Gulf Pacific Mail Line, Ltd., which was introduced as Government exhibit 59, shows that this line from June 1 to June 30, 1934, moved 891 more tons of lumber from Canada than from the United States; 2,566 more tons of shingles from Canada than from the United States; 19,207 more tons of newsprint paper from Canada than from the United States; 2,425 more tons of flour from Canada than from the United States; 3,988 tons of wheat from Canada and no wheat from the United States; 330 tons of oats from Canada and none from the United, while moving 60 more tons of wood pulp from the United States than from Canada, and 17 more tons of canned fish from the United States than from Canada. The total of these figures shows that this line moved 29,338 more tons of competitive cargo from Canada than from United States ports over the period mentioned.

"If it be determined that this contract is not to be canceled, it is not believed that either of the modifications proposed by the contractor should be accepted. This first proposal that the time within which the new vessel was to be completed be extended until October 1, 1936, is conclusively shown to be unacceptable by the language of the Secretary of Commerce in disapproving the construction loan, which is that "traffic in the trade in which the proposed vessel will be operated does not appear to warrant the granting of a loan as requested." It is equally true that the traffic in the trade in which this contractor is engaged does not appear to warrant the construction of the vessel, and hence the contract should not be modified so as to provide for its construction.

"The second proposal that a reconstructed vessel of a lower class be substituted for the vessel required to be constructed under the terms of the contract is objectionable for the same reason. The 25-percent reduction in pay should not be considered in a case where it appears that continuation of the payment of the remaining 75 percent is unjustified.

"Should it be determined to continue this contract in any form it should be modified:

"(1) Consideration should be given to requiring that the divestment of the persons who are the actual beneficiaries of the mail payments under the contract from the protected intercoastal trade should be made absolute.

"(2) The provision should be made for a replacement program which will provide a fleet suitable to the trade of sufficient tonnage and efficiency to serve such needs as the route may be determined to have.

"(3) In fixing future compensation it should be borne in mind that the contractor has received not less than \$118,365 by reason of classification on the basis of speed without regard to tonnage and that there was no apparent justification for this payment.

"(4) Future mail pay under this contract should be decreased by not less than 50 percent."

ADDRESS BY STERLING MORTON

Mr. LEWIS. Mr. President, in the administration of President Grover Cleveland, J. Sterling Morton, of Nebraska, was appointed the Secretary of Agriculture. He left behind him a commendable record of attractive nature, both of agriculture and of finance. It fell to his son, Paul Morton, subsequently to serve as Secretary of the Navy under President Roosevelt. Now the son of Paul Morton, Hon. Sterling Morton, of Chicago, Ill., the grandson of the former Secretary of Agriculture, is a prominent officer in the commercial and industrial associations of the Middle West, his home office and residence being in Chicago.

Mr. Morton delivered only lately an address to the Illinois congressional delegation at Washington. The address particularly alluded to the expenses of government. Mr. Morton, as an officer of the Illinois Manufacturers' Association, presented some ideas as to the expenses of government, provisions of pending legislative bills concerning which he had learned much from his grandfather and his father as Cabinet officers, as well as from his business operations.

I beg the liberty of asking the Senate to have published in the RECORD the address of this officer of the Illinois Manufacturers' Association to the Illinois delegation in Congress, assembled here in Washington last week. I present this address as information and guide from one of the great men of the great West to business interests and Congress.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH OF STERLING MORTON, OF THE ILLINOIS MANUFACTURERS' ASSOCIATION, ADDRESSED TO MEMBERS OF THE ILLINOIS DELEGATION IN CONGRESS ASSEMBLED AT WASHINGTON IN MAY 1935

Members of the Illinois delegation in Congress, the Illinois Manufacturers' Association takes great pleasure in welcoming you to its annual meeting with the statesmen who represent Illinois in the councils of the Nation. It is a great pleasure to have you with us. We sincerely trust that both guests and hosts may come through this occasion to know better each other's hopes and aspirations.

I consider myself as having Democratic leanings in politics. My grandfather was in Grover Cleveland's Cabinet. I went to school to Woodrow Wilson, and I favored Davis, Smith, and Franklin Roosevelt for the Presidency. Tonight I speak as a manufacturer.

We manufacturers realize the problems which confront you legislators. We know the pressure brought to bear from many angles by many organizations, of the vast flood of propaganda for and against various measures pending before the Congress. At times we wonder why you do not just run off and leave it all. We do not question the sincerity of the proponents of these measures, although we do sometimes question their good judgment. We shall try to put before you the views of our members and executives, realizing fully that the world is made up of many men of many minds and that a difference of opinion makes not only horse races but legislative debates.

We meet you not as suppliants for legislative favors, not as critics, but feeling that you, our representatives in Congress, charged with the solemn responsibility of charting the Nation's course and supporting the Constitution, will welcome the views of an organization devoted to the orderly development of industrial life in our great Commonwealth, the third of all the States in manufacturing, the very heart of the industrial Middle West. The Constitution gives us the right of free and orderly assemblage—we hope this meeting will remain orderly—also that of free speech—we hope to speak freely—and you will probably ferret out a petition or two.

The Illinois Manufacturers' Association has had a long history. It occupies a premier place among similar associations. It is comprised of great corporations in the metropolitan centers employing many thousands and small factories in the rural districts. Its main strength, like that of the industry of the Nation, is in concerns employing 1 to 300 workers. Its board of directors is not dominated by either the large or the small industry, by either Chicago or down-State. Many directors have been at the helm for a score of years, and in the free play of debate at our meetings have developed a keen spirit of tolerance, a habit of looking at both sides of a question and an ability to recognize the force of the other fellow's argument. We desire to serve well the industries of the State and assure you that in whatever we say tonight we sincerely believe we express the views of all industry. We advocate or condemn specific policies only in the light of judgment based on experience. Neither partisan politics nor personalities enter into these judgments. It is our earnest desire to be constructive. We feel that the greater part of the wealth of the country comes from industry, that industry furnishes most of the tax money for government and that its well-being should be jealously preserved by government.

We manufacturers are deeply concerned over certain well-defined trends in national affairs. These major trends, as exemplified in pending measures, will later be dealt with specifically. We hope for a frank and open discussion. We can assure you your

views will have our very careful consideration. We shall endeavor frankly to tell you why and how we may disagree, and we bespeak the same frankness from you.

In my humble opinion only one factor is needed to reestablish industrial prosperity—confidence. Lack of confidence led us to the depths of depression; restoration of confidence will bring the Nation greater prosperity than it has ever known. What has happened to confidence? During the war a beautiful volunteer nurse was taking devoted care of a handsome but badly wounded officer. On arriving one morning she was shocked to find the covers closely drawn over his head. A note on the bed said simply: "Too sick to be nursed today!" Perhaps our industrial system is in a similar condition. Business today had some symptoms of shell shock, many of malnutrition, and a few of rigor mortis.

Why malnutrition? Because the flow of capital into industry has stopped. It has stopped because the careful investor has withheld his funds. Why? During the past 6 years the confidence of the investing public has suffered shock after shock. The collapse of the artificial values of the late twenties, the steady decline in all forms of business, culminating in the closing of the banks some 2 years ago, undermined the confidence of those possessing property. The prompt and decisive action of the present administration to restore confidence in the banks bore immediate fruit and was a convincing demonstration of the beneficial effect of wise official action. Unfortunately we feel this restoration of hope was followed by further shocks to confidence. Devaluation of the dollar occurred and shook the confidence of those who support and increase industry through long-term investment. I seek no controversy—I merely state the effect on industrial investors of this departure from tried and familiar standards of monetary value. The huge appropriations for agriculture adjustment, the destruction of crops and livestock, the rising cost of living, and loss of our export markets for farm products through the high prices thus brought about, further unsettled confidence. The uncertainty attending the inauguration of the National Recovery Administration further disturbed the mind of the conservative investor, while the wide-spread labor difficulties caused by varying interpretations of section 7 (a) added to his hesitation. (We are appalled at the calculated cultivation of class consciousness by organized minorities that has resulted. It is something foreign to our shores.) The vast, though necessary, expenditures for relief and the unbalance of the Federal Budget further shook the confidence of a man with money to invest, who felt that this Government debt some day must be liquidated. He saw only two methods of liquidation—by excessive taxes or by further devaluation of the dollar. Neither alternative inspired confidence or a desire to make long-term commitments. As a result, his funds have been held idle or have been invested in liquid short-term securities of which the Federal Government offered an amazing and never-ending supply.

He was further concerned over existing taxes, feeling that present high taxes divert large sums from constructive enterprises, sums which might employ many workmen and contribute largely to the future tax base. Let me illustrate. It is commonly accepted that each worker in industry requires an average investment of \$2,000 in plant. Suppose the average wage is \$1,200 per year and it costs another \$300 per year to furnish heat, light, and supplies. A billion dollars kept from industry therefore means loss of new opportunities for employment to 285,000 workers. This presupposes that the entire investment in plant is made in the 1 year. On the usual 20-year amortization, the amount becomes only \$100 per year, so that a billion dollars taken in income taxes may mean loss of opportunity of employment to 625,000 new workers. Consider the twenty billions of individual and corporate income tax collected since 1921 and all of our unemployed, even at the highest estimate, might have thereby been gainfully employed. I do not claim all the money taken for taxes would or could have been so invested, but the effect of high taxes on industrial growth deserves your careful consideration.

As I said before, the foregoing is an analysis of effect, an effort to find reasonable causes for the hesitancy of investors to make forward commitments in industry.

Yet some people apparently believe that corporations have unlimited funds on which to draw for taxes or wages. Nothing could be farther from the fact. Any increase in taxes or wages must surely be reflected in the selling price of the products. An increase in taxes on corporations merely means that the taxing body has again engaged the corporation as a tax gatherer—and without compensation, we regret to say.

We manufacturers believe in the philosophy of plenty, not that of scarcity. We feel that recovery will come from a greater supply of material things available at lower prices. We have endeavored, with a fair degree of success, to meet our own obligations, including taxes, as they came due, so we can have no sympathy with attempts to levy on the property of the wise and thrifty to relieve debt burdens contracted by others without great thought to the eventual necessity for repayment. In asking restoration of confidence, we do not mean Government guarantees of successful operation; we ask that the future bring no further changes in our standard of value, no further stirring up of strife among our employees, no further attempts to maintain prices at artificially high levels to the detriment of both consumption and production. We hope to be relieved of the mass of regulations promulgated by Executive order, administrative order, and even by press release, which keep us in constant uncertainty and whose mere reading consumes a large amount of our time.

Few realize the burden placed on business concerns by the multitude of reports required by various governmental bodies. Prac-

tically identical information must be furnished in widely differing forms, thus entailing untold amounts of clerical work and diverting the attention of executives from their primary job, that of production of goods at prices the public will readily pay. We industrialists feel that our time is much better devoted to the upbuilding of business than to filling in questionnaires, making out reports and appearing before commissions and committees.

Bills now before the Congress, to be discussed by the speakers to follow, will, we feel, further tax the people, using industry as the tax collector, further raise costs, may destroy one great industry because of abuses formerly existing in a few of its units, may bring Government more into competition with private business, will take the very control and discipline of the industrial army out of the hands of industry and give it to persons having neither interest nor stake in the success of the enterprises. Do you wonder that confidence is shaken?

Our members do not exploit their employees. You have visited our plants, you are welcome to all of them, you have talked with the workmen. Except for the inevitable sorehead, have you found any serious complaint? Judge labor conditions in our State by your own observations, not by the statements or experiences of those whose contact with labor has been in New York City, where sweatshop conditions do exist because of the exploitation of recently arrived immigrants by less recently arrived immigrants.

The President says 90 percent of the managers of business are honest, intelligent, and capable. We agree but think his estimate too low. In Illinois, 2 percent would be a high proportion of chiselers, cheats, exploiters of labor. We hate them more than you can possibly hate them, as we daily realize the damage they do all industry. But let us prune the bad fruit from the industrial tree, not cut it down entirely.

Business needs a breathing spell. It is too sick for further operations or further nursing. Time is a great physician. Give business time to adjust itself to the changes that have come to it. Could we not have a truce to further new regulation, further disturbance of time-tried methods and principles, principles which we submit have not proven wholly bad. Under them, the average worker has had a more abundant life, better treatment, and more of the amenities and comforts of living than under any other system developed by civilized man.

The Illinois Manufacturers' Association, as representative of industry in Illinois, is ready and anxious to cooperate with you gentlemen in efforts for restoration of confidence, toward stabilization of our currency at today's basis, in giving permanence to our institutions and so assuring the progress of the Nation. We feel that our representation in Congress is constructive, intelligent, and patriotic, free from most of the "isms" which so plague the Nation. Give us confidence and we honestly believe you will see not only a restoration of prosperity but prosperity rising to heights previously undreamed of. The objective that we firmly believe the great leader of our Nation holds above all others can best be reached by building and restoring confidence.

ECONOMIC AND FINANCIAL CONDITIONS—ADDRESS BY SENATOR TYDINGS

Mr. BYRD. Mr. President, on April 25 last the distinguished and able Senator from Maryland [Mr. Tydings] delivered a noteworthy address before the American Association of Cotton Manufacturers. In his characteristically clear and illuminating manner he discussed economic and financial conditions not only with relation to cotton and the textile industry but generally. His address is eminently worthy of perusal and study, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I consider it a distinct compliment to be asked to make an address before the American Cotton Manufacturers' Association, representing as it does one of the major industries of the United States. This industry lives upon an agricultural commodity which is produced upon the farms of 16 American States, or one-third of those in the Union. Besides, that agricultural commodity is our greatest export product.

It is estimated that about 1,800,000 farmers rely upon the production of cotton as their primary cash crop. Other millions of our people are employed in transporting and manufacturing the raw product into clothing and in retailing it. Cotton in the form of clothing is worn by men and women everywhere on the earth.

We are dealing, therefore, with not only a large domestic industry, but a large world industry as well. It can be asserted that the raising and marketing of the cotton crop, its manufacture into clothing, its transportation throughout the world, and its purchase by human beings is the greatest and most far-flung industry on the face of the earth. I welcome the opportunity to talk to those who must perforce play such a large part in the contemporary and future history of mankind.

In order to lay the foundation for the observations I shall make, it is necessary to review our past history.

Up to our entrance into the World War the United States was a debtor nation—a borrowing nation, if you please. Hundreds of millions of dollars in foreign capital were then invested in our National, State, and municipal bonds, and other hundreds of millions of dollars of foreign capital were invested in our railroads, public utilities, industrial plants, mines, and real estate.

America owes much of its progress, before the World War, to the large inflow of foreign capital, which, together with the genius, initiative, and energy of our people, developed this Nation from ocean to ocean.

These large investments by foreigners in our country necessitated the shipment of millions of dollars in gold each year from the United States to foreign investors, to pay either the interest or principal on foreign loans or to curtail foreign loans, or to pay dividends upon the stocks which foreign investors had bought in our country.

So before the World War millions of dollars in gold were shipped out of the United States each year for these purposes.

But before the World War, when we were a debtor nation, we were also an exporting nation, selling to the world each year more of the products of our factories, forests, mines, and farms than our people were buying of similar products from foreign countries.

Indeed, each and every year, from 1893, to the present, we have sold to the world more of our products than the world has sold us of its products.

The balance of trade, as it is commonly called, has been constantly in favor of the United States, and that favorable balance of trade had to be paid in gold to our people by our foreign customers.

So before the World War hundreds of millions of dollars in gold were shipped to this country each and every year to pay us this favorable balance of trade.

That was the picture of pre-war economy in the United States. First, on the one hand, millions upon millions of dollars in gold were shipped annually from the United States in the form of interest, sinking-fund payments, or dividends to foreigners who had invested their money in this country. Secondly, on the other hand, hundreds of millions of dollars were shipped back to the United States annually to pay the balance of trade which was in our favor, a balance of trade arising from the fact that we were selling more of our products to foreign countries than foreign countries were selling of their products to us.

This was a healthy condition. Trade was in balance. In effect we were paying our debts to foreign investors through the export of our products, for while the world was buying our products in great abundance it was paying for those products, insofar as the balance of trade was concerned, from the interest, sinking fund, and dividends earned by foreign investors in the United States.

On such a political economy, which was sound to its very core, the United States prospered greatly, developed quickly, and became the great storehouse for much of the world's food, clothing, and other supplies. We grew, expanded, developed, and had work for all our people who desired it.

At the conclusion of the World War this situation was abruptly changed. Our political economy now is not the political economy we knew before the World War. Yet apparently our people are either oblivious to the changed conditions, or, if they know them, certainly we have refused to face the consequences of that change.

We still remain an exporting country, selling to the world more than we buy from the world, but we are no longer a debtor nation—a borrowing nation. Instead, since the World War we have become the greatest creditor nation in the world.

In a nutshell, we are now both an exporting and a creditor nation.

Let me illustrate this briefly in a little detail. When the World War was over, it was found that our allies in that great struggle had borrowed about \$10,000,000,000 from our people. We no longer owed foreigners money, as we had before the war. Foreign governments then owed to the Government of the United States about \$10,000,000,000, plus interest, in the form of war debts. After the war not only had our political economy undergone a complete change but in Europe the same thing was likewise true. There creditor nations had suddenly become debtor nations.

This situation caused an economic upheaval throughout the earth. It cried for immediate treatment. It was apparent to all who would read and who could comprehend that there had to be an economic readjustment in most of the leading nations of the world. At this time—1920 and 1921—there was much unemployment and unrest in the United States, but, commencing then, and continuing from 1921 to 1929, our people commenced to loan, either to foreign governments or to foreign cities or to foreign states and to foreign industrial establishments billions of dollars each year. Indeed, in that 8-year period from 1921 to 1929 our people bought \$14,000,000,000 in foreign securities. The \$10,000,000,000 of war debts owing to us from the World War, plus the \$14,000,000,000 which our people have loaned to governments since the World War, make us a creditor nation today, with \$24,000,000,000 owed to either our Government or to our people by foreign countries or subdivisions thereof.

Now in the meantime, commencing at the outbreak of the World War, foreign investments in the United States have largely been liquidated and the capital returned to the home nations. We are, as I have said, now the greatest creditor nation in the world.

One does not have far to look to understand why we were seemingly prosperous from 1921 to 1929. During that period of time our exports and imports broke all previous records. During that 8-year period we were shipping annually around \$5,000,000,000 worth of American products to foreign countries while we were buying about \$4,000,000,000 worth annually of products made in foreign countries. The balance of trade was in our favor, but foreign customers were only able to pay the balance of trade to us with the money which we were lending them each and every one of these years.

In sum, we were lending to our foreign customers, who, under the economic set-up then existing, already owed us more than they could pay, many, many more billions of dollars each year with which to pay for our enormous exports.

When the loans from our people stopped going abroad in 1929, foreigners could no longer buy and pay for the goods which we had up to that time been furnishing them in such abundance.

So in 1929, after having gone through 8 years of the illusion that trade and credit and finance were in balance, that our prosperity was sound and endless, that a golden age was dawning, that money was literally dropping from the heavens, that there would soon be at least two cars in every garage and a double garage attached to each dwelling, we suddenly found it was a dream and that we were right back where we had been in the depression of 1920 and 1921.

Then our people realized that all of the so-called "prosperity" was false prosperity, that that prosperity was built upon an illusion, it was built upon the credits we sent abroad and with which our customers bought tremendous volumes of our products and, without which, after 1929, they could not continue to buy or pay.

Let us keep this fact in mind: The world owes us an enormously large sum of money. All that it owes is payable in gold. The amount that it owes us is \$24,000,000,000, yet there is only about \$14,000,000,000 worth of gold in all the world and only about six and one-half billions of dollars' worth of gold outside of the United States with which to pay to us the \$24,000,000,000 owing to our people. Yet, in face of this fact, we are still selling to the world in commodities more than we buy from the world in commodities.

Any nation faced with this fact which attempts to run its political economy as the political economy of the United States has been operated since the World War cannot escape from plunging itself, its States, its counties, its cities, its industrial and transportation companies, its workers, its farmers, and its people into confusion, unemployment, suffering, ruin, and chaos.

There was no escape from it. The depression which we are sensing today is the direct consequence of a large creditor nation attempting at one and the same time to collect its debts, both governmental and private, owing to its or its people by foreigners, and to sell these foreigners more of our goods than we buy of theirs.

Until this fact, in my judgment, is thoroughly comprehended and appreciated by business and its employees, by our people, rich and poor, and until we can evolve a national consciousness that the political economy of the United States since the World War is diametrically opposed to the political economy of the United States before the World War, governments in this Nation will practice phantom political economy, and no real recovery will reward our efforts. We will live on hope. We will try experiments. Our national enthusiasm at times will be aroused to support this and that, schemes to make everybody rich will be offered by the hundreds, people will be quickly deluded in marching behind false banners, and in supporting false causes and in following false leaders, and in the meantime real, sound, substantial, genuine recovery will be postponed.

This is a man-made depression. Those who hold that depressions are cyclical, that they cannot be avoided, reckon, in my judgment, without an examination or a comprehension of the facts. Nature has been exceedingly kind. There is plenty in this world for all. Man-made barriers, our failure to diagnose and cure our real ills, our disregard of the consequences of the 4-year holocaust, with its waste of wealth and its legacy of economic dislocation, are the forces which have swept devastation, unemployment, unbalanced budgets, unstable currencies, armaments, misery, and chaos over the earth, and only man-made efforts will heal the wounds and restore national and international stability and good will. We must set about it sooner or later if we would save Christendom from ruin.

Now, to collect the debts, both governmental and private, requires that we take either increased imports from the debtor countries or increased services, or both. To embrace that philosophy would mean increased unemployment in the United States while the debts were being liquidated, for a large part of our people would live not by their toil but upon the products produced in other lands and sent here annually in payment of the debt.

To state the same thing differently, since there is not sufficient gold, in order to permit repayment to our Government and to those of our citizens who own foreign securities—and many of these foreign securities are held by our banks—we will have to curtail production of both raw and manufactured materials and permit the foreign debtor nations to supply a larger part of our needs in our home markets.

I do not believe, seriously, that that policy will ever be adopted by our people. Nevertheless, that is our dilemma. We are caught on the horn of trying to be an exporting nation, and upon the horn of actually being a creditor nation at one and the same time. We actually have \$24,000,000,000 owing to us by the people in other lands, all payable in gold. Yet there is only seven and one-half billions of dollars in gold outside of the United States with which to discharge these \$24,000,000,000 of debts. It is axiomatic that the only other way these debts can be repaid is by the importation of more foreign goods or by our use of more foreign services.

What can be done so that we may diminish without great injury our creditor position and thus preserve our foreign markets—and employment for our people.

First, the governments concerned should dispose of, once and for all, the stagnated war-debt question, not as a separate matter, but in connection with a revival of world trade, a stabilization of in-

ternational currencies, and a drastic measure of disarmament. These debts are not being paid to us anyway. Indeed, in view of our exporting position to the countries that are our debtors, their payment would take more than all the gold they possess; and secondly, result in a serious curtailment of our export trade, particularly of cotton and cotton fabrics.

Let us make a brief examination into the war-debt subject. Remember that it was nearly a year after we declared war before American soldiers in any appreciable number actually joined in the fighting in Europe. Remember that during the war, and after we were in it, the money loaned to our allies was largely expended right here in the United States for munitions and supplies which were shipped to our allies. Remember that during the first year after our entrance that our allies had several hundred thousand of their soldiers killed or seriously wounded in battle while we were getting ready. Remember that against the hundreds of thousands of killed and wounded in the armies of our allies, we furnished them the credit with which to pay for the food, munitions, and supplies bought in our own country. They lost hundreds of thousands of men while we were getting ready during which time we, in effect, sold them supplies.

Speaking in a judicial frame of mind, while these debts are both legally and morally owing to our Government by our late allies, the humanities of this equation are nevertheless prime factors for any honest and humane government to consider. Why is it not possible for the governments concerned to work out a fair plan, one possible of fulfillment and without too much hardship on any country to consider all the elements that enter into the war-debt matter and in connection with agreements for a revival of world trade, stabilized currencies, and disarmament provide for the fair amount that should actually be repaid us comprehending the ways and means possible for the repayment?

If this were done—and I believe it can be done—we could liquidate much of our creditor position and secure business gains for both industry and labor many times more valuable than the debts.

If it is not done, I assert there is no economist on earth who can show how \$12,000,000,000 worth of debts, with the annual interest thereon, can be discharged with the seven and one-half billion dollars of gold in all the world outside of the United States unless this gold payment is augmented by either increased imports to this country or by our utilization of increased services to us by the debtor nations. If my assertion is true and we won't permit the foreign imports to exceed our exports, why do we not take this question up from a practical rather than an academic standpoint and dispose of it in the interest of the greatest amount of trade and work for our people in supplying our own and foreign markets?

Assuming that this were done, likewise it is possible to liquidate a large part of the remaining debt of \$14,000,000,000, represented by the loans made by American investors between the years 1921 and 1929 to foreign governments.

It would be possible to accomplish part of this in the following way. Suppose, for example, that a bank here in Georgia holds \$10,000 in Brazilian bonds, and that a bank in Brazil holds \$10,000 of American bonds. Neither the American bank nor the Brazilian bank would be hurt if both were to exchange their investments at their fair market value, one for the other. If this were done, and the Brazilian bonds were returned to the Brazilian bank, the Brazilian Government could raise the taxes necessary to pay off that bond, pay it off, and all the money would remain in Brazil. The same would be true of the bank in Georgia which had received American bonds for the Brazilian bonds which it formerly held. Such a policy, insofar as it is possible to carry it out, would not entail the shipment of gold from one country to the other. On the other hand, in order to pay off a Brazilian bond held by an American investor the Brazilian Government would have to ship \$10,000 in gold in this country for that purpose. Thus, to pay her entire debt might jeopardize the stability of her currency.

By an exchange of international securities wherever possible our creditor position could be further liquidated without injury to the currency of any nation affected, without the shipment of gold from any country to another, without loss to the parties to the exchange, and such a course would add to the financial stability and liquidation of debts everywhere, while reducing the creditor position of the United States in foreign countries.

Thus, if our credit position were liquidated as to war debts and private debts insofar as is practicable, America would obtain most of the sums owing to it where financial stagnation now exists. This would augment the real resources of our people. At the same time our customers in the present debtor nations would suffer little material drain upon the governmental currencies, and world trade would be stimulated to something approaching normal.

If it were possible to liquidate substantially our creditor position in this fashion we could then continue to export to the world the maximum amount of our goods, commensurate with a balanced trade, visible and invisible. The longer we postpone an attempt to tackle this log jam to international finances and trade, the longer will we support people in this Nation with the dole, Public Works programs, and the like. Necessary, you might say, but expensive nonetheless. You cannot keep on selling in quantities to people who cannot pay.

Now in the case of cotton, we normally export more than half of our crop. Whatever may be said about the nonimportance of our foreign trade, as to other commodities, foreign trade is the very lifeblood of cotton production in this country. As foreign trade and tariffs are sisters under the skin, any consideration of the cotton question must comprehend our tariff policy.

A considerable school of thought is growing in America that tariff making as we have known it is outmoded by the march of events. Heretofore tariff acts have been passed by the Congress, the rates of which have applied equally to all countries. The rates upon importations of cotton cloth coming from Great Britain have been the same rates which have applied upon cotton imports coming from Japan notwithstanding that the cost of production in Japan is less than the cost of production in Great Britain. Such a policy in many instances has penalized our competitors whose standard of living approximates our own while giving advantages to countries with a lower standard of living and a lower production cost.

It may be that in clearing up the debris resulting from the World War that the United States in the future will have to have varying rates of duty to meet the different conditions in each of her competitor countries. Unless this is done, at least to a degree, we will transfer our commerce, particularly in cotton, from Europe to Asia and lose at one and the same time the richest markets in the world outside of our own.

Again, we cannot hope to pursue proper tariff-making by a mere attempt to equalize the cost of production at home and abroad. That single consideration is apt to prove too narrow in the formulation of sound and wholesome tariff policies for the United States of the future. It is quite likely that many other factors will have to be considered, among which are the following:

Is the article indigenous to the United States?

Is it necessary for the United States to produce it in time of war?

Do we produce other commodities which can be substituted for it in time of need?

What nation, or nations, sell this article to our people?

What other article does the foreign-producing nation sell to our people?

What does the foreign-producing nation buy from us in return?

Is our balance of trade with the foreign-producing nation favorable or unfavorable?

Is the foreign-producing nation on the gold or silver standard?

Is the foreign-producing nation debtor of the United States or of its citizens?

Can the article be economically and readily produced in the United States?

To what extent do the foreign producing nations supply our home market with this article?

Are imports of the article increasing or decreasing? Why?

Is there likelihood that the entire home market may be supplied by the foreign producing nation?

Are our citizens investors in the foreign producing countries? In what way?

To what extent will a proposed import tax result in decreasing the importation of the article?

Will the producing country or countries retaliate by raising tariffs so as to cut down our export trade?

How will such retaliation affect trade with still other countries not directly concerned with the article in question?

These are but a few of many other equally important considerations which must be weighed in the tariffs of the future.

In general, future tariff-making should aim at keeping the maximum amount of persons employed in the United States, whether they are working to supply either the home or the foreign market. Here in the Cotton Belt I believe these considerations should receive more thought because the need is greater for such thought than in any other part of the country.

It is stated that approximately 1,800,000 farmers produce cotton as their chief money crop. Over half of this crop is sold outside the country. The loss of our foreign cotton markets, therefore, will deprive half of our cotton farmers, or about 850,000, of a livelihood. They, with their dependents, are apt, in such circumstances, to become the objects of charity, a total of 3,200,000 people, or 2 percent of our entire population.

At this juncture let me read a Liverpool cable, dated April 9, 1935:

"Osaka, Japan, reports official commercial mission sailed yesterday for Brazil to negotiate agreement in which Japan will undertake to buy up to a million bales of Brazilian cotton annually and assist Brazilian cotton-growing industry in return for alleviation existing legislation against Japanese immigrants and preference on imports Japanese manufactured goods."

In 1931 we sold to Brazil \$28,500,000 worth of United States products, of which \$19,100,000, or 67 percent, were finished manufactures, while Brazil shipped to us that same year nearly four times as much, or \$105,980,000 worth of products, of which \$96,340,000 were in foodstuffs, mostly coffee. That year Brazil enjoyed a balance of trade with the United States in the amount of \$77,400,000.

In view of the fact that Brazil enjoys primacy in supplying the American market with coffee, it would not seem wise for Brazil to attempt to take from the United States her export cotton market.

However, those who are interested in cotton should take warning. They must be prepared to compete with foreign-producing and foreign-manufacturing cotton countries if they desire to keep our export cotton markets. Once our foreign markets are gone, they will be hard to win back. Now is the time to act, not after these markets have been heavily decreased.

The United States cannot compete in the cotton markets of the world unless its people can produce both raw and manufactured cotton at a price which will permit us to sell the product in competition with foreign countries which produce it. So long as the cost of producing raw cotton textiles in the United States exceeds the cost of producing these commodities by large foreign competi-

tor nations, you are bound to witness a decline year after year both of cotton exports and cotton textiles. This is nothing more or less than sheer common sense. In the end high-priced raw cotton and high-priced cotton textiles will drive both southern farmers and American manufacturers more and more from the world markets, with consequent unemployment and a loss of national income.

What is the trend in the United States? In the year 1931-32 we produced 16,800,000 bales of cotton; in 1932-33 this decreased to 12,900,000 bales of cotton; in 1933-34 it further decreased to 12,700,000 bales of cotton; in the year 1934-35 it took another violent drop to 9,600,000 bales of cotton. We have dropped steadily from 16,000,000 bales in 1931 to 9,000,000 bales in 1934, a decrease of 40 percent from the year 1931-32.

On the other hand, the total cotton production for all foreign countries was 9,600,000 bales for the year 1931-32. This increased to 10,700,000 bales for the year 1932-33, further increasing to 12,800,000 bales for the year 1933-34, and the last figure holds its own for the year 1934-35. Foreign production of raw cotton had steadily increased from 1931-32 to the year 1934-35.

Thus, while the production of raw cotton in the United States has steadily declined 40 percent during each of the past 4 years, the production of cotton in foreign countries has steadily increased 30 percent during these same years.

The United States, which formerly produced more than half of all the cotton produced in the world, last year and the coming year, for the first time in its history, will produce less than half of the cotton produced in the world.

These statistics are ominous. No world-renowned economist reading in his cloister either past, present, or future history need tell us that America is steadily losing her foreign cotton markets, with consequent loss of income and loss of employment for her people.

What has been done to assist the cotton-production industry in the recent 2 years may have been justified as a necessary temporary expedient. It can never be justified as a permanent policy of the United States; for the present policy but writes its own doom the longer it continues, and it will plunge the cotton farmer into a dark abyss of despair, darker and deeper than any he has known up to now.

Cotton farmers must decide whether or not they prefer to receive temporarily an increased price per pound for producing less cotton with an increasing reduction in our foreign and domestic markets for cotton or whether or not they wish to hold these foreign markets by producing cotton so that it can be sold in competition with other world producers. They must think not only for the present but for the future. They must think not only for themselves but for their children and their children's children. Any other policy as to cotton is penny wise and pound foolish.

The same problem is presented to the cotton-textile manufacturers and must be thought out in the same manner.

However, over and above these immediate problems that affect the cotton industry is the larger problem to be solved—the problem of permanent policy, the problem of clearing up the economic debris resulting from the World War. The problem of rebuilding our own and the world's economy so that the world can go forward.

We are living in an age of ultranationalism. This spirit manifested everywhere makes world recovery difficult.

We find nationalism inspiring people throughout the world—in Germany under Hitler, in Italy under Mussolini, in Russia under Stalin, in Poland under Pilsudski, and so on. The concomitants of this national spirit are trade barriers behind which each nation tries to make itself self-sufficient without regard to progress, international wealth, employment of the people, or orderly commerce and trade; increased armaments inflicting a heavy burden upon the taxpayers of all nations, forcing armament races and apparently leading the world to a war the horrors of which will be without parallel in the world's history; depreciated currencies further hindering orderly commerce, undermining the financial integrity of nations in business and making uncertain not only the present but the future.

It is to this larger problem and its solution that I believe far-seeing governments and business men should address themselves. Not only is national confidence needed but international confidence is likewise a primary requisite. So long as the nations of the world pursue a policy of ultranationalism with its evil and mischievous offspring, so long will there be no sound foundation upon which humanity can work its way out of this depression into which all mankind is now plunged.

It will be difficult to bring about world stability, to stabilize international currencies, to revive orderly world trade, to accomplish some measure of disarmament, and to banish fear and replace it with confidence and good will, but the longer this attempt is postponed the more difficult it will be to reestablish order. Now is the time to start before more difficulties are placed in the road.

The United States of America, not only because of its wealth and prestige but because it is a strong creditor and exporting Nation of the earth, must lead the way. So long as it takes the position that it is reckless of world stability, that it is unmindful of the rush toward the next great holocaust, so long as it refuses its leadership, present international conditions will continue unabated.

We must not lose sight of the fact that your Government and mine as a leading creditor and a leading export nation has, perhaps, a greater stake in world recovery than has any other nation.

We should not be blinded, therefore, by the temporary benefits which may flow from a policy of ultranationalism in the United States but in the light of experience we must throw our vision down the corridor of time and there chart the course which will lead first ourselves and then a reckless world to economic security.

We know already that temporary prosperity, unless it is builded on a firm foundation, can be ruinous in the long run. The boom days from 1921 to 1929 gave us that kind of prosperity with the misery which has come to our people since 1929.

That is the lesson of our recent past. If we have not the good sense to profit from this lesson and work for slow but solid recovery rather than temporary, yet unsound, recovery, then we have doomed our land and our people to a suffering even greater than that through which we are passing. For unless our prosperity is sound, the higher the rise the greater the fall.

The future is bright. This is a man-made depression; recovery will be man-made. If that recovery is to come, you and I must work for it, sacrifice for it, and attain it. There is nothing fundamentally wrong with the United States of America, and proper policies will keep its future as full of luster as the providence of God and the wisdom of man have kept its past great and secure.

BY AIRPLANE OVER THE FAR EAST—ADDRESS BY SENATOR M'ADOO

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the *RECORD* an able and unusually interesting radio address delivered by the junior Senator from California [Mr. McAdoo] descriptive of an airplane trip over the Far East. The address was broadcast on Sunday, May 5, 1935.

There being no objection, the address was ordered to be printed in the *RECORD*, as follows:

This is not going to be a talk, but a trip on a magic carpet as wonderful as any that ever carried Sinbad or Aladdin through the skies from one land to another. Last January I flew from Singapore to Rome, almost 8,000 miles; in Malaysia one day, India the next, and then Persia, the Holy Land, Egypt, the Isles of Greece, all unrolling below us, as lovely as historic.

I hope that all of you, following my suggestion, have a map and pencil before you, for not only do I want you to follow the marvelous flight but I would like you also to be able to visualize some of the great air lines now in operation throughout the world, annihilating space and making a joke out of traditional frontiers.

You will find Singapore at the southern extremity of the Malay Peninsula, about 2 degrees north of the Equator. Singapore is the most important British naval base in the Far East, for it commands the Straits of Malacca through which pours the greatest part of the water-borne commerce between oriental nations and Europe.

At 5 o'clock one morning we took off from Singapore in a four-engined, high-wing British plane which had just arrived the day before from Darwin, Australia. A land plane, but just the same it had crossed the Timor Sea, about 500 miles, and the Dutch East Indian Islands on its flight from the Antipodes.

The first day we flew over the great Malay jungles, where Frank Buck makes his famous "bring 'em back alive" animal pictures. If an airplane were to crash it would never be discovered, sinking out of sight as completely in the dense growth as if buried in the ocean. Even if one escaped death in the wreck, there are tigers, pythons, and black leopards to make things less than pleasant.

We spent the night at Bangkok, capital of Siam, a city so lovely and fascinating that I am still wondering why King Prajadhipok wanted to abdicate. We took to the air again at 5 o'clock the next morning, winging our way through a dense fog. Over India we came into the sunshine, and down below was Rangoon and the Bay of Bengal, and, of course, everybody began to hum The Road to Mandalay. Calcutta was reached before dark, the heart of modern India, although I imagine there are still a good many Black Holes. Four days there, and on leaving we transferred to the Dutch Line. As if to dispute the claim that the Hollanders have no sense of humor, the time table handed me bore this slogan, "The Flying Dutchman—Fiction Becomes Fact."

Leaving Calcutta, we flew straight across India—its teeming life spread below us—and slept that night at Karachi, on the Arabian Sea, 1,500 miles for the day. Long before sunrise the next morning we left Karachi and were on our way along the south coast of Persia to Baghdad, capital of Iraq, and the city made famous all over the world by the Arabian Nights. Through its streets roamed Haroun Al Raschid, great caliph, and out of its gates went Ali Baba, Aladdin, and all those immortal figures of literature.

The next day we flew from Baghdad to Cairo, crossing the Syrian Desert, the Holy Land, and the Suez Canal. As though we were sitting in a box at the theater, we saw the River Jordan winding its tortuous way between bare, high mountains, emptying into the Dead Sea, and stared down on historic Jericho, whose walls fell before the seven blasts of Joshua's horn. Jericho occupies a strategic position on the main highway from Baghdad to Jerusalem, and played, of course, an important part in the battles which used to rage in the days of the prophets.

Our pilot very obligingly flew low over both Jerusalem and Bethlehem, circling the village of our Lord's nativity and the Holy City. The swarming life of the streets, the minarets, and even many of the historic spots and structures were plain to our eyes, and we could almost hear the cry of the muezzin calling the faithful to prayer.

At Cairo we flew around the Pyramids and the Sphinx at a low altitude and looked down on those hoary monuments of a dead civilization and also, I may add, escaped the fleas and flies that take a good deal away from the mystic beauty of Egypt. Leaving the land of the Pharaohs, we crossed the Mediterranean, 525 miles over water, and passed along the western end of the island of Crete, home of Venizelos, now an exile because of his recent unsuccessful revolution. Other islands of the Aegean Sea, all sung by the poets, were stretched below us.

In Athens I had time, in company with our minister, Mr. Lincoln McVeagh, an accomplished archeologist, to visit the Parthenon, the Acropolis, and other evidences of art and culture which made Greece the light of the world for so many years.

After a night at Athens, we proceeded to Rome, Italy, crossing the high mountains of Greece and the Italian Apennines, all covered with deep snow. Vesuvius, on our left, presented an unusual spectacle, for while smoke poured out of the top as usual, the mountain slopes were white with snow.

I took to the ground at Rome, sailing from Genoa for New York by sea, because, unfortunately, no airplanes are yet making the Atlantic crossing.

This point will be reached ere long, for foreign countries, even more than the United States, are making tremendous strides in the development of international air lines. By looking at your map and tracing with your pencil, you will get the route of the Dutch line from Singapore to Rome, thence to Marseilles, and across France and Belgium to Amsterdam. The British line covers substantially the same route except that it goes to London via Paris.

The British Imperial Airways operates all the way from London via Cairo to Cape Town, Africa. The French and the Germans are already flying the South Atlantic Ocean in a great struggle to capture the South American markets. These are logically the trade areas of the United States. Our own American air lines cover Mexico, Central and South America, and the countries surrounding the Caribbean Sea and the Gulf of Mexico so thoroughly that it is doubtful if the Germans and French can wrest from us the natural and strong position we occupy.

The European Governments heavily subsidize the international lines I have mentioned. All these governments look with hungry eyes to China, where the needs of its teeming millions present perhaps the greatest trade opportunities in the world today.

The United States holds the key to this market, if only we have the vision to seize the opportunity now presented to us.

Look at China on your map. Begin at Canton, just west of Hong Kong, the British naval base. Draw a line north to Shanghai, at the mouth of the Yangtze River, and continue it north along the coast of China to Peiping, a distance of about 2,000 miles. Go back to Shanghai and extend another line westward for about 1,000 miles through the great Yangtze Valley, the most fertile region in China.

The majority interest in this system is owned by the Chinese Government, but it is American-equipped, American-manned, and American-operated, under a contract between the Chinese Government and the Americans, who own the minority interest.

Jump now across the Pacific Ocean to San Francisco and Los Angeles, Calif. Draw a line to Honolulu, thence to Midway Island, thence to Wake Island, thence to Guam Island, thence to Manila, in the Philippines, and then across the China Sea to Canton. If we succeed in our present efforts to establish a commercial air line over the vast waters of the Pacific, a distance of about 8,000 miles, we shall have the greatest overwater system of air ways in the world; and it will be under the American flag, because that flag floats over every island which constitutes the necessary stepping stones or stopping places for flying across the Pacific.

It is to the genius of American inventors, the Wright brothers, that the great boon of air transportation has been brought to humanity. We ought to lead the nations of the world in the development of this form of transportation, because it is not alone indispensable to the extension of our domestic and foreign commerce but also because it will prove to be the most vital element in our national defense. Other nations see this; and it is for that reason that they are seizing every possible strategic position for the extension and development of their air systems.

I believe that the United States can, however, hold the primacy in aviation, if we pursue a liberal governmental policy with respect to the extension of our domestic and international lines and if we educate our people to the benefits of this almost limitless field of exploration and healthful adventure. You may ask why it is important to develop these air lines—domestic as well as international. The answer is the same as that which would be given if you asked, "Why did we substitute the railroad for the pony express? Why did we drive the ox cart from our highways and replace it with the automobile?" In each case we did it for the simple reason that improved methods of transportation knitted the country more closely together and made it possible to move swiftly between all sections the food supplies and products needed for the life of our people, and for the prompt transportation of passengers, mail, and express matter.

Air transportation is in its infancy. Its perfection will mean a vast economic gain, while at the same time it will provide the trained reserve personnel and efficient industrial organization to meet any problem of national defense which may confront us in the future.

We must encourage the study of aviation, the practice of aviation, and gratify the eager imagination and desire of the young people of our country to engage in this new and marvelous field for thrilling achievement. We want all the young people in the

United States to join the National Aeronautic Association, because they can contribute by their influence and enthusiasm the greatest incentive to a proper knowledge of flying.

Recently I made an appeal to the aircraft industry and the private flyers of the United States to cooperate with the National Aeronautic Association in an effort to win back the world's major airplane records. At present the United States is a poor second in the number of air records held by the countries of the world. We want to capture these records, because we want to maintain American leadership in the development and progress of aviation. I was gratified to receive a telegram from Jack Frye, president of the Transcontinental & Western Air Line, assuring me that his company will immediately undertake to restore eight world records to the United States. This company recently established a new flight record (11 hours 5 minutes) from Los Angeles to New York. I hope that other companies and individual flyers will engage in this effort in the true spirit of sportsmanship and achievement.

The National Aeronautic Association is a nonprofit organization. It is undominated by selfish or private interest. As its president, I receive no compensation and would accept none. My sole purpose in assuming this task is to make the Aeronautic Association a great agency for the advancement of the science of aviation.

I should like each of you to join the National Aeronautic Association. The annual fee is only \$5, and you will receive a most interesting magazine every month. Other literature will be sent to you without cost if you will write to me, care of the National Aeronautic Association, Washington, D. C.

TENNESSEE VALLEY AUTHORITY

The VICE PRESIDENT. Morning business is closed.

Mr. NORRIS. I move that the Senate proceed to the consideration of Senate bill 2357, to amend the Tennessee Valley Authority Act.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska.

Mr. AUSTIN. Mr. President—

The VICE PRESIDENT. The Chair will state to the Senator from Vermont that the motion is not debatable during the morning hour.

Mr. McNARY. May I ask what is the motion?

The VICE PRESIDENT. The motion is to proceed to the consideration of Senate bill 2357, a motion to consider which was before the Senate yesterday. The question is on the motion of the Senator from Nebraska.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2357) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes", approved May 18, 1933, which has been reported from the Committee on Agriculture and Forestry without amendment.

CENSORSHIP ON CONGRESS

Mr. SCHALL. Mr. President, for the first time in American history the President of the United States addresses a letter of threatened censorship on the publication of testimony submitted in a hearing before a committee of Congress. He addresses a sharp rebuke to the chairman of a House committee for publishing testimony offered by an executive department.

The letter warns the House Military Committee that if it publishes testimony in executive session in the same way as testimony in open session—

I shall find it necessary, as Commander in Chief of the Army and Navy, to require that in the future such testimony be given only after approval by me.

It seems that the exasperating part of the matter is that the publication of the testimony revealed the fact that the War Department demanded an appropriation for secret air bases to be built on the Canadian border, notwithstanding our traditional understanding that the friendly relations between the United States and Canada were such that no military bases should ever be built along the 3,000 miles of our northern boundary.

It seems that the Canadian Government promptly called upon the State Department and refreshed the memory of

that executive department by the reminder that at the moment the War Department was demanding Government funds to build secret war bases on the Canadian border, the State Department, through Under Secretary Phillips, was unveiling a tablet commemorating the signing, 118 years ago, of the Rush-Bagot agreement whereby the United States and Canada agreed never to militarize their frontiers.

When Congress is called upon to meet the expense of celebrating an agreement not to militarize the Canadian border, and in the same breath the administration asks for an appropriation to violate that century-old agreement, why should any committee of Congress be lectured by the White House for exercising its judgment in giving the testimony of such duplicity to the American people?

As long as "government of the people, by the people, and for the people" exists through a republican form of government in the United States, the people have the right to know what military steps are being taken by the administration that may commit this country to further war which they do not want.

The publication of this double-dealing testimony has already had a wide-spread wholesome effect; first, in curbing the imperialistic trend so strongly evident during the past 2 years; and, second, in warning the country of secret designs of the war lords. Whether inadvertent or deliberate, this publication of what the administration now calls "confidential testimony" is one of the best things that has happened since March 4, 1933. Also, it is one of the few wholesome acts, however unpalatable, that has come from the new-deal reign. The fact that the revelation of the two-faced attitude of the administration is distasteful to the Commander in Chief, and gives him and his methods away, does not detract from but rather adds to the moral value of this disclosure. If all the star-chamber proceedings of the present administration were laid bare by congressional publication, the people of the United States, as well as their Constitution, would be safer and stronger and less beset by uncertainty and destroyed confidence.

Under certain forms of government in certain reigns and sundry lands the greatest crime against the state is the crime of lese majeste. Revelation of the double-crossing maneuvers of the king, disclosure of royal duplicity in affairs of state, exposure of inconsistency and hypocrisy on the throne has sometimes under certain reigns led to the chopping block. In Russia today it is death to refer to Stalin as other than divine. Yet Comrade Tugwell informs us in a public document, franked to the country, that ours is no longer a government of law, but, like Russia, is a government of men.

Therefore to publish to the world the fact that the administration with its right hand is directing the Under Secretary of State to unveil a tablet in commemoration of the Rush-Bagot agreement of 1817, that proud historic compact of peace in which the United States and Canada solemnly agree never to militarize their boundary, while at the same time the administration with its left hand motions the War Department and its military lobbyists to ask for an appropriation to build secret air bases along that same border from which to attack British bases. Such a publication in the time of the Stuarts or Henry VIII would have been such a travesty on majesty that its author might well have trembled like Cardinal Wolsey and the printer be denied the privilege of licensed printing thereafter.

Three hundred years ago, in the days of John Milton, and of Charles I, and licensed printing, the first article of the British Constitution, as interpreted by the Stuart dynasty, was:

The king can do no wrong.

Had the House of Commons in those days published a pamphlet exposing the King by showing that he was doing with his left hand one thing and with his right hand another that the people wot not of, establishing secret war bases with his left while unveiling tablets of peace with his right, the House of Commons would indeed, 300 years ago, just before Charles lost his head, have committed the crime of lese majeste.

The House of Commons might well have been called to account and pointedly asked if they forgot the "King can do no wrong." If they admitted their ignorance or inadvertency, they might well have been served the notice:

I shall find it necessary as Commander in Chief of the Army and Navy to require in the future such testimony be given only after approval by me.

The privilege of licensed printing would have been withdrawn from the House of Commons in the days of the so-called "Stuart tyranny", as historians today describe it, and the chairman of the offending committee would have been in a leaky boat, as when Wolsey published the record of Anne Boleyn in the time of Henry VIII.

It is true that the Constitution—article 1, section 8, defining the powers of Congress—contains subsections like these:

10. To define and punish * * * offenses against the laws of nations.
11. To declare war, grant letters of marque and reprisal, and make rules concerning captures on land and water.
12. To raise and support armies. * * *
13. To provide and maintain a navy.
14. To make rules for the government and regulation of the land and naval forces.

Moreover, the offending congressional committee may have read article I and taken it seriously. The committee may have looked upon the Constitution as still effective, in 1935 as in 1787, indeed, as effective as during the long period from the inauguration of George Washington down to March 4, 1933, a period of 145 years.

This military committee of Congress, after reading the Constitution, may have concluded that measures such as secret air bases on the Canadian border, affecting the laws of nations, letters of marque and reprisal, captures on land and water, Army support, and regulation of the land and naval forces, were proper subjects for the determination of Congress and that Congress, as representative of the people, ought to let their people know what Washington proposed to do to them and their neighbors on the Canadian border.

It is evident that the action of the committee was inadvertent in this respect. They read the Constitution instead of the planned Fabian policies of the "brain trust." They followed Washington, Jefferson, and John Marshall, instead of "Comrades" Moley, Tugwell, and Barney Baruch.

Again, they may have reasoned this way: George V, of England, would not dare to "crack down" on the House of Commons because the latter chose to exercise its own discretion in publishing testimony. Then why should we hesitate to perform our function in the country of Emperor Roosevelt? If the generals do not like the reading of their own testimony, they do not need to read it, though the folks at home may enjoy reading it. The folks back home may like to know some of the things we are considering here. They have been used to it for 145 years. They think they have a right to know.

Looking at it that way, the committee seemed to be acting in good faith and reason. Also, they might reasonably say to each other that "the Rush-Bagot agreement of the year 1817 is a noble monument to peace on the American continent. The people of the United States have been cherishing it for 118 years. The President proposes to use us as handy scapegoats not only to make us traitors to American traditions to forward his nefarious schemes but also to take from us one of our chief claims in promoting the cause of peace. Therefore, let the President stand up under his words. He has shown no divinity that doth hedge him."

But the committee counted not on the wrath of the White House—Commander in Chief of the Army and Navy, director of the generals and their utterances, drafter of the acts of Congress, the star-chamber tariff maker, possessor of the tax power in levying \$800,000,000 of processing taxes, potentate of 57 alphabetical bureaus and 13 commissions, ruler of industry under 730 monopoly codes and a million Blue Eagles, the plowman of 15,000,000 acres of cotton, the slaughterer of 6,500,000 hogs and 200,000 sows, who had just come into possession of \$5,000,000,000 in one lump sum, "subject to the allocation of the Executive" himself—a sum sufficient to nominate and elect, or "crack down" and defeat

every member of that congressional committee, and reduce them to the fix of Cardinal Wolsey in the days of Anne Boleyn.

Wherefore the present status of the case seems to be this:

First. No copy of those hearings in which the generals gave away the secrets of the White House is now available.

Second. No member of that congressional committee dares even to allow a constituent to read his office copy.

Third. The privilege of licensed printing is withdrawn so far as that testimony is concerned, and no more testimony will go to the committee except "given only by approval by me"—Il Duce.

Fourth. The Rush-Bagot peace agreement of the days of early democracy under Presidents who then called themselves "Republicans" is suspended like the antitrust laws and the Constitution—subject to a new deal in secret air bases from which to launch defensive attacks.

Fifth. In short, the Commander in Chief of the Army and Navy has taken over subsections 10–14 of the constitutional powers of Congress, just as previously he had taken over the tariff making, the tax power, or "power to destroy", as defined by John Marshall, together with the appropriation power in allocating the \$5,000,000,000.

As "Comrade" Tugwell declared in an address delivered at Columbia University in November 1933:

I have had a chance to see the truth of the saying that ours is a government by men. The fiction that it is government of laws would, I think, never have attained its great prestige if the right men had been called to govern.

"Comrade Tugwell", as he was known in the Moscow press a year before this utterance, seems to have felt that the trouble with America was that its men in positions of Federal trust, such as Washington, Jefferson, Madison, and John Marshall, down to Lincoln, Harrison, Cleveland, and Theodore Roosevelt, and the Justices of the Supreme Court, who for 145 years had held up the doctrine that ours is a "government of laws", were not the "right men."

He had in mind that the ideal system and the "right men" were such as found where "government of men" prevailed, such as Stalin in Moscow, Mussolini in Italy, and Hitler in Germany. There the constitutions, bills of rights, and the powers of the lawmaking body are abolished, and "government of men" had superseded the old fiction of "government of laws."

Again "Comrade Tugwell", as he was greeted in Moscow, liked the kind of laws that were being drafted under the new deal in 1933. He described the character of the new acts of the new deal thus:

In fact, a careful examination of the new legislation will disclose that its novel characteristic is its provision of freedom for action by those who do the acting. The powers granted are mostly permissive; the rules written are mandates for performance. Everything depends on men.

"Comrade Tugwell" might well have added that inasmuch as all the men he had in mind were appointed from the White House and were White House errand boys, the Government we have today might be described as "government by and for the White House, wielder of the tax power and the billions for White House allocation. Everything depends upon the allocator."

There is one phase of this "crack down" on the publication of military testimony that seems to throw light on the meaning of section 606 of the Rayburn Communications Act of 1934.

In section 606 (a) the President, in time of war—

Is authorized, if he finds it necessary for the national defense and security, to direct that such communications as in his judgment may be essential to the national defense and security shall have preference or priority with any carrier subject to the act.

In 606 (c):

Upon proclamation by the President that there exists war or a threat of war or a state of public peril or disaster or other national emergency, or in order to preserve the neutrality of the United States, the President may suspend or amend, for such time as he may see fit, the rules and regulations applicable to any and all stations within the jurisdiction of the United States as prescribed by the Commission.

Fines up to \$10,000, imprisonment of 2 years, and forfeiture of property are imposed for violations. Not only the President but Congress, in its various and sundry "emergency" acts drafted at the White House, appears already to have declared the "national emergency" that might be invoked under section 606 (c). It would be interesting to know if the Rayburn Communications Act, which the House railroaded through in 1934, is the boomerang which "cracks down" the House Military Committee in 1935.

At least one committee of Congress seems to have been threatened with loss of the privilege of licensed printing, such as John Milton deplored in his petition to the "Stuart tyranny" in that new-deal era of 300 years ago.

Lawyers recently have found that the new deal has created 151 crimes by the legislative authority assumed by Federal bureaus. They should now make it 152—the crime of lese majeste.

WANTS NO HELP FROM GOD

Mr. President, on April 22, on page 6116 of the RECORD, I stated:

A young man, Henry J. Burrow, Jr., from St. Paul, a Bible student, studying for the ministry, the other day visited our smiling President to urge him to set aside 5 minutes on some certain day for prayer for the Nation's troubles and against the impending drought. The guardians at the portals of his august majesty informed this young religious zealot that the President could take care of the situation; that he wanted no help from God. In short, if his ambitions are fulfilled, and they seem upon the verge of being fulfilled, he will become God as Lenin has been substituted in the Union of Soviet Socialist Republics for the Divinity. Christ, upon whose teachings this Republic was founded, will no longer need acknowledgment. Home and family ties, the right to worship God as we choose, liberty of speech and press and person, religion may be things of the past, as in Russia, where the late Commissar of Education Lunacharsky said:

"All religions are poison. They put the mind to sleep and destroy it; they kill both will power and conscience. War to the knife must be declared against all religions. Our task is the destruction of all religion and all morality."

I am in receipt of a letter from Rev. Zed H. Copp, of the Presbyterian Ministerial Association of Philadelphia, which reads:

PRESBYTERIAN MINISTERIAL ASSOCIATION
OF PHILADELPHIA,
May 1, 1935.

Hon. THOMAS D. SCHALL,

Senate Office Building, Washington, D. C.

DEAR SENATOR SCHALL: The White House, Mr. McIntyre acting for the President, denies in toto the Burrow incident.

Can you give me the local address, or get it for me, of Mr. Henry J. Burrow, so that I may have his statement of it?

Thanking you in advance, I am, with God bless you,

Yours truly,

ZED H. COPP.

The following is a letter written to one of my secretaries:

MAY 7, 1935.

Hon. O. R. LEEN,

Secretary Senator Thomas D. Schall,

112 Senate Office Building, Washington, D. C.

DEAR MR. LEEN: Enclosed please find the affidavit which the Senator requested in connection with his remarks concerning my visit at the White House last month. I have carefully compiled this statement, incorporating into it answers to several questions that have been asked me by correspondents from coast to coast who read the Associated Press dispatch of April 22.

While the Senator suggested that he might want to make copies of this affidavit to send to those who may make inquiry concerning his speech, I have made this pretty comprehensive to copy it in toto, but have, in one paragraph, made a statement heartily endorsing the Senator's remarks which, if inquiry was made into the authenticity of his remarks, you could quote from the affidavit and save copying the whole.

I will be very glad to receive anything, either in the way of correspondence or CONGRESSIONAL RECORDS, that you may think would be of interest to me.

Sincerely, in His service,

HENRY J. BURROW, JR.

Mr. President, the following affidavit was made by Henry J. Burrow, Jr., 669 Dayton Avenue, St. Paul, Minn.:

ST. PAUL, MINN., May 7, 1935.

Hon. THOMAS D. SCHALL,

United States Senator, Senate Office Building,

Washington, D. C.

MY DEAR SENATOR: In accord with your recent request I am glad to reaffirm in writing for you the account of my recent trip to Washington.

The chief object in making this journey was to present a plea to the President for a national call to prayer for the Nation's troubles, but in particular on behalf of the afflicted agrarian West. My justification for the journey was in three primary facts:

(1) The burden I believe the Lord has laid upon my heart, as upon others, for a national call to prayer;

(2) The historical record in God's word of the need for, and the resulting benefits from, national calls to prayer; and

(3) A modern testimony to the fruitfulness of united supplication last June 3 when I arranged for an N. B. C. network prayer broadcast for drought relief, resulting in what a Chicago daily termed "\$10,000,000 rains", breaking a 64-day drought. (Cf. Sunday School Times, July 21, 1934.)

Upon arriving at the White House executive offices on Wednesday morning, April 10, 1935, and asking to see Secretary Marvin H. McIntyre for the purpose of making an appointment with the President, the secretary at the reception-room desk told me I must state my business and a request to see Mr. McIntyre in a letter addressed to the latter. This letter was typed nearby and brought right back to this same desk secretary.

After a considerable wait a very courtly appearing gentleman, with pad and pencil, presented himself, although without duly introducing himself. Until near the close of our brief interview, when because of change in his actions, I thought to ask him whether he was the secretary or not, this pseudo-secretary, Mr. R. C. Wood, of the secret police detail, allowed me to assume that he was, and once or twice to address him as Secretary McIntyre.

Because I had inclusively stated my mission in the letter there was little need to reiterate. Briefly I stressed the pressing need of the moment for a proclamation for a national call to prayer and my desire to personally present this plea to the President. This White House prolocutor, very gracious in his demeanor, replied that "I do not believe we should bother the President." In this remark, which he later repeated verbatim like a parrot, and throughout his conversation he appeared to be minutely careful to state only his own personal opinions. He said that he didn't know of any other President who had ever issued such a proclamation. When I called his attention to the Lincoln administration's action, he then sought to defend his position by attempting to quote Matthew 6:5-6.

"That's exactly what I told you a moment ago", I parried, "when I said that if this is undertaken it must be in the spirit of genuine repentance and humiliation before God." I then proceeded to briefly point out several Scripture passages to justify a national call to prayer. But the sword of the spirit, when rightly used, cuts deeply, confounds the mighty. My friend was clearly up a tree. So far, he had only stated his own personal opinions, and when I called him on this score and asked, not for his own attitude, but rather for the attitude of the administration, that I might have something tangible to report back on, he began to lose his smiling, diplomatic veneer. It was clearly evident in the way in which he had clung with such tenacity to his little ditty about not bothering the President that he had been arbitrarily instructed by his superiors. Bear in mind that I had stated my full business in the letter to Secretary McIntyre.

In the closing moments of our short interview he did not guard himself so closely when he said again, "Well, the President can't be bothered", and other remarks which, while I cannot quote exactly word for word, were to the general effect that the President could very well handle the situation without calling upon God in this way.

I heartily endorse, Senator SCHALL, the attitude and sum essence of your remarks upon the floor of the Senate April 22, 1935, as recorded in the CONGRESSIONAL RECORD of that date, as being the true reflector of that attitude which this representative of the President displayed to me during those few minutes above related. You have not quoted directly any of the words of the above interview, but you may feel free to use whatever I have herein set forth. May the Lord richly use these things to the glory of His Son in the stirring up of fires of righteous indignation within the hearts of His own people in these United States against the heart attitude of a President who, having taken his oath of office upon Holy Writ, will now allow his personal representatives to say that "the President can't be bothered" with a plea for a national call to prayer for the troubles of this Nation.

Such a course reminds me of the story of a small western community located near a high bluff. The children of the town used to use a flat terrace along the top of the bluff for their playground, that being the only available space and close to their homes. At all too frequent intervals one or more youngsters, in the thoughtlessness of their games, would come too close to the edge of the cliff, slip, and plunge to the bottom, either severely injuring or killing themselves. It was a relatively small community to be affording an ambulance, but the mayor felt it imperative to do so to satisfactorily care for the injured or dead children. One day came a stranger to town and suggested to the mayor, but without avail, that he sell the ambulance to pay for the erection of a high fence along the top edge of the bluff to prevent the children from falling over. Possibly the mayor was progressive for his innovation of a modern ambulance in so small a community, or possibly the fence idea was just plain "offensive" to him. At any rate, it was ridiculous. Likewise, it seems just as ridiculous to move the afflicted of this Nation onto ever-growing relief rolls or out of drought-stricken, dust-blown areas far up to isolated Alaska in a gigantic "progressive" movement when, sanely, we should be erecting, without any cost at all, a simple yet effectual fence of prayer, repentance, and humiliation before God. If "in God we

trust", we should be claiming His promises and not those of any mere human. He has told us in His word that "If my people, which are called by my name, shall humble themselves and pray, and seek my face, and turn from their wicked ways, then will I hear from heaven, and will forgive their sin, and will heal their land." Nothing lies beyond the reach of prayer except that which lies outside the will of God.

May the Lord richly bless you and use you, Senator SCHALL, in His work of the administration of the affairs of this land once called "Christian." It is far better to be a good servant of the Lord Jesus Christ than to be a mighty (?) scepter swayed to and fro in the hands of the gods of Baal.

Until He comes, I remain,
Devotedly His servant,

HENRY J. BURROW, Jr.

STATE OF MINNESOTA,

County of Ramsey, ss:

Subscribed and sworn to before me this 7th day of May,
A. D. 1935.

[SEAL]

SIGURD A. JOHNSON,

Notary Public, Ramsey County, Minn.

My commission expires August 18, 1937.

AGRICULTURAL DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. RUSSELL. Mr. President, I submit the conference report on the agricultural appropriation bill, and ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. The report will be read.
The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, 5, 6, 7, 16, 17, 34, 44, 47, 55, 56, 57, and 59.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 9, 10, 19, 21, 24, 27, 28, 30, 31, 32, 33, 43, 45, 46, 48, 49, and 52, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "or"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$381,755"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$11,313,419"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$76,635, of which \$40,000 shall be expended for scientific investigation concerning control and eradication of bindweed and other noxious weeds"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ", of which sum not exceeding \$15,000 shall be used for experimenting in Sea Island cotton, including its hybridization with other varieties."; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$4,998,497"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$154,435"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$9,958,462"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$11,600,973"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$76,741"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,279,434"; and the Senate agree to the same.

Amendment numbered 29: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the matter proposed by the amendment of the House to the amendment of the Senate insert: "\$347,229, including not exceeding \$15,000 for investigation of the means of control of the Mormon cricket"; and the House agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35 and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "or"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "or"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$7,801,421"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$600,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$222,978"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$96,596"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,421,492"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$321,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$385,669"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "\$423,269"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,540,879"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,968,637"; and the Senate agree to the same.

RICHARD B. RUSSELL, Jr.,

CARL HAYDEN,

E. D. SMITH,

HENRY W. KEYES,

GERALD P. NYE,

Managers on the part of the Senate.

JOHN N. SANDLIN,

CLARENCE CANNON,

M. C. TARVER,

J. P. BUCHANAN,

LLOYD THURSTON,

JOHN T. BUCKBEE,

Managers on the part of the House.

Mr. COPELAND. Mr. President, I am deeply disappointed over the result of the conference on this bill. I wish to say, however, that I absolutely absolve the Senate conferees. I know the chairman of the Senate conference made a desperate fight. He did the best he could. He did as well, I am sure, as anybody under the circumstances could have done.

I am disappointed because, as I said to the Senate the other day, the Budget had allowed \$500,000 additional to enforce the Food and Drugs Act "as is." The House cut that amount to \$250,000. Many things are needed to protect the

American people against hazards to health and life. It seems to me a shame to think that we spend \$3,000,000 a year to enforce the Meat Inspection Act—desirable, of course—and yet spend less than a million dollars to enforce the Food and Drugs Act. However, with a total appropriation of less than \$1,000,000, the amount proposed by the conference, \$25,000 will help a little bit.

The time of the Senate is too precious to be consumed by any argument. At some time when the opportunity is afforded, and the condition of the calendar is such that I shall be justified in taking any time, I shall go into this matter in extenso.

There are many things which could be done by the Food and Drug Administration if they had the money. Those things have to do with the health and the very lives of the American people. We ought to have had this added amount of money; but the conference committee has done the best it could, so I shall not interpose any further objection. I do not care to take my seat, however, without thanking the Senator from Georgia [Mr. RUSSELL] for his valiant effort to accomplish the thing I had in mind, and which I know was in his mind.

So I am satisfied for the moment to let the conference report be adopted; but I do so with a mental reservation and, I think, with a moral reservation. It seems to me outrageous that we cannot have enough money to enforce an act which has to do with the highest welfare of our people. We spend millions in other directions—indeed, in these days we spend billions—but in the last analysis nothing is more important than health, and we have failed to get in this bill the amount of money needed to enforce health measures.

Within reasonable limits, health is a purchasable thing; and when we reflect that for the want of a little money the health and lives of our citizens may be impaired or taken away, it is a shame, as I see it, that we cannot have those funds. The season is too late and there is no time now to go into the matter extensively, but I enter my protest, and at the same time thank the chairman of the committee for the efforts made by our conferees to add more funds to the bill.

Mr. BORAH. Mr. President, I desire to ask the Senator from Georgia, in charge of the conference report, what the status now is with reference to the appropriation concerning the extermination of noxious weeds.

Mr. RUSSELL. Mr. President, the conferees went very thoroughly into the question raised by the Senate amendment, which provided originally for the appropriation of \$100,000, in addition to the regular appropriation, for scientific research in the development of ways and means for combating the bind weed and other noxious weeds.

It developed in the course of the conference that this was not exactly a new pest, that the various experiment stations and agricultural colleges of the West have for something like 10 years been conducting a series of investigations to determine the most practical and least expensive methods of combating these weeds. It is agreed very generally that the most effective method yet devised for this purpose is through the use of either sodium chlorate, or of common salt. Both of the methods which have been employed are very expensive. The use of salt injures the land and renders it useless for a long time. Sodium chlorate is imported very largely from abroad. The importations have amounted to over 7,000,000 pounds a year, and the price to the farmer, when it is purchased in small quantities, is approximately 9 cents a pound. All investigations have developed that sodium chlorate is the most effective chemical to kill these weeds and it does not injure the land. If a cheaper method of developing and marketing this chemical, or one of similar value, can be discovered, it will be a great contribution to the extermination of these weeds.

The House conferees finally agreed to an appropriation of \$20,000, to be expended by the Bureau of Chemistry and Soils, for the purpose of investigating a method of developing a cheaper means of producing chemicals to combat these noxious weeds. That action was taken after conference with the head of the Bureau of Chemistry and Soils. It develops that there is ample authority conveyed in the bill to permit the Bureau of Chemistry and Soils to work in conjunction with

any established agency of the Government. The person who has this work in charge contemplates an investigation and research work at Muscle Shoals, in conjunction with the Tennessee Valley Authority, in the development of the chemicals to be used in combating noxious weeds.

The Senate conferees therefore obtained a concession of \$20,000 from the House conferees, and obtained, in addition to the \$25,000 heretofore agreed upon, a concession of \$15,000 on the appropriation to be expended under the Bureau of Plant Industry for other lines of scientific work to discover new means of combating these weeds.

The Senate conferees therefore secured \$60,000 net over the amount contained in the bill as it came from the House originally. I might state to the Senator from Idaho that it was exceedingly difficult to obtain any concession whatever from the House conferees on this amendment, as well as in regard to the one referred to by the Senator from New York [Mr. COPELAND]. The conferees on the part of the Senate exhausted every argument they could think of. The conference dragged on interminably. The bill passed the Senate on the 29th day of March, and the matter has been pending between the two Houses, practically, ever since that time.

I hope the Senate will agree to the report of the conference committee. I doubt very seriously whether any further concession could be obtained from the House.

Mr. BORAH. Mr. President, I have no doubt the conferees on the part of the Senate did the best they could with the problem and I have no desire further to interfere with the consideration of the conference report.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

INVESTIGATION OF PLUMBING AND SANITARY SYSTEMS IN FEDERAL BUILDINGS

Mr. COPELAND. Mr. President, the House of Representatives on April 24, 1935, passed House Joint Resolution 254 providing for an investigation by the United States Public Health Service of the plumbing and sanitary systems in Federal Government buildings, which was referred to the Senate Committee on Public Buildings and Grounds.

I think the joint resolution should be passed immediately by the Senate. It involves the expenditure of no money. I have conferred with the leader on this side, the Senator from Arkansas [Mr. ROBINSON], and the leader on the other side, the Senator from Oregon [Mr. McNARY], and I ask unanimous consent that the Committee on Public Buildings and Grounds be discharged from the further consideration of the joint resolution, and that the Senate proceed to consider it at this time.

Mr. NORRIS. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. NORRIS. If consent shall be granted and the resolution passed, that would not affect the pending business, would it?

The PRESIDENT pro tempore. Not if it is done by unanimous consent. The Senator from New York asks unanimous consent that the Committee on Public Buildings and Grounds be discharged from the further consideration of House Joint Resolution 254, and that the joint resolution be now considered.

Mr. McNARY. Mr. President, is this the joint resolution about which the Senator spoke to me a few moments ago?

Mr. COPELAND. It is.

Mr. ROBINSON. It is the one the Senator discussed also with me, is it?

Mr. COPELAND. It is the same measure.

Mr. ROBINSON. The one pertaining to certain investigations by the Public Health Service?

Mr. COPELAND. That is correct.

Mr. McNARY. I think it well that the joint resolution be read.

The PRESIDENT pro tempore. The joint resolution will be read by the clerk.

The joint resolution was read as follows:

Whereas since 1933 the danger of the outbreak of epidemics such as amoebic dysentery has become a threat to public health; and

Whereas defective plumbing and cross connections between sewage and water supply lines have been presumptive causes therefor; and

Whereas these dangers increase with the age of plumbing systems; and

Whereas the Government buildings throughout the United States have many of the oldest types of installations: Therefore be it

Resolved, etc., That the United States Public Health Service be, and is hereby, required and directed to make a complete survey of all Government properties for the purpose of eliminating dangers of the type indicated in Government buildings and report to the Congress on or before January 3, 1936, the cost involved in making desired eliminations and improvements.

Sec. 2. The United States Public Health Service be, and is hereby, directed to make a study of the relation of amoebic dysentery to plumbing and issue a report to the Congress on or before January 3, 1937, for the benefit of the medical profession and the plumbing industry.

The PRESIDENT pro tempore. Is there objection to the consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

TENNESSEE VALLEY AUTHORITY

The Senate resumed the consideration of the bill (S. 2357) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes", approved May 18, 1933.

Mr. BARBOUR. Mr. President, during the second session of the Seventy-third Congress I introduced a bill in the Senate, which I send to the desk and ask unanimous consent to have read. I do this for I should like to have it appear at this point in my remarks.

The PRESIDENT pro tempore. Without objection, the clerk will read.

The legislative clerk read as follows:

A bill to regulate the expenditure of public moneys heretofore and hereafter available for expenditure in carrying out the act of May 18, 1933, known as the "Tennessee Valley Authority Act of 1933", and for other purposes

Be it enacted, etc., That all moneys heretofore or hereafter made available for expenditure in carrying out the purposes of the act of May 18, 1933, known as the "Tennessee Valley Authority Act of 1933", of whatsoever character, shall be deposited and covered into the Treasury of the United States to the credit of a fund to be designated the "Tennessee Valley Authority fund", and be withdrawn therefrom only pursuant to accountable warrants for advances to the credit of an adequately bonded disbursing officer, as determined by the Comptroller General of the United States, or certificates of settlement issued by the General Accounting Office.

Sec. 2. No part of such moneys shall be used to make payment under any formal or informal contract in excess of \$100 hereafter entered into except in case of public emergency requiring immediate action, unless the need be advertised so as to permit of full and free competition, and award made to the lowest responsible bidder offering delivery or performance in accordance with the advertised specifications.

Sec. 3. Except in the case of a public emergency requiring immediate action, the facts of which emergency shall be duly entered of record and filed with the contract, no bid shall be accepted until after a lapse of 7 days from the date the bids were opened nor while there is pending a protest filed in writing, either with the Tennessee Valley Authority or the Comptroller General of the United States, or any questions otherwise raised and undetermined by the Comptroller General of the United States, involving the corporation's procedure, the bidding or effect thereof, or other matters affecting the legality of the proposed obligation, or the availability of the money proposed to be charged.

Sec. 4. The Comptroller General is authorized, in his discretion, to allow credit for payments from moneys under the control of the corporation, not otherwise allowable, when shown to be reasonably necessary to the accomplishment of the work authorized by law to be done by the corporation.

Mr. BARBOUR. This bill, Mr. President, required that all expenditures made by the Tennessee Valley Authority

thereafter should be passed upon by the Comptroller General, and its introduction was prompted at the time by reason of the awarding by the Tennessee Valley Authority of contracts to others than the low bidders.

I may say in this connection that the fact that the Tennessee Valley Authority did not come within the full purview of the Comptroller General was made known to me in the first instance by a constituent of mine who came to me and complained that while he was the low bidder and a responsible bidder, making a bid on either some machinery or materials which were known to be standard, he had been turned down, and that the Authority had awarded the bid at higher cost to someone else. In order to try to help my constituent I went to the Comptroller General to find out how such a thing as this could have been done, and he told me that under the act creating the Tennessee Valley Authority it was a fact that he had no control as in all other cases, over that particular agency of the Government other than simply purely auditing control. And I want to mention here before I forget it that the bill I have just spoken of was referred to the Committee on Finance and there languished and died.

Now in order to make the situation clear, Mr. President, I want to point out that under existing legislation the Tennessee Valley Authority, of which Muscle Shoals is a part, enjoys a corporate status despite the fact that it is financed by public funds. Public moneys which have been made available for its use are deposited in the Tennessee Valley Authority's private checking account. The proposed legislation would have returned moneys still available on account of the original appropriation of \$50,000,000, to the Treasury of the United States, to be withdrawn only upon accountable warrants and, accordingly, brought within the real purview of the Comptroller General.

The proposed measure also would have prevented the Tennessee Valley Authority from awarding contracts within less than 7 days from the time of receipt of bids, and would automatically have stayed the awarding of any contract above a specified small sum when protests had been filed in writing with either the Comptroller General or the Authority. Full and free competitive bidding also was provided for.

In other words, Mr. President, in introducing this bill, calculated to bring all future expenditures by the Tennessee Valley Authority, of which, as I have said, Muscle Shoals is a part, within the law, I did so because I was convinced there exists no valid reason why that Government agency should not be subject to the law as are all other departments and independent establishments.

True, T. V. A. was given a corporate form, apparently so that it could sue and be sued, but no Member of Congress anticipated—at least, in my opinion no one did—that its officials would seize upon the matter of such status as justifying disregard by them of statutory law not specifically set aside by the enactment bringing it into existence; that is, the Tennessee Valley Authority Act of 1933. Yet, just such an attitude has been assumed by the officers of the Authority. Anyway, they have not observed the law with respect to awarding contracts to low bidders ready to supply the particular need. This, in my opinion, is indefensible and always has been indefensible. It involves an improper use of the public funds intrusted to the Authority to do the gigantic work provided for in the law by which it was created; it is unfair, it seems to me, to citizens who are in a position to supply the public needs involved; and whether justified or not, it necessarily subjects such officials of the Government itself to charges of unfairness and to criticism, if not something even worse.

The T. V. A. officials, by reason of the corporate status of the Authority, are claiming to be beyond the reach of the Comptroller General of the United States, the official upon whom the Congress must rely to see that public funds are only lawfully employed. While I am sure there was no such legislative intent, upon investigation I find there exists a technical justification for such assumption of authority and a doubt whether the Comptroller General possesses the means to require the officials of the Authority to observe the

law in their uses of public funds. It seems that through giving the Authority a corporate status the public funds involved, direct appropriations and income, do not necessarily leave the Treasury on accountable warrants requiring law observance to justify the giving of credit by accounting officers for expenditures made.

It is a serious matter, because, unlike most corporations authorized by Congress to be created, the Authority necessarily must make vast and numerous purchases. It is engaged in a huge building program, spending millions upon millions of dollars for machinery, equipment, tools, lumber, cement, and supplies of almost every nature and kind. It has a large force of employees, and there are involved pay rolls, travel, and other miscellaneous expenses. It is in reality a large independent establishment of the Government and should function as such—and should function in conformity with the safeguards which through years of experience have been found to be not only expedient but necessary to avoid extravagance, favoritism, and wrongdoing.

The bill provided for a return to the Treasury, as I have said, of all public funds involved, including both appropriations and income from all sources, in order that this money may hereafter be withdrawn only in such manner as will permit the Comptroller General to see that as to all expenditures the law has been obeyed.

My bill further provided, Mr. President, that citizens who feel they have not received at the hands of the Authority officials the consideration to which the law entitles them in the matter of bidding on public business may have 7 days in which to make protest to the Comptroller General in order that he may investigate and determine the protest before arbitrary action is taken by the Authority. This is virtually the procedure now followed with respect to like matters arising in the Government departments and establishments and which is giving satisfaction and beneficial results.

To this there was added in my bill a saving provision to make sure that any special and out-of-the-ordinary condition may be properly cared for. None are anticipated, but it is just possible a situation could arise where to accomplish an authorized corporate activity it would be necessary to contravene some regulatory statutes apparently applicable. If such a situation should arise, the Comptroller General under the last section of the bill would be authorized, upon a showing of such necessity, to give credit accordingly. It is anticipated there will be little need for this authority, but to guard against the possibility of unnecessarily restricting or retarding the work it is believed the authority should be given.

Mr. President, as I have said, this bill, which I introduced in the Seventy-third Congress, second session, and which carried the number S. 3274, languished in committee and never saw the light of day. I now offer that bill as an amendment to the bill now before the Senate and ask that it be printed and lie on the table. In other words, I offer the bill again, in the form of an amendment at this time to the bill now pending.

THE PRESIDENT pro tempore. The proposed amendment will be printed and lie on the table.

Mr. BARBOUR. The Tennessee Valley Authority seems to oppose this suggestion of mine. Anyway, the bill has never come out of committee. It was impossible for me to get anywhere with it. Of course, I cannot say that the T. V. A. officials are afraid to have it enacted into law, because I do not know what their feelings in this respect really are or what their reactions to it actually were when I originally offered the bill, but I can say that entirely aside from what I may call the philosophy of the Tennessee Valley Authority and its competition with private industry, the fact that it lives on the money of the taxpayers, with whom it competes, and without going into any of those deeper or more controversial aspects of the problem which is now again before the Senate, I cannot see how anyone who is for the pending measure, or who is against it, or who is even indifferent to it, can take any exception to the suggestion I make, which is the same as the suggestion I made a year ago, that the Tennessee Valley Authority be brought within the full pur-

view of the Comptroller General and his department. No other agency, no other independent department; no other function of the Government has the same preferred and unusual status or special privileges in this respect as has the Tennessee Valley Authority. It is true, as I mentioned before, that the Comptroller General now does the auditing of the books of that organization, but it is purely an auditing undertaking. He can only count the horses periodically, from time to time, that are left in the barn. He can take no action concerning any which have escaped or have been ill-tended, or have been given away or sold. His is simply a recording function without the real control over anything which he exercises in all other cases.

Perhaps I should say that I believe there is also one other department of the Government which is not fully under the purview of the Comptroller General, for, as I understand it, this is true in respect to the Shipping Board; but, Mr. President, as I understand it, the Shipping Board is now in liquidation, and for that reason it makes no material difference, anyway. And doubtless if it were to be continued actively as a governmental agency or department in the future it would be brought within the full purview of the Comptroller General.

I only mention the Shipping Board, Mr. President, because I want to be perfectly fair in my remarks, and, so, to that end, I qualify my statement that the Tennessee Valley Authority is the only department of the Government that is free from the purview, in the sense that I mean, of the Comptroller General and his department.

I should like to have any Senator explain to me why this particular activity that is the T. V. A. should thus be free from that control which is part of our recognized governmental system. Bear in mind that every penny which goes into the Tennessee Valley Authority is public money, and, as I have said, it now simply goes into their own private, so to speak, account. They draw their own checks for anything for which they want to draw them; they award contracts to anyone to whom they wish to award them; and, while I am not now saying that they purposely draw money to the order of those for whom they should not draw money, or that they necessarily purposely either award contracts to those to whom they should not award them, I do ask, regardless of whether this great activity, the Tennessee Valley Authority, is to continue or is not to continue; regardless whether the measure before the Senate, which will double the capital of the T. V. A., increase the scope of its activities, and, as I understand, validate certain things which the Authority is now doing, which I believe, at least, do not come within the powers granted them in the original act—regardless of all those things, Mr. President, I ask is there a single Senator in this Chamber who can advance a valid reason in the world why the Tennessee Valley Authority should not come under the full and complete purview of the Comptroller General?

That, and that alone, at the moment, is the burden of my entire argument at this time; that is why I have again brought to the fore the bill which I introduced last session and now ask to have considered in the light of having been again offered; this time as an amendment to the pending measure, and when the proper time shall come I will press for its consideration.

I do not want anything that I have said to be misunderstood; I intend no personal implication in anything that I say; I am not trying to antagonize any particular Senator's point of view or any particular Senator's wish.

Mr. McKELLAR. Mr. President, will the Senator yield? The PRESIDENT pro tempore. Does the Senator from New Jersey yield to the Senator from Tennessee?

Mr. BARBOUR. Certainly.

Mr. McKELLAR. Does the Senator's bill simply provide that the Comptroller General shall examine into this activity as he does into all other departments and bureaus of the Government?

Mr. BARBOUR. It does, as I understand it.

Mr. McKELLAR. I have not seen the Senator's bill, but I will say that I see no reason in the world why the Comp-

troller General should not have jurisdiction to make an examination of the accounts of this activity. Of course, that would be in the interest of good government, and if the Senator offers such an amendment as that, I expect to vote for it.

Mr. BARBOUR. I thank the Senator very much; but, as I do not know whether or not the Senator from Tennessee has a full comprehension of what my bill does embrace, may I say it was read a moment ago by the clerk and will appear in the RECORD preceding my remarks. I may add, for it is no secret, that in its preparation I consulted with the Comptroller General and have been aided by his suggestions and advice in respect to this matter, as it would affect the Tennessee Valley Authority, though I, of course, take full responsibility for my proposition.

Mr. McKELLAR. I shall be glad to look into it.

Mr. President, now just one thought more. I certainly do not want to be accused of indulging in a filibuster. I could not filibuster if I wanted to do so; I am not that kind, and I do not approve of filibusters, anyway. As a matter of fact, I do not think there has been any filibuster. If there has been, I do not know whose filibuster it was. Only two Senators have spoken thus far on this subject, both at considerable length, to be sure, but one against the bill and one for it, and I cannot see how their acts can be construed as being a filibuster, and I do not want mine to be so construed.

I wish to say, however, in conclusion, that I feel that the suggestion I make is sound. I cannot see how anyone can controvert a word which I have said or bring a single valid argument to the fore to persuade me not to press for this particular action in respect to this particular bill.

POSTMASTER GENERAL FARLEY

Mr. LONG. Mr. President, the Senator from Tennessee [Mr. McKELLAR], during my absence sometime ago, made quite a little effort as though he wanted to take up the Farley resolution. I never did believe the Senator was serious in any effort to take up the Farley case. I always know my friend—

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McKELLAR. I will be very happy to take it up at any time which will suit the Senator's convenience, and will make an arrangement by unanimous consent that he shall have double the time that any other Senator on our side shall have. I am ready to vote on it with or without argument, and I will be glad to take it up at any time.

Mr. LONG. The point I am making is that the Senator has sat here ever since I returned and made no effort to call up his report, but every time I leave the city of Washington I read in the newspapers where the Senator from Tennessee gets up and undertakes to call up his report.

Mr. McKELLAR. Oh, no; the Senator has not read anything like that in the newspapers, because nothing like that has happened, and I do not believe that the newspapers have been publishing statements of that kind. They were false if they were published. I do not believe the Senator has read anything about it. I am ready to take up the Farley resolution with the Senator any day he will name. Just let him name a day, and I will undertake to get unanimous consent to take up the resolution.

Mr. LONG. The point is that the Senator has absolute control of his own measure. The facts are that while I was in Des Moines I was informed by my office that the Senator made some grandiloquent gesture here and wanted to take up the Farley resolution.

Mr. McKELLAR. The RECORD shows whatever was done. Why does not the Senator refer to the RECORD? The RECORD does not show anything of the kind.

Mr. LONG. Let the Senator look up the RECORD.

Mr. McKELLAR. The Senator is making these charges, and this particular charge is a false charge, because there is no truth in it. I will be delighted to have a vote on the Farley resolution at any time the Senator is willing to have it. I have not offered to take it up when the Senator was away from here.

Mr. LONG. If the Senator will just pause for a moment and read his own language, I think he will find out that he has probably forgotten, as he has usually done, about matters of this kind.

Mr. McKELLAR. No; I have not forgotten.

Mr. LONG. The trouble about the Senator from Tennessee is that if I did not come here and remind him of what he did the year before he would forget about it.

Mr. McKELLAR. The trouble with the Senator from Louisiana is that he does not know a fact when he meets it in the road, but the Senator is constantly misstating facts on this floor, just as he is now doing. The statement the Senator has made is untrue; that is all there is about it.

Mr. LONG. The great trouble with the Senator is that he does not even know his own record. A year or two ago I had to read to him his own tariff record. I have always maintained a charitable disposition toward my critics. I believe that it is best to convert them.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McKELLAR. The Senator is talking about critics. I have not criticized the Senator at all and I am not criticizing him now, except when he makes an attack on me. I want to say to the Senator that he cannot do that and get away with it. He has been getting away with that sort of thing in the Senate, but when he undertakes to attack me I am going to hit back every time. The Senator can understand that. All I am asking of the Senator is, instead of making these false statements before the Senate, to be sure that his facts are correct before he makes the statement.

Mr. LONG. What did the Senator do? Let us get it straight. What did he do?

Mr. McKELLAR. The Senator from Tennessee has courteously asked the Senator from Louisiana time and again, privately and on the floor, to agree to take up the so-called "Farley resolution." I should like now to have the Senator to agree, and I am asking him to agree, to take up the resolution.

Mr. LONG. I am agreeable to taking it up at any time.

Mr. McKELLAR. When? "Any time" does not mean anything.

Mr. LONG. At any time.

Mr. McKELLAR. When does the Senator mean?

Mr. LONG. Any time, beginning now.

Mr. McKELLAR. The resolution cannot be taken up now, because there is another matter before the Senate.

Mr. LONG. The trouble is the Senator has waited every time he could have had the resolution taken up. The Senator does not make any motion; the Senator always gets up at some time when it cannot be taken up. I was present on one occasion when we had a call of the calendar and the Senator got up and moved that the resolution be voted up or voted down when we were supposed to be passing unobjected bills.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McKELLAR. I ask unanimous consent that immediately after the conclusion of the morning business on Monday next, the Farley resolution be taken up for consideration and a vote.

Mr. LONG. "For consideration."

Mr. McKELLAR. And for a vote.

Mr. LONG. What does the Senator mean by that?

Mr. McKELLAR. I mean that after the resolution shall have been considered, it be voted on.

Mr. LONG. Yes. O. K.; I will agree to that; there is no objection to that.

Mr. McNARY. Mr. President, may the clerk state the proposal? I want to know just what the Senator from Louisiana is "O. K.ing." [Laughter.]

The PRESIDENT pro tempore. The clerk will state the request for unanimous consent.

The CHIEF CLERK. The request for unanimous consent is that, following the morning business on Monday next, the Senate proceed to consider the so-called "Farley resolution" now on the calendar, and vote on it.

Mr. McNARY. That suits me.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. McKELLAR. Now the Senator can have it taken up on Monday.

Mr. LONG. Since the Republican Party has O. K.'d what I O. K.'d, and we have got the Farley resolution coming up, I want to say that I was fearful that the Senator from Tennessee might have some criticism to make about some other remarks I am going to make, and that is why I wanted to get this matter all straightened out before I went a little further.

Mr. McKELLAR. If the Senator is fearful of criticism, he had better not make his remarks.

Mr. LONG. One great trouble about the Senator from Tennessee is that he does not give anybody any credit for the help given him. As a matter of fact, he did not know his own record on the tariff and forgot all about it until I looked up all the articles produced in the State of Tennessee and made the statement on the floor that he had voted for a tariff on every one of them.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LONG. I will yield in a moment. I just got the Encyclopaedia Britannica and examined it to see what articles Tennessee produced. Without taking the time to look, because I know the Senator from Tennessee a whole lot better than he knows himself, I made the statement that he did vote for a tariff on the enumerated items I read from the Encyclopaedia. He raised a general holocaust about it, so I sent and got the RECORD; and, sure enough, it showed that he voted for a tariff on nearly everything Tennessee produced, and on nearly everything he had to swap for to get other Senators for a tariff on the things Tennessee produces.

Mr. McKELLAR. Mr. President, I want to say that the Senator again is utterly oblivious of the facts. The statement the Senator makes about my vote on every article produced in Tennessee is not true. That is all there is to it.

Mr. LONG. I shall get the Senator's record before I conclude my remarks. The Senator has forgotten again. I am not going to fail to convert him this summer. He reminds me of a character we had in our section of the country who was converted every time we held a protracted meeting, but if we did not hold a protracted meeting he failed to be converted during the next winter. The trouble has been with the Senator from Tennessee that every summer we have to hold a revival on the tariff question to make the Senator from Tennessee shut up on it for the next 6 months. I am going to hold that revival in just a few minutes. I have the unfortunate task of having to refer to a compilation prepared by my Republican friends in which they include everybody's record. I shall have that brought here in a little while and read it to the Senate.

Mr. BONE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BONE. In view of the fact that these horrible disclosures are now about to be made and because most of us enjoy the sparkling colloquy between the Senator from Louisiana and the Senator from Tennessee, may I ask the Senator from Louisiana if he would like to have a quorum called?

Mr. LONG. I believe it is unnecessary now. The Senator from Tennessee is here and that is the only thing we need to enable us to carry on. As long as the Senator from Tennessee is here we will get along pretty well somehow.

Mr. President, the facts are that the Senator from Tennessee has been championing the free-trade reciprocal agreements which the Senator from Michigan [Mr. VANDENBERG] disclosed the other day. Every time anybody gets up and talks about the tariff on this side of the fence the Senator from Tennessee, in a very laudatory way, accuses us of being cheek by jowl with the Republican Party and seeking to vote with the Republicans on that matter. It is one of the gifted ways he has of always referring to the Democrats who try to dispute his attitude on the tariff question. He says those Democratic Senators are cheek by jowl with the Republican Party. The Senator from Tennessee never had anything

like that said about him, and it does not make any difference. The Senator from Tennessee has been very lucky. As long as we were protecting Tennessee products he has never had anything to say about it. In other words, it is only a question of whose ox is gored.

However, Mr. President, I did not rise for the purpose of dealing with that particular question. I have some other remarks to make on another matter pending in the Senate, to which I shall address myself; but in the course of my speech, whenever the information comes, I shall read the tariff record of the Senator from Tennessee.

THE RIGHT TO THE SOLDIERS' BONUS

What I rose to speak about is the status of the bonus. I do not want to have the President proceeding without Mr. Farley's advice while we are considering the bonus question. I had it in mind to say to the Senator from Tennessee that I was not going to do anything that might take away from the President of the United States the counsel of his aid; but if the President has any aid who is advising him now, I want to consult with his advisers, directly or indirectly, for the benefit of the Democratic Party.

I want to ask him if they want to do the party a service, and if they want to do the President a service, I want to suggest that as soon as they can they send somebody to him to tell him to pay attention to the hundreds of thousands of telegrams and letters which are coming in to him protesting against his vetoing the soldiers' bonus. I had rather have the opinion of some of those people than of some of the advisers to whom the President is listening.

In this morning's papers and in yesterday morning's New York papers appeared a series of editorials in which an effort is being made to diffuse into the mind of the people erroneous propaganda that the soldiers' bonus is an inflation measure, threatening the country with worse damage, because the \$2,200,000,000 will be payable out of Treasury notes to be issued under the Patman plan.

Mr. President, I have in my hand the record of how Senators have voted on the issuance of currency. I make this statement with the RECORD to back it up: There is not a Senator in this body who has not voted in favor of currency being issued by the United States Government against the obligations of the United States. There is hardly a Senator sitting here now or absent now who has not voted that the United States Government should take whatever bond or whatever obligation the United States Government had issued and issue Treasury certificates or Federal Reserve bank currency on that obligation of the Government. Only one exception has been made, and that is the certificates which have been given to the ex-soldiers. Only that one exception stands out today.

If a bank holds a Liberty bond of the United States Government, if a bank holds one of the recent bonds issued by the United States Government, or a Panama Canal bond issued by the United States Government, or any other kind of bond that has ever been issued by the United States Government that is held by the banks, it cannot only draw the interest on those notes of the United States, but it can put up those bonds, clip the coupons semiannually or every quarter, as the case may be under the terms of the bond, and nonetheless, with the bond as collateral, can have issued by the Government its currency which the bank can circulate among the people, based on those bonds.

That is being done throughout the length and breadth of the country right now. What is the reason for that attitude of the so-called "conservative sound-money men", who are today in the United States Senate under a system which they voted, which permits the United States Government to issue any amount of bonds it wants to and which permits the bankers to take those very self-same bonds and have circulating currency issued against them, and nonetheless, with the currency outstanding, still they draw interest on the bonds. How anyone who has ever voted for that kind of thing can justify a vote against issuing Treasury certificates for the payment of the soldiers' bonus, no one has been able to explain and never will be able to explain.

Mr. President, I want to read the record on that matter. Here is the vote shown at page 67 of the bound volume of the CONGRESSIONAL RECORD of March 9, 1933, disclosing that 73 Senators voted for and 7 against H. R. 1491, which embodied the principle included in H. R. 1 in that it permitted banks to deposit Government obligations payable in the future and receive money in return for them, the amount of which circulating notes shall be equal to the face value of the direct obligations of the United States so deposited as security.

Just think of that. Every man except seven in the United States Senate, when the bankers came down here with their holy anointed proposition, every Member of the United States Senate with the exception of seven voted for circulating currency to be issued as against the obligations of the United States Government payable in the future in the full face value of the amount. There is only one difference between that situation and the proposal contained in the Patman bill. After they got their circulating currency under H. R. 1491, they still drew their 3½-percent interest and nonetheless had the circulating currency in the meantime.

That is not the only thing. There was also embodied the principle which allows the Federal Reserve banks to furnish Federal Reserve notes to member banks in return for any sort of security so long as the security was satisfactory to the Federal Reserve bank. That was to help out the banks.

This kind of money costs the Federal Reserve banks 27 cents a thousand dollars, the cost of printing. That is all it did cost them. The Federal Reserve banks pay no taxes on any transactions or on the money received and use the credit of the Nation free. This bill bears the signature of Mr. Franklin Delano Roosevelt and it was voted for by every Member of the United States Senate except seven. The seven Senators who voted against it, however, are all, with the exception of one, who is now dead, listed as men who are voting for the present soldiers' bonus.

But, oh, no! The present President of the United States is being appealed to, is being wrongfully advised that he cannot do for the soldiers what he has done for the rest of the bondholders of the country; that he cannot do even half as much for them. The present President, who on March 9, 1933, signed a bill, and who not only signed a bill but who had sponsored in the Senate a bill that allowed a bank to put up any kind of Government obligation, however far in the future it might be payable, and draw down as much currency as the bond amounted to, and draw interest on the bond at the same time—the same President is being called upon to veto, and probably will veto, a bill which gives the soldiers the same thing without the interest.

There is only one difference in the two propositions. The only difference between this bill that we all voted for on March 9, 1933, and the Patman bill is that the soldier gets only the money and does not get the 3½ percent interest in the meantime. That is the only difference; and yet the President of the United States, who is following this kind of counsel and advice—if he is getting any advice from anybody—is leading the Democratic Party to slaughter. He has already led the Democratic Party to slaughter with these various kinds of contradictory pieces of legislation, one granting one thing to one preferred class, and another denying the same thing to a less fortunate class.

Let me analyze that for a minute. If we had passed the Vinson bill we should have had two and a quarter billion dollars of bonds, we will say. Under this bill they could have taken the bonds provided for in the Vinson bill and put up the bonds and issued two and a quarter billion dollars of money and drawn interest on the bonds just the same. There is only one difference in regard to currency between the Patman bill and the Vinson bill. The bank can call in the currency under the Patman bill if it wishes to do so and give its bonds for it; or the bank can take the bonds and have currency issued against them under the Vinson bill and draw interest just the same and still have all the currency it ever started out with; yet the soldier cannot be paid the bonus. The President of the United States, we are told by the public press, if he is being correctly represented before

the American people, is being advised to take this course—the man who set his hand and seal in favor of the financial masters of the country drawing interest on money that they never have invested at all. I repeat that statement—drawing interest on what they never have invested at all, living on the interest of what they owe—you have heard that said.

Did you ever hear of a man living on the interest of what he owed? Well, this gang do it under this bill. They actually draw 3½ percent interest on what they owe. The same set of men are the ones behind the President today advising him to make the glaring mistake and miscalculation of common-sense judgment of being led into a proposition to veto the soldiers' bonus.

This is not the only vote we cast. So as to show that it is no mistake, that the same thing was done before that time and after it, I will read another one that occurred after it.

On February 27, 1934, last year, page 3369, bound CONGRESSIONAL RECORD, Senate bill 2766 was reported by the Senator from Virginia [Mr. GLASS]. This is what was done by the Senator from Virginia himself, who will vote, I guess, to sustain the veto. He is just about as wrong on this matter, I think, as he is right on some other matters. This bill, Senate bill 2766, provides for an extension of the time for 1 year, with permission to the President to extend it for 2 years further, in which Federal Reserve banks may issue money in return for the deposit of Government obligations. That is what was done by the Senator from Virginia [Mr. GLASS]. The mechanics of the transaction are as follows:

The Federal Reserve agent accepts the security and deposits it with the Federal Reserve banks. The Federal Reserve agent is also chairman of the board who completes the transactions with the Federal Reserve banks. There was no record vote on the bill, but no Senator raised his voice in opposition to it. It went by unanimously in this body.

Are the Members of the United States Senate willing to give the veterans the same rights and privileges with regard to Government obligations that they voted to give the banks of the country on February 27, 1934, and on March 9, 1933?

There was one before that, on July 11, 1932. Fifty-three Senators voted for it.

Mr. McKELLAR. Mr. President, will the Senator yield?
Mr. LONG. I yield.

Mr. McKELLAR. Did the Senator from Louisiana protest against the passage of the bill to which he has just referred?

Mr. LONG. No; I did not. I did not protest against it. It has been a custom of this country to do that for many years before I came to the Senate. It had long since been an accepted policy of our financial leaders that Congress had approved time and time again.

I wish to say to the Senator from Tennessee that in the year 1917, I believe, I defended State Senator S. J. Harper in the United States court in Alexandria, La., on the charge of sedition and treason, I think. I believe the prosecution was brought under the Espionage Act. Old man Harper wrote a book pointing out that this kind of fraud was going on at that time—that they were bonding the United States for around twenty to twenty-five billion dollars to run a war, when as a matter of fact they did not have to bond the United States for any such thing as that if they did not want to. They indicted the old gentleman and put him on trial in the United States court in Alexandria, La. He was the only man who was tried by a jury during the war on a charge brought under the Espionage Act, throughout the length and breadth of the United States, prior to the armistice of November 11, 1918.

I never did approve of that sort of thing, but it was the accepted law. It got to be so bad, however, that the bankers of the country were able to place on trial for sedition, and to compel the resignation—because this man probably would have had physical violence done to him had he remained in the State senate in those days, when young men like myself were first coming up down in the South—they were able to place on trial a man who dared to criticize the policy by which they bought the bonds of the United States, drawing 4 percent, put them up with the bank, drew the

currency and still drew the 4 percent, and never were out a dime.

That went on; and when a proposal to do it again came in here, and it was done, I do not think it will be found that I voted against it. If my name is found at all in connection with the matter, I think it will be found that I voted for the bill. I did. I was one of those who voted for it. The bill was unanimously passed. It became the policy of Mr. Franklin Delano Roosevelt, and I went along with him as far as I could.

I do not mind telling my friend the Senator from Tennessee that at that time I was only trying to save State banks, and managed to do it with the help of many other Senators; but the President of the United States went on record, and he is still on record, that the distressed banks or nondistressed banks should have the right to put up the bonds they had bought from the Government, and not only should they have the right to draw circulating currency to the extent of 100 cents on the dollar, but they had a right to draw the 4-percent interest on the bonds that they put up, on which they had this money issued to them in the first place.

Now, here comes a soldier. Here comes a man who put his body in the front trench. Here comes a man who faced the German charge and the German cannon. Here comes a man who went through the poisonous gases. Here comes a man, whether he was maimed or not, who went through 40 hells of the dreads of the experiences he was to see, and did see, in the service of his country. I want to say this to the Congress of the United States:

You who are here now who were here when the war was declared, and those of us who are here now who came here since the war was declared, sit here as the body corporate, we sit here as the successors in title, we sit here as the same force that sent these men to the war; and we did not send them to the war of their own free will and accord, either. I do not expect to hear that statement challenged. These men were not sent to war of their own free will and accord.

In the first place, they did not want the war declared. The majority of the people of the United States did not want war; and if we had submitted the declaration of war to a popular vote, it would have been voted down by 20 to 1 in the United States the day it was declared, if I am any judge of sentiment down in my part of the country, and if that represents the sentiment in the rest of the United States.

In the second place, when they had declared the war, many young men felt that the only thing they could do then, whether they favored the war or not, was to go; but even then there were not enough, and the bulk of the United States Army had to be collected under the draft law. Many men who volunteered in the United States Army did so because they either knew Congress was going to pass a draft law and take them whether they volunteered or not, or else, after the draft law was passed, they volunteered because it would not be very long before they would have to go under the draft law. Even with that, the bulk of the American Army was taken under the Selective Draft Act; and that is where we got our soldiers to fight Germany, 3,000 miles away from where trouble ought to have started.

The Government officials took those men into the Army. What did they pay them? They gave them \$1.25 a day. That is what they gave them. They took a man away from his work and gave him \$1.25 a day. They took him away from whatever kind of a job he had built himself into. Why, gentlemen of the Senate, a man does not build himself into a job overnight. Many men sitting in this body think a man can be taken out of his job tomorrow morning and brought back a year later and he can go right back to work in the same job. That is not the way jobs are made. An organization of laborers and superintendents and mechanics is built from the ground up. There is a laborer here who knows this mechanic. There is a mechanic here who knows this foreman. There is a foreman here who knows this machine. There is a machine here that is coordinated with something on the outside. The salesman who sells the output of the factory and the entire operations of any business are inter-

locked from the bottom right up to the top; and the idea that a man can be taken out of a business today and brought back 2 years later and put back into the same business is entirely fallacious, and nobody but a politician who has not had time to learn anything else would believe any such thing.

So they took those men away for a dollar and two bits a day, a dollar a day, or a dollar and a quarter a day, and they worked them for a dollar and a quarter a day. Notwithstanding the fact that the average man at that time drew from three to four dollars and a half a day, you worked the soldier for a dollar and a quarter a day, and when the soldier came back, who had taken his chances on death every day, who had lain under the tents or on the ground facing what the next day might bring to him; when that man came back from that hazardous toil, maimed or not maimed, with his occupation gone, what did the Congress finally vote to give him? The difference between the wages the lowest common laborer had received while the soldier was in the war, and what the soldier drew while he was in the war. In other words, Congress said, "The average wage of the common laborer while this soldier was in the war was three or four dollars, and the soldier drew \$1. Therefore, we give to him an obligation of the United States Government representing the difference between what he received and what the commonest laborer received while that soldier was in the trenches."

Then he was not put back into as good a job as the one he had left. No; he had to find a job. Did all the soldiers find jobs? No. Others had taken their positions. When we entered the war some young man out of the law school, who had built himself up to a few cases, turned those law-suits over to somebody else and went to the trenches. When the war was over he came back. He had not kept up with the advances in jurisprudence; he had not kept up with the clientele; he was no longer known in the professional field. The Government gave him nothing. He started out brand new and probably never got another chance to be known in his profession of the law.

The young men in the universities, the young man in mechanical occupations, the young man in the counting houses, had the same experience. I will give an example of one in a banking house. I said to a young man, "It is your own responsibility whether you go to the war or not. You asked me what you ought to do. I do not advise you what to do. I will tell you what I am going to do. I will go when they call me." He went when they called him. But they called him. He was a single man with no dependents, a young man working as assistant cashier in a bank. When he came back from the war, where did he have to go? There was another man working in his job as assistant cashier of the bank, and another man had risen to the position next to that. He finally found himself working as a sawmill hand, and at the end of 15 years he has never built himself back into as good a job as the one he left.

The Senators and the Representatives here have never been niggardly with anybody except the soldier. There has never been a time in the history of the Congress about which I can find out anything when the Congress has ever been niggardly with anybody else who has worked for the Government, though it has recently been somewhat niggardly with some of the Government employees—but all the time it has been niggardly with the victims of the World War. It has followed nothing but a niggardly policy, temporizing and talking about being "afraid of the soldier vote." I do not ask a Senator to be afraid of the soldier vote, but I do ask Senators if that kind of prejudicial argument is going to drive them away from doing justice through the bonus bill.

What is the reason for not paying the money? Is it because the soldier is not entitled to as much as you would have claimed if you had been there? I ask Senators to think for just a moment. If you bring someone to Washington in civil life, he does not receive less than three or four dollars a day. That is the least anybody brought here now receives. Three or four dollars a day is a pretty cheap wage. As a matter of fact it is a good deal more than that in some cases, even with the commonest Government employee here in Washington.

It makes no difference what kind of Government employee may be brought here, there is no Senator who would stand here on the floor of the Senate and deny to that man some kind of standard compensation.

I was talking to my friend the Senator from Arizona [Mr. ASHURST], who voted wrong on this bill—voted absolutely wrong on this bill. He is too good a lawyer and he is too good a man to single out the soldier and do him the only injustice I have ever seen him do in this body. The Senator knows, and I know, that there was not any such thing as a livable wage paid to a soldier in the trenches. He knows, and I know, that this policy of issuing bonds and then of issuing the currency on those bonds is a standard policy of this Congress and of the present President of the United States, and was the policy of his predecessors. Why should we today single out the soldiers for discrimination, at a time when, above all times, this country needs money?

I have stood with my friend from Arizona here and fought for the remonetization of silver. Why? Not that Louisiana had any silver mines, but I fought to get more money in circulation in this country because the country needs more money. While you are doing an act of justice to the soldiers—and it is very subnormal justice, at that—if now while you are doing an act of almost compelled justice—because the mind of any Senator here who will be reasonable at all must be compelled to admit that this is an act of simple justice, and that is the most you can make out of it—why not do a double good?

We have been trying to get money into circulation in this country. We have been trying to get this Government of ours to put money into circulation. Time after time we voted here to put more money out among the people. On this side of the Chamber, almost without a single exception, and on the other side of the Chamber many have voted time after time that this country needed more money, that it needed more circulating currency. The bill to which I have been referring, the first one on which we voted, was passed because we thought there ought to be more money in circulation, and that bill was supposed to accomplish our purpose. That was one of the reasons why we passed the bill allowing the bankers to have 3½ percent; it was in order to get more money into circulation in the country.

At the time we enacted these laws the United States Government had about six and a quarter billion of circulating dollars. When the Democratic Party went into power the circulating currency of the United States amounted to around six and a quarter billion dollars. We did not think that was enough, so we enacted these laws providing for more money, and we voted for the laws which allowed the deposit of bonds and the issue of currency by the Government.

How much of a gain was there in money? We here, all of us here, I think, without exception, perhaps with one exception at the most, voted for the circulation of more money. We had six and a quarter billion dollars when we so voted, and today I think we have five and a half billion dollars. We voted for more money, and instead of getting more money, we have three-quarters of a billion dollars less money today than we had when we voted to have more of a circulating medium in the country. I am not by myself when I make that statement, Mr. President. It was made on the floor here the other day on the authority of statistics issued by the Treasury Department.

Not only can I say that that is what we intended to do—that is, to issue more money—but the present President of the United States was practically committed to the policy, and the reason why he signed the bill to which I have been referring was that there was a need for a bigger and more expansive circulating currency. We had six and a quarter billion hundred-cent dollars. Now we have five and a half billion 59-cent dollars. That is the amount of money there is in the country.

The President did reduce the gold content in the dollar so that the dollar is worth 59 cents instead of a dollar, but we had six and a quarter billions of hundred-cent dollars before

he started, and now we have wound up with five and a half billions of 59-cent dollars.

We have taken all of the gold into the United States Treasury, and today there is in the United States Treasury \$9,000,000,000 worth of gold, and there are only five and a half billion dollars of money in circulation, not including silver. The United States Treasury today has \$9,000,000,000 in gold, and only five and a half billion dollars of paper money is outstanding.

If we issued the two and a quarter billion dollars, there would be outstanding about seven and a half billion dollars' worth of currency as against \$9,000,000,000 in gold.

We sound-money men—of whom I am one, a genuine sound-money man—have been running on the old Bank of England theory that we ought to have 40 cents in gold in the Treasury for every dollar of paper money or any other kind of money that is out. In other words, the sound money was on this basis—Wall Street and the Bank of England gave it to us—that the Treasury ought not to have outstanding more money than could be covered by the gold on hand in the proportion of 40 cents to the dollar.

What would that mean today? That would mean that the United States Government could have outstanding, without there being inflation under the rule of these money masters, twenty-two and a half billion dollars. Right today, under the theory of the law, the United States, on the 40-cent-reserve theory, could still have outstanding twenty-two and a half billion dollars of money, and not have inflated a dime.

I heard the Senator from Pennsylvania, Mr. Reed, when he was here during the last Congress, plead day after day that the Congress of the United States ought to protect the gold reserve of 40 cents in gold for every dollar of circulating medium, and now we are down to a proposition of issuing currency against an obligation of the United States Government payable in the future, and what do we hear said when we propose to issue money against a reserve of 40 cents in gold for every dollar issued? We hear the cry of "inflation" against paying 100 cents. They do not even want an issue of seven and a half billions of dollars against \$9,000,000,000 of reserve. They are even making the contention here before the Congress of the United States that because in the present case it is the soldier and because it is the poor man instead of the banker who is getting this money, that it is inflation, when as a matter of fact there will be a reserve of \$1.20 in gold to each \$1 of currency circulating.

There never was a grander outrage ever perpetuated on a simple-minded American people than the presentation of this flimsy pretext of the President to veto this bill, and any man who believes he knows anything about the money business, the soldiers' bonus, of human nature, or anything else, who will go back and advise the President of the United States to veto the soldiers' bonus; if he has the welfare of the United States at heart or if he has the welfare of the Democratic Party at heart and still does such a thing, he ought to be bored for the hollow horn. Any man who would go to the President and make that kind of pretended argument and present that kind of cynical and imaginative checkered scheme should be bored for the hollow horn.

There have been times when I would have said that the mind of the President is not so simple as to accept that kind of argument. There have been times when I would have said that these silly kinds of ridiculous, contradictory illusions could not have approached and affected the mentality of the present occupant of the White House. I say, there have been times when I would have said that, Mr. President, but I wonder if the time has come now when the present President is being properly represented. Can the man who pronounced that a bank could take a Government obligation and draw 100 cents on the dollar and still draw the 3½- or 4-percent interest on the Government obligation, notwithstanding the fact that it had dollar for dollar in currency at the same time; can the same man who advocated that policy on the theory that 40 cents in gold was a sufficient base for the issuance of a dollar in currency; can

that same man now be heard to say that a soldier who fought in the war for America's salvation and perpetuation cannot take the Government's obligation and get currency for it which shall be issued against a reserve of a dollar and twenty cents in gold, which shall be issued without interest, and at a time when the issue of such circulating medium will do more good for this country than at any other time since the present incumbent has been President of the United States?

What has happened to the President? What has happened to the President? I guess old Barney Baruch is advising him again. [Laughter in the galleries.] Old Barney is still around. I hear Barney's voice without seeing him. There is an old song, "I hear you calling me." I do hear him calling. I can just imagine that every time the President of the United States has placed upon his doorstep the means by which he can do immense good to humanity, by which he can sail within the confines of all policies prescribed by himself and by his predecessors, whenever that time comes when, according to all accepted standards, there is an opportunity for good to be done to millions of people, there must be somebody calling. Somebody is calling the President. "Somewhere a voice is calling!" Whose voice is calling? Why is it calling? For what is it calling? Only one thing, and none other. They have got this thing cooked up. They are going to have a high old hog-killing time around here. They have some more fish to fry. They need everything the Government has got, and they do not want any resource of the United States Government to get beyond their own grasp. They have another trip on the *Nourmahal* planned to come off before long. Vincent Astor will have that old boat fixed up and steamed up again and some loud-smelling victuals for the folks who come on. Oh, there will have to be another trip on the *Nourmahal*.

The President says he goes out on the *Nourmahal* to find out the conditions of the country. He says that he cannot find out just how the country is going along in Washington, but that he gets on that boat and goes fishing and comes back and knows just all about it. [Laughter in the galleries.]

Bless your soul, there will be another trip on the *Nourmahal*. That boat almost had its proper name—that *Nourmahal*. It should have been called the "Normal Haul." Their normal haul is a subsidy contract that has to be signed by the President of the United States or by some of his appointees to carry the mail down to South America and over to Cuba. Sometimes they will carry about two letters and they will get about \$6,000 for making one trip with a mail sack with two letters in it, and sometimes they will get from \$900 to \$3,000 for every letter they take to some of these little old countries under one of these ship-subsidy contracts. The main man in that business is this little man by the name of "Brother Vincent Astor." He and his clique are in it. They have this ship-subsidy business under the International Mercantile Marine Co. all cornered off. They have a virtual monopoly of it, and they have set up a kind of royal family rule. It seems that so long as the name "Roosevelt" can be used in connection with that business it ends all argument. In other words if the Teddy Roosevelt, Jr., and the Kermit Roosevelt clique can be kept satisfied nobody can criticize the Franklin Delano Roosevelt side.

In other words they have this world preempted. It is kind of like it was in the days of Richard I. So long as Richard I, Coeur de Lion, led the Crusaders and his brother, Prince John, kept pretty well in line at home, those two represented the two sides of English thought. And so the two sides of governmental and financial thought are lined up with the Franklin Delano Roosevelt and the Kermit-Teddy Roosevelt, Jr., elements.

As we read in the newspapers soon after the last campaign was over, when I had gone out and begged the washerwoman and deck hands to donate money for the party, the President took a vacation cruise down around Florida, and we read in the papers that Kermit Roosevelt was working to settle the old family feud so that everything would be hunky-dory and

lovely in the family, so Kermit Roosevelt and Vincent Astor sailed Franklin Delano Roosevelt, President-soon-to-be, on this *Nourmahal* yacht, and away they went down around among the waters of the British. Now and then they would be joined by Sir Somebody and Count Something or Nothing. And finally, when they made the last trip, when the time came, according to the President of the United States, that he had to get away to find out what the people of the United States were thinking about, and how they were getting along, they not only dodged out on this *Nourmahal* \$5,000,000 yacht, they not only got out into the British waters, but they had dinner out there in the British waters with the Duke and the Duchess of Kent, the duke being one of the sons of King George the Fifth and Queen Mary the Four-Fifths. [Laughter in the galleries.]

The PRESIDING OFFICER (Mr. LEWIS in the chair). Ladies and gentlemen who are in the galleries, the Senate is pleased to have you here as its guests. The eminent Senator addressing this body has the right to dignified attention. I am obliged to tell you the rules of the Senate prohibit visitors from engaging in conversation or laughter or such manifestations as might ordinarily be indulged in in the moving-picture shows. It is hoped there will be no more of it.

Mr. LONG. I do not wonder that the gallery does regard that kind of business out of that *Nourmahal* as a moving-picture show. There have been times, Mr. President, when I should have said the mentality of the President of the United States was above that kind of thing. I say, there have been times when I should have said that he was above that kind of chicanery. There have been times when I would not have believed he could have been taken on a wild-goose chase or run around in the waters of Great Britain with the duke and the duchess at a time when he is endeavoring to learn something about what is happening in the cotton patches and the wheat fields and down around these concentration camps, where the poor devils stand in line at night with soup cups in their hands trying to get something to eat. There have been times, as I said, when I thought he would have had better sense than that. There have been such times.

Now he comes back to find out what is to be done.

I only have the public press for my authority. I do not know how much of it is true; I do not know how much of it is untrue. I again have to admit that I am a new man in the field of legislative experience at the most. I have been in this body now only for a little over 3 years, and I have not attended all the proceedings during the 3 years; I have not even attended as many committee meetings as many of my colleagues have attended during that time. So I must confess that what might be called my apprenticeship has been more or less slight in the legislative field. However, I never have been able to figure out, on the lines of common sense, how a man is going to be able to go out before the people of the United States of America and say, "I sponsored a bill to give the bankers the right to draw a hundred cents on every dollar of Government obligations, payable in the future, which they wanted to put up and draw interest at the same time", and then say that the man who took the chance of his life during the World War, maimed or not, should not draw a hundred cents without interest. I never have been able to fathom how that is going to be explained to the average mind of the Senate; and I assume that the average mind of the Senate is as good as or better than the average mind on the outside of the Senate—and I think it is. I do not know as yet, and I have not heard anybody say as yet, how that is going to be explained.

There is not anything but influence from the highest order being used here now, calling upon gentlemen as a party matter to act in a certain way. If it is a party matter—and it is not—it was the Democratic Party that sent the soldiers to war; it was a Democratic administration that sent these men 3,000 miles away from home to "make the world safe for democracy"; and now it is the Democratic administration professing democracy that comes back and says to a soldier, "How do you stand? As equals? No. You have got obligation of this Government"—a very poor one to start with, inasmuch as the most we were willing to give him

was the difference in the wages that a field hand drew and the wages the soldier drew while he was in the Army and faced all the dangers which he surmounted. "You have got a Government obligation which represents common day-hand wages during the time you faced the rifles of the Germans and the tear gas of the Austrians. That is all you have." We have given the banks the right to put up whatever obligations they may and secure currency, although they are no better than are the obligations of the soldiers. They ought not to have been any better. Will any Member of the Senate tell me that he gave the soldier a worse obligation than he gave the banks? If so, it is admission that he did not treat the soldier right in the first instance. But the bank has an obligation. All right; put it up; a hundred cents on the dollar in currency is paid and goes out.

The soldier has an obligation. All right; no, you do not get any currency. He says, "Why, no; I am not asking you to give me the 4-percent interest that the bank draws on its bonds, and also gets a hundred cents on the dollar in currency; I am not asking you for so much as you gave the bank." What is the answer? The answer has not up to this time been made in this body, and no answer upon which a man can stand will be made in this body.

My friend, the Senator from Washington [Mr. BONE], reminds me of a significant fact. The banks went out and bought up many of these Government bonds at all the way from 85 cents on the dollar up; these wonderful patriots went out and bought up Liberty bonds at 85, 86, 87, 90, and 95 cents on the dollar, and some of them, perhaps, for a dollar; but notwithstanding the fact that the banks bought such bonds for 85 cents they were allowed to put up that 85 cents worth of stuff and get a dollar of money and draw 4-percent interest on it at the same time. That is what the Congress has seen done; that is what the Congress allowed to be done.

When the soldier who has been given less than a field hand's wage for a similar period of service comes back here he is not allowed to get dollar for dollar of the meager compensation he is given, notwithstanding the fact that he is to draw no interest on it.

I wish to say, Mr. President, that I have got less respect for a man who would use a soldier, a laborer, or anybody else to flaunt a demagogic, unjustifiable argument than I have for anybody else; I have no faith in cowardice in voting; but I have still less respect for those who would create the opinion that because a man who was a soldier now holds a Government obligation he has not as much right to draw money on that obligation of the Government as has a bank the right to draw money, although at the same time the bank may draw interest on the obligation.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield.

Mr. BONE. I wonder what the Senator thinks of the proposal of the Senator from California [Mr. McAdoo] who made the suggestion during the present session—and I think it was made also at a previous session—that the proposed issue of Treasury notes which were to be employed to pay the bonus should be underwritten by a legislative pledge to create a fund designed literally to amortize those Treasury notes; that is to say, it would be called a sinking fund, but fundamentally its purpose was to amortize the issue, if I may use that expression. It would provide by taxation for the payment of the notes over a period of years, but in that way we would not be paying anything but the principal, and the notes would retain really, in a legal way, the characteristics of a debt.

Personally I have given some thought to that matter, because the proposal did not make the money pure fiat money but did allow it to retain, in fact, compelled it to retain, something of the character of a debt, on the theory that something cannot be obtained for nothing. However, at least, it avoided the payment of interest by requiring only the payment of the principal through taxation. I should like to have the Senator from Louisiana tell us, if he feels

the question is fair, what he thinks of the proposal to amortize a debt of that character by the method indicated.

Mr. LONG. I would not have had any objections to amortizing that debt in that manner. It would not affect it one way or the other. It would have taken away, and I so stated at the time, the flimsy pretense that was being urged against the issuance of currency in that it would have provided a sinking fund for the retirement of the currency, which at least would have been said to be as sound as a sinking fund for the retirement of bonds and much more solvent, because there was no interest to be paid. I do not think that is necessary; but I should have no objection to such a provision being tacked on to this bill now.

Mr. BONE. Mr. President, will the Senator yield again?

The PRESIDING OFFICER. Does the Senator from Louisiana yield further to the Senator from Washington?

Mr. LONG. I yield.

Mr. BONE. I am sorry to divert the Senator, but I am wondering if he does not agree with me that at least the sinking funds would be created by taxation, and the absence of the interest burden to the bonus debt would in the long run leave the credit of the United States Government much better off than if bonds were issued?

Mr. LONG. Yes; it would leave the Government \$1,800,000,000 better off by the 3 percent at 20 years alone. It would be that much better off and would be much sounder. That, however, is not the main reason why the bill will be vetoed, if it shall be vetoed.

The President is on record here as favoring far more unsound proposals in the form of issuing circulating currency than is that. At a time when the Treasury did not have anything like as much gold he was willing to issue a hundred cents on the dollar for every bond that was outstanding. If they had issued currency on all the bonds outstanding at that time we would have had \$19,000,000,000 worth of currency. He just might as well say now that he authorized \$19,000,000,000 worth of currency under the act of March 9, 1933, as to say that the Patman bill is inflationary. One would be the same as the other.

Mr. President, I guess we are up against it with the President.

Mr. BONE. Mr. President, will the Senator yield again?

The PRESIDING OFFICER. Does the Senator from Louisiana yield further to the Senator from Washington?

Mr. LONG. I yield.

Mr. BONE. I hope my friend from Louisiana will not think I am trying to interrupt his speech, but I want to refresh his memory about one thing that doubtless he will recall. The workers who stayed at home during the World War were compelled to purchase Liberty bonds; in a great many instances there were regular monthly deductions from their wages; and then they were pinched later and were compelled in many instances, many of them coming under my observation, to sell the bonds to the banks for 85 cents on the dollar.

Mr. LONG. Yes, sir. I was one of the men at home who helped perform that fraud on the American people. I was one of the men who went out into the lumber camps and into the lumber mills and into the turpentine camps and out on the farms and induced the employers to make the men who were working for them take a bond and pay for it out of their wages; and when the time came that a man had to pay the merchants and the bankers in the fall of the year, just about the time that he had his bond paid for, or nearly paid for, he would have to turn that bond over to a bank for 80 or 85 or 90 cents on the dollar, and then the bank took the bond and sold it for a dollar. So greedy were they that they were like the little old man running a gambling house in Port Barre, La., who did not have sense enough to keep a good thing when he had it; so greedy were they that, with this kind of manipulation, they were ripping the American people wide open and skinning them going and coming, buying bonds for less than par, getting full currency for them, and drawing 4-percent interest at the same time. Nobody denies that, because it is a fact; there is not a Member of the Senate who will question it; no one dares to ques-

tion it, for it is a fact. But they were not satisfied even with that. They had to go over into Germany and down into Bolivia and into Venezuela and other foreign countries and float out the hair and hide of the American people until they bankrupted the United States.

I started to tell about the little old man in Port Barre. He had a pretty good little game he was running there. He had a dice game where he would throw out six dice. He had a magnet arranged so he could put his foot on a little clutch at the back of the counter and make all of them come up sixes. He had another one by which he could make them all come up aces. He had fleeced the gamblers coming and going. But he was not satisfied. Every night when business would get dull he would slip over to Baton Rouge, across the river, and sit in another man's game, where the other man had some other kind of a skin-game he was working.

So, with all the fleecing these financial masters were doing of the American people, skinning them coming and going, right and left, they still could not be satisfied, but had to go over and fish around in England and Germany and France and down around Venezuela, and they took the pants off of them and left them with practically nothing to wear.

However, I will say this for them: They did not risk their own money very much. They were always playing with the balance of the American people's money. Whatever loss there was they usually found a way of putting it back on the American people. Then they would come to Congress and have Congress finance something to make them whole, and we did it. I shall prove that to you before I get through.

After they had flimflammed the American people and skinned them coming and going to make up for the bonds they had bought in Germany and Bolivia and France, they would go down to the Federal Reserve bank and get themselves made whole. How would they do that? They went down into Louisiana and Arkansas and Mississippi and had the Federal Reserve bank examiners, under our old friend Andy W. Mellon and his clique of second-story workers, say, "Here, we are not going to have the Federal Reserve bank issuing new currency and lending you money on these non-liquid assets."

Mr. BONE. Mr. President, the Senator from Louisiana is libeling the second-story operators by a comparison of that kind. [Laughter.]

Mr. LONG. But they cannot come out and complain. That is the trouble. Mellon can stand it, but they cannot. I can make the comparison because they do not dare identify themselves. It is not very fair, I will admit, to the second-story workers.

Here is what was done. This financial crowd went to the banks—I was helping to keep some of them open in those days—and said, "You little old bank at Winfield"—that is the town from which I come, and that is always a good example; lots of people have heard about Winfield—"this mortgage you have here on Jim Jones' store is no good. It is not liquid. It is not turn-overable on the market tomorrow. This obligation that you have over here on Sam Brown's farm is not liquid. Get rid of these nonliquid assets and get some liquid assets."

About that time they would send in somebody from the Chase National Bank or the National City Bank to give them a list of Bolivian bonds and German bonds and Peruvian bonds and various other bonds, a flotation of bonds down in Brazil in the State of San Paulo, those coffee bonds which they floated. They floated those devilish things to where they were so high that a cat could not jump over them, and the minute they got those German marks and those Brazilian and Peruvian bonds, out of their own hands because they found out they were stuck with them, what did they do?

They said, "The Peruvian bonds have gone down." They said, "The Brazilian bonds have gone down." They said, "The German and Bolivian bonds have gone down." But if anyone had looked into the Chase National Bank he would not have found a German bond there. If he had looked into the National City Bank, he would not have found a Peruvian bond in their vaults. But they went down to Tennessee and

into other States and said, "Here, it is not fair to tax these big banks to keep these little insolvent banks open. You ought to close them up so the big solvent banks of the country can operate", and the devilish, contemptible United States Government did it, too. If there had not been four or five of us here who bearded the lion in his den in the United States Senate on March 5, 1933, they would have completed the job from center to circumference and from Dan to Beer-sheba. We had to break with this man we elected President of the United States and tell him to go to hell with his patronage to keep them from ruining us on the 5th day of March 1933, and ever since that day he has been trying to ruin every man that broke with him.

No; they are not through with us. Some day the story will be told in the United States. Some day this story will be understood in the United States. Some day the men who sold out the soul and body of the American people and practiced these discriminations against the men who faced the enemy for the salvation of this country are going to be known in these United States, and I am going to be one of those who will tell it. They may think they can pull off this kind of swindle on the American people and get away with it, but they cannot do it. They cannot operate that kind of hokum and get by with it in the United States when the facts become known, and for the life of me I cannot understand how anybody can follow a philosophy of that kind and believe in the kind of propaganda which is going on in the United States today.

They did more. They did worse than that. They came back and hooked up this banking law which was introduced into the Congress on the 5th day of March 1933 and made themselves solvent in whole. They did more than that. There was a reason why they had to have that law. I did not discover it then. There was a reason why they wanted to put these little banks out of business. It was that had not the United States Federal Reserve bank stood in the way there would not have been one of those little banks down there that might not have maintained a suit for damages against the pyramided concerns which put out those flotations in the United States. But there has not been one of them that could bring suit. I have consulted with several of them and we thought about suing some of the concerns that floated those bonds, but we found we were up against a brace game.

We thought about suing these racketeers and these crooks and these thieves on some of those Peruvian and Brazilian and Bolivian and German bonds which they sold in this country, but we found we were up against a brace game. We found out that the men who had our lives momentarily in their hands were in charge of the situation, and the trail went too high and they were too closely identified with our immediate life for us to dare to take a chance on rescuing what those thieves had skinned us out of, so we had to stand it. That is what we had to do. They had bank laws written so that we had very little chance to do anything about it. So much for that.

Now we come back to the soldiers. Stand by your bank law? Oh, no; that is meant for the bankers. That is meant for Mr. Morgan. That is why the House of Morgan and the House of Rockefeller are down there today. They finance the revolutions in those southern countries. When Mr. Rockefeller wanted to get hold of Venezuela to put foreign oil in the United States that he could produce down there with slave labor, so as to keep the oil produced in this country from being sold in competition with it except on his conditions and under such control as he was willing to have, he financed every war that was going on down there in those countries, either at the expense of the Treasury of the Government of the United States or by flotations which they worked off on the American people out of the Federal Reserve bank, and the Treasury Department was used to put them over.

Do not forget that at the time they were making the banks throughout this country take these flotations from the big banks, the Treasury Department was issuing statement after statement that the banks ought to liquefy and get hold of

these bonds. They had old Barney Baruch publish a long interview in the American Magazine and in all the newspapers. He was running the Hoover administration and he has been running this administration pretty well ever since, when he wants to do so. Old Barney is getting out from under. There is such a thing as a rat leaving a sinking ship, but the ship is somewhere near sinking when he leaves it. Old Barney is not that good—or, rather, he is not that bad.

There is such a thing as a bird flying when he sees you are going to shoot at him. We boys used to go out in the woods and try to get another kind of bird that does not wait for you to get ready to get a shot at him, but flies before you ever get a gun in your hand. I remember one time when I tried to shoot an old crow that I saw. I was riding along in a buggy and saw the crow on top of an old log standing off in the field, so I just rode up right behind a thicket so the crow could not see me at all and reached into my buggy to get the gun to shoot the crow. Thick as that thicket was, the minute my right hand got back near the gun the old crow flew away. [Laughter.] The minute Brother Barney Baruch saw this thing squiggling he "got his" and got out, and appeared before the committee and, oh, he was a good man, and we have not seen him since. [Laughter.]

He is gone for good. He stood with the Hoover administration until it was wrecked, inside and out. He issued articles—I put one of them in the CONGRESSIONAL RECORD the other day—saying that German bonds ought to be sold to the American people and others to the tune of about \$8,000,000,000, I believe. Mr. Hoover was flattened out worse than a pancake, and took his crusade over to Palo Alto, Calif., where, under the shade of the umbrellas, and cooled by the breezes wafted from the palms, he could sit and watch the wreckage, as old Nero watched the burning of Rome—but old Brother Baruch came right on back down to the White House and got hold of another President.

We have Presidents and Presidents, but Baruch goes on forever; and his clique, Baruch and Morgan and Rockefeller, have managed to see to it that, notwithstanding the prerogatives and the rights that have been granted to them, none have been granted to the two or three million soldiers who are the holders of these certificates today. These men have wrecked and they have pillaged, and they have profited from every pillage.

Today the Chase National Bank, the National City Bank, the houses of the imperial financiers of America, who undertake to keep the soldiers from being paid this obligation of the Government in a medium they are accustomed to using, and who are granted interest, while the soldiers would not be granted interest—today they use the processes and the financial resources of the Government to carry on their exploitation.

I understand there is a drive on even to call in Members of the House and the Senate as a party measure. I understand that they want to call in Democrats and say that the President of the United States has raised the banner and declared it to be a policy of the Democratic Party to sustain this veto. Let the Democratic Party rally around that kind of standard a few more times and see what is left of the Democratic Party. The Republicans have always been able to use the Democrats pretty well. They have managed to keep us from reforming very much. Somebody told me in my very early days in politics that some old Republican, when things were looking very bad in his State or in the United States, was asked the question, "Well, what is the Republican Party to do?" His reply was, "You can always depend upon the Democratic Party to do some damn-fool trick that will make the election simple before the time comes around."

I do not know how long ago that occurred; but I can say that if the Democratic Party is led behind this kind of travesty and disaster, if it is led behind this kind of outrage, if it is allowed to invoke this kind of discrimination, if it is allowed to issue money to the banker for 100

cents on the dollar for a bond that the banker bought for 85 cents on the dollar, and give him 4 percent after he has already gotten back the circulating medium, and then turn around to a soldier who has faced the trenches, who has faced death, who has faced danger and destruction, and decline to give him 100 cents on the dollar without interest, then the Democratic Party can be depended upon to do whatever is necessary to make it easy for the Republicans.

I have been in various States of the Union. The people are not such a dad-gummed set of simple-minded nitwits as the high-minded politicians would have us believe. The people have not that little sense. Somebody ought to go down here to the White House and advise this man. As long as he asked me to come around there, I advised him. [Laughter.] You go and ask him and see what he says. I understand that he does not ask you to come around there very often when you advise him, but as long as I went around there I advised him. I did not need any advice or I should not have gone around there.

I went to the White House to advise the President, and he needed every bit of the advice I gave him; and I gave him some good advice. He took some of it. If he had not taken some of it he would have been a whole lot worse off than he is now, and he is badly enough off as it is. Yes, sir. I advised him what it meant when he started out with that banking law to close up all the State banks in the United States, and when they did not take my advice I came down here and fought them on the floor of the Senate; and as soon as the Senate adjourned I went back over there and advised him again. I was driving from one end and advising at the other end; and finally they managed to take the advice. They finally sent me word that they had decided to let the State banks come in, but instead of passing the bill I had introduced they wanted to put another name on it.

I said, "That is all right. You need not worry about having my name on the bill." Then we put the bill in here, or the resolution, or the amendment, in the name of some other Senator, and it went over to the House; and one of the Representatives over there reformed it, and took that name off, and put on his own name. [Laughter.] The result was that the other Senator did not have his name on it, and I did not have my name on it. Both our names were lost from the bill before we got through, and I was rather glad of it, because the House Member really at heart had been working and fighting to do what I was trying to do.

I did not care about whose name went on the bill. I knew I had introduced it here on the 5th day of March, and the 6th day of March, and the 7th day of March, and every other day, until we finally got it into the law; but if I were advising the President today, I should not advise him to send me to slaughter. If he wants to send himself to slaughter, that is all right; but that is not going to save me, Mr. President, and it is not going to save you. The President cannot commit political suicide and save me by doing it. If he commits political suicide he is an ex-President, and even an ex-President means something, you know; but an ex-Senator is not anything. [Laughter.] He is worse off than if he had never been anywhere.

If I were advising the President, when he sent for me I should go down there and advise him in this fashion:

"Here, let me tell you something. Let me tell you something, sir:

"You were in the service during the World War, Mr. Franklin Delano Roosevelt. How much money did you get for your services? Of course, sir, we know that you gave your services to the country during the World War as a matter of patriotism only; but how much did you get?"

He will tell you he got \$10,000 for that year's work.

"How many cannon did you face, sir?"

"None."

"How many nights did you sleep on the ground, sir?"

"None."

"How many nights did you hear the rain on the tents? How many days and nights did you hear the crack of German rifles and endure the smell of poison gas? How many

times did you see the flames of the burning fires of hell and destruction and carnage searing the lives and the souls of men?"

He will say, "None."

"And yet you got \$10,000, Mr. Roosevelt, for the patriotic services which you gave to the country in the scourge of that war. It is not going to look well, Mr. Roosevelt, for you today to say to these men who bled and who fought and who died that they cannot exchange the little, flimsy, nefarious, puny, putrid obligation that the Government has given them, as little as it is, for circulating money of the United States, when you have given that right to every banker in the country, and allowed them to draw interest on it at the same time."

That is how I would advise the President. He might not give me any jobs, and he never did. Bless your soul, I would advise him just the same.

Who was it that said?—

Someone must speak the truth to the king in the presence of the people, and then, if necessary, someone must speak the truth to the people in the presence of the king.

The time has arrived in America when someone should shoulder that obligation.

We have a motion pending here to reconsider. I do not mind stating to the Chair and to the Members of the Senate and to the people of the country that it is not our intention to press any motion to reconsider. We only thought that pending this maelstrom of discussion over the T. V. A., and pending the funeral of our comrade, the late Senator from New Mexico, Mr. Cutting, it would be well to have a few days' pause in this body, that men might have time to reflect and study the provisions of the bill. Thus far, no one has irrevocably committed himself against it, because there has been a sparring between men as to which form the bonus should take. Some have hoped for the Vinson plan, and some have hoped for the Patman plan. The American Legion has sponsored the Vinson plan, and the Veterans of Foreign Wars have sponsored the Patman plan; but when the Patman plan was adopted the American Legion accepted the Patman plan, and the Veterans of Foreign Wars were joined by the American Legion in their crusade, and the form of bonus legislation which Congress saw fit to adopt was the combined desire of the American Legion and of the Veterans of Foreign Wars and of all other soldier bodies.

There is another class. Someone referred the other day to my friend the priest from Detroit, or just outside Detroit, Father Coughlin, who had advocated the bonus plan of the Patman bill.

I wish to say, Mr. President, that the only reason why the Reverend Father Coughlin could have started the wheels to moving behind hundreds of thousands of telegrams was because he is on the right track. Certainly he could start things moving, because this thing is right. There is not a voice raised against it now. There is not a voice that can be raised against it.

I say to my Republican friends on the other side, here is their vote. They are not asked to do a thing here that they have not already done. The Republicans are being called upon to vote for sound money. Here is the record of what the Republicans of the Senate did on the 9th day of March, every one of the Republicans except one, the Senator from Wyoming [Mr. CAREY], and Senator Dale, who is now dead. Every Republican in this body with those exceptions voted that the obligations of the United States Government could be pledged for circulating currency 100 cents on the dollar. Not only did they vote that, but they voted that 4-percent interest could be drawn on the obligations, or 3 percent, as the case might be, notwithstanding the fact that the holders had put up the bonds and had drawn a hundred cents on the dollar in circulating currency at the same time. That is what the Republican Party did, and that is what the Democratic Party did.

I will show an enactment of Hoover. I will show what Hoover's administration did. What did the Republicans and Democrats do? It was the joint action of the Democrats and the Republicans, 53 yeas and 18 nays, on the 11th

day of July 1932—and I also was one voting with the majority in that case—everyone voting that the national banks should be allowed to deposit Government obligations payable in 1945. Hear me. We voted that the national banks of the United States should be allowed to deposit the obligations of the United States payable in the year 1945.

What reason can be given for not allowing the soldiers to put up Government obligations payable in 1935? Under Hoover, in 1932, we voted in this body that if the bankers put up the obligations of 1945 they could draw a hundred cents on the dollar. Distinguished Senators voted for that bill who are now prominent in the Republican Party. We took the same course later.

I look down the list, and I see the name of my friend the Senator from Tennessee, of my friend the Senator from Maryland, of myself from Louisiana, and of the senior Senator from Kentucky [Mr. BARKLEY]. The junior Senator from Kentucky was absent that day. But we find that these party leaders and these party men, both the Republicans and the Democrats, have voted once, twice, three times, four times, five times, that an obligation of the United States Government payable in the year 1945 could be put up, the full amount of currency issued, and the interest drawn on it at the same time.

I look at the list and find that my friend the senior Senator from Michigan [Mr. COUZENS] voted for that on March 9. All of us voted for it as a good thing to do.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. TYDINGS. Since the Senator from Louisiana gets so much logic and support out of referring to the records of other Senators, and also to the record of the President of the United States during the World War, and draws the deadly parallel, I hope he also will make a reference to his own service in the World War, as well as to that of the President of the United States, so that we may have the comparison.

Mr. LONG. I have covered that to the satisfaction of my people many, many times, and to the satisfaction of myself.

Mr. TYDINGS. Let me cover it a little bit for the Senator.

Mr. LONG. In the Senator's own time he can cover it. If he has a thing to say about my record in the World War, he can rise and say anything about it.

Mr. TYDINGS. I can, and nobody can stop me.

Mr. LONG. I will not try to stop the Senator.

Mr. TYDINGS. The Senator had better not try.

Mr. LONG. Oh, well. I am talking about the Senator's record on the banks.

Mr. TYDINGS. I am talking about the Senator's record on the war.

Mr. LONG. I am going to talk about the Senator's record on the banks; then he can talk about my record on the war. I am talking about the Senator's record on banking. I am talking about the Senator's record, and I am sure the Senator from Maryland has no record for which he has to apologize.

Mr. TYDINGS. No; even if the Senator has—

Mr. LONG. I am going to read exactly what we had before us, for fear I may offend someone. I had no idea of offending anyone. If there is any vote here for which I have to answer—and there probably is—I shall not become offended when I am faced with it. Quite often I am faced with some vote where it is a little difficult for me to answer right up as I would like to, but my friends in the Senate do not mind referring to it.

On July 11, 1932, 53 Senators voted for and only 18 against. That is the record, and I am going to read what they voted for. Here are the words:

Shall be allowed to deposit Government obligations payable in 1945 or in the future and receive new money in return for them, and at the same time continue to receive interest on the bonds deposited to secure the money.

I voted for that. I do not see why the Senator from Maryland should be offended. I voted for that thing, too.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. TYDINGS. I am always offended when I hear the President of the United States belittled, whether the President is a Democrat or a Republican.

Mr. LONG. Very well. The Senator made a speech here the other day that was not any too complimentary toward the President.

Mr. TYDINGS. There was no reflection in that speech, and the Senator from Louisiana knows it; and he must not say those things, or he is likely to bring on some extraneous debate.

Mr. LONG. I heard the Senator say that he did not think we were getting along any too well with the Government we have here right now. That is as I understood his speech. I may have misinterpreted it. I will let him place his own interpretation on his speech. I have my quarrel with the President of the United States, and that is my business. The Senator from Maryland did not have anything to do with nominating the President. I did. If the Senator from Maryland had had his way, we would not have nominated him, and I want to say that he was nearer right than I was. [Laughter.]

The PRESIDING OFFICER. The Chair must again implore the occupants of the galleries to respect both the laws and the decisions of this body. Manifestations of laughter and amusement are unbecoming this place, and we trust our guests will not voluntarily continue violating the regulations.

The Senator from Louisiana.

Mr. LONG. Mr. President, I shall read this language again, since I was interrupted, in order to get my line of thought better before the Members of the body. The question we voted on was, Shall national banks "be allowed to deposit Government obligations payable in 1945 or in the future and receive new money in return for them and at the same time continue to receive interest on the bonds deposited to secure the money"? That was the question.

How did we all vote? Here is the record of the vote. I am one of those who voted that the banks might deposit these obligations which were not due until 1945. I voted that way. My friend the senior Senator from Arizona [Mr. ASHURST] voted the same way. Here are some of the names which I will put down. Let us look down the list and see what happened to the senior Senator from Arkansas [Mr. ROBINSON]. He voted for that. We had them all. But it was the banks who were putting up the bonds. The leader of the Democratic Party voted that way at that time. I voted that way.

The only difference between the banks and the soldiers was that the banks got 4 percent interest, while they had the currency, and the soldiers do not get interest. The only other difference was that some of the banks bought these bonds for 80 and 90 cents on the dollar, and the soldier gave a hundred cents on the dollar in services, plus. I am one of those who would have been glad to pay him 200 cents on the dollar, plus, for the chances he took which I did not take.

So we had the bill. This was under Hoover. I want to say that there is not a man here who followed Hoover, there is not a man here who has followed Roosevelt, who can justify his vote under either one of them, and at the same time vote against putting up Government obligations payable in the future and allowing the soldiers to draw money on them, just as we allowed the banks to do. This is what they did. There is only one difference; the soldier receives no interest and the banks did get interest.

I refer now to the Borah-Glass amendment.

Here is the list of the Senators who voted for that bill, and I want to say that if Senators will be just as consistent in the future as they have been with regard to this legislation every one of them will vote for this soldiers' bonus bill. I find here the Senator from Arizona [Mr. ASHURST]. Here is the Senator from Vermont [Mr. AUSTIN]. I wonder how the Senator from Vermont voted the other day. I am sure he will not mind being chided a little bit because I want to gain a vote. Let me see the RECORD on the soldiers' bonus vote the other day. I want to appeal to some of the Senators with their own logic, if they are getting out of line. The Senator from Arizona [Mr. ASHURST] is out of line.

The Senator from Vermont [Mr. AUSTIN] is out of line. The Senator from Arkansas [Mr. ROBINSON] is out of line, and the Senator from Michigan [Mr. COUZENS] has jumped the fence—one of the few times in his life, and he is out of line. They are out of line with their own logic. They have jumped over on the other side of the fence and met themselves coming back.

Here are some more Senators. Here is the Senator from South Carolina [Mr. BYRNES]. He voted that way. The Senator from Texas [Mr. CONNALLY] voted that way. Let us see some of those who got mixed up the other day. There are just a few of them. Here is the senior Senator from North Carolina [Mr. BAILEY]—he voted for that measure. All of them, nearly, voted that way. In going on right down the line they will all be found to have voted that way. The Senator from Oklahoma [Mr. GORE] voted for that measure.

Here is the name of the Senator from Mississippi [Mr. HARRISON]. That Senator wanted to discount this Government obligation payable in the future to the soldiers at 66 percent, the other day. How did he vote when the bank measure came up? I am very sorry he is not here, because he certainly ought to hear me. He has probably some other business to attend to. How did he vote? The senior Senator from Mississippi [Mr. HARRISON] voted to let the bank put up a bond due in 1945 and draw 100 cents on the dollar and 4 percent interest on the bond, and he is one of the main men they are depending upon to steer the ship, to keep the President from having a veto overridden—he and the Senator from Arkansas [Mr. ROBINSON].

Mr. President, it is a case of making fish out of one and fowl out of the other.

That is the sort of proposition which the soldier is up against today in this matter, and that is what the American people are up against. It is not a Democratic Party policy. Oh, no; it is not a Democratic policy. Any time the Democratic Party wants to come in with a bill and say that we are going to stop the banks of this country from putting up Government bonds and drawing down money on them, and that we are going to stop the soldiers from putting up Government bonds and drawing down money on them, I will vote with other Senators for such a bill.

Now let us hear from some of you sound-money men. Let us not make a goose out of one and a gander out of the other. Any time anyone wants to say that it is an unsound principle of law for a bank to put up a Government bond and draw full payment on it and still hold the bond and draw the interest on the bond, I will go him one better. I will say, "Let no soldier have that privilege either." That is exactly what I will say.

But oh, we are called on now to take another stand. In looking over this list it will be found that the junior Senator from Massachusetts [Mr. COOLIDGE] voted with me and the 53 other Members in the Senate, and the senior Senator from Massachusetts [Mr. WALSH] voted the same way—to let them put up these bonds payable in 1945 and draw 100 cents on the dollar. And I am satisfied if my friend the senior Senator from Massachusetts were here he would feel ashamed if he thought he was applying one rule to a banker's 1945 bond and another rule to a soldier's 1945 bond. The only injustice which has been done is the injustice which has been done against the soldier, because there has been taken away from him the right to draw interest while he had the currency, whereas in the case of the banker he was given the right to draw interest during the time he has the currency. That is the only injustice which is done on a fair comparison of these matters, unless it be the fact that the bankers were allowed to take bonds they bought for 85 cents and get a dollar in currency and draw a dollar in interest.

We cannot find anyone who can defend such actions. Look over this list. If that had been Hoover's policy which we Democrats voted for and which the Republicans voted for—if that had been Hoover's policy which the Democrats had come in and undone, then we could say it is the policy of the Democratic Party not to have that done. But, oh, no; we did not do any such thing. Here we come in with the Democratic Party.

Were we going to undo the Glass-Borah bill of 1932? I see my friend from Virginia [Mr. GLASS] is in the Chamber now. He will bear me out in everything that I quote from the RECORD about it. Were we going to undo the Glass-Borah bill of 1932? On the contrary, when we came along in 1933, 5 days after Franklin D. Roosevelt was inaugurated, 5 days after the new Senate had organized, what did we have? Here is the bill we voted. We voted that banks be permitted to deposit Government obligations payable in the future and receive money in return for them. How much? Why, we were afraid they might discount them, so the Roosevelt administration tied the knot a little bit tighter. We did not want to take the chance, because there might be some kind of man who would say that they ought not to be allowed to draw a dollar's worth of currency for a dollar bond; we were afraid that they might say that we were going to allow them to have only 90 cents worth of money for a dollar bond on which they were still drawing interest; so we said we are not going to risk any ruling of the Federal Reserve System to interfere with that, and we wrote it into the law that—

The amount of which circulating notes shall be equal to the face value of the direct obligation of the United States so deposited as security.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER (Mr. FRAZIER in the chair). Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. BARKLEY. In order that the record may be clear on the matter, let me say there may be a very honest difference of opinion as to whether there is any analogy between the two situations the Senator is discussing. The Senator is familiar with the fact that a part of our circulating currency ever since the Civil War was known as national-bank currency, by which the obligations of the United States which the national banks had bought and upon which they drew 2 percent interest—as the possessors of these national bonds which were issued during the Civil War to obtain money with which to carry on the war—could be taken and deposited in the Treasury, and draw out national-bank notes which would be taken back to their banks and signed by the president and cashier of the bank and issued by the bank to the public.

Mr. LONG. That is right.

Mr. BARKLEY. That was a large part of our national currency at that time and has continued to be. There has never been any authority in any bank or any institution or any corporation or any individual to enjoy the right to issue money based on the bonds and obligations of the United States except national banks. No corporation can do it; no State bank can do it. None but national banks, which are the creature of the Federal Government, have ever enjoyed the right to issue money based upon the obligations of the National Government. The act to which the Senator refers, if I recall—and I have not read it since he has been discussing it—extended the circulating privilege to the Liberty bonds and other bonds of the United States Government payable in the future.

Mr. LONG. And the Federal Reserve banks.

Mr. BARKLEY. And the Federal Reserve banks.

Mr. LONG. That included a lot of State banks.

Mr. BARKLEY. Oh, no!

Mr. LONG. Yes; many of them were Federal Reserve banks.

Mr. BARKLEY. Oh, no; the Federal Reserve bank is not a State bank.

Mr. LONG. Yes, Mr. President.

Mr. BARKLEY. Oh, no!

Mr. LONG. I beg the Senator's pardon!

Mr. BARKLEY. A State bank may be a member of the Federal Reserve System, but it is not a Federal Reserve bank.

Mr. LONG. Oh, yes; it is.

Mr. BARKLEY. But the point is that the Senators seems to be arguing that any individual who held an obligation

of the United States payable in 1935 should have the same right to issue currency upon it as a national bank has always had. Of course, such privilege has never been extended to individuals, and I dare say Congress would not extend the right to circulate money and to issue money to any individual or any organization outside of a bank over which the United States had control. So there is really no analogy between what we did here in March 1933 and what he is proposing now.

Mr. LONG. Yes; there is no analogy. That is just what I have been stating, if the Senator had not got the point.

Mr. BARKLEY. Oh, yes; I got the point. The Senator's points are not so dense as not to be gotten.

Mr. LONG. We may not agree on it; but the point the Senator is making is that Morgan's national bank ought to have the right, but that the soldiers who fought to keep Morgan's bank in existence ought not to have the right.

Mr. BARKLEY. No; I am not making any such point. I am talking about the fact that it has been the settled policy of this country for three-quarters of a century to allow all banks, which are the creatures of our Federal Government, to issue money upon the obligations of our Government, but no individual has ever been allowed to issue money upon them, and no individual could with safety be allowed to issue money in the sense that banks are.

Mr. LONG. Is not the soldier a creature of the Federal Government?

Mr. BARKLEY. No; the Federal Government is more a creature of the soldier than the soldier is a creature of the Federal Government.

Mr. LONG. I should like to know what is the difference in the embalming fluid which they pour into a national bank that makes them holy to the point where they have so many more rights than the soldier whom they make stand up in front of a German gun.

Mr. BARKLEY. Does the Senator believe that any individual holding any obligation against the United States, whether it is an adjusted certificate called a "bonus certificate", or any other obligation payable in the future, ought to have the right to go to the Treasury of the United States and deposit that obligation and put money back in his pocket to lend out to the people, as we authorize in the case of banks?

Mr. LONG. I believe if we give the national banks of this country the right to exchange bonds for money and to have the interest on it, there is no more reason to prefer them than there is to prefer anybody else. Furthermore, what is the difference? If I had a bond and could not get currency on it, I could go to some bank, hand it over to the bank, and let it do it for me. There would be no trouble about that. There is no man living who cannot find a way of getting his bond into a national bank if he wants to get currency. That is no trouble. The only difference is that my friend from Kentucky and others managed to dodge it, and I am not like them.

Mr. BARKLEY. We may not be as "artful dodgers" as is the Senator from Louisiana.

Mr. LONG. I do not have to dodge anything. The Senator is a good dodger, but I guess he has had to dodge so much he has worn himself out in the past. I still have a good many dodges coming to me.

Mr. BARKLEY. The Senator need not be worried about my dodging ability. I certainly do not accept him as the standard by which I either dodge or stand still.

Mr. LONG. I would not like to have the Senator accept me as a standard.

Mr. BARKLEY. That is one thing about which the Senator from Louisiana and I agree.

Mr. LONG. We can be friends on that, and I will always say to my people and to the people of Kentucky that the Senator is not to be found in any fault for having gone along with me, because if there is any man on this floor who can be depended upon for being wrong at least two-thirds or four-fifths of the time—

Mr. BARKLEY. It is the Senator from Louisiana. [Laughter.]

Mr. LONG. Go ahead; have it as you want it. But here is a point, Mr. President, that they cannot explain, and when my friend from Kentucky goes home tonight and thinks this situation over for another night I think he will look upon it differently. I can tell that his conscience is paining him now about this matter. I know when a good man's conscience is beginning to hurt him; I can tell it. One of the few things that the Lord endowed me with is to be able to know such things.

Mr. BARKLEY. In addition to the Senator's other qualities, is he now advertising himself as a clairvoyant?

Mr. LONG. What does that mean?

Mr. BARKLEY. I think the Senator has consulted many of them and been given wrong advice. [Laughter.]

Mr. LONG. Maybe so. I am not a mind reader. I want the thought put in language that the others can understand, although I understand what the Senator from Kentucky said. [Laughter.]

Mr. BARKLEY. In addition to the other many qualities of the Senator, we all admire his modesty.

Mr. LONG. I would not want the Senator to have to look up high-sounding words and then come in and spring them on me.

Mr. BARKLEY. I realize that I am making a vain effort to educate the Senator from Louisiana, but I am willing to undertake the task if he will be amenable.

Mr. LONG. No; I would not want the Senator's education; I would want to have a chance of a better education than that. In other words, I have been told that the educator has too much opportunity of molding the opinions of those whom he educates. However, let me get through with my explanation. The Senator has interrupted me several times, at which I have not protested. I am not filibustering against the pending bill; I am arguing for the bonus, which we will have before us in time. We have now a bill before us of which I am heartily in favor.

Mr. BARKLEY. What is the Senator's position on the bill which is before the Senate?

Mr. LONG. I am for it; I always voted for the Tennessee Valley measure. I vote right all the time. The Senator will never find me wrong; but the Senator from Kentucky has been here year after year and day after day and has found out that the law once was that 2-percent bonds, such as the Panama Canal bonds, and so forth, drew 100 cents on the dollar in currency and then, later on, under the Hoover administration, under the Glass-Borah resolution, that privilege was extended to all the banks in the Federal Reserve System. It was provided that the Federal Reserve banks could issue money on obligations which they held, and all members of the System could avail themselves by using the Federal Reserve System to do it.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. LONG. I yield.

Mr. BARKLEY. I want to educate the Senator a little further, and I believe that, in spite of his obstinacy, it can be done. When the Federal Reserve Act was passed in 1914 it was expected and provided that gradually the circulating privilege should be withdrawn from all Government obligations. My recollection is that the Federal Reserve Act itself provided a way by which the national-bank notes based upon Government bonds should be gradually withdrawn; but, of course, the depression came on and there was a cry for more money; the Federal Reserve banks and the Federal Reserve System did not operate automatically; and there was not enough money, according to the view of many Members of the Senate, to supply a sufficient amount of circulating medium. So the bill to which the Senator has referred was passed extending temporarily the circulating privilege to all Government obligations. It was not a permanent extension, as I recall, but only a temporary extension to cover a period which was supposed to be sufficiently long to enable us to get out of the depression. Whether it has worked or been of no great benefit may be a matter of dispute, but that was the object which the Con-

gress had when it passed the law to which the Senator has referred.

Mr. LONG. The Senator says that this law was passed to help get us out of trouble; but the fact, nonetheless, is that we passed a bill giving to the Federal Reserve banks and the member banks of the Federal Reserve System that privilege. A bank did not have to be a national bank to have that privilege—nothing of the kind. That shows I know more about banking than the Senator from Kentucky thinks he knows.

Mr. BARKLEY. I said a while ago, and I have known all the time that any State bank could qualify for membership in the Federal Reserve System.

Mr. LONG. Certainly. In my home city there was only one national bank and the others were State banks and they were all in the Federal Reserve System.

Mr. BARKLEY. Before the depression and before 1933 many of the State banks took advantage of this privilege and joined the Federal Reserve System.

Mr. LONG. Now we are getting nearer home.

Mr. BARKLEY. And now we have passed an amended act and also provided a guaranty of bank deposits, and nearly all of them, in one way or another, are included in the Federal Reserve System, which was not the case prior to 1933.

Mr. LONG. That goes to show that the national banks can issue currency. The Senator from Kentucky brings himself finally to the same understanding that I was trying to bring to the other Members of the Senate, that nearly all the banks have a right to take any kind of obligation of the Government and secure currency on it.

Mr. BARKLEY. Let us keep that clear. All the banks that are insured—

Mr. LONG. That embraces nearly all of them.

Mr. BARKLEY. All the banks that are insured under the Federal Deposit Insurance Corporation are not members of the Federal Reserve System.

Mr. LONG. Not necessarily, but nearly all of them are; that is getting to be more and more true; and under the provisions of the Glass bill more of them are expected to come in every day. Those banks can take the bonds and obligations of the United States Government which are payable 10, 12, or 14 years from now, and get a hundred cents of currency on the dollar on them. They can take United States Liberty bonds or any other kind of Government bonds, whether it is a 4¼-percent bond or 4½-percent bond, or whatever it may be, and get a hundred cents on the dollar in money for them, and still draw the interest on the bonds. That refers to every kind of Government bond; there is not a Government bond of any kind or character that they cannot get money on today under the amendment to the Federal Reserve Act. Who voted for that? All of us voted for it. The Senator from Kentucky has admitted his vote for it; the junior Senator from Texas voted for it; the senior Senator from Texas voted for it. The Senator from Virginia not only voted for it but he was one of those who sponsored it.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Texas?

Mr. LONG. I yield.

Mr. CONNALLY. The Senator referred to the vote of the junior Senator from Texas on some measure.

Mr. LONG. I refer to the vote of the Senator on the bill permitting the banks to put up their Government bonds and get currency on them and still draw the interest.

Mr. CONNALLY. The Senator means when they put them up at the Federal Reserve banks?

Mr. LONG. Yes.

Mr. CONNALLY. They can put up commercial paper and get money on it, and why should the Government want to dishonor its own bonds?

Mr. LONG. I voted with the Senator on that question; I am not criticizing his vote, for I voted with him.

Mr. CONNALLY. The Senator, for once, agrees that the Senator from Texas was right?

Mr. LONG. Yes, sir; and what I am asking the Senator to do now is to let the soldier do the same thing that we let the banks do; that is all.

Mr. CONNALLY. Oh, no.

Mr. LONG. Oh, yes.

Mr. BARKLEY. Does the Senator want the soldier to issue currency?

Mr. LONG. Oh, no; the Senator knows what I want.

Mr. BARKLEY. Unfortunately, I do not, I am frank to say.

Mr. LONG. Then I will tell the Senator.

Mr. BARKLEY. The Senator wants the soldier to do the same thing the banks do.

Mr. GLASS. Mr. President—

Mr. LONG. I will yield to my friend from Virginia if he desires me to yield.

Mr. GLASS. I merely want the RECORD to show that the Senator from Virginia did not advocate that provision of the law. He presented the bill that contained the provision and voted for it upon the very definite assurance that it never would be used, but it was used.

Mr. LONG. I know the Senator voted for it under the very definite assurance that it would not be used, and it was used. Since the Senator has already voted that way once, the best thing to do is to go along and vote with us now.

Mr. GLASS. I think it has been used too much.

Mr. LONG. All I am trying to do is to secure action. I would not practice any deception on the Senator from Virginia, but I would certainly like to have his vote.

Mr. BONE. Mr. President—

Mr. LONG. I yield to the Senator from Washington.

Mr. BONE. Mr. President, I wonder if the Senator from Louisiana at this point in his remarks would indicate for the RECORD, so that those who are interested in this question may understand about the real facts, what classes of Government securities prior to the enactment of the statute to which he refers were used for the purposes he has indicated—that is, to underlie currency issues. Possibly the Senator may have the data on his desk.

Mr. LONG. I can remember, generally speaking, that the Government bonds which were drawing about 2 percent interest originally had that privilege.

Mr. BONE. What were the restrictions as to the type of security that was qualified under the law as a basis for currency?

Mr. LONG. There were bonds that only drew, as my recollection goes, 2-percent interest; I believe they were called "Panama Canal bonds." They could be put up and currency secured, and the bonds would still draw 2-percent interest, and the banks would also have the currency.

Mr. BONE. They were low-yield bonds.

Mr. LONG. They were low-yield bonds, but finally we extended that privilege until it took in all the other bonds of the Government, such as Liberty bonds. That not only was done by the Hoover administration, but my friend from Virginia, myself, my friend from Texas, and my friends from Kentucky and from Arkansas and from Mississippi were roped in again on the 9th day of March 1933, 7 or 8 months later.

That bill was broadened—the same Glass-Borah bill that we voted on July 11, 1932. We were roped in under the Roosevelt administration, and that time we did not have 18 negative votes as we had 7 months before. That time nearly everybody got in line. That time we had 73 yeas and 7 nays, which amended the bill so as to most specifically provide that there had to be issued dollar for dollar. We had 73 yeas and 7 nays, and the bill was signed by the President most gloriously as being a good piece of legislation.

That is the record. Whatever may have been the motive and whatever may have been the purpose, that is the record. The bankers have that record, we have that record, the President has that record, the Democratic Party has that record, and the Republican Party has that record.

When the President of the United States is called on to veto this soldiers' bonus bill, an outstanding obligation of

the Government of the United States payable in 1945, we are met with the fact that we have this precedent of July 11, 1932, providing that this currency should be issued as against the obligations payable in the year 1945; that is, an obligation of the United States that is payable as early as the year 1945 should have the currency issued against it, and the holder of the bonds should draw his interest nonetheless, though he had his 100 cents on the dollar in currency in the meantime.

We followed that up with an action that was taken on the 27th day of February 1934, and before that with the act of March 9, 1933. There was only one difference. It might have been said that Hoover was more liberal than Roosevelt, because the Hoover policy was that we ought not to issue any of this currency; for instance, I think it will be found that the former Senator from Pennsylvania, Mr. Reed, was protesting against the bill. Yes; I remember when we voted on the Glass-Borah amendment Mr. Reed, who was then in this body from Pennsylvania, protested most vigorously that it was an unsound act, and he pleaded here on the floor of the Senate, as I remember, that we should not depart from the traditional gold policy of 40 cents in gold to maintain and secure every dollar in currency.

Today we have \$9,000,000,000 in gold and \$5,500,000,000 worth of money. When we issue the \$2,250,000,000 of notes we will have \$9,000,000,000 in gold to secure \$7,750,000,000 in Treasury notes. In the one case Mr. Reed was standing out for 40 cents in gold against every dollar of paper money. In the instant case we have Senators fighting because they maintain that \$1.20 in gold is not enough to maintain \$1 in currency. The only difference is that the banks were allowed to put up the bonds of the Government and draw 100 cents on the dollar and draw the interest at the same time, perhaps on a bond that they had bought below par, whereas this is a case in which the soldier draws no interest whatever.

That is the only distinction made between them. The only distinction is that in the one case we were proceeding on the theory of 40 cents in gold for \$1 in currency, whereas in this case we proceed on the basis of \$1.20 in gold for \$1 in currency; the other difference being that the soldier draws no interest whereas the banks draw interest.

Mr. President, it is the most preposterous thing with which we have ever dealt. As a political proposition, it is something else. I can always fight a political campaign when I am right. I could even fight the bill which is sponsored by the Senator from Nebraska [Mr. NORRIS] having to do with the T. V. A. I would not be afraid to fight the T. V. A. as a political principle if I did not think it was right. I remember a time when I went into a city in my State and fought the granting of an additional franchise to a public utility, notwithstanding its pledge of a much reduced charge. I did not care. I would not care in this instance.

I would honor any Senator fighting against any measure if he believed it to be unsound, prejudicial, or demagogic; but to come here and say to the soldier, who has been given an obligation printed in good bold type and on pretty paper of the Government, that we cannot take that obligation to secure circulating currency, backed up by \$1.20 of gold for \$1 in currency, when we have allowed the banks to issue a dollar in currency for a dollar of obligation and draw interest on it at the same time—I say it is a political monstrosity that no party can defend and no man can defend, either in his own conscience or in a political campaign.

That is my advice to the President and that is my advice to the Senate. Neither one of them has to take it. If they do not want to take it, that is their business. I will go my way and they can go their way. Perhaps my people some day will see it differently. It does not make any difference to me when they do or when they do not. Any time they want this seat they can have it, and it will not make me mad for them to give it to somebody else, because the kind of legislation we are voting here does not make me any too proud of this position compared with some of the other positions I have held and other activities in which I have engaged.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Virginia?

Mr. LONG. I yield.

Mr. GLASS. The Senator is quite resourceful, particularly in controversies. Perhaps he can tell me what nobody else has been able to tell me. He speaks of \$1.20 of gold as security against \$1 of these notes. Of what account is that security? If one is caught with it he is fined and put in jail.

Mr. LONG. I cannot answer the Senator.

Mr. GLASS. No; the Senator from Louisiana cannot.

Mr. LONG. I cannot answer the Senator. In other words, the Senator asked me to give him an explanation for the President's fiscal, financial, specie policy of the United States Government. I do not think there is a man alive who can answer his question. I would not undertake to do it.

Mr. GLASS. Another thing: Is not the Senator somewhat mistaken—it seems to me so—that any bank can get dollar for dollar on United States bonds that it puts up? Is there not a so-called "reserve" of 40 percent behind every Federal Reserve note that is issued? Mind you, I do not think the reserve is worth a continental, because they would put a man in jail and fine him if he should be caught with it. I do not regard that as reserve. But as I understand the law it simply permitted, for a period of time, member banks of the Federal Reserve System to lodge, as security with the Federal Reserve bank, United States bonds in place of eligible commercial paper. However, I do not understand that we have repealed the legal requirement that all Federal Reserve notes shall have behind them 40 percent of so-called "gold reserve."

Mr. LONG. Mr. President, I do not know that I understand the Senator's question, because, further, I do not understand the Government's law and never will understand its law on the gold question. It is impossible for me to answer the Senator. If I undertook to do so, I would probably have Senators paying less attention to some of the things I have said on something about which I know more. Nobody understands it, and that is why I almost laugh up my sleeve when Senators begin to talk about protecting sound money. It is the most ridiculous thing I ever heard of.

If Mr. Roosevelt or anybody following Mr. Roosevelt vetoes this bill on a sound-money basis, on the basis that he has to have a standard, sound, dependable money, I shall be tempted to say there is no need for me to try to fight anything.

For any President who ever issued this bill—I guess it is like the balance of the bills I have in my pocket—to talk about having great scruples on the score of the dependability of money, to issue a bill payable in gold, and to have you arrested if you ask for the gold, and then talk about having to protect the money basis is too laughable to talk about.

I have not criticized our money system. I am not criticizing it, because I have taken it just as it is. I have taken the dollar as it is. I have taken the gold as it is. I have taken the policy of the law as it is, and as we have all voted for it, and just stood on that, and said nothing further; but today our dollar is what?

There is no specie. The dollar is a promise of the people of the United States, if it is that, and no more. I hesitate to say that it is as good as the Patman dollar would be, because we have a proviso that money shall be issued, and the dollar certificate is supposed to represent the right of a man to go and demand a dollar; and yet we have a law that says that if the man is found with a dollar in his pocket he is arrested. That is the whole thing.

If you can figure that out for me, you can beat me. I have in my pocket an order that purports to give me a right to go down to the Treasury and demand gold. It says, "redeemable in gold on demand at the United States Treasury"; and yet I have voted for a bill which provides that if I take that \$10 order and go down to the United States Treasury, and a man there gives me \$10 for it, both he and I have to go to jail for violating the gold law! So you see how our scruples are going to persist; and that is why I ask my con-

servative-minded friends in this body to think a while before they vote against us on this bill. Think a while.

My God! You have voted for so much worse things here that this thing looks pretty. You have voted for so much more unreachably things that this is a conservative act, because at least you understand it. You will not be arrested if you live within the terms of it, whereas in the case of the rest of them that you voted for, you would be arrested.

Talk about a money statute that is going to result in something that is flimsy and inflationary, when we talk about a base of currency and have no base! There is no gold standard in the United States. Talk about being on a gold standard! We are not on any standard at all. We are on a standard, according to which, if the authorities want to issue money they issue money, and if you demand the money you go to jail. What that standard is I do not know. They ought not to have on that bill the picture of the United States Treasury as the place to which you are to go. They ought to have on it the picture of the United States penitentiary, because that is where you would go if you should demand the money. That is the difference. [Laughter.]

So to put up that kind of an argument on the gold standard is out of the question. The suggestion I have made today is made for the first time, so far as I know, but I will bet everything I have that within less than 60 days the authorities will put a picture of the penitentiary on some of these bills because people are liable to get bold, and they had better have a word of warning sounded to them before they get too bold.

I am not going to detain the Senate any longer. I have spoken far longer than I expected to speak. I have felt, however, that I should yield to all interruptions. I have placed these facts before the Senate in the hope that if and when the President sees fit to veto this bill, the Members of the Senate will carry along with the policy we have adopted and furnish the necessary votes to override the veto.

TENNESSEE VALLEY AUTHORITY

The Senate resumed the consideration of the bill (S. 2357) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals, in the State of Alabama, and for other purposes", approved May 18, 1933.

Mr. DICKINSON. Mr. President, it had been my hope that the consideration of Senate bill 2357 would be delayed until a later date. My reason for suggesting that course is that there are two phases of the bill which, I think, will be clarified by the Supreme Court decision which is bound to be coming along at an early date.

The first of the two phases of the bill which I think are objectionable is with reference to the limit of the constitutional authority as to the use of subsidiary power. The second phase is the matter of Government guaranteeing both principal and interest of the bonds under the proposed amendment to the Tennessee Valley Act.

To say that these two phases of the bill are incidental to the major legislation, I think, rather understates the proposal. We find in section 6 of the pending bill, which is an amendment to section 10 of the original act, authority for the Board to enter into contracts for the sale of power on—

Such terms and conditions, including resale rate schedules, * * * as in its judgment may be necessary or desirable—

And so forth. That is the phase of the bill which I desire to discuss for a little while.

The question of whether or not this authority is within the constitutional limitations of Congress was discussed by Judge Grubb in the suit of Ashwander against Tennessee Valley Authority as found in the Federal Supplement, volume 8, page 893. In paragraphs 5 to 7 Judge Grubb makes this finding:

The United States is a government of enumerated powers conferred, in express terms or by necessary implication, on it by the Constitution. No power is conferred on it to engage in any private business, unless incidental to some power specifically granted. The power to produce, distribute, and sell electric power or any other commodity, generally, is not in terms granted and must be connected with a granted power in order to exist. In this case, it is sought to be connected with the power to improve navigable rivers, the power to provide for the national defense, or the power to make needful regulations concerning Government-owned property. The Government has the right to create electric power to aid its operations under any one or all of these granted powers. It also has the implied right to dispose of any surplus power not used for the named purposes to prevent waste. It has no power to produce and sell electric power, except as incidental to a granted power, as in case of the disposition of such a surplus. This is especially true within the limits of a State of the United States. If the program of the Tennessee Valley Authority involves only the salvaging of excess or unused electric power, produced in aid of its operations in improving the navigation of the Tennessee River, or in relation to its operation at the Wilson Dam, or the nitrate plants, there located for the national defense, or for the benefit of lands owned by it in the Government reservations at or in the vicinity of Muscle Shoals, its right to dispose of such excess electric power cannot be questioned. This implies the existence of a surplus in its legitimate operation and the power of disposition would be so limited. If its program is more extensive, and amounts to an engaging in and carrying on, independent of the question of surplus power and without relation to a granted power, the general business of producing and selling electric power within the limits of Alabama, it is ultra vires of the power actually conferred or that could have been conferred by Congress on the Tennessee Valley Authority by its act of incorporation.

There is no question here but that there is a right to improve the Tennessee River. Section 10 of the present law lays down what the authority is. Section 10 of the existing law is as follows:

The Board is hereby empowered and authorized to sell the surplus power not used in its operations, and for operation of locks and other works generated by it, to States, counties, municipalities, corporations, partnerships, or individuals, according to the policies hereinafter set forth; and to carry out said authority, the Board is authorized to enter into contracts for such sale for a term not exceeding 20 years, and in the sale of such current by the Board it shall give preference to States, counties, municipalities, and cooperative organizations of citizens or farmers, not organized or doing business for profit, but primarily for the purpose of supplying electricity to its own citizens or members: *Provided*, That all contracts made with private companies or individuals for the sale of power, which power is to be resold for a profit, shall contain a provision authorizing the Board to cancel said contract upon 5 years' notice in writing, if the Board needs said power to supply the demands of States, counties, or municipalities. In order to promote and encourage the fullest possible use of electric light and power on farms within reasonable distance of any of its transmission lines the Board in its discretion shall have power to construct transmission lines to farms and small villages that are not otherwise supplied with electricity at reasonable rates, and to make such rules and regulations governing such sale and distribution of such electric power as in its judgment may be just and equitable.

The point to which I want to call attention is the fact that this authority is limited to those places known as "farms" and "villages" which are not supplied with electrical service at a reasonable rate. In other words, it is suggested here that the Tennessee Valley Board is to have the authority to impose the judgment of a Federal unit on a locality as to whether or not they are receiving electricity at a reasonable rate.

In my judgment, that is an expansion of power beyond the limit that is incidental to the Tennessee Valley Authority in the matter of creating any of the specific things for which it is authorized under the law; that is, navigation, flood control, and so forth. That being the case, I think there can be no question that the amendment we are now considering would be an amplification of the authority heretofore granted, because it goes much further than the previous authorization. The bill provides that they shall have power—

To include in any contract for the sale of power such terms and conditions, including resale rate schedules, and to provide for such rules and regulations as in its judgment may be necessary or desirable for carrying out the purposes of this act, and in case the purchaser shall fail to comply with any such terms and conditions, or violate any such rules and regulations, said contract may provide that it shall be voidable at the election of the Board: *Provided further*, That in order to supply farms and small villages with electric power directly from its transmission lines as contemplated by this section, the Board in its discretion shall have power to acquire existing transmission lines and facilities: *And provided further*, That the terms "States", "counties", and

"municipalities", as used in this act, shall be construed to include the public agencies of any of them unless the context requires a different construction.

I desire to call attention to the fact that that is an expansion of the authority heretofore granted. In other words, the Tennessee Valley Authority would be granted a super power, over and above the authority granted a particular locality by a State.

I find that the decision in the case to which I have referred refers to that very question. On page 897, paragraph 9, I find this statement:

Under our dual system of government, the United States, in the exercise of its constitutional powers, even within the confines of one of the States, has paramount power over the State. In matters of internal concern not affecting any constitutional power of the National Government, the State, under the reservation contained in the tenth amendment, has exclusive authority. If the Tennessee Valley Authority, within this State, is engaging in a proprietary adventure, unrelated to any power conferred upon it or on its principal by the Constitution, then it is doing an unauthorized thing. Engaging in the business of producing and selling electric power, as a utility, it would become subject to State regulation, and likely be in competition with private utilities, or with the State or its municipalities, while so engaged. It is contrary to the genius of our dual government, that the National Government should do business in a proprietary capacity, of an internal nature, and not related to a constitutional power, within the limits of a State, and occupy extensive areas of territory therein for that purpose. It would be fraught with possibilities of collision between such governments and individuals. The Tennessee Valley Authority, if the averments of the bill are sustained, is engaged in producing and selling electric power in Alabama, in an enterprise having no substantial relation to the improvements of navigation or any constitutional power, on an elaborate scale, building dams designed for maximum electric power production to increase surplus power; fixing rates and terms in displacement of State functions, with the declared purpose to increase the magnitude of the enterprise in the future. This is not a plan involving only the disposing of surplus electric power necessarily created in the improvement of the navigation of the Tennessee River.

The motion to dismiss the bill of complaint is overruled.

Let me suggest that if the contention of those who say that this is constitutional is sustained, the Tennessee Valley Authority, through its Board, would have a perfect right to take over the taxable property of the State of Tennessee or of the State of Alabama, and in that way they would be dominating the tax revenues of those States, because every time they take over a utility and it is taken into the hands of the Federal Government, it is removed from the tax resources of the State, and the State is deprived of revenue, the county is deprived of revenue, and the locality is deprived of revenue. Whether or not the Congress ought to be passing a law disposing of or confiscating the taxable property of a State is a very serious question.

We have it here proposed that this Board shall have authority not only to go in and construct transmission lines but that they shall have the right to acquire transmission lines, to take over the transmission lines of private companies. It is also proposed to give them authority to buy generating plants, and thus to empower them absolutely to dominate the electrical situation of any locality which they may choose to enter.

I can see here an absolutely direct conflict between the rights of the States and their taxing power and the efforts of the Federal Government to impose the orders of an agency of the Government upon a locality.

I find that under section 12 (a) the Board would be authorized—

To acquire, within transmission distance from any dam where such power is generated by the Corporation, (a) existing distribution facilities and incidental works—

That would mean the entire wire equipment of any municipality—

including generating plants.

Which means the dynamos, the entire generating plants. They could take over these plants.

What has the State of Tennessee to say about that? If the Board goes in there and says, "We are going to take over this plant", they deprive the particular municipality of taxable property in existence there, and they deprive it of that property without the consent of the people in the

locality without any indication as to whether or not they want the Government to take it over.

The Board would be authorized to acquire—

Interconnecting transmission lines, or to acquire any interest in such facilities, incidental works, and lines, and to dispose of them to States, counties, municipalities, and nonprofit organizations.

What does that mean? Not all of our public-utility plants are high-line plants or belong to large organizations. In many a locality in the United States an individual or a local corporation or a local concern or a local partnership owns the municipal electric-light plant. Under this bill we shall have the Federal Government going in there and saying to this organization, "We are going to take over your plant." It may be said that they will not do it; but since I have had any experience with Government bureaus I have never known any bureau to be given any authority without being perfectly willing and ready to exercise it upon the slightest provocation.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. McKELLAR. Three cities in Tennessee have voted on the question of whether they would use T. V. A. power—Chattanooga, Knoxville, and Memphis—and by a very large majority they all favored the proposal. I do not think there would be any opposition on the part of Tennessee, because the power and light rates will be reduced tremendously, and in that way there will be a great saving to the people of the State.

Mr. DICKINSON. I have some data with reference to what was done in the city of Knoxville. I shall give those data after a while. I think a type of influence was used there which even the Senator himself cannot justify. I also appreciate the fact that every inducement was held out to the cities in question. I do not believe that at the present time the best engineers in the Tennessee Valley Authority can estimate what the future cost of producing this electric energy will be, for the reason that so many phases of the project are still in process of construction. I saw a beautiful moving-picture film, paid for by the Tennessee Valley Authority, paid for by the money which has been given it by the Federal taxpayers. Every phase shown was a construction phase. It showed massive dams in process of construction. I find, in the first place, that most Federal enterprises which are constructed with the taxpayers' money cost a good deal more than the original estimate. Second, we always find that there are many things to be done which were not included in the original estimate. For that reason, it is my judgment that no board of engineers, or other authority, is able to tell the people of Tennessee at what rate they can be furnished electrical energy 3 years from this time.

If the Tennessee Valley Authority can continue to be supported by bonds guaranteed both as to principal and interest by the Government, that may be one thing; but, in my judgment, a time will come when the people of this country will say that an undertaking such as the Tennessee Valley Authority will have to pay its own way; otherwise, it will have to be disposed of.

Mr. McKELLAR. Mr. President, will the Senator further yield?

Mr. DICKINSON. I yield.

Mr. McKELLAR. I suppose the Senator is familiar with the fact that while \$50,000,000 of bonds have been authorized, none have been issued or used, and the bond feature of the pending bill is in lieu of the \$50,000,000 bond issue authorized by the original act.

Mr. DICKINSON. Yes; I am familiar with that, and I stated on the floor of the Senate the other day that none of the bonds have been issued, according to the Tennessee Valley Authority. In view of the fact that the Senator has brought up the question, I will say that my objection to the amendment is based not only on the fact that it provides for increasing the authorization of the bonds from \$50,000,000 to \$100,000,000 but on another ground. The Panama Canal bonds, as I recall, are not guaranteed as to both principal and interest by the Government. The pending

measure proposes that these bonds are to be guaranteed principal and interest by the Federal Government.

Let me read the language on page 9 of the bill:

Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the United States, and such guaranty shall be expressed on the face thereof, and such bonds shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

My objection is due to the fact that under the terms of this measure we are putting the people of Iowa into the electric-light business in the State of Tennessee and in the State of Alabama. We are putting the people of Pennsylvania, as taxpayers, into the electric-light business and into the production of electrical energy in the State of Tennessee and in the State of Alabama.

Mr. McKELLAR. The Senator will recall that ample precedent for this action has long since been established by legislation providing for the construction of the Boulder Dam and other dams of like character.

Mr. DICKINSON. The Boulder Dam does not have its bonds guaranteed by the Federal Government. The first time we ever guaranteed such bonds was recently, when we guaranteed the bonds of the Federal land banks. The Boulder Dam bonds are not guaranteed, and the pending bill would not be anywhere near so effective were it not for the fact that it provides that the bonds to be issued under its terms shall be guaranteed by the Federal Government. That is my judgment. If I am wrong about it, I should like to be corrected.

Mr. McKELLAR. I do not recall whether or not the Boulder Dam bonds are guaranteed.

Mr. DICKINSON. I am speaking from memory with reference to Boulder Dam. I find that we have gone into the business of having various types of bonds, both principal and interest, guaranteed by the Federal Government.

Only the other day I took up the question of whether or not the Government had previously guaranteed the principal and interest, of various types of bonds, and on April 19 I made the following statement, as published in the CONGRESSIONAL RECORD:

Under the Home Owners' Loan Corporation we authorized, first, an issuance of bonds guaranteed by the Government, both as to principal and interest, of \$2,000,000,000. We have recently passed a measure providing an additional authorization of \$1,750,000,000.

Under the Federal Farm Mortgage Corporation there was an original authorization of \$2,000,000,000. Under the Reconstruction Finance Corporation authority has been given to issue \$5,550,000,000.

This, together with the \$50,000,000 authorized in the case of the Tennessee Valley Authority, made a total authorization of something like \$11,350,000,000.

As I have previously stated, the Tennessee Valley Authority bonds were not guaranteed. Under the proposed amendment they are to be guaranteed.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. NORRIS. I do not wish to have the Senator misunderstand my position on the bond provision in this bill. The Senator realizes that this bill will repeal section 15 of the existing law, the Tennessee Valley Act. I do not mind saying to the Senator that when the original Tennessee Valley Act was passed I was opposed to putting in section 15 of the act. I did not want to put in any provision for a bond issue. I accepted it as a compromise with others who were interested in the legislation, and it went in the act in that way.

The pending bill will repeal that provision for a bond issue; and while in another section it doubles the amount of bonds which may be issued, it limits the section and its operation to 5 years, and likewise limits the reasons for issuing the bonds to specific purposes which I explained at some length yesterday, and which I do not desire to go over again. However, before anything of that kind can be done, before any bonds can be issued under that section, the consent of the private company which makes the sale must be obtained. Unless the private company shall consent, no

bonds will ever be issued under the section, because it is confined to that specific thing, and in any event it expires in 5 years. At the end of that time no bond issues will be possible under that section. So it seems to me that the section which this bill carries on the bond question, from my standpoint or from the standpoint of anyone who agrees with me that it would be better not to have any bond issue, is a great improvement over the existing law.

Mr. DICKINSON. As I understand the existing law, it refers to the Panama Canal authorization.

Mr. NORRIS. Yes. The bonds issued under existing law have the same status that the bonds issued under the Panama Canal bill had and now have.

Mr. LEWIS. Mr. President, may I ask the Senator from Iowa, if it will not divert him too far, if he will at some stage of his observations point out in what manner the bill sponsored by the able Senator from Nebraska affects the plants along the river from Dubuque down through the States of Iowa and Illinois? Perhaps my observation is not clear.

Mr. DICKINSON. Does the Senator mean the Keokuk Dam Co.?

Mr. LEWIS. Yes; the Keokuk Dam Co., if that is the designation, and another which connects the State of Illinois and the State of Iowa, serving both. I am a little anxious to know, if the Senator can tell me, whether the bill sponsored by the able Senator from Nebraska would affect the property being used now to serve Illinois and Iowa, whether at Dubuque or other places. I really do not know their names; I only remember the plants.

Mr. DICKINSON. It is my impression the Keokuk Power Co. is an individual corporation which has its right from the Federal Power Commission.

Mr. LEWIS. I do not mean to divert the Senator at this particular moment.

Mr. DICKINSON. It is my judgment that they sold their bonds purely on their own rights, and that the Government would not be involved there unless there was an authority of that type which would have jurisdiction over that locality or which would attempt to acquire it.

Mr. LEWIS. What is the opinion of the able Senator from Nebraska?

Mr. NORRIS. Mr. President, if I understand the question of the Senator from Illinois, it presents an entirely new thought. I was not aware that anybody claimed that the provision in the pending bill would in any way affect the bonds or the dams or the property referred to by the Senator from Illinois.

Mr. LEWIS. If such is the conclusion, of course that would cause me to dismiss the matter from my mind.

Mr. NORRIS. Does the Senator from Iowa claim that it would?

Mr. DICKINSON. I do not think it would.

Mr. NORRIS. I do not think it has any effect upon it in any way.

Mr. DICKINSON. I do not believe the Board would have any jurisdiction whatever.

Mr. LEWIS. I thank the Senators.

EXECUTIVE SESSION

Mr. McKELLAR. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. GIBSON in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably Executive I, Seventy-fourth Congress,

first session, being a convention with Canada regarding certain damages resulting from the operation of the Consolidated Mining & Smelting Co., Trail, British Columbia, and submitted a report (Ex. Rept. No. 5) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

UNITED STATES TARIFF COMMISSION

The legislative clerk read the nomination of Thomas W. Page, of Virginia, to be a member of the United States Tariff Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of John W. Knutson to be assistant dental surgeon, Public Health Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of George R. Jones to be assistant dental surgeon, Public Health Service.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

MINISTER TO RUMANIA

Mr. LEWIS. Mr. President, at this point may I submit a parliamentary inquiry? I inquire if the President has been notified of the confirmation of the nomination of the Minister to Rumania, confirmed as of yesterday, I believe?

The PRESIDING OFFICER. The President has not been notified.

Mr. LEWIS. When, in the nature of proceedings and under our rules, would the information go to the White House?

The PRESIDING OFFICER. When the Senate shall have had one more executive session.

Mr. LEWIS. I thank the Chair.

ADJOURNMENT TO MONDAY

Mr. McKELLAR. I move that the Senate adjourn until Monday next.

The motion was agreed to; and (at 4 o'clock and 3 minutes p. m.) the Senate adjourned until Monday, May 13, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 10, 1935

COLLECTOR OF CUSTOMS

James R. Landy, of Olivia, Minn., to be collector of internal revenue for the district of Minnesota, to fill an existing vacancy.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

First Lt. Roy Madison Foster, Infantry, with rank from September 6, 1928.

TO ORDNANCE DEPARTMENT

First Lt. Leslie Alfred Skinner, Air Corps (detailed in Ordnance Department), with rank from August 1, 1929.

TO CHEMICAL WARFARE SERVICE

Second Lt. Ephraim Helmoth Hampton, Infantry, with rank from June 12, 1930.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 10, 1935

UNITED STATES TARIFF COMMISSION

Thomas W. Page to be a member of the United States Tariff Commission.

PUBLIC HEALTH SERVICE

John W. Knutson to be assistant dental surgeon.
George E. Jones to be assistant dental surgeon.

POSTMASTERS

KANSAS

Christian Biesterfeld, Dorrance.
Walter C. Reeder, Kinsley.
Louis A. Kopachek, Leonardville.
Hugh Lee, Louisburg.

MONTANA

Jay E. Sharp, Lodge Grass.
Ben Wholf, Opheim.

NEBRASKA

Francis J. Brennan, Alliance.
Clarke W. Kelley, Beaver City.

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 10, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed Heavenly Father of us all, our land, with one accord, has placed the crown jewels on the holy temples of mother, the sweetest and most endearing of all names. Today we would wear, as a sacred tribute to her, the white flower of love and purity. Just now we would be silent beneath the weight of thoughts so sweet and memories so beautiful, in which we rejoice. To her we owe the debt of thanksgiving, which can never be canceled. In the travail of motherhood she went to the gates of death that we might live. In her arms we were cradled as she read the language of our smiles and the meaning of our tears. She soothed our childish sorrows; her knees were our first altar as she folded our hands in prayer; it was here that we began to breathe the air of another clime; from here she led us forth, with the purest thoughts, and put her touch upon our shaping lives. Almighty God, while time lasts, may we not cease to revere her heavenly name. If, in the journey of the years, it abide, our homes will remain pure and the genius of the Republic will live. Through Jesus Christ our Savior, in whose name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO ADDRESS THE HOUSE

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes immediately following the address by the gentleman from California [Mr. McGROARTY] on Mother's Day.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MR. HOOVER WORRIES ABOUT "SLAVERY"

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, our late unlamented President, Mr. Hoover, is again worried about the welfare of the American people. He apparently thinks we are drifting

from liberty into slavery. In his statement issued in San Francisco he declares that "people must be taught not to change their souls and spirits for the fallacious promises of material comforts."

This is the old strategy of an exploiting class and its apologists—to tell the people not to be fooled by offers of material comforts, but to center their attention on moral and spiritual matters. There was more truth than poetry in the radical labor verses that quoted the capitalist as saying that the workers would "get pie in the sky" and should not insist upon bread while on earth. That is the advice usually offered by the man who is legally robbing you. It is virtually the advice that Mr. Hoover offers to the millions of Americans who have been gouged and stolen from by the parasites of Wall Street.

There was a time when Mr. Hoover's fine words and sonorous phrases would get considerable approval. That time is past. It has been remarked, "You can't eat the Constitution." It can be added that you cannot eat these high-sounding paragraphs about liberty. When people have sufficient of their material needs, they can really begin to pay proper attention to the spiritual and moral values on which Mr. Hoover dilates—then and not till then.

It is "liberty"—in Mr. Hoover's opinion and the opinions of Andrew Mellon, Ogden Mills, and their colleagues—when a few have the "liberty" to take away the earnings of the many. It is "slavery", in their view, when a government insists upon regulation of production and distribution so that people are assured of their needs and even perhaps a few comforts. Well, the vast majority of the American people do not see it that way.

This is on a par with the blurbs emanating from Governor Talmadge, of Georgia, who, virtually joining hands with Mr. Hoover, complains about "a mixture of communism, frenzied finance, and wet-nursing" and wants us to "go back to Americanism", which is another way of advocating that we go back to the misery of a few years ago when hungry and tattered men marched into Washington to be beaten and jailed and when Mr. Hoover's soldiery gassed and abused the former soldiers who in Anacostia's flats were waiting for the bonus promised them in the days of the "war for democracy."

We want no more of that kind of Americanism. We want the kind of Americanism that looks after the men and women who do the Nation's useful work.

William Jennings Bryan said—in the 1896 campaign, if I recall correctly—that "The man who wants the people to destroy the government is an anarchist and the man who wants the government to destroy the people is a 'patriot.'"

That summarizes fairly accurately the attitude of organized big business in this country, which is its attitude in every country. It wants the Government to serve as its instrument and agent to the detriment of the common people and for the benefit of a few heartless and ruthless corporations. That is its bullion brand of patriotism. The desperate poor man who, amid much injustice and poverty, gets resentful toward the Government is immediately characterized by big business as an "anarchist" or the wealthy exploiter who thinks the law should be used solely to enable him to grind profits from the toil and destitution of the producing class, and that we designate as "patriot" the man who wants to right our civic wrongs.

The other day attention was called to the kidnaping and brutal beating in Gallup, N. Mex., of an attorney, David Levison, and a journalist, Robert Miner, who went to New Mexico to arrange for the legal defense of people arrested in labor troubles. It was remarked that this case comes entirely within the Lindbergh Kidnaping Act adopted by Congress. It was urged that the Attorney General prosecute these terrorists.

This incident is another proof that the real anarchists are the trusts and monopolies and their agents, while the real patriots are the champions of the people who produce the Nation's wealth. Our kidnaping law, like many other statutes, has been invoked on occasion for punishment of kidnapers of prominent and wealthy men and women—which

is the proper thing, of course, for kidnaping is a vicious and horrible crime. Let it also be invoked, however, for punishing thugs and assassins employed by corporations to kidnap and maltreat labor leaders.

From those whom Theodore Roosevelt called "the malefactors of great wealth" we hear much about "law and order." They are ardently in favor of the use of the policeman's club and the gun and bayonet of the militiaman or soldier for the protection of the persons and the property of the rich. They are not so keen about the utilization of these same weapons for protecting workingmen, workingwomen, and their defenders. What a difference it makes "whose ox is gored!"

After these many years of increasing concentration of wealth; of increasing arrogance on the part of the capitalist class; of greater subservience by public officials to Wall Street; and of wide-spread poverty that has caused bread lines, hunger marches, and relief doles that are appalling, it will be welcome news to find the agencies of government used in behalf of the toilers. Every step in that direction should assuredly be encouraged. Everything that the administration does for that purpose is to be commended. Nevertheless, it will find, I think, that "regulation" is not enough—that you cannot mend a rotten apple—that you cannot cure a cancer or blood disorder by putting on an adhesive plaster—and that, as the gentleman from Pennsylvania [Mr. GILDEA] said recently, "What is needed is a major operation."

Witnessing the pain and torment and poverty that must be eliminated from our national life, I recall the eloquent words of Henry George:

Civilization so based cannot continue. The eternal laws of the universe forbid it. Ruins of dead empires testify and the witness that is in every soul answers that it cannot be—we slander the Just One. A merciful man would have better ordered the world; a just man would crush with his foot such an ulcerous anthill.

It is not the Almighty, but we, who are responsible for the vice and misery that fester amid our civilization.

AMERICA FOR AMERICANS

Mr. BACON. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech by my colleague the gentleman from Texas [Mr. DIES.]

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address by Representative MARTIN L. DIES, of Texas, made over a National Broadcasting Co. network Monday night, May 6, during the program "Congress speaks":

The most acute and distressing problem that confronts us is that of unemployment. We have already spent billions of dollars in an attempt to furnish jobs and relief to the 10,000,000 idle people in the Nation. We are now preparing to spend nearly \$5,000,000,000 to put 3,500,000 idle people to work, and we are making radical changes in our economic laws in an effort to prevent the recurrence of this condition.

It is a strange paradox that while so many learned theorists have been busy discovering causes of the unemployment and proposing remedies of every character and description, few leaders have pointed out the fundamental cause of unemployment in this country.

It is, of course, true that many factors combined to produce the wide-spread and prolonged unemployment in this country. The unparalleled credit inflation prior to 1929, which was succeeded by inevitable deflation; the introduction of labor-saving devices, which displaced man power; the severe disparity between agricultural and industrial prices, with the consequent impairment of the farmers' purchasing power and the serious decline of export trade, which normally furnishes employment to 10,000,000 people, were all important but secondary causes of unemployment. The primary cause was immigration. If we had not permitted millions of aliens to enter this country, the secondary causes which I have enumerated would not have been sufficient to produce any serious unemployment in this country, although we would have, no doubt, experienced an economic depression.

That this short-sighted policy is responsible for the present unemployment can be proven by simple mathematics. We now have in this country 16,500,000 foreign born and 7,500,000 aliens. We have approximately 10,000,000 unemployed. If we had refused admission to the 16,500,000 foreign born who are living in this country today, we would have no unemployment problem to distress and harass us.

Even if we had excluded the 7,500,000 aliens which the records show are living in this Nation at this very moment, our unemployment would be normal. And if we were to deport the 3,500,000 aliens who are illegally in this country, we would reduce unemployment as much as we hope to do through the expenditure of \$5,000,000,000.

As an indication of the number of aliens entering this country illegally, the value of seizures by the border patrol of vehicles used in smuggling aliens for the year 1933 was \$283,744. This included 13 airships valued at \$89,500.

Of the 7,500,000 aliens who are in this country there are from 1,000,000 to 1,500,000 on public relief. This leaves about 6,000,000 aliens who are deriving their livelihood from jobs which American citizens should fill and would fill if we had the same laws that are in force in other countries. So that from any angle of approach it must be evident to every thinking American citizen that the unemployment problem was transferred to America from foreign lands.

But you ask, and properly so, what are we going to do about it? I agree with you that there is nothing we can do so long as our policy is dominated by sentimentality, fatuous internationalism, industrial greed, and alien political influence. So long as we permit America to be made the asylum for the peoples of other lands and the dumping ground for Europe and so long as politicians fear the vote and influence of alien groups and blocs in the great cities, there is nothing that we can do except to continue to struggle with the unemployment problem of other nations and tax our people to the limit of endurance to provide relief for the 1,500,000 aliens and for the 9,000,000 Americans whose jobs have been taken by foreigners. But when the time comes, as surely it will, that we adopt and develop an American policy based not upon racial and religious hatred but upon the stern law of self-preservation, and the ancient truth that charity should begin at home there is much that we can do. In the first place, we can permanently close, lock, and bar the gates of this country to any pioneer immigration and then throw the key away. There is certainly no need for immigration during the next 50 years. We have our hands full to furnish employment to the natural increase of our own population and to give to the youth of today and tomorrow their place underneath the sun.

Of course, the anti-restrictionists employ the threadbare argument that we have already reduced immigration to a minimum and that under the quota only 150,000 immigrants can come to this country annually from quota countries. It is pointed out that immigration to the United States had been trivial and unimportant since 1930. It is true that on September 8, 1930, the White House issued a press release pointing out that the public-charge clause had a special significance in times of wide-spread unemployment, and as a result of the strict interpretation of the public-charge provision, from September 8, 1930, until recently the number of aliens entering under the quota dwindled to a low level.

By reason of the strict enforcement of this section, about 900,000 aliens who might have been admitted during normal times were prevented from entering the United States to increase unemployment.

The American consuls estimate that in 47 out of 68 quota countries there are at this very moment 992,000 aliens who are anxious to enter the United States in spite of the unemployment here.

It must not be forgotten that the 900,000 aliens prevented from entering this country since 1930 were only kept out by unusual administrative action and not by law. This administrative reduction is admittedly to last only during the acute stages of the depression. As Mr. Simmons, Chief of the Visa Division, Department of State, said in his press release of April 30, 1934: "With the improvement in economic conditions, which is already setting in, the significance of the public-charge clause will proportionately decrease."

In other words, administrative strictness in interpreting the public-charge provision is now being relaxed, until we will soon be admitting from quota countries 153,000 aliens each year. This is proven by the fact that last year's immigration statistics show an increase of 50 percent in quota immigration—that is, new seed immigrants—an 8-percent increase in total aliens admitted, and a 60-percent decrease in alien deportations, as well as a 50-percent increase in deserting seamen, alien stowaways, and the like. During the 10 years of quota restriction 3,687,547 aliens of all classes have legally entered this country, 2,010,896 of whom were new immigrants. But while the 1924 quota law did reduce the number of aliens coming legally from quota countries, a serious mistake was made when the quota was not applied to the Western Hemisphere. This left both side doors open, and predatory employers and profit-seeking steamship companies were quick to take advantage of this mistake. These nonquota countries, and especially Mexico, supplied the cheap pauper labor that had formerly come from southern and eastern Europe. The legal and illegal entries from the nonquota countries, together with the increased smuggling of aliens and the desertion of alien seamen from quota nations, have done much to neutralize the beneficial effects of the 1924 Immigration Act. In other words, while we closed some of the doors, we left others open, and through these open doors aliens continued to enter in large numbers.

My bill, H. R. 5921, proposes to reduce the quota 60 percent. This will leave 40 percent of the present quota to be used to gradually reunite families. My bill applies the quota to the Western Hemisphere, so that under its terms, with the exception of near relatives admitted gradually under the quota to reunite

families, all immigration will be a thing of the past. Of course, my bill does not interfere with tourists, visitors, clergymen, etc., who come here for temporary periods and not for permanent residence.

My bill also provides that all aliens admitted for permanent residence in this country must take steps to qualify for citizenship 12 months from date, and those aliens who fail to do so will be promptly deported. Since the 3,500,000 aliens unlawfully in this country cannot qualify for citizenship, they will be immediately deported. My bill also provides for the deportation of alien criminals, Communists, dope peddlers, smugglers, gangsters, and the like. I know that one of the specious arguments used against my bill is the so-called "hardship cases." It was to meet this argument that my bill left 40 percent of the present quotas to reunite families gradually where they are not likely to become public charges or to take jobs away from American citizens.

I know it will be charged that it will result in many hardship cases to deport the millions of aliens unlawfully in this country. In regard to hardship cases resulting from deportation, the Commissioner of Immigration, Mr. MacCormack, admitted that not more than 5 percent of all deportation cases could be properly classified as hardship cases. When it is considered that this percentage took into consideration the five-hundred-and-some-odd carry-overs from the previous year it can be conservatively stated that not more than 30 percent are bona fide hardship cases. In my opinion, 3,500,000 aliens unlawfully in this country can be deported without working undue hardship upon them or their families. Of course, in the enforcement of any law, someone must suffer. When a criminal is sent to the penitentiary his wife and family are compelled to suffer, but no one will contend that we should let these criminals go unpunished simply because their families will suffer. There is one sure way that the alien can prevent the separation of families, and that is to take his family back to the old country with him or not to come to this country unless he can bring his family with him.

So it will not be the Government that is separating the families. It will be the families themselves who prefer to remain in the United States rather than to go to their native country with their deported relative. It is a question of who shall suffer, American citizens or the alien and his relatives. As between the two, it is the alien who should suffer. When he entered the country unlawfully he knew that he was violating our laws and subjecting himself to punishment. America is not responsible for his suffering, and why should our own citizens be punished to keep him from paying the price of his own misconduct?

As to the individual cases of unusual merit, where the aliens were merely guilty of a technical breach, or where the records were improperly kept, I am perfectly willing that special bills shall be passed granting clemency. But I am not willing that discretionary power shall be vested in some Secretary of Labor, who may not be sympathetic with restriction, to deport or not to deport as he or she sees fit.

Not only must we permanently exclude new immigration from every country and deport the aliens unlawfully in our midst but we must go one step further. We must pass a law similar to that in force in all other enlightened nations that will make it impossible for any employer to employ any alien so long as American citizens are walking the streets in search for jobs. If the 3,500,000 aliens in our midst are deported and new-seed immigration permanently excluded and every job given to Americans before any alien can be employed, the unemployment problem will be solved in the United States and there will be no need to appropriate billions of dollars out of the Treasury to furnish relief and work. This would constitute a major act of permanent recovery and would not violate the Constitution or constitute any departure from fundamental principles or the ancient landmarks of the fathers.

I know that there are sentimentalists, internationalists, and some greedy employers in this country, and politicians kowtowing to alien-minded voters, who will denounce this program as un-American. It makes no difference to them that all other enlightened countries have adopted drastic measures in the protection of their nationals. Under the laws of Mexico, Sweden, Belgium, Great Britain, France, the Netherlands, and Germany immigration is virtually prohibited and aliens are deported without fear or favor, and no alien can hold any job until their citizens are first employed.

On May 1, while I was in New York, I witnessed a parade of 100,000 Communists. I did not see an American in the crowd. Many of them are aliens that should be deported and others are foreign born who should have their naturalization papers canceled. Not a one carried an American flag, and they openly insulted and derided everything that we hold sacred in America. Well-dressed and apparently well fed, they sang the Internationale and treated with base ingratitude the land that feeds them. Although they are infinitely better off than the starving peasant of Russia, they prefer the Russian Government to the American. What would happen in Russia if 100,000 people marched through the streets of Moscow singing the Star-Spangled Banner and advocating the overthrow of the Russian Government and the establishment of the American system in its place? The ruthlessness with which the Soviet Government has massacred its enemies demonstrated what would happen. There would be 100,000 less people in Russia than before the parade.

Our immigration policy introduced into our midst alien political, economic, and social ideas. There can be no compromise between the American system and the foreign. Our conception of individual liberty, private initiative, and inherent rights of the citizenship is diametrically opposed to the theory of collectivism and state

socialism which prevails in most of the foreign lands. Communism, socialism, fascism, and Hitlerism have one underlying cardinal principle in common. They hold that the individual should be the pawn or creature of the state; that the state is everything and the individual nothing. They destroy freedom of speech, freedom of thought, and the right to worship God according to the dictates of one's conscience. None of these systems rest on the active growth and moral value of the individuals, without whom the state is a fiction or a monster. Mussolini's formula is: "Everything for the state, nothing outside the state, and nothing against the state." The American principle, as distinguished from the foreign philosophy, is that the state was created to serve the individual, and that the citizen is a sovereign crowned with the ballot and surrounded with certain inherent and inalienable rights which cannot be destroyed or abridged by the Government.

And so the titanic struggle in the United States is between American individualism on the one hand and European collectivism or state socialism on the other. American individualism does not mean the establishment of an industrial or financial feudalism controlled by a few men or interests. Such unrestrained individualism does not conform to the spirit of the American institutions of government. There are some who construe American individualism to mean the concentration of wealth and power into the hands of a few. This is the European idea, and never was American in origin or principle.

The question is, Shall a few, whether that few be feudal lords under a system of concentrated ownership and control or a dictatorship under systems such as prevail in Russia and Italy, govern the masses, or shall individual and political freedom be preserved? Shall American individualism, as proclaimed by Thomas Jefferson, applied by Andrew Jackson, and interpreted by Woodrow Wilson, be retained as the basis of our political, religious, and economic life, or shall we embrace the foreign philosophy of an enthroned and governing minority, whether that minority be the Communist of Russia, the Fascist of Italy, or the great industrial and financial lords who seek control of the wealth and natural resources and the industrial power of the country?

There is no middle ground or compromise. Either we are for or against America. If we are for America, we must be for the exclusion of new-seed immigrants and the deportation of those unlawfully here. If we are for America, we are for those cardinal principles which are essentially American, such as liberty of speech, thought, and action consistent with the public weal and the maintenance of a government that will be the servant of the people and not the master.

Those who are seeking to weaken our immigration and deportation and naturalization laws by piecemeal legislation, such as removing the educational qualifications for citizenship, and even the obligation to defend their country in time of war, the legalizing of illegal entrants, the giving of discretionary power to the Secretary of Labor to deport or not to deport as she sees fit, the enlargement of nonquota classes, the nullification of public-charge provision by the acceptance of worthless bonds, and all other such antirestriction measures which are now pending in Congress, are working against the best interests of this country.

The motives which actuate these various antirestriction blocs are immaterial and beside the question. The fact is that all of them the internationalist, the sentimentalist, the greedy employer, or the steamship company seeking quick profits, and the aliens themselves and their relatives are all working for the same results. Though actuated by different motives they have the same goal. They have hurled the challenge and thrown down the gauntlet.

They are engaged in a great offensive. They secure hearings on their bills without any difficulty and get them reported out without delay. On the other hand, hearings are granted to us on restriction measures during the closing days of the session, when it is too late to secure favorable action. Even when, after the greatest difficulty, we secured passage of restriction measures in the House we cannot get a vote in the Senate as was illustrated by my two exclusion and deportation bills which passed the House in previous sessions only to die in the Senate for want of any active support.

While we are on the defensive we are not "licked." We shall continue to appeal to the American people until public sentiment is so thoroughly aroused and crystallized in this Nation that the majority of the people will demand immediate action. I am appealing to you, my fellow countrymen, to adopt the American slogan: America for Americans. The only way we can deport aliens is to deport them, and the only way to restrict immigration is to restrict it, and the only way to furnish employment to the idle American citizen is to give available jobs to American citizens before a single alien can be employed.

In closing, may I express my deep gratitude to the National Broadcasting Co. for affording us the opportunity to present the American case at the bar of intelligence and patriotic public opinion?

CALL OF THE HOUSE

Mr. COLDEN. Mr. Speaker, in deference to my colleague the gentleman from California [Mr. McGROARTY], who is to address us on the subject of Mother's Day, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 72]

Andrew, Mass.	Ditter	Keller	Rogers, N. H.
Bankhead	Dockweiler	Kennedy, N. Y.	Romjue
Bland	Doutrich	Kimball	Sadowski
Bolton	Driver	Kvale	Sanders, La.
Brennan	Dunn, Miss.	Lamneck	Sandlin
Brooks	Englebright	Lee, Okla.	Scrugham
Buckley, N. Y.	Farley	Lewis, Md.	Secrest
Cannon, Wis.	Ferguson	McKeough	Shannon
Carden	Fish	Maas	Short
Carlson	Ford, Calif.	Maverick	Sirovich
Cartwright	Frey	Meeks	Smith, W. Va.
Casey	Gambrill	Merritt, Conn.	Somers, N. Y.
Cavicchia	Gasque	Merritt, N. Y.	Stack
Clark, Idaho	Gifford	Millard	Stubbs
Clark, N. C.	Gildea	Mitchell, Ill.	Sumners, Tex.
Cochran	Gingery	Montague	Thom
Connelly	Goldsborough	Montet	Thomas
Corning	Goodwin	Mott	Thomason
Cox	Gray, Pa.	Norton	Thurston
Culkin	Greenway	O'Day	Tinkham
Darden	Greenwood	O'Malley	Tobey
Dear	Greever	Palmisano	Treadway
Delaney	Hancock, N. Y.	Patman	Underwood
Dempsey	Hartley	Peyser	Vinson, Ky.
DeRouen	Hennings	Plumley	Wilson, La.
Dickstein	Hull	Rayburn	Wolfenden
Dies	Jenckes, Ind.	Robinson, Utah	
Dirksen	Kee	Robson, Ky.	

The SPEAKER. Three hundred and twenty-one Members have answered to their names, a quorum.

On motion of Mr. TAYLOR of Colorado, further proceedings under the call were dispensed with.

The SPEAKER. The Chair recognizes the gentleman from California, under the special order of the House, to address the House for 15 minutes.

MOTHER'S DAY

Mr. McGROARTY. Mr. Speaker, it is by the kindness of our illustrious and beloved Speaker, who is essentially a kind man, and the courtesy of the Membership of this House, that I am to recall to your minds today the fact that this is the annual memorial of national Mother's Day.

Some years ago this great idea was born in the soul of a great-souled woman, a native of West Virginia and now a resident of the city of Philadelphia. Her idea was so beautiful and so tender that it obtained national proportions and even world-wide proportions. Next Sunday is the date on which Mother's Day will be celebrated all over the civilized world. It is a beautiful idea, a tender thought; and for a few brief moments this morning I think we may well interrupt legislative proceedings to give thought to the mothers of the world and to our own mothers in particular.

The custom has been, I regret to say, to make this day rather lugubrious and almost maudlin, a sorrowful day, a day of tears and weeping. This is all wrong. Mother's Day should be the happiest day in the year, if for no other reason than that mothers are the happiest people in the world.

The vogue in mothers seems to have changed. The fashion in mothers in these modern times—even the fashion in grandmothers—has changed. I know of an instance where a young girl came home from a party about half past 12 at night. Half an hour later when she was about to seek her pillow and go to sleep she heard the front door click and she "yoo-hooed." The answer came from below, "Don't worry, dear, this is mother." Mother got home about 1 o'clock, and then she said: "Dear, shall I lock the door?" And the girl said: "No, don't. Grandmother has not come home yet." [Laughter.]

When I was a boy, or before that, the custom was that when mother had reached the age of, say, 40 or 45 years, she was retired, a nice chair was found for her in the chimney nook, we gave her some knitting needles and put a white cap on her head and told her that that was all for mother. It is not so now at all. Mothers just begin to start out when they are about 45 years of age now, and grandmothers about 5 years later begin to step out. Mothers used to be regarded essentially as cooks. Mother was boss of the kitchen, and so she ruled the household through the kitchen on the theory that the best way to a man's heart is through his stomach. Mothers do not bother with kitchens any more, there are too many good bakeries, too many good

delicatessen stores; so she is relieved of that and many other burdens she was forced to bear in former times. Not all mothers are good cooks any more. I remember hearing of an instance of the Klondike gold rush some years ago. A young fellow bearing a heavy pack was wending his weary way, slipping on the ice up the White Horse Trail.

Along the trail some enterprising chap had set up a little cafe or restaurant. He had a sign over the door of the cafe which read: "Come in and get some coffee like your mother used to make." So this lad went wearily in, slipped his pack off his back and said in a tired voice to the man: "Do you make coffee like my mother used to make?" The man said, "Yes, son, I do." The kid said: "Well, give me a cup of tea." [Laughter.]

I am trying to make this a happy day for you and myself. It is the tenderest day that could possibly fall upon the calendar of the year. Indeed, it is so tender that after the Chaplain had concluded his exquisitely beautiful prayer, I felt that not another word should be said. The prayer of the Chaplain will be put into the CONGRESSIONAL RECORD for all time, but something greater than that will happen to the Chaplain's prayer, and already has happened. The words he uttered are already registered at the great white throne of God.

Now, my dear colleagues, I have been thinking what would be the best way for us to observe Mother's Day. I am sure that the best way is not the way the shopkeepers would lead us into; that is, to buy expensive presents to send to mother and get rid of it in that way. The best gift you can send to your mother, if she is living today, is yourself. If she is living a short distance go see her. No gift that money could buy would make your mother as happy as your own presence, that she might put her arms around you again. That will be good for you, my dear colleagues. It is the same now as when you were children. You used to go to your mother with your trials, your troubles, and your griefs. Here in this great legislative body we have our trials, our griefs, and our discouragements. Go to your mother with them. You will come back to this chamber next week renewed in faith, renewed in strength, and renewed in courage. You will be of better service to your country because you have again been at your mother's knee, which was the source and should still be the source of all strength and faith to you.

If your mother be not within distance to see her next Sunday, send her a message. Write her a long letter. Mothers, you know, are lonely people when their sons are away from them. They have a love that no other love can compare with. There are many kinds of love in the world. There is the love of a man for a maid, the desperate, strong love of a sister for a brother, the love of a friend for a friend. All these loves may fade and falter, but the love of a mother for her child, for her son or daughter, never falters. It is eternal. No fire can quench this love. So if you are not within distance of her next Sunday, send her a long letter. Forget the cares of state. Forget your own troubles and your own worries and think of her who went down into the valley of the shadow and staked her own life against the desperate and bitter adventure of giving life to you.

I trust no colleague of mine will let this opportunity pass. And may I say more than that. If your mother be not in this world any more, you can still send her a message. Go out at night and look up at the tracery of the stars and send her a message where she is, where she is walking with God in the fields of asphodel, by the still waters. She will hear and God will let her stop to hear and will rejoice with inexpressible joy in knowing that you had a thought of her.

I just want to take this very brief moment, my colleagues, from the cares of state, through the kindness of the Speaker and your courtesy, to give this tender thought to the tenderest thing in all this world—a mother. Sunday is Mother's Day. Remember it and keep it holy. [Applause.]

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania [Mr. SNYDER] for 3 minutes.

Mr. SNYDER. Mr. Speaker, I am sure I voice the sentiment of all those under the sound of my voice when I say that we were buoyed up to a higher plane of inspiration,

both in mind and in soul, by listening to this wonderful Mother's Day address. We Pennsylvanians are doubly honored today. Mr. McGROARTY spent the first 35 years of his life in the grand old Commonwealth of Pennsylvania. California borrowed him to make him the poet laureate of the Golden Gate State.

We are also honored today as Members of Congress, and especially we Pennsylvanians, because under the sound of my voice this very minute is seated the "originator" of "Mother's Day." Miss Anna Jarvis, formerly of West Virginia and now of Philadelphia, who was inspired to create Mother's Day because her mother, down in Webster, W. Va., had in her day the most beautiful flower garden in all that region, and her favorite flower was the carnation. Every time anybody came to the Jarvis homestead, the mother of Miss Jarvis would always pin on them a carnation, it mattered not whether the caller was a miner, a farmer, or one of the tramps or hoboes that used to come along. As Miss Anna Jarvis, who, as I previously stated, is seated under the sound of my voice, got along in years, she thought it would be a noble tribute to motherhood to have set aside one day each year as "Mother's Day"; thus she took steps to have President Wilson proclaim the second Sunday of May as "Mother's Day."

Someone has well said:

Love in the highway is the same as love in the byway and, whether you live under the northern pine or under the southern palm, it is ever the same.

This statement and sentiment I think is especially true when it comes to mother's love, and it has been most fitting and appropriate that the Seventy-fourth Congress unanimously set aside these few minutes to have our most worthy colleague from California bring before our mental gaze once more these finer threads and sentiments that always find their way to a front seat in our mental balcony, when so vividly portrayed as was done by the gentleman from California.

At this point I wish to insert an editorial from the Philadelphia Evening Bulletin, paying just tribute to the one who has just delivered our Mother's Day address:

There have been many poets in Congress; but so far as available history goes, JOHN STEVEN MCGROARTY, elected this month, will be the first with the accredited title of poet laureate. MCGROARTY, well known as the author of the Mission Play, and to everyone on the west coast as a master of prose and verse, will represent a California district; but Pennsylvania is his birthplace, and in this State he began his literary career. Born in Foster Township, Luzerne County, August 20, 1862, the new Member of the House, who was elected poet laureate of California by the Golden State's legislature last year, remains loyal to the State of his birth.

It has also been suggested to me that it is fitting to incorporate in my remarks the following quotations taken from several hundred expressing sentiments concerning Mother's Day:

"In my next general order I shall ask every Grand Army man of the Republic to give proper observance to Mother's Day. It will afford me pleasure to do this. There is no class of men living whose mothers were as patriotic, heroic, and made such sacrifices as ours did." (Gen. Henry M. Nevius, commander in chief, Grand Army of the Republic, 1909. G. A. R. officially adopted Mother's Day. Anna Jarvis, founder Mother's Day, was made honorary member of Ohio post.)

"I am strongly in favor of Mother's Day." (Admiral R. E. Coontz, United States Navy.)

"It is a great pleasure to aid in the celebration of Mother's Day." (Ernest Lee Jaencke, Acting Secretary, United States Navy, Washington.)

"The U. S. S. *Tennessee* will feature Mother's Day, and we are desirous of making it mean so much to our men." (Chaplain N. Park, Jr., U. S. S. *Tennessee*, San Pedro, Calif.)

"Mother's Day has been helpful in many ways throughout the length and breadth of our land. We all bless you, Miss Jarvis, for the happiness you have brought to many of us through Mother's Day." (C. N. Dickens, captain, Chaplain Corps, United States Navy.)

"Mother's Day means so much to men in foreign countries. We have sent you pictures and printed material showing some of our meetings, banquets, etc. When we get back to Quantico, Va., marine barracks (the largest marine base in United States), we want to have you down there sometime to one of our large Mother's

Day programs, and we will have an immense crowd." (Chaplain, United States Marines, Shanghai, China.)

"The fraternal system of 188 societies and membership of 10,000,000 are all anchored to the truthful knowledge you are the author of Mother's Day and honor your distinction in establishing this day first."

"The idea is beautiful. Ministers should preach about influence of mother's love." (Bishop Whittaker, Protestant Episcopal, Philadelphia.)

Mr. GRAY of Indiana. Mr. Speaker, I ask unanimous consent to extend my remarks on the Cross and Goldsborough amendments offered to the banking bill.

Mr. FITZPATRICK. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Colorado [Mr. TAYLOR] when the House may expect the Home Owners' Loan Corporation bill to be reported by the conferees. It has been 4 weeks since this bill was referred to conference, and, as I understand it, there is only a minor matter that they object to, and I cannot see why it is being held up all this time.

Mr. GRAY of Indiana. What has that to do with my unanimous-consent request? [Laughter.]

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STEAGALL. Mr. Speaker, I may say that there have been unusual reasons for the delay in agreeing on a conference report on the Home Owners' Loan Corporation Extension Act. The delay has been due in most part to the illness of one of the Senators on the conference, and in part because of the rush of business in the House for the last 2 weeks. We held a preliminary conference on yesterday. We are meeting against this afternoon, and we hope in a day or two to be able to present a conference report to the House.

NATIONAL BOY SCOUT JAMBOREE

Mr. DICKSTEIN. Mr. Speaker, I offer a joint resolution, which is now at the Clerk's desk, to permit the temporary entry into the United States, under certain conditions, of alien participants and officials of the National Boy Scout Jamboree, to be held in the United States in 1935, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the joint resolution.

Mr. SNELL. Mr. Speaker, reserving the right to object, I think there should be some explanation of the resolution. While I think the resolution is all right, I think the matter should be explained to the House.

Mr. DICKSTEIN. These Boy Scouts who are going to attend this jamboree are coming here from all parts of the world. Every country is sending one or two Boy Scouts to participate in our national sports in Washington next month. This joint resolution would simply permit them to enter without paying a head tax or a visa fee. We are taking the same position in passing this resolution that we did with respect to the participants of other countries in the Olympic Games. They came here without the payment of \$8 as a head tax.

Mr. SNELL. We did this 2 years ago for the participants in the Olympic Games held here?

Mr. DICKSTEIN. Yes; they are coming here with the consent and under the regulation of the Department of Labor and the Department of State and the other Government officials.

Mr. BLANTON. Mr. Speaker, reserving the right to object, this would be all right if the resolution provides safeguards for their return.

Mr. DICKSTEIN. It does.

Mr. BLANTON. Are there proper safeguards in the resolution to insure the prompt return of all of them after this jamboree?

Mr. DICKSTEIN. This is under the regulations of both the Department of State and the Department of Labor.

Mr. BLANTON. But I want to know that their prompt return is assured. How many could come in under the resolution?

Mr. DICKSTEIN. Each country is going to send a Boy Scout group.

Mr. BLANTON. A "group" could mean a great many. Are they limited as to the number of Boy Scouts they may send?

Mr. DICKSTEIN. There is no limitation at all.

Mr. BLANTON. There should be a proper limitation. Mr. Speaker, before we agree to this request, we would like to hear the resolution read.

The Clerk read as follows:

Resolved, etc., That alien participants, officials, and other accredited members of delegations to the National Boy Scout Jamboree, to be held in the United States in 1935, and members of the immediate families of the foregoing, all of whom are non-immigrants—

Mr. BLANTON (interrupting the reading of the joint resolution). That is far enough. Under that language a hundred thousand could come over. I object, Mr. Speaker, if they are going to bring their families in here. If beside the Boy Scout participants, foreign "officials", and foreign "members of delegations", and foreign "members of the immediate families of the foregoing" may all come across our borders, many of them will stay here, and we already have at least 6,500,000 aliens here from foreign countries holding American jobs away from starving Americans now on relief. It is all right for the Boy Scouts to come in when their prompt return is definitely assured, but the families do not have to participate in the national games, but a possible army of officials and delegations are not necessary.

Mr. RANKIN. Does the gentleman consider this an insidious move to bring in some immigrants?

Mr. BLANTON. I am a little suspicious about it, because there have been so many notorious anarchists brought in. I have lost confidence in our bureau. When Emma Goldman, who was the former notorious anarchist pal of that notorious anarchist Alexander Berkman, can be permitted to come in, I have not much confidence in regulations our present careless Immigration Bureau will prescribe for our protection.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman withhold his objection for a moment and let the rest of the resolution be read, and then give me a chance to make a statement? Then if the gentleman wishes to object, he can do so.

Mr. BLANTON. This language already read is too all-absorbing and too all-enveloping and too all-embracing. I must object to the resolution.

Mr. DICKSTEIN. I will explain to the gentleman the urgency of the matter. This was given to me by the Department, and they asked for its urgent consideration.

Mr. BLANTON. Mr. Speaker, I am somewhat suspicious of an Immigration Bureau and a Department of Labor that will let Emma Goldman, the anarchist pal of Alexander Berkman, come in here and then call Emma "an innocent old lady who was an anarchist", when for 20 years she has been a most dangerous and notorious anarchist, and it had cost our Government a tremendous amount of money to put her out and to deport her and Alexander Berkman following the World War.

I object, Mr. Speaker.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. BLANTON. No; I must object. I want to get some safeguards put in this resolution to protect American jobs for Americans.

Mr. DICKSTEIN. Will the gentleman withhold his objection so that I may make a statement?

Mr. BLANTON. No; I am going to object. Mr. Speaker, this should not come up here until we can look into it a little closer and properly safeguard it. The word "officials" and also the words "and other accredited members of delegations" and also the words "and members of the immediate families of the foregoing", all being in addition to the Boy Scouts themselves, are entirely too all-embracing, and under such language a whole army of additional foreigners

could come in the United States from Italy, Greece, Japan, Russia, the Philippines, Germany, France, England, and from every other country scattered over the entire world. And the worst of it all is that there are no safeguarding provisions that I deem satisfactory to assure their prompt return out of this country after this so-called "jamboree" is over.

We are already in what I consider too much of a foreign jamboree. We have over 6,500,000 aliens in the United States who have been taking American jobs that belong to Americans. If all of these aliens in the United States have no jobs, they are on relief. If we could deport them and get them out of this country, and keep them out, there would be plenty of American jobs for Americans.

This is one matter that I have made up my mind definitely to watch, and no more bills with my consent are to be passed here that will admit any more aliens into the United States.

The time has come when the Members of this Congress who think more of American citizens, walking the streets without jobs, with their wives and little children starving, than they do of foreigners from foreign countries to make a determined, uncompromising fight to stop other aliens from coming across our borders and to deport the millions of aliens who are now here unlawfully. I am one who is pledged to make such fight. This is one issue upon which I will not compromise. This is a fight to the finish. Therefore, Mr. Speaker, I object to the resolution.

THE LATE CLYDE KELLY

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in connection with the death of Hon. Clyde Kelly, and to include therein resolutions adopted by the National Council of Mail Users.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, the House of Representatives was notified of the sad death of the Honorable Clyde Kelly on Monday, April 29, by the distinguished gentleman from Pennsylvania, the Honorable GEORGE P. DARROW.

He was buried on Wednesday, May 1, in the beautiful Mahoning Union Cemetery at Marchand, Pa. The services were held in the Presbyterian Church of Punxsutawney, Pa., some 8 miles from the cemetery.

Dr. Guy D. Wallace, pastor of the First United Presbyterian Church of Washington, D. C.; Rev. Joseph Hillman, pastor of the Chevy Chase Presbyterian Church; and Rev. H. C. Humpke, pastor of the Punxsutawney Church, conducted the services.

The honorary pallbearers were Hon. JAMES M. MEAD, of Buffalo, chairman of the Post Office Committee of the House of Representatives and long-time personal friend and associate of the deceased, and other members of the committee, including Hon. D. C. DOBBINS, of Illinois, Hon. MARTIN L. SWEENEY, of Ohio, and Hon. PHILIP A. GOODWIN, of New York. Hon. JOSEPH GRAY and Hon. THEODORE L. MORITZ, Members of Congress from Pennsylvania, also officiated. The Post Office Department was represented by Hon. Stephen A. Cisler, general superintendent of the Railway Mail Service; M. E. Evans, assistant superintendent, fifteenth division, Railway Mail Service; John M. Keyes, assistant postmaster, Buffalo, N. Y.; and others. Fowler W. Barker, operating engineer of the Aeronautics Chamber of Commerce, represented the commercial air mail lines. Also included were numerous friends of the deceased prominent in State and National affairs.

The active pallbearers consisted of representatives of the employees, as follows: William M. Collins and Frank Bennett, president and vice president, respectively, of the Railway Mail Association; Edward J. Gainor, president, and William J. Gorman, treasurer, of the National Association of Letter Carriers; Leo E. George, president, and Gilbert E. Hyatt, legislative representative, of the National Federation of Post Office Clerks.

The ceremonies were attended by employees of the Postal Service from as far away as could reach Punxsutawney in

time for the services. These included delegates representing Chicago, Cincinnati, Pittsburgh, Philadelphia, New York City, Buffalo, and numerous cities in surrounding States.

One of the most significant and touching incidents was the tribute which the flyers of the Air Mail Service gave to the deceased. This was the dropping of roses on the grave from these planes in which they had flown Members of Congress and officials of the Post Office Department from Washington.

A fitting tribute to the father of the air mail legislation.

Mr. Kelly was elected to the Sixty-third Congress and then to the Sixty-fifth Congress, remaining a Member of the House until the conclusion of the Seventy-third Congress. Throughout the greater part of his service as a Member of Congress, Mr. Kelly served as a member of the Committee on the Post Office and Post Roads, where he distinguished himself by reason of his superior knowledge of the activities of the Postal Service. He sponsored numerous bills and was always intensely concerned with the expansion and improved facilities of that great business institution.

Both the personnel and the patrons of the service recognized his splendid leadership, and on many occasions it was said of him that he was the best-informed legislator on postal affairs. Indicative of the high appreciation of his valuable work on the Committee on the Post Office and Post Roads are the resolutions adopted by the National Council of Business Mail Users, which I am including in my remarks:

NATIONAL COUNCIL OF BUSINESS MAIL USERS, INC.,
Chicago, Ill., May 2, 1935.

Resolutions adopted by the board of directors of the National Council of Business Mail Users, Inc., on May 2, 1935, at Chicago, Ill.

Whereas the board of directors of the National Council of Business Mail Users, Inc., have heard with deepest regret the news of the untimely death of Hon. Clyde Kelly, of Pennsylvania; and

Whereas during the 20 years that he was a Member of the House of Representatives of the Congress of the United States and the many years he was a member of the Post Office and Post Roads Committee of that honorable body, Mr. Kelly and the National Council of Business Mail Users enjoyed a common interest and worked in common understanding on all proposals for advancing the welfare of the Postal Service; and

Whereas the National Council of Business Mail Users came to know, respect, and honor Mr. Kelly as an able legislator on postal problems, an authoritative writer on the subject of the Post Office, and a constructive force in the upbuilding of this great business department of our Government; and

Whereas Mr. Kelly as a legislator and as a man was, in his own words, inspired by that "faith of Americans in a postal establishment which follows steadfastly the goal of service": Be it

Resolved, That the National Council of Business Mail Users record its profound regret at the death of Hon. Clyde Kelly, and express its deepest sympathy to the members of his family, and to his friends and colleagues in the Congress of the United States; and further, that in his contributions to the development, expansions, and upbuilding of the Postal Service of the United States, we believe Mr. Kelly has left his own best and most imperishable monument; and, further, that in the name of every business user of the mails there should be carried onward his spirit of devotion to the progress and welfare of the Postal Service, expressed in the verses of his favorite poem:

There followeth after me today,
A youth whose feet must pass this way.
This chasm which has been as naught to me
To that fair-haired youth may a pitfall be.
He, too, must cross in the twilight dim,
Good friend, I am building this bridge for him.

THOMAS QUINN BEESLEY,
Executive Director.

For the Board:
HOMER J. BUCKLEY.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 254. Joint resolution providing for an investigation by the United States Public Health Service of the plumbing and sanitary systems in Federal Government buildings.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6718) entitled "An act making

appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes."

AMEND EMERGENCY FARM MORTGAGE ACT OF 1933, FEDERAL FARM LOAN ACT, AGRICULTURAL MARKETING ACT, AND FARM CREDIT ACT OF 1933

Mr. JONES. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 5440) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes.

Mr. DALY. Will the gentleman withhold that? Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

Mr. JONES. I will yield to the gentleman in general debate on this bill.

The motion of Mr. JONES was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. Igoe in the chair.

The Clerk read the title of the bill.

Mr. JONES. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. JONES. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DALY].

Mr. DALY. Mr. Chairman, the Associated Press circulated yesterday through the country a report that I was opposed to holding the convention of the Democratic Party next year in Philadelphia. That report is absolutely without foundation. Far from opposing Philadelphia for holding the Democratic National Convention next year, I am very strongly in favor of it and will also extend an invitation to the Republican Party to hold their convention there next year. We have accommodations of the most splendid kind in every detail. We have fine hotels, magnificent suburbs, everything that will make for the comfort of visitors.

Mr. McFARLANE. Will the gentleman yield?

Mr. DALY. I yield.

Mr. McFARLANE. I wish the gentleman would keep the police from unjustifiably molesting tourists on the boulevards in Philadelphia.

Mr. DALY. If the tourists obeyed the traffic regulations of Philadelphia they would not be molested. [Laughter.]

To the Republicans, I want to invite you to Philadelphia, where we are well able to take care of you. In fact, we have been taking good care of the Republicans there for the last few years. We can furnish you what you want, anything and everything. We will even let you have FISH if you want him.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. JONES. Mr. Chairman, I yield the gentleman 1 minute more.

Mr. DALY. Mr. Chairman, in the 1 minute that I have I just want to say, bring the Democratic Convention to Philadelphia, and we will give Pennsylvania's electoral vote next year to Franklin Delano Roosevelt.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. DALY. Yes.

Mr. McFARLANE. Just to keep the RECORD straight, I was not molested in Philadelphia, as the gentleman suggests, at any time, but a good friend of mine was, and I asked the question in fun, for that purpose.

Mr. DALY. The only reason the gentleman was not molested was that he got his friend to pose as a Congressman. [Laughter.]

Mr. McFARLANE. Oh, no; that is not so.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. JONES. Mr. Chairman, this measure for the most part is composed of mechanical amendments which are

found advisable in the administration of the Farm Credit Act. Its provisions will facilitate the operation of that institution. Under the act at the present time, of the \$2,200,000,000 made available for the use of the Farm Credit Administration, a limit of \$600,000,000 is placed on Commissioner's loans. Sufficient loans and commitments have been made to take up the latter fund. It will be recalled that while the regular land-bank loans are limited to 50 percent of the value of the property, plus 20 percent of the improvements, the Commissioner's loans may be made up to 75 percent. Naturally there is a demand for Commissioner's loans. This simply takes that limit off and permits all of the funds which the institution has to be used for either the land bank or the Commissioner's loans. In other words, it takes the limit off the funds available for Commissioner's loans.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. PARSONS. Has anything been inserted in the way of amendment that the land banks may change their policy of loaning the farmers who are in drainage districts?

Mr. JONES. I do not believe that that is in the bill. That is an administrative matter. They may make loans if the security is sufficient and the outstanding obligations do not interfere. Where the district bonds are in default the banks cannot get a first mortgage. In some of the districts these district obligations have been refinanced. In such cases the banks are making loans.

Mr. PARSONS. In sections along rivers like the Mississippi and the Ohio, where they have a number of drainage districts, it has been the policy of the Federal land banks not to make loans to farmers whose farms and lands are within a drainage district because of the excessive taxes levied for drainage purposes.

Mr. JONES. There are some bills pending that would cover the subject which the gentleman has in mind. He understands, of course, if any loans are made on other than a business basis some provision would need to be made for funds for that purpose. As suggested, a way has been provided if the districts refinance their defaulted obligations.

Mr. PARSONS. I wondered if the gentleman could give us any idea as to whether any one of these bills will be reported and acted upon at this session.

Mr. JONES. I cannot tell the gentleman at this time. We have several hundred bills before the committee and it is impossible to predict at this time what the future will bring forth in respect to them.

Section 2 of this extends the time within which Commissioner's loans are to be repaid. The present limit is 13 years. The new provision enables them to be made for the same length of time as land bank loans.

Mr. DUNCAN. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. DUNCAN. A great many farm Commissioner's loans have already been made, and they must be amortized over a period of 13 years.

Mr. JONES. Yes.

Mr. DUNCAN. Is there anything in this act that will give them relief?

Mr. JONES. These loans could be refinanced and put on a longer time basis. I suppose this policy will be suited to the needs of each particular case. I doubt whether there will be general refinancing. One of the sections will permit these loans for improvements as well as for the purposes they may now be made.

Mr. DUNCAN. Then, as I understand, they may make another application and have these loans refinanced or extended in the same way new loans are made under this act.

Mr. JONES. Yes. Then it also changes the definition so that a man buying a farm or shortly to become a farmer may apply for this same character of loan. The next section extends the time during which the Commissioner's loan may be made. The time is extended until 1940.

Another amendment facilitates the matter of the execution of releases when the loan is paid off. Heretofore releases have had to come to Washington to be signed. In order to

facilitate transactions it is stipulated that the Federal land banks in various districts may execute these releases.

There is another provision in section 5 which authorizes the intermediate-credit banks to rediscount the paper of other branches of the institution, whereas now they are limited to the production-credit feature. The method of issuing debentures is broadened so that consolidated debentures may be issued. Also, loans may be made under the added provision for additional purpose, including farm service.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. BLANTON. Does it permit the co-ops to decentralize into branches and get out from under a central State responsibility? For instance, my colleague knows that in some States the cooperatives were formerly one State organization but now they are decentralized into branches with no State-wide responsibility.

Mr. JONES. All these loans must be made on a business basis and have behind them proper security.

Mr. BLANTON. And could loans be made to separate branches all over a State?

Mr. JONES. If a branch owned the facilities or owned the property on which the loan was made.

Mr. BLANTON. The gentleman who is chairman of the committee is in favor of this bill?

Mr. JONES. Yes.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. COLDEN. Will the small farms in California, the fruit and poultry farms of from 1 to 5 acres, come within the provisions of this bill?

Mr. JONES. They are covered if they are recognized as farms by the administration. I understand that the size of the farm is not the test. It is a matter of value and of use. Even small poultry farms are eligible for a loan.

Mr. COLDEN. Can the gentleman give an illustration of what the Department holds to be a farm?

Mr. JONES. I do not think there is any general definition as to that. As I understand it, they pass on the matter when it is presented to them. It is pretty hard to lay down a definite line and say this is a farm and this is not. I understand they have taken care of a good many of these small units.

The bill also permits cooperatives to retain their stock when their loan is paid off if they care to do so.

These measures in the main merely facilitate the operation of the land-bank system. In my judgment some very, very fine work has been done by the Farm Credit Administration.

Without taking further time of the committee, because all of the money available for Commissioner's loans has been exhausted in loans or commitments and I am anxious to get the bill through for that reason, I shall not go into a full explanation. I would like to file for the RECORD an explanation showing the fine line of work that has been done by this Farm Credit Administration.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. ZIMMERMAN. Does this bill contain any provision to correct the policy of the land banks of discriminating against great sections of our country like the lowlands of southeastern Missouri and Arkansas, where they have refused to lend any money or to recognize these great sections of our own fertile land in need of help simply because they are within a drainage district?

Mr. JONES. The Farm Credit Administration claims they have rejected no section of the country and that each transaction is considered on the basis of its merits. The Congress, of course, cannot determine whether this farm or that farm is entitled to a loan. The Farm Credit Administration claims they do not turn down any farm or any section of the country where there is reasonable promise of a return on the investment. I do not think we can go further than that.

Mr. ZIMMERMAN. They have adopted the policy in our State, and in one or two other States of which I know, of refusing any loan in any drainage district because they are afraid some person might fail to pay his drainage assessment and that thereby the loan would be jeopardized.

Mr. JONES. They have made some loans in drainage districts. I do not know about the one to which the gentleman refers, but I am sure the gentleman is misinformed.

Mr. ZIMMERMAN. I am speaking for 10 counties in southeast Missouri.

Mr. MITCHELL of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. MITCHELL of Tennessee. Is not one of the things accomplished by these amendments a lowering of the rate of interest on these loans?

Mr. JONES. Additional funds are made available for Commissioner's loans; and the committee, as the gentleman knows, will offer an amendment which will make the rate of interest for the intervening 3-year period that is covered by the present act and by the Wheeler amendment available for that purpose.

Mr. BLANTON. This bill comes from the gentleman's committee with a unanimous report, does it not?

Mr. JONES. Yes.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. TRUAX. In view of the fact that I have received a good many letters and telegrams urging me to support the Wheeler amendment, can the gentleman inform me whether if I support the bill as presented in the House I shall be complying with the wishes of my constituents?

Mr. JONES. In large measure the gentleman will be; and I think it is the best we can possibly get. I would add further, that the amendment intended to be offered by the committee is acceptable to the Senator.

Mr. TRUAX. Senator Wheeler?

Mr. JONES. Yes.

Mr. TRUAX. I thank the gentleman.

Mr. JONES. I submit herewith a detailed explanation of the different features of the bill:

STATEMENT CONCERNING PROPOSED FARM CREDIT ACT OF 1935

Section 1: This section provides a short title for the act.

Section 2, subsection (a): Under the present provisions of section 32 of the Emergency Farm Mortgage Act of 1933 each Land Bank Commissioner's loan must be made on an amortized basis providing for payment of principal and interest within a period of not more than 13 years, unless the loan is secured wholly by a first or second lien on real property and the purpose of the loan is to reduce and refinance an existing mortgage. Through the elimination of the phrase "and made for the purpose of reducing and refinancing an existing mortgage", the amendment will remove the latter limitation and permit the making of loans secured by first or second liens on real property with maturities up to 43 years.

Subsection (b): At the present time Land Bank Commissioner's loans cannot be made for the purpose of financing purchases of farm property or for the construction of improvements. By enlarging the purposes for which Commissioner's loans may be made to include all those for which the Federal land banks are authorized to make loans, this situation is ameliorated. Further, subsection (b), in the last sentence thereof, removes whatever doubt may exist in regard to the authority of the Land Bank Commissioner to refinance an indebtedness which has not been assumed personally by the borrower but which is secured by a lien on all or a part of the property accepted as security for the loan.

Subsection (c): By the addition of the phrase "at the time, or shortly to become", this amendment will make the definition of the term "farmer" in the Emergency Farm Mortgage Act of 1933 identical with the term "farmer" as it is defined in the Federal Farm Loan Act, as amended. The object of the amendment is to give full operative effect to the amendment in subsection (b).

Subsection (d): The purposes of this subsection are: First, to extend until February 1, 1940, the time within which loans can be made by the Land Bank Commissioner; second, to remove the present limitation—\$600,000,000—on the amount of bonds of the Federal Farm Mortgage Corporation which may be used in making such loans; and, third, to permit such loans to be made in consolidated farm-loan bonds, if acceptable to the borrower.

Subsection (e): At the present time Land Bank Commissioner's loans are made and closed by the Federal land banks, which have been appointed the agents of the Commissioner for this purpose. Numerous requests are now being received from borrowers for the release of portions of the mortgaged security from the lien of the mortgages, to permit sales of portions of the security, the conveying of rights-of-way for road-building operations, and similar purposes. It has therefore been necessary for the Land Bank Commissioner and the Federal Farm Mortgage Corporation formally to authorize the Federal land banks to execute such releases, subordinations, and similar instruments on behalf of the Commissioner and the Corporation, under recorded powers of attorney. This practice not only results in heavy expense but presents serious legal questions in many States, involving the power of the Corporation to delegate such authority to the Federal land banks and the power of the latter to act in such capacities. Subsection (e) is designed to obviate such uncertainty and expense.

Section 4: The national farm-loan association program is designed to build up surpluses in the associations from which they can meet operating expenses and losses during periods of depressed farm prices. Many of the associations are accumulating substantial surpluses as a result of the recent abnormal volume of farm-mortgage business. Since the supervisory power vested in the Farm Credit Administration does not now permit the Land Bank Commissioner to control by regulation the declaration of dividends by national farm-loan associations, this section, by amending the fourth sentence of section 24 of the Federal Farm Loan Act, subjects the declaration and payment of such dividends to the approval of the Land Bank Commissioner.

Section 5: Subsection (a) amends paragraph (1) of subsection (a) of section 202 of the Federal Farm Loan Act, as amended, to authorize Federal intermediate-credit banks to discount paper for banks for cooperatives, and/or to make loans to such banks. It is believed that the proposed arrangement will prove mutually beneficial to the banks for cooperatives and to the Federal intermediate-credit banks, in that it will enable them to develop a larger volume of cooperative business, thus utilizing more fully their potential lending capacities.

Subsection (b) amends paragraph (3) of subsection (a) of said section 202 to authorize Federal intermediate-credit banks to charge commissions for accepting drafts and bills of exchange drawn upon the banks by cooperative associations. It is thought that since Congress empowered the banks to accept drafts and bills of exchange for cooperative associations, it must have intended the banks to charge the usual commission rates; but the act is silent on this point. The amendment is designed to permit such charges to be made at rates approved by the Governor.

Subsection (c) repeals subsection (d) of said section 202, since the provisions in respect to interest and discount rates to be charged by Federal intermediate-credit banks are consolidated and clarified in section 7 of the bill.

Section 6: General lack of knowledge, on the part of the investing public in regard to the ultimate joint liability of all Federal intermediate-credit banks for the debentures issued by any such bank, results in customer preference and a disinclination on the part of some investors to purchase debentures issued by certain banks; and this same lack of knowledge also tends to prevent the public sale of the debentures at the most favorable rates.

Subsections (a) and (b) amend section 203 of the Federal Farm Loan Act, as amended, to authorize the issuance of consolidated debentures by Federal intermediate credit banks, following substantially the same procedure as that

followed by the Federal land banks in the issue of their consolidated bonds; and to provide that Federal intermediate credit bank debentures shall be legally acceptable as lawful investments, and security, for all fiduciary, trust, and public funds held under the authority or control of officers of the United States, thus broadening the field of investors to whom debentures may be sold. This provision is comparable to existing provisions with respect to farm-loan bonds and bonds of the Federal Farm Mortgage Corporation.

Section 7: This section amends subsection (a) of section 204 of the Federal Farm Loan Act, as amended, to provide that rates of discount and interest charged by any Federal intermediate-credit bank shall be subject to approval by the Intermediate Credit Commissioner; and that, except with the approval of the Governor, they shall not exceed by more than 1 percent per annum the rate borne by the last preceding issue of debentures which the bank issued or in which it participated. This amendment is designed to clarify the method of fixing interest and discount rates, and to authorize the Governor, in his discretion, to permit a bank to charge interest or discount at a rate more than 1 percent in excess of the rate borne by the last preceding issue of debentures when, in his opinion, it is proper to do so. Conditions in the money market may change rapidly, so that the 1-percent spread between rates paid on debentures and rates of interest and discount charged by the banks may not be adequate for the most effective operation of the banks.

References in the present act to the Federal Farm Loan Board are eliminated. The proviso in section 204 (a) relating to the classification of loans and debentures and the differentiation in rates of interest charged on loans in the same classes has been omitted, since no practical method of exercising this power has been discovered.

Section 8: This section will add a new subsection to section 208 of the Federal Farm Loan Act to authorize various Government departments, boards, commissions, independent establishments, the Reconstruction Finance Corporation, the Federal Reserve Board, and the Federal Reserve banks, upon request of the Governor, to furnish any Federal intermediate-credit bank, in confidence, any information they may have relating to the condition of any institution with which the bank has, or contemplates having, financial relations. This is comparable to the privilege which the Reconstruction Finance Corporation now enjoys.

Section 9: Under existing legislation, the Governor of the Farm Credit Administration and the banks for cooperatives are authorized to make physical facility loans only to cooperative marketing associations. This section, by amending paragraph (2) of subsection (a) of section 7 of the Agricultural Marketing Act, will broaden the present authority to include the making of loans for physical facilities for all cooperative business purposes.

Section 10: At the present time, the amount which may be loaned by the Governor or by any bank for cooperatives for the construction or acquisition of physical facilities may not exceed 60 percent of the value of the facilities which are to be constructed or acquired with the proceeds of the loan. This section, by amending paragraph (1) of subsection (c) of section 7 of the Agricultural Marketing Act, will permit any physical facility loan to be made for an amount not exceeding 60 percent of the appraised value of the security therefor.

Section 11: This section amends subsection (a) of section 8 of the Agricultural Marketing Act to provide, in substance: First, that the maximum interest rate to be charged on any loan to a cooperative association shall be 6 percent; second, that the rate to be charged on a loan for the construction or acquisition of physical facilities shall conform, as nearly as practicable, to the prevailing rate on mortgage loans made to members of national farm-loan associations; third, that the rates of interest on commodity loans shall be prescribed by the Governor; and fourth, that the rate of interest on any other type of loan made to a cooperative association shall conform, as nearly as practicable, to a rate 1 percent in excess of the prevailing interest rate charged production-credit associations by the Federal intermediate-

credit bank of the district in which the cooperative association is located.

Section 12: This amendment to subsection (a) of section 15 of the Agricultural Marketing Act will attain two results: First, the definition of cooperative associations eligible to borrow from the Governor of the Farm Credit Administration and from the banks for cooperatives will be clarified and broadened to include cooperative associations in which farmers act together in furnishing farm business services—at the present time farmers' cooperative property insurance associations and associations engaged in supplying certain other farm business services are ineligible to borrow; second, the addition of a new sentence to the last paragraph of subsection (a) will enable the Government and governmental agencies to use the facilities of large cooperative purchasing and marketing associations without jeopardizing the status of such associations under the Capper-Volstead Act and the Agricultural Marketing Act.

Sections 13 and 14: These are amendments to sections 34 and 41 of the Farm Credit Act of 1933 which will authorize the banks for cooperatives to borrow from, and to buy, sell, or discount paper with, the Federal intermediate credit banks, a power which they do not have under existing legislation. These amendments are correlative to subsection (a) of section 5 of the bill.

Section 15: Section 15 is designed to accomplish three purposes: Subsection (a), by amending the first sentence of subsection (a) of section 35 of the Farm Credit Act of 1933, will authorize the Governor to except borrowers whose loans are secured by commodities from the present requirements that each borrower from a bank for cooperatives must own stock in the bank in an amount equal in fair book value to \$100 per \$2,000, or a fraction thereof, of the amount of the loan. Subsection (b) will authorize a bank for cooperatives to permit the retention of stock in the bank by borrowers who have discharged their loans, a privilege which they do not now have. Subsection (c), by adding a new subsection to section 35 of the Farm Credit Act of 1933, will give each bank for cooperatives the authority to realize, in partial or total liquidation of indebtedness, upon the stock of such bank held by defaulting borrowers.

Section 16: Section 16, by amending section 66 of the Farm Credit Act of 1933, will make the present limitation (\$10,000) on the salary which any officer or employee of a production-credit corporation or bank for cooperatives may receive applicable only to the salaries paid to such officers or employees by that institution, and will have the effect of permitting any such institution to participate in the payment of a salary in excess of \$10,000 to the general agent, who serves as a coordinating officer and is the joint employee of the four major district institutions. It is essential that each production credit corporation and bank for cooperatives be permitted to participate with the Federal land bank and Federal intermediate-credit bank of the district in paying for the position of general agent a salary which will enable them to secure and retain the best available talent.

Sections 17 and 18: It has been determined to be desirable to extend for an additional period of 2 years the present authority of the Land Bank Commissioner, under section 30 of the Emergency Farm Mortgage Act of 1933, to make loans to joint-stock land banks in order to further their orderly liquidation, continuing in effect those provisions which require, as a condition of any such loan, that the borrowing bank grant a reduction to 5 percent in the rate of interest paid by borrowers from such bank and agree to defer for a comparable period the foreclosure of mortgages, except under certain stated circumstances; and also to extend likewise the authority of the Commissioner, under section 31 of the same act, to make loans to such banks for the purpose of securing the forbearance of the foreclosure of first mortgages for default in principal or interest payments or delinquencies in tax payments, retaining the present requirement for a reduction in interest charges paid by borrowers. These objectives will be accomplished by sections 17 and 18 of the bill.

Section 19: This section contains the usual constitutional saving clause, and expressly reserves to Congress the right to alter, amend, or repeal the act.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, I do not intend to go into a detailed explanation of the various phases of this bill, but as I have read it over it seems to me that in general it has to do with regulatory measures covering the lending of money, and that these amendments as a whole liberalize these lending regulations and in general provide more money to be loaned to the farmers under very reasonable rates of interest.

The one thing in this bill in which I am especially interested is the amendment which I understand will be offered by the committee reducing the interest rate on the farm loans that have been made and that are to be made for the period of 1 year at 3½ percent and the next 2 years at 4 percent. It seems to me this is a step in the right direction; that it is of definite aid to the farmers; that it is something we can understand; and that the farmer himself can understand. Furthermore, it does not run contrary to any economic law; does not destroy or break down anything else and is constructive in every detail.

The trouble with most of our legislation in the past, where we were going to help the farmer, is that it is so complicated that no one understands it, and eventually it is doubtful whether it aids the farmers or not; but here is something that is in the right direction; everyone knows what you mean, and no one can say that it is economically unsound. It is a fair thing for the Government to do; does not cost anyone or the Government anything, because the Government itself can borrow this money at a less interest rate than it is proposed under this bill to lend it to the farmers, and it does bring direct benefits to agriculture.

Mr. Chairman, I am heartily in favor of the amendment that will be offered, and I hope it will receive the unanimous endorsement of this House. [Applause.]

Mr. JONES. Mr. Chairman, I yield 7 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein some tables to which I shall refer.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Chairman, since we all seem to be agreed on the bill presented by the Committee on Agriculture, I wish to address myself for a few moments to another subject and to expose, if I may, some of the false propaganda with which the country is now being flooded on the subject of electric light and power rates.

Mr. Chairman, "ways that are dark" and "tricks that are vain" are being resorted to by the Power Trust in their frenzied efforts to defeat legislation now pending before Congress—legislation that has for its object the protection of the ultimate consumers of electric light and power from the excessive rates they have been compelled to pay, as well as the protection of innocent investors from being further plundered through the sale of worthless watered stocks.

They have a "brain trust" of their own, composed of men who are so flexible in their arguments, if not in their thinking, that they will argue, and attempt to prove, anything their masters want the public to believe. They have such a lack of knowledge of, or confidence in, the intelligence of the American people that they brazenly garble facts or juggle statistics to try to prove that the Power Trust is a real benefactor.

Chief among these juggling spokesmen of the power interests is one Dr. Warren A. Persons, of New York City, who calls himself a "consulting economist." Dr. Persons recently issued a report on the "Comparison of net monthly bills and rates for specific domestic service of municipal and private electric plants in the United States" that is so grossly misleading that it would all but "make the angels weep."

It was evidently prepared for the power interests, for a synopsis of its misleading features was sent out over the country and was published in practically every Power Trust newspaper in the United States. A great many papers that are not in sympathy with the malpractices of the power monopolies were misled into publishing extracts from this misleading document, or into printing "canned" editorials, prepared and sent out by these interests, extolling the accuracy of this Persons report or heralding its "revelations" as a "complete answer" to the contention that light and power rates are too high.

This Persons report reminds us of Shakespeare's query:

What plea so tainted and corrupt but being seasoned with a gracious voice obscures the show of evil?

Its sole object seems to have been to prove that rates charged by private power companies are lower than the rates charged by publicly owned plants, regardless of the facts.

Dr. Persons, in this report, does not follow the research procedure of the unbiased investigator who first gathers all relevant facts and then proceeds to analyze them. Instead, he exercises "a shrewd and limited selection" of those facts which suit his purpose and indulges in certain manipulations which invite sweeping criticism. If it were not for the publicity which this report has received it would not merit serious consideration.

Let me call your attention to some of the unfair comparisons made by Dr. Persons. He compares the rates in Buffalo, N. Y., which is served by a private power company, with the rates in Tacoma, Wash., which is served by a publicly owned plant. But he fails to tell you that although Tacoma has the lowest light and power rates in the United States, yet last year the Tacoma plant paid \$145,575 taxes, gave to the city of Tacoma \$200,545 free service, set aside for depreciation \$441,053, paid interest on its indebtedness to the amount of \$435,332, and still made a net profit of \$508,190.

He fails also to call attention to the fact that Buffalo, N. Y., is just across the line from Ontario, Canada, where they have the lowest light and power rates in America, even lower than Tacoma, Wash., the psychological effect of which forces the private companies to lower their rates in Buffalo and the surrounding territory.

Dr. Persons tells you that the power companies pay 13 percent of their gross revenues for taxes. I do not agree with that statement; it seems to me to be an exaggeration. But even if that figure is correct, it would still leave a balance in favor of the Tacoma plant of \$600,981.

He also cites Los Angeles, Calif., which has both a public and a private plant, but he fails to call your attention to the fact that the low rates charged by the public plant forces the private plant to come down to meet the competition. He also fails to tell you that the public plant in Los Angeles paid \$26,647 taxes last year, contributed to the city in cash \$1,296,570, gave free service to the city of Los Angeles amounting to \$1,079,463, set aside \$2,086,899 for depreciation, paid interest on its indebtedness in the amount of \$1,528,385, and still made a net profit of \$3,670,091.

He attempts to compare the rates in Indianapolis, Ind., which is served by a private company, with the rates in Jacksonville, Fla., which is served by a public plant; but he fails to tell you that the Jacksonville plant last year paid \$38,201 taxes, and still made a net profit of \$1,784,418.34.

These are typical comparisons that might be made between the other cities set out in Dr. Persons' report, and which he uses to try to convince the public that rates charged by private power companies would be lower than the rates charged by public plants, if the public plants paid the same taxes as are paid by the private companies.

There are numerous evidences of bias pervading this Persons' report. They stand out with unmistakable clearness. The method adopted by Dr. Persons is to compare median average rates for typical domestic consumptions as charged in cities served by public and private plants. The cities chosen are allegedly similar as to size of population served. The main body of the report deals, first, with 2 selected groups of 24 large cities, and, second, with 2 other groups

of 290 cities paired as to size and geographical distribution. These comments will be restricted to the former groups of cities and the treatment of the data derived. I may have something to say about his treatment of the other group at a later date.

In his report, Dr. Persons states that—

A shrewd and limited selection of cities is all that is required to marshal plausible support for or against the contention that the domestic rates of municipal electric plants are lower than those of private plants.

The question suggests itself as to whether he made his selections in the light of his own words.

Bias is clearly evidenced in his selection of the 48 large cities, 24 supplied by private companies and 24 by municipal systems.

In the first place, the two groups include cities of entirely dissimilar population sizes, although it is universally accepted that the density of the population has a real effect on rates charged. While the investigator uses most of the large municipal plants, 6 are in cities of 30,000 to 40,000, 10 in the 40,000 to 100,000 group, only 8 being in cities over 100,000. On the other hand, all of the 24 private plants serve cities of 270,000 and over. That these are noncomparable Dr. Persons was well aware, for he refers in his report to the tendency for bills to decrease as the population of cities served increases.

This selection cannot even be excused on the ground that he chose the 24 largest private and municipal plants. He apparently hand-picked the list to include only 19 of the 24 largest private plants, omitting Boston, New Orleans, Rochester, Jersey City, and Newark, all of which have bills considerably higher than the average. For these he substituted Portland, Oreg., Columbus, Denver, Oakland, and St. Paul, all of which have bills lower than the average. The list of municipal plants he also seems to have hand-picked, excluding Glendale, Calif., a large municipal plant which charges among the lowest rates in the entire country.

Net monthly bills for 5 cities of the 24 largest private companies excluded by Dr. Persons and net monthly bills for the 5 smaller cities included are as follows:

	Kilowatt-hours					
	15	25	40	100	150	250
Cities excluded:						
Boston.....	\$1.05	\$1.65	\$2.40	\$5.20	\$6.70	\$9.70
Jersey City.....	1.35	2.15	3.20	5.30	6.80	9.80
Newark.....	1.35	2.15	3.20	5.30	6.80	9.80
New Orleans.....	1.38	2.13	3.25	6.00	7.25	10.75
Rochester.....	1.15	1.65	2.40	5.00	7.00	10.00
Cities included:						
Columbus.....	.75	1.75	1.95	4.50	6.00	8.50
Denver.....	.90	1.50	2.40	4.80	6.30	9.30
Oakland.....	1.08	1.53	2.10	4.20	5.95	7.85
Portland, Oreg.....	1.00	1.38	1.95	3.39	4.29	6.09
St. Paul.....	1.25	1.75	2.30	4.00	5.15	7.15

These bills are taken from the preliminary report of the electric-rate survey of the Federal Power Commission.

As a matter of interest rather than a reason for censure, it should be noted that Dr. Persons includes in his 24 private plants 6 which are operating under competitive, and therefore abnormal, conditions. The low rates in Cleveland, Columbus, Los Angeles, and Seattle are all directly traceable to the competition of municipal plants, while in St. Louis and Portland, Oreg., there are two competing private companies. Kansas City, Mo., with a private plant, also competes indirectly with Kansas City, Kans., which is supplied by one of the most efficient public plants in the country. In these cities we have to do not with a regulated monopoly, the typical situation, but with a kind of dog-eat-dog competition. It is highly questionable whether such cities should be included in a typical sample, limited to 24 cities.

The cumulative effects of such "shrewd and limited selection" could not fail to result in averages which for private plants are lower and for municipal plants higher than a statistically accurate method would lead to.

I will read you the figures to show that the sum of the six median typical bills for all privately served cities over 50,000 is 14.8 percent greater than the averages derived for the 24 privately served cities selected by Dr. Persons, while the sum of typical bills for all municipal plants over 50,000 is 8.4 percent lower than the average derived from Dr. Persons' 24 municipal plants.

Could anything more conclusively prove Dr. Persons' desire to score his point at any cost?

Here are the figures:

	Median bills for following kilowatt-hours						Total of 6 bills	Per-cent
	15	25	40	100	150	250		
24 selected private companies.....	\$0.92	\$1.41	\$2.04	\$3.90	\$5.21	\$7.80	\$21.28	100.0
All cities over 50,000, 185 private companies.....	1.08	1.70	2.50	4.60	6.05	8.50	24.43	114.8
24 selected municipals.....	.80	1.25	1.95	3.75	5.00	7.45	20.20	100.0
All cities over 50,000, 16 municipal plants.....	.73	1.23	1.80	3.42	4.50	6.84	18.52	91.6

These figures are taken from the report of the electric-rate survey, recently made by the Federal Power Commission. This is the cumulative amount of the preceding six bills and is used simply as a mathematical basis for determining percentages.

BIAS EVIDENCED IN HANDLING TAXES

In attempting to make adjustments for tax payments by private companies, the author not only subtracts 13 percent from average bills, on the ground that 13 percent of gross revenues of such companies is chargeable to taxes, but he goes a step farther and computes reductions on account of taxes at 35 percent. The reasoning here is worthy of the publicity and propaganda department of a utility organization in the irresponsible decade of 1920-29, but hardly of the economic department in this sober and somber period.

The 35-percent reduction is based on the arbitrary and groundless assumption that all taxes are to be paid from domestic rates. An equally logical assumption would be that all profits should be contributed by domestic consumers, and that commercial and industrial customers are being carried at cost. This is surely something new in the theory of rate determination and as indefensible as it is naive and misleading.

A second evidence of bias under this heading is Dr. Persons' complete disregard of the contributions to the public as consistently made by municipal plants. Such contributions must be considered as an offset to the taxes paid by private companies. This is a feature that has been universally neglected in making rate comparisons between public and private enterprises.

In order to indicate how significant these contributions are, reports from the 24 municipal plants selected as typical by Dr. Persons have been examined. They yield the following data on the items of taxes, free electrical service and outright cash payments to the cities' general and other funds:

<i>Contributions of 24 municipal plants to municipalities served</i>	
Taxes, exclusive of 3-percent Federal tax.....	\$422,397
Cash to general and other funds.....	4,636,886
Free electrical service.....	4,078,292

9,137,575

(The credit for free service was estimated on the following basis: 4 cents per kilowatt-hour for street lighting, 3 cents per kilowatt-hour for lighting of buildings, and 1 cent per kilowatt-hour for water pumping.)

Electrical operating revenues.....	\$40,500,309
Percentage of contributions.....percent..	22.5
Receipts from domestic and residential service.....	\$15,919,579
Percentage of contributions.....percent..	57.3

If Dr. Persons is interested in promoting scientific research, he would do well to subtract 22.5 percent from his average municipal bills when he subtracts 13 percent from

the average private bill and 57.3 percent from the municipal averages, when he sees fit to subtract 35 percent from the private company averages. On the whole, he might be well advised to forget the tax item when he again attempts to prove the case for the private utilities.

To illustrate this matter of public contributions more specifically, let us take the two largest Texas cities compared by Dr. Persons: Austin, served by a municipal plant, and Waco, served by the Texas Power & Light Co., an Electric Bond & Share subsidiary. Both cities have about the same population of around 60,000 with economic conditions similar enough for a fair comparison and the rates charged for typical quantities of current are approximately the same.

Here are their respective taxes or contributions to governments:

Cities	Municipal taxes and contributions	All other taxes	Total	Percent
Waco.....	\$31,950.48	\$34,498.28	\$66,448.76	100
Austin.....	267,393.09	.....	267,393.09	402

Taxes estimated at 10 percent of total taxes paid by Texas Power & Light Co. to all governments. Gross income of this company in Waco from electric sales is about 10 percent of total income.

In addition to \$267,393.09 contributed to the city the increased equity of the city in the electric plant was about \$200,000 in 1933. About 50 percent of gross earnings of this electric department is net profit after allowing for depreciation and assumed interest.

Another factor that is of no little importance is the standard policy of the publicly owned plants to clear their properties of debt. Practically all are engaged in amortizing the investment. Some are in fact debt free, with no bonds outstanding, as is the case of the Jacksonville (Fla.) plant. Private companies, on the contrary, definitely plan to pay interest on the bulk of their investments as a permanent policy. They refund while the municipals amortize. Furthermore, the typical municipal plant finances extensions as a matter of course out of earnings without having recourse to the banks and investment houses. In making rate comparisons financial policies along these lines cannot well be left out of account.

The following tabulation points up the above generalization. It is submitted by the Public Service Commission of Wisconsin and covers all the publicly and privately owned companies in the State apart from telephones and railroads.

	Percentages to total capitalization Dec. 31, 1933	
	Municipal utilities	Private electric, gas, electric railway, water, and bus companies
Liabilities and accruals:		
Long-term debt.....	6.8	39.8
Advances from affiliates.....	.1	4.7
Notes payable.....	.2	1.4
Other liabilities.....	2.5	4.0
Total.....	9.6	49.9
Reserves:		
Advances and donations for construction.....	10.0	.4
Reserves for retirements and depreciation.....	14.5	11.1
Total.....	24.5	11.5
Capital-stock equity:		
Preferred stock.....	.....	17.3
Common-stock and city equity.....	20.0	17.3
Surplus and surplus reserves.....	45.9	4.0
Total.....	65.9	38.6
Total capitalization.....	100.0	100.0

	Income and interest charges	
	Municipal electricity and water	Private electricity, gas, water, heating, and joint
Gross corporate income.....	\$3,369,501	\$21,097,816
Deductions: Interest on long-term debt and miscellaneous interest expense.....	\$337,424	\$12,108,046
Ratio of interest charges to income.....percent..	10	57

The foregoing figures tell a story that reflects only credit on the public plants in Wisconsin. Construction is paid out of revenues, depreciation reserves are on a sound basis, and surplus and reserves equal nearly half of total capitalization. But the chief advantage is in the matter of interest charges. The amortization of the investment has reached the point where only 10 percent of the income is absorbed under this item, while the private companies devote well over half of their income to such charges—and will continue to do so as a matter of regular policy. Debt policies cannot well be left out of account in comparing private and public plants. Large debts necessarily mean high rates.

In conclusion, it is difficult to restrain one's self in condemning Dr. Persons' elaborate attempt to discredit municipal ownership. If the municipal plants have made such a poor job of it, as is so frequently claimed, why is it necessary to use hand-picked samples, to distort facts, and to ignore essential factors?

Dr. Persons' report, taken for all in all, is simply typical of the misleading power propaganda with which the country is now being flooded. [Applause.]

Mr. HOPE. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Chairman, I am of the opinion that the House is ready to vote on this bill now. I know of no one who is opposing it, and I have heard of no one who is opposing the amendment which the committee is about to offer. In this connection I recall my first attempt in court out in Iowa to convince a trial judge that I was correct. It is an old story at the bar, but it is true in my case.

Court adjourned for the noon lunch—we call it dinner out in the sticks. I do not know what lunch is. I went to the law books to try to defend my position a little better than I had been able to do during the morning argument and came back into the court room promptly at 1 o'clock. There was the attorney on the other side arguing. He was a big celebrated attorney from a big city. Indeed, he was from the city of Chicago, while I lived then, and still do, in a village of only 1,200 people. He was arguing to the court. Finally he got through, and I said to the court, "Your Honor, I had supposed that you would not open court until 1 o'clock." The judge replied, "Mr. Gilchrist, I want to catch the Illinois Central train at 4 o'clock; consequently, I gave the attorney on the other side a chance to come back here at 12:30 o'clock. Now, if you will be very brief, I do not think the court will change its opinion." That was an experience that a young attorney at the bar trying his first equity suit will always remember.

Mr. Chairman, it is not necessary to take time in arguing this bill. I grant all that the chairman has said about the Farm Credit Administration. It has accomplished great good. But, Mr. Chairman, it has not been adequate to accomplish the full measure of good for which we have hoped.

This bill is rather technical and involved in many respects, and I will not take the time of this Committee to try to explain it. Indeed, I would have to leave that to better hands. The facts are that the farmers of my State are still in submergence. Of course, farm prices have risen and commodity prices have risen, but they have not risen to the extent which other prices under the N. R. A. have risen; so that we are still in submergence, and every farmer in attempting to pay his debts will find that he has from

15 to 20 percent of a differential against him when he comes to market his product.

The committee is about to offer an amendment, and I understand that I may say a few words at that time about the amendment, so I will not speak on it now, except to say that we on the Agricultural Committee want to join hands with everybody else in the United States in seeking recovery for all who are in distress. If the cotton farmers of the South need help, we want to help them. If the tobacco growers need help, we want to help them. If those in the textile industry need help—and I understand they do—we ought to be able to see to it that every one of those workers up there get a full wage so that he can support his family in a modern twentieth-century, religious, God-fearing civilization. This is what I want to do, as a farmer, representing the corn fields of Iowa.

Now here is an opportunity to join hands with the manufacturers, with the farmers of other sections, and bring back a measure of prosperity to the whole country. Foreclosures in Iowa are increasing instead of decreasing, Mr. Chairman. It is shown that in 1934 in my State foreclosures were again rising. Of course there was a decadence of foreclosures for a while, but that was because of the moratorium which our legislature had passed and which the Supreme Court of the United States in the Minnesota case held to be within the limits of constitutional action.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. I yield to the gentleman from Minnesota.

Mr. ANDRESEN. Has the gentleman received any criticisms from applicants for loans on farms with respect to the attitude of the Federal land bank in not approving large enough commitments in order to refinance a mortgage?

Mr. GILCHRIST. I may say to my friend from Minnesota that that is a common experience, I think, with all Congressmen. Many of our constituents find fault and offer some criticism of the land banks, saying that the land banks have not been able to give them a sufficient loan and also saying that they have not been able to scale down their loans so as to bring them within the boundaries of the loans which the land bank has prescribed. Yes; we have found that criticism; but let me say to the gentleman that we must look at the other side of it. The Federal land bank must see to it in all cases that its loan is a safe one.

Mr. ANDRESEN. But is it not a matter of fact that Congress, in order to meet this criticism, extended Commissioner's loans up to a maximum amount of \$7,500 so that the Federal land bank and the Commissioner could be more liberal in order to save the farmers of the country?

Mr. GILCHRIST. The gentleman is quite right; and that is one of the purposes of this bill, namely, to devote more money to the Commissioner, so that he can continue these loans. As I understand it he has no further funds, and his right to make these loans has now expired, or will expire on next Sunday, and for that reason we have been trying to hasten the passage of this bill. You will recall that the bill was introduced in this Congress and reported with the committee's approval on February 7, which is more than 3 months ago, and some of us have been trying during all this time to bring the bill to a vote.

Mr. ANDRESEN. I am bringing this out for the purpose of showing that the Committee on Agriculture wants the Federal land bank to be as liberal as possible, with safety, in taking care of the distressed farmers who need loans at this time.

Mr. GILCHRIST. The gentleman is absolutely correct; yes, that is true.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. I yield to the gentleman from Texas.

Mr. McFARLANE. I am interested in that story of the gentleman. Can the gentleman tell us how that lawsuit was finally determined?

Mr. GILCHRIST. It was the first case I ever tried in equity, and you may be assured that I was very careful to

see to it that the judge caught his train at 4 o'clock that afternoon, and this will give you a clue as to how he decided it. That Chicago lawyer did not carry any bacon back with him to Porkopolis.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. I yield to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. If the bill that is now before the House is enacted into law, will it benefit the farmers?

Mr. GILCHRIST. Yes; I think it will be of great benefit to the farmers of the entire country and especially the amendment which is about to be offered by the committee. There is no doubt about it.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield further?

Mr. GILCHRIST. I yield to the gentleman.

Mr. ANDRESEN. The gentleman from California a few moments ago propounded an inquiry of the Chairman in regard to loans on small farms. After that question was propounded I went to the telephone and called up the Farm Administration officials and found that the Federal land bank and the Commissioner will make loans on poultry farms and small farms, even though they contain only 2 or 3 acres.

Mr. MITCHELL of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. I yield.

Mr. MITCHELL of Tennessee. I want to make this observation to my colleague, for whom I have a very high regard; serving with him on this committee, I know he is interested in the farmer and in the farmer's welfare, and I would like to ask him if in his State it is not a fact that practically all farm commodities have gone up in price in the last few months.

Mr. GILCHRIST. I agree that they have, yes; but I think the latest figures will show that notwithstanding the increase in the price of farm commodities, the farmer is still at a disadvantage when going into the market to buy goods.

Mr. MITCHELL of Tennessee. He was involved, of course, when this situation came on and, as a matter of fact, the increase in the price of his commodities, corn and livestock, has had a tendency to improve the value of his real estate.

Mr. GILCHRIST. That is very true; and I think that is one reason why there has been an increase of foreclosures lately. In my particular district we had a good crop of corn, and on account of the fact that no one else had a crop of corn, the price of corn has gone high, so that in northern Iowa the farmers have had a fairly good income during the last year.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. I yield to my friend from Iowa.

Mr. THURSTON. What rate of interest do you propose to offer here in the amendment that is being discussed?

Mr. GILCHRIST. The committee amendment fixes the rate at 3½ percent for the first year following July 1, and then it fixes the rate at 4 percent for each of the next 2 years. The amendment is limited to 3 years, because under the present set-up or law the 4½-percent rate only extends to July 1, 1938. So we cannot handle it beyond July 1, 1938.

Mr. THURSTON. They have been making loans to the Shipping Board and the merchant marine at 1½- and 2-percent interest.

Mr. GILCHRIST. I thank the gentleman for his observation, and in some cases they are granting subsidies.

Mr. JONES. I understand this is as low a rate of interest as is granted.

Mr. GILCHRIST. Yes; outside of some subsidies. There are some drainage districts that do not pay any interest at all, and subsidies have been granted to other interests.

Mr. PIERCE. Will the gentleman yield?

Mr. GILCHRIST. I yield to my friend, the Governor of Oregon.

Mr. PIERCE. In answer to the gentleman from Minnesota [Mr. ANDRESEN], I have been informed that the Department has set up a bureau or a committee or somebody at the head of it to adjust between the small-farm loans and the home-owner loans. When the home loans are in operation, there will be an adjuster, who will decide whether the applicant has a home and can come in under the Home Loan Act or whether he can come in under the Farm Loan Act. They will make a loan on a chicken ranch or a small potato farm, and they will not be turned down as they have been heretofore.

Mr. GILCHRIST. Thank you, Governor. We want to see cheap loans made to all farmers and home owners. I am in sympathy with the boys from the cities, Chicago and New York, and I appreciate the way they have helped agriculture. If there is one class on earth that needs help, it is the farmers of this country and the home owners in the towns and cities. I want to go along with them and join hands with them in putting the homes of this country on a basis of safety and security.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. DOXEY].

Mr. DOXEY. Mr. Chairman, I deem it a happy privilege to follow my friend, my distinguished colleague from Iowa. It is not my purpose to take very much time on this matter. This bill we are considering is complex and technical, but in this, as in most important legislation, our committee is entirely in agreement. We try to obtain results by working in committee and there adjusting any differences we might have.

I join with my distinguished friend in the appreciation of what you men who do not represent agriculture have done and the manner in which you have cooperated with us in bringing about benefits to the agriculturists of the country at large. Our committee could never have put over this program without your help.

I, as a member of the Committee on Agriculture, take this opportunity to express my appreciation to all and to say that everyone on the committee has cooperated and worked together, and I thank you for your cooperation and feel grateful, as I am sure we all do, for the leadership of our distinguished chairman.

I want to say this: That this agricultural financial structure that we have given to this Congress to aid distressed agriculture has not only borne fruit, but, as the gentleman from Minnesota [Mr. ANDRESEN] says, we want it to become a broader and more effective instrumentality in giving agriculture the lowest rate of interest possible, and in all respects to compare favorably with other interests that are receiving benefits throughout the country under the broad program of this administration.

We are going to pass this bill, Mr. Chairman. There is no great amount of opposition to it, because it is something that is right and proper.

I am going to ask that I have the privilege of setting out the amendment which my committee is going to propose, and I am sure there will be no serious opposition to it. We worked hard on this amendment and our committee has agreed upon it, and I feel sure you will agree with us who have given it serious thought and study.

The amendment that will be proposed when this bill is read under the 5-minute rule is the best that our Committee on Agriculture could agree on, and it represents a compromise of our different views as to interest rates.

The amendment is as follows:

Amend section 3 of bill H. R. 5440 by striking out all after the section number and inserting in lieu thereof the following:

"(a) Effective July 1, 1935, the first sentence of paragraph 'Twelfth' of section 12 of the Federal Farm Loan Act, as amended, is amended by striking out the following: 'within 2 years after such date shall not exceed 4½ percent per annum for all interest payable on installment dates occurring within a period of 5 years commencing 60 days after the date this paragraph takes effect; and no payment of the principal portion of any installment of any such loan shall be required during such 5-year period if the borrower shall not be in default with respect to any other condition or covenant of his mortgage', and inserting in lieu thereof the

following: 'after such date shall not exceed 3½ percent per annum for all interest payable on installment dates occurring within a period of 1 year commencing July 1, 1935, and shall not exceed 4 percent per annum for all interest payable on installment dates occurring within a period of 2 years commencing July 1, 1936; and no payment of the principal portion of any installment of any such loan outstanding on the date of the enactment of the Farm Credit Act of 1935 shall be required prior to July 11, 1938, if the borrower shall not be in default with respect to any other condition or covenant of his mortgage.'

"(b) Effective July 1, 1935, the second sentence of such paragraph 'Twelfth' is amended by striking out the following: 'the rate of interest on such loans for such 5-year period shall be 5 percent in lieu of 4½ percent', and inserting in lieu thereof: 'the rates of interest paid for the respective periods above specified shall be one-half of 1 percent per annum in excess of the rates of interest paid during the corresponding periods by borrowers on mortgage loans made through national farm-loan associations.'"

This particular bill that we are now considering (H. R. 5440) together with the amendment I have just referred to, which was worked out and agreed to by my committee, is, in my judgment, about all the legislation pertaining to the refinancing of agricultural indebtedness that we will be able to enact at this session of Congress, and this amendment will, in my judgment, be of great benefit to the farmer who is in need of financial aid.

Mr. WEARIN. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. Yes.

Mr. WEARIN. I ask the gentleman why this rate of 3½ percent interest cannot be left at that particular amount, without setting a definite time at which it must terminate.

Mr. DOXEY. This we might concede for the sake of the present legislation, because we have to get it through today, on account of the time limit expiring tomorrow in the general set-up. One might say that this is just a temporary matter, and we are hoping at some time, at a later date, to take up the matter and provide some permanent financial structure that may dovetail and take care of that situation.

Mr. WEARIN. The reason I asked the question is because I presume the gentleman is familiar with the fact that the United States Shipping Board is following a continuing policy of loaning at 3½ percent, and a proposal now before the Merchant Marine and Fisheries Committee is to establish construction loans at 3½ percent. I would like to know why the farm mortgages at 3½ percent should terminate at a certain time, especially when we do not know but that money rates will be cheaper next year or 2 years from now than at the present time.

Mr. DOXEY. I appreciate what the gentleman, Mr. WEARIN, from Iowa, says.

No committee has worked harder to get the lowest possible rate of interest for the farmer than has our committee. There are a number of bills pending before our committee carrying out this general thought. I introduced a bill providing for a lower rate of interest on Government loans to farmers, which was referred to the Committee on Agriculture, but we have not as yet had time to consider it. I hope some day to see it or the principles therein set forth become a law. My bill is as follows:

[H. R. 7523, 74th Cong., 1st sess.]

A bill to reduce interest rates on mortgage loans made by Federal land banks and by the Land Bank Commissioner, and on loans made by the Reconstruction Finance Corporation to drainage and similar districts

Be it enacted, etc., That paragraph twelfth of section 12 of the Federal Farm Loan Act, as amended (U. S. C., Supp. VII, title 12, sec. 771), is amended by adding at the end thereof the following new sentence: "Notwithstanding the foregoing provisions of this paragraph, the rate of interest on loans on mortgage to which this paragraph applies made through national farm-loan associations or through agents or purchased from joint-stock land banks shall not exceed 3 percent in lieu of 4½ percent, and, if made through branches, the rate of interest shall not exceed 3½ percent in lieu of 5 percent, for all installments to which this paragraph applies, the dates of which occur after 60 days after this amendatory sentence takes effect."

Sec. 2. Section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., Supp. VII, title 12, sec. 1016), is amended by adding at the end thereof the following new sentence: "Notwithstanding the foregoing provisions of this section, the rate of interest on first and second mortgage loans made by the Land Bank Commissioner shall be 3 percent in lieu of 5 percent for all

installment dates which occur after 60 days after this amendatory sentence takes effect."

SEC. 3. Section 36 of the Emergency Farm Mortgage Act of 1933, as amended, is amended by adding at the end thereof the following new sentence: "The rates of interest on all loans made under this section to or for the benefit of drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts, mutual nonprofit companies, and incorporated water users' associations duly organized under the laws of any State, and to or for the benefit of political subdivisions of States, which prior to May 12, 1933, had completed projects devoted chiefly to the improvement of lands for agricultural purposes shall not exceed 3 percent, in lieu of the interest rates provided in such loans, for all installment dates which occur after 60 days after this amendatory sentence takes effect."

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. Yes.

Mr. McFARLANE. I am interested in the policy being pursued in my district in Texas by the Farm Board in making loans. It might be said that they have just about quit. I do not know how it is in other districts, or in other sections of the country. I am wondering if there is not some way that we could get the farm land bank down there and their organization to go back to functioning, so that the farmer can get the relief we thought we were getting him here.

Mr. DOXEY. That is a matter of administration; but if they look to the intent of Congress, I am sure that they will function, and function immediately, as well as properly.

Mr. McFARLANE. They have not done that.

Mr. DOXEY. Perhaps this legislation will help; but if it does not, and the gentleman from Texas can suggest any legislation that will, we will go along with him.

Mr. LUCKEY. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. I yield, gladly.

Mr. LUCKEY. Mr. Chairman, I am interested in the gentleman's statement that the farmers are getting money at a lower rate than any other organization. As I understand it, the shipping interests receive money at 1 percent or less than 1 percent on a 20-year basis—one-eighth of 1 percent.

Mr. DOXEY. That is under a law passed several years ago—a subsidy. I was speaking about the situation under this emergency program. The shipping subsidy was passed under another administration. It was not so much in the nature of a loan but, you might say, an outright subsidy.

My colleagues, under the circumstances, I feel I have consumed enough time, as I know we are all anxious to read the bill under the rule and vote on it as speedily as possible. I thank you. [Applause.]

Mr. JONES. Mr. Chairman, I yield to the gentleman from Ohio [Mr. TRUAX] such time as he may desire.

Mr. TRUAX. Mr. Chairman, when the gentleman from Iowa [Mr. GILCHRIST] was reminiscing, he recalled some memories of my own. I assure the committee that this bill, which we will vote for today, together with other farm legislation, is the beginning of the culmination of practically 10 years' fight for a better agriculture. Back in 1926, I think it was, I had lunch—in Des Moines they called it lunch, and we call it dinner in Ohio—with the Governor of Iowa, Hon. John Hammill, and Frank Warner, secretary of the Iowa Bankers' Association. These gentlemen told me on that day that 200 banks had been closed in the great State of Iowa, and they said on that day if the deflation policy for agriculture that was being carried out, dictated by the Federal Reserve Board, continued for another year, 200 more banks would fail in the State of Iowa in the coming year. That prediction came true. That deflation policy was carried on and more than 400 banks failed in the great farming State of Iowa in that short period. That was the beginning of the creeping farm paralysis that later engulfed and enmeshed in its tentacles every agricultural State in this Union. I am proud and happy to state today that I can vote for this bill, which is a virtual fulfillment of the Wheeler amendment. I hope to have the pleasure of voting for the bill of our distinguished chairman, a bill that provides for \$2,000,000 more additional funds for farmers that can be loaned at 2 percent, and I hope to have the pleasure of voting for the bill of our friend from North Dakota [Mr. LEMKE], the

Frazier-Lemke refinancing bill, that will provide for \$3,000,000,000 additional funds at 1½-percent interest. Then, when we enact into law both the bills that have been reported by the Committee on Agriculture, we shall begin to finish the job. [Applause.]

Mr. Chairman, I refer again to the hundreds of bank closings in the State of Iowa in 1926, 1927, and 1928. These bank failures, as I mentioned before, were superinduced by the drastic deflation of selling prices of agricultural commodities and by the vicious deflation or liquidation of farm loans ordered by the Federal Reserve Board.

In 1928 I was nominated by the Democratic Party in Ohio for United States Senator. Shortly before the primary campaign opened, a friend of mine sent me a copy of an Iowa newspaper, the Des Moines Register, which contained some 30 pages of foreclosures and forced sales of farm real estate. You will recall the campaign was in 1928. In practically every speech that I made I held this newspaper before the audience, pointed out that this was what had happened in Iowa, and this would be exactly what would happen in Ohio unless heroic and immediate measures were adopted to effectively stop this ruinous deflation of agricultural commodity prices and farm loans. At this time little attention was paid to my utterances, my predictions, and prophecies. It was not long, however, until it became unnecessary for me to use the Des Moines Register. Soon foreclosures and forced sales of farm property in Ohio became so numerous that they were common on every hand, in every community, in every locality. Shortly thereafter the banks in Ohio began to fail and topple, finally resulting in the worst saturation of bank closings our State had ever known.

I quoted then, as I quote again today, those prophetic, even though trite, words of the old Chinese philosopher, Confucius, who 5,000 years ago said this:

The well-being of a people is like a tree. Agriculture is its root; manufacturing, commerce, and labor its branches and its life. When the root is injured, the leaves begin to fall and the tree dies.

To me it is most gratifying, indeed, to observe the unanimity of opinion, the harmony of purpose, apparent to all in the House of Representatives today in a concerted effort and drive to secure lower interest rates for the men and women who feed and clothe us all.

Mr. Chairman, there is no good reason why a single farm should be foreclosed today. While it is true that the amount of funds already made available is not sufficient to refinance all farmers in distress, nor will the enactment of the two bills I have just mentioned provide enough funds to refinance all farms that are now mortgaged, it is likewise true that there is a remedy which is effective and just. That remedy lies in the hands of this Congress itself. That remedy if enacted into law would immediately cause a complete cessation of all foreclosures. That remedy is the bill that I introduced in the Seventy-fourth Congress on January 10, providing for a full and complete moratorium against foreclosures on all real estate. At this point I am inserting that bill, H. R. 3650, for your attention and consideration:

A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, approved March 3, 1933; to restore confidence and prevent confiscation of homes and farms by money lenders by providing for a suspension of real-estate foreclosures for a period of 5 years

Be it enacted, etc., That the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended by the acts of February 5, 1903, June 15, 1906, June 25, 1910, March 2, 1917, January 7, 1922, May 27, 1926, February 11, 1932, and March 3, 1933, be, and it is hereby, amended by adding thereto an amendment to chapter VIII, section 75, by adding thereto subsection S, to read as follows:

"BANKRUPTCY—STAY OF PROCEEDINGS

"SECTION 1. If on or within 5 years after the day this act takes effect any farmer or home owner or owner of real property occupied by such owner is unable to pay, and is in default in the payment of, either principal or interest of any debt secured by a mortgage on such farm or real property, or of taxes the nonpayment of which constitutes a default under such mortgage, such default shall constitute an act of bankruptcy, and such farmer or owner of real

property being therefore unable to pay his or her debts as they fall due shall be deemed insolvent and a bankrupt for the purpose of this title.

"SEC. 2. No proceeding to foreclose or otherwise to enforce any claim against or out of the farm, home, or real property of such bankrupt and no sale on foreclosure, execution, or otherwise shall be instituted, further prosecuted, held, or made on or within 5 years after the day this act takes effect except upon petition in bankruptcy duly filed in a court of the United States pursuant to the act of July 1, 1898, entitled 'An act to establish a uniform system of bankruptcy throughout the United States', as heretofore amended."

No other remedy to stop foreclosure can be used. No other remedy to break once and for all the strangling cord of the money lenders, ever tightening about the throats of distressed farmers and home owners, will ever be found. This measure is practical, it is just and humane, it is workable, because Congress itself has plenary powers over the National Bankruptcy Act. Under the provisions of my bill many farmers, landowners, or home owners who are unable to pay their taxes, who are delinquent in the interest on their mortgages, who cannot pay a portion of the principal, which under the terms of the contract constitutes a default thereon, is given a 5-year moratorium and is protected against further proceedings that would ultimately result in the loss of the farm or home.

True it is that we now have the Frazier-Lemke Bankruptcy Act, which was enacted into law on the last day of the Seventy-third Congress. To be exact, this bill was enacted into law on June 15, 1934. It was enacted into law on that day because of a point of order I made of no quorum, which disclosed the fact that there was not a quorum in the Capital City of Washington. For some unnamed and unknown, yet sinister, reasons the Frazier-Lemke Bankruptcy Act had been held up in conference. We were told that the bill had been lost by the conferees and that it could not be considered before Congress adjourned. It was at that historic point that I made my point of no quorum, and only withdrew that point of order that a quorum was not present upon the assurances and promises of the then Speaker of the House and the majority floor leader. Upon receipt of these assurances and pledges I withdrew my point of no quorum. The House resumed its session, and within less than an hour the Frazier-Lemke bankruptcy bill was enacted into law by the House of Representatives and the Senate of the United States.

There followed a period of tense waiting by the farmers of America, lasting practically 1 week, during which President Roosevelt was besieged and bombarded by certain insurance companies, bankers, and other money lenders to veto the bill. Partly through my efforts and the efforts of other known friends of the farmer in the House of Representatives and certain distinguished farm leaders, the President turned a deaf ear to these parasitical and blood-sucking money lenders and signed the bill, thus conferring untold blessings on stricken farmers. It is most regrettable indeed, to relate, however, that many judges, many attorneys at law, have been wholly unsympathetic to the provisions of this magna charta for agriculture, have used every effort at their command to nullify the provisions of this bill and to continue to steal farms in thousands of cases. At the present moment certain clarifying amendments are being favorably considered by the Committee on the Judiciary, and I sincerely hope and trust that these amendments will have been enacted into law before this Congress adjourns so that distressed farmers will have all the protection that was implied in that bill.

As most farmers know, the Frazier-Lemke bankruptcy bill proposed to refinance mortgaged farms to the extent of \$3,000,000,000. It further proposes to scale down the mortgage debt to its actual value today. It proposes to eliminate by that method that portion of the debt which should have been wiped off the books long ago, that portion of the debt which was due to the mortgage value placed upon the farm during the period of the greatest credit inflation the country has ever known. That period of agricultural history in our country when it took \$2 to buy a bushel of wheat—that deplorable period in American agriculture when the farmers were asked and expected to liquidate that debt with wheat

that was worth only 50 and 75 cents a bushel—that period in which the toiling farmers were expected to pay in full for these dead horses of intolerable mortgages forced upon them in this super credit inflation era.

Not only will the farmers be benefited through this provision of the Frazier-Lemke refinance bill, but they will be immensely benefited by having to pay a rate of interest amounting to only 1½ percent annually. Compare this interest rate of 1½ percent with an exorbitant rate of 6, 7, 8 percent, and in the cases of the chattel-loan sharks a murderous rate of 36 percent, and you have a fair idea of the beneficent provisions of this bill. Add to that the provision that permits the farmer to pay 1½ percent each year upon the amortization of his loan so that eventually he will have the farm entirely paid for, then you will have a further glimpse into the certain prosperity and happiness guaranteed to the tillers of the soil by this bill.

It would be most ungracious and unfair for me to conclude these remarks without a further reference to the bill introduced by our able Chairman of the Committee on Agriculture, Hon. MARVIN JONES. The bill I refer to is H. R. 7593. Under the provisions of this bill the Secretary of the Treasury is authorized and directed to issue non-interest-bearing bank notes to the extent of \$2,000,000,000, which will be available to refinance farm mortgages at 2-percent interest. The bill provides that the first \$5,000 of any farm loan held by the Government will be refinanced under its provisions at 2-percent interest. So that there can be no cry from the bankers and money lenders that this will be fiat money, that it will be printing-press money, that it will be greenback money, the bill further provides that \$800,000,000 of the gold now held in the vaults of the Federal Treasury will be set aside as collateral or backing for this issue of currency.

Farmers will readily understand that the \$3,000,000,000 additional funds through the enactment of the Frazier-Lemke bill and with the \$2,000,000,000 more funds through the enactment of the Jones bill there would be a total of \$5,000,000,000 additional funds, which in itself would probably be ample and sufficient to refinance every farm in the United States today, not only those who are in actual distress but those who are entitled to lower rates of interest.

While I have not lost faith in the ultimate passage of the Frazier-Lemke refinance bill, while I am doing everything in my power to bring about the enactment of this bill, including the securing of additional signatures necessary to raise the required 218 signers so that the Rules Committee will be discharged from further consideration of the rule necessary before this bill can be considered and voted on by the House, yet I for one am willing to get whatever else we can in the meantime that promises better finance and lower rates of interest for the farmers affected.

I urge every farmer, every friend of the farmer, every business man, every working man, every soldier, who in the final analysis are just as much interested in the farmer's welfare as any one of us, that he use every effort at his command to urge first the enactment of my moratorium bill, then the enactment of the Frazier-Lemke bill, then the Jones bill, then, and then only, can these real knights of nature's nobility, those who produce the food we eat and the raw materials for the clothing we wear be guaranteed that never again in this generation or the next will they be threatened, harassed, and crucified by the damnable money lenders and shylocks. [Applause.]

Mr. HOPE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I want to take occasion at this time to join in what the chairman of the committee has said with regard to the excellent administration we have had of the Farm Credit Act. I think it is due to Governor Myers and those who have been associated with him in the Farm Credit Administration to say that they have performed a splendid piece of work.

I know of no opposition to this bill, and I realize that Members are anxious to vote; however, while I am on my feet I want to take occasion to call attention to the fact that

the Farm Credit Administration is not only an agency for making farm loans, but that it consists of a complete credit set-up for agriculture. Through production credit corporations and the local production credit associations it has set up Nation-wide agencies for making loans upon livestock and chattels at lower rates of interest than farmers have ever been able to enjoy before.

The cooperative bank system is functioning effectively and making loans at very reasonable rates of interest to cooperatives.

Many of the features of this bill are technical and relate purely to administrative details, but there are two or three matters to which I desire to call attention briefly, one of them being the fact that this measure makes available additional funds for Commissioner loans. We have heretofore set aside \$600,000,000 out of the total authorization of \$2,200,000,000 for Commissioner loans. This sum has been exhausted, the limit of \$600,000,000 has now been removed, and whatever funds remain in the \$2,200,000,000 which were authorized are now made available for the purpose of making these loans. These are the real distress loans, because they can be made up to 75 percent of the appraised value of the property.

The measure also liberalizes the provisions of those loans and permits them to be made for every purpose for which Federal land-bank loans may be made.

It further extends the time within which such loans may be made to February 1, 1940. In addition it permits these loans to be made for a longer period of time in some cases than has been possible heretofore.

In addition to these more liberal features in the case of real-estate loans, I want to call attention to the fact that the authority of the Farm Credit Administration and the cooperative banks to make loans to cooperatives is extended so that they may now make facility loans to cooperatives which sell to farmers as well as to cooperatives which sell farm products. Furthermore, they may make loans to cooperative associations furnishing farm business services, such as farmers' mutual insurance companies.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. ANDRESEN. How far can the Farm Credit Administration go in making loans to cooperatives which deal with their associates? Could they make loans for the purpose of starting stores so that the stores could engage in general-merchandise business and sell their products to members of the local cooperative associations?

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield myself 2 additional minutes.

Under the present law loans for working capital can be made to associations which deal in farm supplies such as farm machinery, fertilizer, and other commodities which are used strictly for farming purposes. They cannot be made to enable associations to engage in the general-merchandise business. This legislation does not enlarge any upon the previous law in that regard, except that it authorizes loans for physical facilities as well as for working capital.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. DONDERO. I understand this bill reduces the interest rate on mortgages to farmers. Is that a fact?

Mr. HOPE. The bill which we now have under consideration does not reduce the interest rate, but a committee amendment will be offered which will provide that in the case of all Federal land-bank loans the interest rate, beginning next July 1 and for the year following, shall be 3½ percent, and that for the next 2 years it shall be 4 percent. This is a reduction from the 4½-percent rate which is in effect now.

Mr. DONDERO. I am in sympathy with that; but will it apply to loans heretofore made? In other words, will those who have borrowed before the passage of this act be able to take advantage of the reduced interest rate on July 1?

Mr. HOPE. It will apply to all Federal land-bank loans in force at this time.

Mr. DONDERO. And to new loans to be made hereafter?

Mr. HOPE. Yes. May I say also that new loans which are now being made bear an interest rate of 4¼ percent for the life of the loan, the lowest ever made by the Federal land banks.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MICHENER. When the bill to which the gentleman from Ohio referred, introduced by the chairman, becomes law, and when the Frazier-Lemke bill becomes law, what effect will those bills have upon this statute?

Mr. HOPE. I have wondered about that myself, but would rather have the question answered by some of the gentlemen who are more familiar with those measures than I.

Mr. MICHENER. Whom would the gentleman suggest?

Mr. HOPE. The gentleman himself is an authority on the Frazier-Lemke bill and I would be very glad to have him answer his own question.

Mr. MICHENER. I am looking for light.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield myself 1 additional minute.

Mr. SCHNEIDER. Just how can the farmer get the benefit?

Mr. HOPE. It is automatic. He does not have to do anything.

Mr. SCHNEIDER. It is automatic?

Mr. HOPE. Yes. If this measure becomes a law, the new rate will go in effect on all outstanding mortgages on July 1 next.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. The difference in the interest rate which the present contracts carry and the rate established by this bill is payable out of the Treasury of the United States?

Mr. HOPE. Yes. Whatever deficit there is will be payable out of the Treasury of the United States.

Mr. CHRISTIANSON. Although payable out of the United States Treasury it is payable out of the profit which is earned by reason of the fact that the banks are now lending the money at a higher rate of interest than paid on the bonds?

Mr. HOPE. In the long run it is hoped the lower rates of interest now prevailing will enable the Farm Credit Administration to refund its bonds at a rate which will reduce the drain on the Treasury to a minimum or eliminate it altogether.

Mr. Chairman, there are many other features of this bill which are of interest to all of us representing agricultural districts. All of them, however, are explained in the committee report and I shall not take further time to discuss them here.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I understand that the Treasury has refinanced all the 4½-, 4-, and 5-percent bonds, or practically all of them, on a 3-percent basis, and that the Chairman of the Agricultural Committee is going to offer an amendment which will reduce the rate of interest on the mortgages now outstanding to 3½ percent for the year beginning July 1, 1935, and not to exceed 4 percent for 2 following years.

Frankly I think this margin of a half of 1 percent for the first year and 1 percent thereafter is sufficient to cover the expense of the overhead, and I believe it is only fair to the farmers who are borrowing money at this time that this be done. I wish to compliment the committee upon the attitude they have taken in this respect. [Applause.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I shall not take up much of the committee's time, because most of the points I have in mind have been answered, but I would like to ask the able Chairman of the Agricultural Committee two or three questions which will give some information which I desire very much. Does this bill provide in any way for private corporations operating farms to receive loans?

Mr. JONES. No. There is a limiting provision of that kind in the Senate bill. There is nothing of that character in this bill.

Mr. CRAWFORD. Does the law as it now stands cover that matter?

Mr. JONES. No; it does not permit the lending to corporate organizations.

Mr. CRAWFORD. To any extent?

Mr. JONES. No; I may state that, in fairness to the Senate amendment, it is so restricted that practically all of the stockholders would have to be active farmers.

Mr. CRAWFORD. I should also like to ask if the production-credit corporation or any other of the lending agencies mentioned in any part of this legislation will be in position to lend money to farm cooperatives for the purpose of building plants in which to process farm goods, such as creameries, cheese factories, kraut factories, and facilities of that kind?

Mr. JONES. They may, as a matter of fact, obtain loans at the present time for physical facilities. This broadens that feature so that a loan for any operating purposes may be obtained. The gentleman understands they do not have the privilege of borrowing Government funds. They simply have the privilege, which all other financial organizations have, of rediscounting their paper with the intermediate credit banks which sell their debentures in the open market. They may also borrow through the cooperative banks. Government funds are not involved. We made a special provision last year or the year before for the Government guaranty of principal and interest on land-bank bonds, or rather Farm Mortgage Corporation bonds, but this was for the land-bank and Commissioner's loans. These amendments enable the cooperatives to obtain their funds on a rediscount basis in the regular commercial market.

Mr. CRAWFORD. Then, to be a little more specific, and in order to clear this point up, on page 5 of the report wherein section 9 is discussed, it is stated.

Will broaden the present authority to include the making of loans for physical facilities for all cooperative business purposes.

Mr. JONES. Yes. In other words, they are simply limited to physical facilities for all cooperative purposes. They may make these loans through the intermediate-credit banks. That is, if they have paper that can justify a sound loan and such as will meet the requirements of the intermediate banks. Then they have the privilege of making loans through the cooperative banks.

Mr. CRAWFORD. Is that limited to 60 percent of the appraised value, as set forth on page 8 of the bill, lines 14 to 16, or would that have anything to do with the subject matter we are discussing?

Mr. JONES. Insofar as the physical facilities are concerned it is so limited.

Mr. CRAWFORD. That gives me the information which I desired, and I thank the gentleman.

Mr. Chairman, I wish to express my personal thanks to the members of the committee who have worked so diligently with these correcting and perfecting amendments to the acts affected. It is of course very difficult to include within amendments of this nature all of the benefits which some feel should be included. I regret that some provision has not been made to the end that corporate farming might be assisted in one way or another. I appreciate the arguments that are advanced against lending financial assistance to this type of farming, and know that some feel it would operate against the man who owns and operates a farm as an individual. However, there are some types of farming, especially in the livestock industry and in fruit farming, which is now and has for many years been operated along corporate lines, and it is not fair to say to this branch of

American farming that it shall not be eligible for financial assistance under the acts here dealt with. It should be remembered that in many cases the stockholders of these corporations operating farms live on the land and make it their primary activity. Can it be said these citizens should be deprived of this benefit simply because they operate under a corporate form while those who, in thousands of cases live in the city, have other lines of activity, yet own a farm which is operated by a share-cropper or tenant and still can obtain full consideration under the acts we are now considering?

Mr. Chairman, I do not desire to be misunderstood. I am not here pleading for the enactment of an amendment which will bring about the formation of land-holding corporations which will acquire the land from individual farmers, thus depriving them of their personal ownership and individual proprietorship. We have been guilty of a policy of that kind in Puerto Rico since the American flag was carried to that island. It is a disgraceful page in our insular-possession policy and relationship. Such a program takes the individual farmers from their land, places them on a seasonal pay roll (for only part of the year), leaving them to get along as best they can during the balance of the year. Such a program reduces the farm worker to sheer peonage or to the state of a serf. Such a program is un-American whether it be in Puerto Rico or on the mainland of continental United States.

However, by a restricted amendment we could easily care for those who have been operating their farms and ranches on a corporate basis, and preclude those who might desire to enter into such an undertaking subsequent to the passage of this act. It is one thing to give our citizens equal protection, to keep away from rank class legislation in the extension of credit in this manner, and it is another thing to pass a law which would encourage the development of a program or policy that would be highly destructive to our farming people and communities. I am in favor of legislation which does not discriminate and which will help bring all of our farming population on a par with organized industry, and I wish to say that I am opposed to legislation which sets into operation forces which affect adversely those of our people who are engaged in agriculture.

Mr. Chairman, just one other thought with reference to these amendments. I now refer to the interest rate which the governmental agencies dealing with farm credits now charge on these farm loans. It has been stated that throughout this land there are small and large banks bulging with deposits and credits standing in the name of our people. The balance sheets of the banking institutions speak for themselves. There is a supply of credit available which staggers the mind that attempts to comprehend its powers. Billions of dollars are seeking investment on a profitable basis. At the same time the interest burden of the American farmer is too great for him to carry at this time. The rate of interest he is having to pay with this great supply of money looking for investment is entirely out of line and cannot be justified. If our Government is to operate under a banking system which forces in a way our banks to take the deposits made therein by our people and finance governmental activities on a basis which enables the Government to borrow this money at from 1½ to 2½ percent per annum, then I, for one, contend these interest rates on farm loans should be reduced to a much lower rate than we are here considering.

If any preference is to be made, let it go to the agricultural workers and owners, to the end they will be able to meet their obligations, get rid of the interest and principal, and thus place themselves on a higher purchasing level, to the further end they may purchase the goods of our industrial workers. It is my opinion that we have passed through the high interest period of our national life. I do not believe that we shall soon see money able to command the high wages for its use it has heretofore commanded. I believe that many millions of our people will, from now on for several years to come, be perfectly willing to invest their savings in securities that are sound on a basis that will yield from 1½ percent up to 3 percent per annum. There are no reasons in sight why farmers should have to pay from 4 percent up to 8 percent

per annum for the use of money, whether it be borrowed through Federal agencies or in some other manner. It is not good that we should charge farmers such a high rate when call loans for speculation and other purposes can be obtained at rates from one-half percent up to 2 percent. The farmers of our country are not so organized that they can work out these problems. The solution must be solved very largely by the Congress taking the lead and through the full cooperation of the Congress and other agencies of the Government. We have the power to do this, and with that power the responsibility comes to us.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Sec. 2. (a) Section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., Supp. VII, title 12, sec. 1016), is further amended by striking out of the third sentence the following: "and made for the purpose of reducing and refinancing an existing mortgage."

(b) Such section 32, as amended, is further amended by striking out the fifth sentence and inserting in lieu thereof the following: "Loans may be made under this section for any of the purposes for which Federal land banks are authorized by law to make loans, and for the following additional purpose, and none other: Refinancing, either in connection with proceedings under chapter VIII of the Bankruptcy Act of July 1, 1898, as amended, or otherwise, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan."

(c) Such section 32, as amended, is further amended by striking out the seventh sentence and inserting in lieu thereof the following: "As used in this section, the term 'farmer' means any individual who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations, and includes a personal representative of a deceased farmer."

(d) Such section 32, as amended, is further amended by striking out the eighth and ninth sentences and inserting in lieu thereof the following: "Until February 1, 1940, the Land Bank Commissioner shall, in his name, make loans under this section on behalf of the Federal Farm Mortgage Corporation, and may make such loans in cash or in bonds of the Corporation, or if acceptable to the borrower, in consolidated farm-loan bonds; but no such loans shall be made by him after February 1, 1940, except for the purpose of refinancing loans previously made by him under this section. As much as may be necessary of the assets of the Corporation, including the bonds (and proceeds thereof) issued under section 4 of the Federal Farm Mortgage Corporation Act, may be used for the purposes of this section."

(e) Such section 32, as amended, is further amended by inserting at the end thereof the following: "Any Federal land bank, when duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation, shall have the power to execute any instrument relating to any mortgage taken to secure a loan made or to be made under this section, or relating to any property included in any such mortgage, or relating to any property acquired by the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation. Any such instrument heretofore or hereafter executed on behalf of the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation by a Federal land bank, through its duly authorized officers, shall be conclusively presumed to have been duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation."

Mr. FOCHT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my good friend, the gentleman from Iowa [Mr. GILCHRIST], gave evidence of the fine cheer that exists on both sides of the aisle here, and then was followed by our friend, the gentleman from Mississippi [Mr. RANKIN].

I thought, however, when the Member from Iowa started to tell his story about standing before the bar, realizing what he had previously said about the large corn crops in Iowa, that he was going to recite that wonderful poem about Madelin's face on the floor. Then came along my friend, RANKIN, with quotations from Shakespeare. He might aptly have applied another line to himself, for I do admire his courage, and that would be this:

He who free from malice would pass his days,
Must live obscure and never merit praise.

I did not get up here to make a stump speech but to apprise you of the fact once more that I represent a very large agricultural district and I am interested in this bill. I was interested in the bill that was passed at the last session of the Seventy-third Congress and I have tried to enlighten myself somewhat upon the operation of the bill. I am

pleased to say to you that I have had some practical experience in that I have analyzed several instances where large loans were made, and I was really surprised at the leniency with which these loans are handled and the fairness with which the farmers are treated.

With these additional concessions I am hopeful of something even better than a loan. I am looking for something that will not necessitate a rehashing of this legislation at every session. I am looking for that eminent thing which is a better break for the farmer by providing better prices for him and a better market so that he can take up these loans and not have to have any more. [Applause.]

Mr. PIERCE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am in favor of these amendments and I am going to vote for them, but I do not think any of us should get it into our heads that these amendments or the Frazier-Lemke bill, or the Jones bill—H. R. 6151—are going to solve the farmers' problems.

The farm loans have been made by the Farm Credit Administration on an appraisal basis of fair prices, based on the average of commodity-farm prices of 1926, which today cannot be realized; especially will this be true if we get anything like a good crop this year. The foreclosures of farm mortgages that are sure to follow these loans will astonish the men who fill these seats in the years to come unless there is a real revival of farm commodity prices.

Corn and cattle now are high, but we all know that it will not take long for these prices to come down if we have good crops.

The American farmer has paid wagonloads of interest, more than any other group of producing people at any time in human history. They have paid it because there was a foreign market for their surplus products at a good price. This foreign market seems to be gone. If permanently gone, how can he expect prosperity? How are prices going to be maintained if we have in the future only our home markets?

The allotment plan is a bold attempt to cut down farm production to the point where it can be consumed in this country. Better prices must be paid the farmer so that expenses and interest charges can be met. The triple A is meeting with so many obstacles and there are so many opponents of the plan today that I just wonder what the future holds for the farmers of America.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes.

Mr. ANDRESEN. The gentleman is a big wheat farmer.

Mr. PIERCE. I have raised many bushels of wheat.

Mr. ANDRESEN. The gentleman has mentioned losing our foreign market. The gentleman has been interested in exporting wheat out in his section, and does the gentleman know that since last July more than 20,000,000 bushels of wheat have come into the United States, although we have reduced our acreage and production in this country?

Mr. PIERCE. It comes over the low tariff wall. We could do much for the wheat farmer by an amendment to the tariff law abolishing the low wall of 10 percent ad valorem for wheat, feed wheat, not fit for human consumption.

Mr. ANDRESEN. Then the gentleman is in favor of a high tariff on farm products?

Mr. PIERCE. There is no other solution. We must prohibit importation of agricultural products.

Mr. ANDRESEN. So that we may have the market in this country for our farmers here in the United States?

Mr. PIERCE. Absolutely. It is either that or bankruptcy for thousands of farmers.

Mr. TABER. Mr. Chairman, if the gentleman will permit a suggestion, I found on investigation that tremendous quantities of wheat had come over the Canadian border under the 10-percent proposition that really had no business coming in that way.

Mr. PIERCE. There is no question that there has been a tremendous importation of wheat for years over the low wall. You understand, there are two tariff walls on wheat, 42

cents on milling wheat and 10 percent ad valorem on wheat that is not fit for human consumption, and under that excuse this wheat comes in over the low wall. In the Pacific Northwest we have a large surplus of wheat at the present time. Still shipload after shipload of Argentine corn and wheat has arrived this year. I do not think that this should be allowed. As a Democrat I have ever believed in low tariffs and foreign trade; however, the farmers are up against a real condition, and I am wondering whether we can carry out our theories or not. [Applause.]

Mr. ANDRESEN. Will the gentleman yield further?

Mr. PIERCE. I will.

Mr. ANDRESEN. Probably the gentleman will go to the President and the Secretary of State and encourage them to bring about a high tariff on farm products.

Mr. PIERCE. I shall do my level best.

Mr. EKWALL. I want to say to the gentleman from Oregon that we will welcome him over on this side.

Mr. PIERCE. I feel that I would not be at home there. I have been too long on the other side. [Laughter.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CHRISTIANSON. Mr. Chairman, I am heartily in sympathy with the purpose of the measure we are now considering and with every other effort to force a reduction of interest rates. I regret that the administration and those who speak for it on this floor have not seen fit to offer a program broad enough to lighten the burden not of farm mortgages alone but of all the debts of the American people. I say this because I am firmly convinced that the fundamental cause of this depression, as of every other, is a debt burden that has gotten out of balance with prices, property values, and incomes.

The only practicable way to accomplish a uniform reduction of debts is to reduce interest rates. Scaling down the principal, if done along a sufficiently broad front to affect the general economic situation, would have dangerous and even disastrous repercussions; it would close banks and bankrupt life-insurance companies and thereby wipe out the provision prudent men have made for themselves and their families. Such a cure would be even worse than the ailment from which we are now suffering. But it is not necessary to wipe out deposits and destroy life insurance reserves. Debts can be reduced as effectively, although more gradually, by leaving the principal intact and cutting interest rates. One percent saved on interest, if used to amortize the principal, will wipe out any debt in a little more than 30 years. Two percent thus saved and applied will accomplish the liquidation of a debt in considerably less than half that time. A substantial reduction in interest rates, therefore, would make it possible within a few years to reduce to manageable proportions the debt burden which today constitutes the greatest single barrier to recovery.

The reason why it is so necessary, if prosperity shall return, to make an attack upon the debt structure is that the huge sum collected from the people as interest and hoarded by a relatively small creditor group reduces the buying power of the people. In 1929, the last year of the pre-depression period, the American people had an income that has been estimated at \$85,000,000,000. By that time the war and post-war inflation and the reckless speculation attendant upon it had built up a debt structure that has been estimated at from one hundred and fifty to two hundred and forty billion dollars. For the purpose of this argument the exact amount is not material, nor is the average interest rate it bore. Let us place the amount at \$200,000,000,000 and the average interest rate at 5 percent, and assume an interest burden of \$10,000,000,000 a year. After the American people had paid out of their \$85,000,000,000

of income ten billions in interest, they still had \$75,000,000,000 to spend for other purposes. That sum was sufficient to buy the products of American farms and factories, to keep almost every man employed, and to give us the measure of prosperity we then enjoyed.

But by 1933 values had dropped, prices had declined, and the national income had shrunk to \$39,000,000,000. However, there were certain fixed charges, such as taxes, transportation costs, and interest that had not come down. We still had \$200,000,000,000 of debt, necessitating the payment of \$10,000,000,000 in interest; and when \$10,000,000,000 had been paid out of \$39,000,000,000, there was only \$29,000,000,000 left for other purposes. It was the shrinkage of almost two-thirds in the net buying power of the people, in 4 years, that stopped the wheels of industry, banked the factory fires, and turned ten or twelve million men into the streets.

I believe the American people might be just as prosperous on a low-price level as on a high-price level if all prices and all fixed charges could be reduced in the same proportion as commodity prices and incomes have dropped. I believe that we could set for ourselves no sounder objective than to bring interest rates—not only on farm mortgages held by the Federal land banks but on all farm mortgages, and not only on farm mortgages but on all long-time indebtedness—down to such an extent that the interest burden would bear the same relationship to the reduced national income as it did at the time when the greater part of the present debt structure was created. I would consider this a much more effectual attack upon the depression than efforts to restore price averages to their former levels—efforts which not only place us at a disadvantage in a highly competitive world market but result in widening those price disparities which have hindered an equitable exchange of products between the various industrial and occupational groups at home. Let me warn against the false philosophy that there is magical virtue in raising the price index. It is not the average of all prices that determines prosperity or the lack of it; prosperity results when there is such an adjustment of all the prices which make up that average that a day's labor in one economic sector will buy the product of a day's labor in another. If we were to bring the wages of capital—interest—into line with the wages of the working man and the entrepreneur, we should go far toward solving our present economic problem.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. CHRISTIANSON. I yield.

Mr. PIERCE. Should the interest rate have to be any higher than the increase of wealth, when measured through a long series of years?

Mr. CHRISTIANSON. I do not believe that interest rates on borrowed money should rise any faster than the income derived from the use of other property. I believe interest rates should be reduced in the same proportion and to the same degree as general incomes drop, when price levels fall. If we could accomplish that result we would make the creditor group bear its proportionate share of the cost of every depression.

Mr. PIERCE. Does the gentleman's study and reading lead him to believe it is around 2 percent?

Mr. CHRISTIANSON. I would say that the interest rate that the American people can carry on the basis of present incomes is not to exceed two or two and a half percent. Bank rates are down. Those who can borrow money from banks can get it on short-time paper at unprecedentedly low rates of interest, but there has not been any comparable reduction in interest on the great volume of indebtedness, which is in the form of bonds and mortgages and which has not been written down.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. CHRISTIANSON. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. CHRISTIANSON. I yield.

Mr. McFARLANE. In another body it was admitted in debate recently that our total national tax burden is around \$15,000,000,000.

Mr. CHRISTIANSON. And if you add \$10,000,000,000 interest to that, assuming that our figures are correct, you will reach the conclusion that there are \$25,000,000,000 which must come out of a national income, which at the present time does not exceed \$45,000,000,000, before there is a dollar available to those who pay interest and taxes for buying the products of farms and factories.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. CHRISTIANSON. I yield.

Mr. CRAWFORD. Is it not also true that there is a cost of approximately \$17,000,000,000 which is incurred for the purpose of maintaining organized government—municipal, State, and National?

Mr. CHRISTIANSON. That, of course, is covered by the \$15,000,000,000 to which the gentleman from Texas referred. It should also be noted that the \$10,000,000,000 and the \$15,000,000,000 overlap, for a considerable part of the tax money is used to pay interest on public debt.

In conclusion, let me say there is one government that has come nearer solving the problem of the depression than any other, and that is the Government of the Commonwealth of Australia. Australia followed a policy that was in some of its aspects deflationary. It effected a reduction in interest rates on existing contracts of from 22½ percent up. It cut governmental expenditures 20 percent. Despite a drop of 20 percent in nominal wages, there was an increase of more than 10 percent in real wages; for as a result of the adoption of a policy which considered facts rather than appearances, and aimed at the public welfare rather than political advantage, the cost of living dropped faster than wages.

The United States has much to learn from Australia, a commonwealth whose statesmen turned their backs on grandiose plans and spectacular procedures and set themselves honestly to the prosaic task of putting the national house in order. So successful were they that Australia has climbed four-fifths of the way out of the depression, having made in that respect a better record than any other country in the world. [Applause.]

The Clerk read as follows:

Sec. 3. The third sentence of paragraph "Twelfth" of section 12 of the Federal Farm Loan Act, as amended (U. S. C., Supp. VII, title 12, sec. 771), is amended by striking out that portion of the sentence following the semicolon and inserting in lieu thereof the following: "but in any case in which the Land Bank Commissioner finds that the amount of interest payable by such bank during any quarter subsequent to December 31, 1934, has been reduced by reason of the refinancing of bonds subsequent to June 30, 1934, the amount of the reduction so found shall be deducted from the amount payable to such bank for such quarter under this paragraph."

Mr. JONES. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 4, lines 1 to 12, inclusive, strike out all of section 3 and insert in lieu thereof the following:

"(a) Effective July 1, 1935, the first sentence of paragraph 'Twelfth' of section 12 of the Federal Farm Loan Act, as amended, is amended by striking out the following: 'within 2 years after such date shall not exceed 4½ percent per annum for all interest payable on installment dates occurring within a period of 5 years commencing 60 days after the date this paragraph takes effect; and no payment of the principal portion of any installment of any such loan shall be required during such 5-year period if the borrower shall not be in default with respect to any other condition or covenant of his mortgage', and inserting in lieu thereof the following: 'after such date, shall not exceed 3½ percent per annum for all interest payable on installment dates occurring within a period of 1 year commencing July 1, 1935, and shall not exceed 4 percent per annum for all interest payable on installment dates occurring within a period of 2 years commencing July 1, 1936; and no payment of the principal portion of any installment of any such loan outstanding on the date of the enactment of the Farm Credit Act of 1935 shall be required prior to

July 11, 1938, if the borrower shall not be in default with respect to any other condition or covenant of his mortgage."

"(b) Effective July 1, 1935, the second sentence of such paragraph 'Twelfth' is amended by striking out the following: 'the rate of interest on such loans for such 5-year period shall be 5 percent in lieu of 4½ percent', and inserting in lieu thereof: 'the rates of interest paid for the respective periods above specified shall be one-half of 1 percent per annum in excess of the rates of interest paid during the corresponding periods by borrowers on mortgage loans made through national farm loan associations'."

Mr. JONES. Mr. Chairman, I intended in connection with this amendment to ask the gentleman from Iowa [Mr. GILCHRIST], who, together with a number of other members of the committee and Members of the House, has helped in working it out, to explain it, but I believe it has been pretty well explained in the running fire of debate so far. Mr. GILCHRIST was especially helpful in this matter. In fact, all of the members of the committee, as well as many Members of the House, have been of great assistance. Unless the House wishes further explanation, I do not see there is any need for any. I might say this: Admiral Byrd's party is supposed to come in during the afternoon. A number of Members of the House want to meet him. I hope the Members of the House will restrain themselves in most of the discussion of the rest of the bill in order that we may get through and get away in time to attend that affair.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. ANDRESEN. While the amendment just read explains itself, the understanding is that the rate of interest will be 3½ percent for the next year, beginning July 1, and 4 percent for the year following.

Mr. JONES. Yes; that is correct. In fact, 4 percent for 2 years following.

Mr. ANDRESEN. That will be on all loans that have been made by the Federal land bank?

Mr. JONES. That is my understanding. Mr. Chairman, the gentleman from Missouri [Mr. CANNON] asked for time in general debate. I asked him to defer it to the 5-minute rule, and I ask that he be recognized at this time for 5 minutes, and ask unanimous consent that all debate upon this section and all amendments thereto close at the end of 7 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. JONES. Mr. Chairman, I wish to give notice at this time that when we go back into the House I shall ask that all Members may have the privilege of revising and extending their remarks on this bill.

Mr. HOPE. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Chairman, in the 2 minutes allotted to me I wish to call attention to the fact that in April, less than a month ago, the Farm Credit Administration sold its bonds for 3¼ percent; that the bonds which were not taken by those who had preference—that is, those who held the old 5-percent bonds—were oversubscribed 20 times. Farm credit bonds bearing only 2¾ percent were offered last Saturday on the market in New York City and were sold at a little above par.

I am glad that the House is now about to extend more favorable rates to the farmers of the country. Some of us who have been interested in this matter have tried to bring it before Congress and get a vote upon it for a period of more than 3 months. The gentleman from Missouri who has just addressed us [Mr. CANNON], and the gentleman from Iowa who is chairman of the Prairie Club bloc [Mr. GILLETTE], and other members of that bloc have been very active in this. Now let us have a vote.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

Sec. 17. (a) The first sentence of subsection (a) of section 31 of the Emergency Farm Mortgage Act of 1933 is amended by striking out the words "for 2 years from the date of the enactment of

this act" and inserting in lieu thereof a comma and the following: "until May 13, 1937."

(b) Subsection (b) of such section 31 is amended by striking out the words "such 2-year period" and inserting in lieu thereof the following: "the period of postponement."

Mr. BACON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BACON: Page 13, line 25, insert a new subsection (c), as follows:

"(c) The first sentence of the act entitled 'An act to authorize production-credit associations to make loans to oyster planters', approved June 18, 1934, United States Code, title XII, section 1131-j, is amended by striking out the following: 'Who are carrying on their operations under leases of oyster beds granted by any State or political subdivision thereof.'"

Mr. JONES. Mr. Chairman, the subcommittee and the committee understand this amendment; there is no objection to it.

Mr. BACON. Mr. Chairman, this amendment was suggested to the committee by the gentleman from New Jersey [Mr. BACHARACH] and by myself.

The present law—act of June 18, 1934—authorizes production-credit associations organized under the Farm Credit Act of 1933 to make loans to oyster planters who are carrying on their operations under leases of oyster beds granted by any State or political subdivision thereof.

It has been held that the limitation in the present law, limiting loans to oyster planters who are carrying on their operations under leases, prevents similar loans to oyster men who are owners of oyster bottoms in fee simple or who own franchises on such bottoms. The effect, therefore, was to deny owners and holders of franchises the benefits of the act providing for production-loan credits to oyster men.

There are many oyster planters, particularly in New York, New Jersey, Connecticut, and Massachusetts, who either own their own oyster beds or who operate them under franchises dating from very early times. It is felt that it was entirely an oversight to exclude straight-out owners and holders of franchises from the provisions of the act of June 18, 1934, and it is to correct this discrimination that this amendment is recommended.

The CHAIRMAN. The question is on the amendment of the gentleman from New York.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. JONES. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IGOU, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5440) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, directed him to report the same back to the House with sundry amendments, with the recommendations that the amendments be agreed to and that the bill as amended do pass.

Mr. JONES. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

Mr. JONES. Mr. Speaker, I ask unanimous consent to take up Senate bill 1384 and strike out all after the enacting clause of the Senate bill and substitute the House bill for the Senate bill and pass the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The amendment to the Senate bill was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. JONES. Mr. Speaker, I ask unanimous consent that the proceedings by which the House bill was passed be vacated.

Mr. BLANTON. Of course, that will embrace the amendments. That would carry the amendments to the House bill as an amendment to the Senate bill. In other words, the House bill, as amended by the committee, would be offered as an amendment to the Senate bill.

Mr. JONES. We have done that in the passage of the House bill and we are now vacating the proceedings by which we passed the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

A similar House bill (H. R. 5440) was laid on the table.

EXTENSION OF REMARKS

Mr. JONES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their own remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CRIME CONDITIONS IN THE DISTRICT OF COLUMBIA

Mr. WERNER. Mr. Speaker, on Saturday last I was granted permission to file minority views on a report by a subcommittee of the District of Columbia Committee on crime conditions under a resolution passed by the House. I have just been informed that the printed hearings will not be available until Monday or Tuesday of next week. I therefore ask unanimous consent that I may have until Monday, May 20, to file minority views.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1936

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report on the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

Mr. McLAUGHLIN. Mr. Speaker, reserving the right to object, may I ask what the conference committee did in reference to the matter of appropriations for bindweed extermination?

Mr. CANNON of Missouri. I think the report will be entirely satisfactory to the gentleman. The appropriation was increased from \$25,000 to \$40,000. In addition to that \$20,000 is made available for an investigation by the Bureau of Chemistry of chemicals best adapted for the control of such weeds.

Mr. McLAUGHLIN. Is the \$40,000 to be used exclusively for bindweed extermination?

Mr. BUCHANAN. The conference committee provided \$40,000 for the use of the Bureau of Plant Industry for research for a method for the eradication of the bindweed and other noxious weeds. The conference committee, after a thorough investigation, added \$20,000 for the use of the Bureau of Chemistry to investigate and find a cheap chemical to be used in the manufacture of a preparation to kill these weeds. Sodium chlorate has proved successful throughout all sections where it has been applied. It is only a question of its cost to the farmer. We believe the Bureau of Chemistry, in cooperation with the Tennessee Valley Authority, can reduce its cost to an economical basis.

Mr. McLAUGHLIN. The \$20,000 appropriation for a study of chlorates applied to the bindweed exclusively?

Mr. BUCHANAN. The bindweed and other noxious weeds. Of course, it will kill any noxious weed.

Mr. McLAUGHLIN. As I understand, the sum of \$40,000 has been appropriated for a study by the agricultural col-

leges of methods of examination of bindweed and other noxious weeds, and \$20,000 has been provided in order to study the chemicals to be used.

Mr. BUCHANAN. Yes.

Mr. THURSTON. I think there is an error about the \$40,000. That is left in the discretion of the department. It is to be under the Bureau of Plant Industry.

Mr. McLAUGHLIN. The \$40,000 is appropriated for use by the Bureau of Plant Industry in the extermination of these weeds?

Mr. BUCHANAN. They may cooperate with agricultural colleges if they want to.

Mr. WHITTINGTON. May I ask the gentleman about the conference report with respect to the Senate amendment providing an appropriation of \$25,000 for the prevention of swamp fever, a very deadly disease among mules?

Mr. BUCHANAN. The conference report allows \$15,000 for the study of swamp fever that is killing a good many mules in the Mississippi Delta and elsewhere.

The \$25,000 that was put in by the Senate contemplated the establishment of a laboratory in the Delta. After conference by myself with the Chief of the Bureau of Animal Industry, it was demonstrated that they could do the same character of work and accomplish the same results with \$15,000 if they were allowed to conduct the experiments in the laboratory here, and we allowed the \$15,000 which they stated was sufficient for the purpose.

Mr. WHITTINGTON. Mr. Speaker, personally I preferred the establishment of a laboratory in the field, but I do trust that the provision made by the conferees will result in the elimination of this very deadly disease among mules.

The SPEAKER. Is there objection to the request of the gentleman from Missouri that the statement may be read in lieu of the report?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 4, 5, 6, 7, 16, 17, 34, 44, 47, 55, 56, 57, and 59.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 9, 10, 19, 21, 24, 27, 28, 30, 31, 32, 33, 43, 45, 46, 48, 49, and 52, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "or"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "\$381,755"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "11,313,419"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$76,635, of which \$40,000 shall be expended for scientific investigation concerning control and eradication of bindweed and other noxious weeds"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "of which sum not exceeding \$15,000 shall be used for experimenting in Sea Island cotton, including its hybridization with other varieties"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$4,998,497"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the

sum proposed insert "\$154,435"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$9,958,462"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$11,600,973"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$76,741"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,279,434"; and the Senate agree to the same.

Amendment numbered 29: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the matter proposed by the amendment of the House to the amendment of the Senate insert "\$347,229, including not exceeding \$15,000 for investigation of the means of control of the Mormon cricket"; and the House agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "or"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "or"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$7,801,421"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$600,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$222,978"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$96,596"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "\$1,421,492"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "\$321,000"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "\$385,669"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "\$423,269"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "\$1,540,879"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "\$1,968,637"; and the Senate agree to the same.

JOHN N. SANDLIN,
CLARENCE CANNON,
M. C. TARVER,
J. P. BUCHANAN,
LLOYD THURSTON,
JOHN T. BUCKBEE,

Managers on the part of the House.

RICHARD B. RUSSELL, Jr.,
CARL HAYDEN,
E. D. SMITH,
HENRY W. KEYES,
GERALD P. NYE,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6718) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report, as to each of such amendments, namely:

The following amendments relate to the corrections of totals, allocations, textual errors, perfections of phraseology, etc.:

On amendments nos. 1, 4, 5, 6, 7, 9, 10, 11, 13, 18, 19, 22, 23, 26, 27, 28, 30, 32, 33, 34, 35, 36, 37, 41, 42, 43, 45, 48, 51, 52, 54, 55, and 56.

On amendment no. 2: Eliminates the House provision relating to the issuing of bulletins or reports advocating reduced consumption of any wholesome agricultural food commodity.

On amendment no. 3, agricultural exhibits at fairs: Appropriates \$85,000 as proposed by the House, instead of \$97,030 as proposed by the Senate.

On amendment no. 12, swamp fever: Appropriates \$15,000, instead of \$25,000 as proposed by the Senate, for studies of swamp fever affecting mules and other animals.

On amendment no. 14, bindweed investigations: Appropriates \$40,000, instead of \$100,000 as proposed by the Senate for investigations concerning control and eradication of bindweed and other noxious weeds, and eliminates the Senate provision requiring the money to be expended in connection with State agricultural colleges.

On amendment no. 15, Sea Island cotton: Provides an allocation of \$15,000 "for experimenting in Sea Island cotton, including its hybridization with other varieties", instead of \$20,000 "for experimenting in Sea Island cotton", as proposed by the Senate.

On amendment no. 16, Mississippi-Alabama experiment station, West Point, Miss.: Strikes out the Senate provision allocating \$7,500 of the appropriation for "forage crops and diseases" for the continuation of the station and leaves to the discretion of the Department the amount of the appropriation which shall be so allocated.

On amendment no. 17, fermented fruit-juice work at Beltsville, Md.: Strikes out the appropriation of \$27,500 provided by the Senate.

On amendment no. 20, forest range investigations in Montana: Appropriates \$20,000, instead of \$40,000 as proposed by the Senate.

On amendment no. 21, forest survey: Appropriates \$250,000 as proposed by the Senate, instead of \$129,703 as proposed by the House.

On amendment no. 24, agricultural chemical investigations: Appropriates \$15,000 for studies of the utilization of fruit and vegetable wastes and surpluses and \$20,000 for studies and development of chemical means for combating the bindweed and other noxious weeds, instead of \$35,000 for studies of the utilization of fruit and vegetable wastes and surpluses as proposed by the Senate.

On amendment no. 25, naval stores investigations: Appropriates \$76,741, instead of \$61,741 as provided by the House and \$81,741 as provided by the Senate.

On amendment no. 29, cereal and forage insects: Appropriates \$347,229 and makes \$15,000 of the amount available for investigation of the means of control of the Mormon cricket, instead of \$354,729 as proposed by the Senate, and instead of \$339,729, of which \$15,000 was to be available for Mormon cricket control, as proposed by the House.

On amendment no. 31, superseding of the queen bee studies: Appropriates \$15,000 as proposed by the Senate.

On amendment no. 38, control of predatory animals and injurious rodents: Appropriates \$600,000, instead of \$453,692 as proposed by the House and \$1,000,000 as proposed by the Senate.

On amendment no. 39, protection of migratory birds: Appropriates \$222,978, instead of \$167,978 as proposed by the House and \$277,978 as proposed by the Senate.

On amendment no. 40, enforcement of Alaska game law: Appropriates \$96,596, instead of \$71,596 as proposed by the House, and \$164,486 as proposed by the Senate.

On amendment no. 44, use of airplanes in Alaska: Strikes out the Senate provision authorizing the Bureau of Biological Survey to expend \$15,000 for the purchase and operation of airplanes in Alaska.

On amendment no. 46, public-lands highways: Retains the Senate provision appropriating \$2,500,000 for public highways through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than forest reservations.

On amendment no. 47, emergency construction of public highways: Restores the house language, stricken out by the Senate, allocating \$100,000,000 of the appropriation contained in section 1 of the Emergency Relief Appropriation Act of 1935 for the emergency construction of public highways as authorized by the Cartwright-Hayden Act, approved June 18, 1934 (48 Stat. 993), being the remaining unappropriated amount of the \$200,000,000 authorized to be appropriated by the said act.

On amendments nos. 49 and 50, snow surveys: Appropriates \$15,000, instead of \$36,000 as provided by the Senate, for snow surveys and forecasts of irrigation water supplies.

On amendment no. 53, enforcement of the Food and Drugs Act: Appropriates \$1,540,879, instead of \$1,515,879 as proposed by the House, and \$1,765,879 as proposed by the Senate.

On amendment no. 57, soil-erosion investigations: Appropriates \$281,362 as provided by the House, instead of \$531,362 as proposed by the Senate.

On amendment no. 59: Strikes out section 2, inserted by the Senate, which provides that "No part of any appropriation contained in this act shall be used for the payment of personal services or for the maintenance of any activity not specifically authorized by law."

JOHN N. SANDLIN,
CLARENCE CANNON,
M. C. TARVER,
J. P. BUCHANAN,
LLOYD THURSTON,
JOHN T. BUCKBEE,

Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. CANNON of Missouri, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

ENFORCEMENT OF REVENUE LAWS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that I may have until midnight tomorrow to file a report on the bill (H. R. 7980) to protect the revenue of the United States and to provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs-enforcement areas, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

ADJOURNMENT OVER

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred, as follows:

S. 672. An act for the relief of the city of Baltimore; to the Committee on War Claims.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 563. An act for the relief of the Jay Street Terminal, New York; and

S. 1616. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory and supplementary thereto.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 54 minutes p. m.) the House adjourned to meet, in accordance with its previous order, on Monday, May 13, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

(Saturday, May 11, 10 a. m.)

Hearings on bill (H. R. 5379) to regulate water carriers.

EXECUTIVE COMMUNICATIONS, ETC.

333. Under clause 2 of rule XXIV a communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of State for the fiscal year 1936, amounting to \$75,000 (H. Doc. 182), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. FULMER: Committee on Agriculture. H. R. 5527. A bill to amend the act entitled "An act to authorize production-credit associations to make loans to oyster planters", approved June 18, 1934; without amendment (Rept. No. 864). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 7781. A bill to define the election procedure under the act of June 18, 1934, and for other purposes; with amendment (Rept. No. 865). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. House Resolution 125. Resolution pertaining to the settlement with the Eastern and Western Cherokees under Public, No. 105, Seventy-second Congress; without amendment (Rept. No. 866). Referred to the Committee of the Whole House on the state of the Union.

Mr. PALMISANO: Committee on the District of Columbia. H. R. 6510. A bill to amend the District of Columbia Alcoholic Beverage Control Act; with amendment (Rept. No. 867). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RAMSAY: A bill (H. R. 7997) to regulate the courts in passing upon the constitutionality of the acts of Congress and statutes of the several States; to the Committee on the Judiciary.

By Mr. DOUGHTON: A bill (H. R. 7998) to exempt from income taxation, on the basis of reciprocity, compensation of employees of foreign governments; to the Committee on Ways and Means.

By Mr. DICKSTEIN: A bill (H. R. 7999) to provide for additional compensation to jurors; to the Committee on the Judiciary.

By Mr. DOCKWEILER: A bill (H. R. 8000) to amend section 602½ of the Revenue Act of 1934; to the Committee on Ways and Means.

By Mr. DOUGHTON: A bill (H. R. 8001) to insure the collection of the revenue on intoxicating liquor, to provide for the more efficient and economical administration and enforcement of the laws relating to the taxation of intoxicating liquor, and for other purposes; to the Committee on Ways and Means.

By Mr. HIGGINS of Massachusetts: A bill (H. R. 8002) to increase the compensation of letter carriers in the Village Delivery Service; to the Committee on the Post Office and Post Roads.

By Mr. REILLY: A bill (H. R. 8003) permitting landowners who have suffered damages on account of prosecution and maintenance of the improvement of the Wisconsin and Fox Rivers, in the State of Wisconsin, to institute action in the Court of Claims or the United States district court for the recovery of such damages; to the Committee on the Judiciary.

By Mr. TABER: A bill (H. R. 8004) authorizing the Secretary of the Treasury to execute a quitclaim deed of certain land located in the village of Lyons, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. GAMBRILL: A bill (H. R. 8005) authorizing the George Washington Memorial Bridge Public Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Potomac River at or near Dahlgren, Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. McGEHEE: A bill (H. R. 8006) to aid in furnishing training in flying at the several land-grant colleges, and for other purposes; to the Committee on Military Affairs.

By Mr. DICKSTEIN: Joint resolution (H. J. Res. 285) to permit the temporary entry into the United States under certain conditions of alien participants and officials of the

National Boy Scout Jamboree to be held in the United States in 1935; to the Committee on Immigration and Naturalization.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, supporting the Frazier-Lemke bill; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Texas, urging the abolition of the Federal gasoline tax; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Florida, memorializing Congress to establish an Army Air Service base in De Soto County, Fla.; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 8007) granting an increase of pension to Mary A. Secrist; to the Committee on Invalid Pensions.

By Mr. BOEHNE: A bill (H. R. 8008) granting a pension to Charles F. Williams; to the Committee on Pensions.

By Mr. BREWSTER: A bill (H. R. 8009) granting an increase of pension to Leonice T. Holmes; to the Committee on Invalid Pensions.

By Mr. DARDEN: A bill (H. R. 8010) for the relief of Col. Richard M. Cutts, United States Marine Corps; to the Committee on Claims.

By Mr. ELLENBOGEN: A bill (H. R. 8011) to extend the benefits under the World War Veterans' Act, 1924, as amended, to Ethel Boyd; to the Committee on World War Veterans' Legislation.

By Mr. KIMBALL: A bill (H. R. 8012) granting a pension to Sylvia Campbell; to the Committee on Invalid Pensions.

By Mr. LEWIS of Colorado: A bill (H. R. 8013) for the relief of William J. Saunders; to the Committee on Naval Affairs.

By Mr. RANDOLPH: A bill (H. R. 8014) for the relief of William Welch; to the Committee on World War Veterans' Legislation.

By Mr. REED of Illinois: A bill (H. R. 8015) to revive certain patents; to the Committee on Patents.

By Mr. SHANLEY: A bill (H. R. 8016) granting a pension to Adolph G. Erickson; to the Committee on Pensions.

By Mr. SNYDER: A bill (H. R. 8017) for the relief of D. Compton; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 8018) granting an increase of pension to Mary I. Pingrey; to the Committee on Pensions.

Also, a bill (H. R. 8019) granting an increase of pension to Alma C. Moore; to the Committee on Pensions.

By Mr. TURPIN: A bill (H. R. 8020) for the relief of Jose R. Redhammer; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8381. By Mr. BOYLAN: Resolution adopted by the New York State Association of Retail Meat Dealers, Inc., New York City, denouncing a proposed Agricultural Adjustment Administration amendment which would extend Government control and regulation of branches of their industry through the licensing system; to the Committee on Agriculture.

8382. Also, letter from the Golden Packing Co., Inc., New York City, denouncing the proposed amendment to the Agricultural Adjustment Administration Act, which would extend Government control and regulation of their industry through the licensing system; to the Committee on Agriculture.

8383. Also, resolution adopted by the Industry and Business Committee for National Recovery Act Extension, New York City, favoring a 2-year extension of the National Recovery Act; to the Committee on Appropriations.

8384. By Mr. KRAMER: Petition of the Arizona State Chamber of Commerce, endorsed by Los Angeles (Calif.) Chamber of Commerce, requesting that every possible effort be made to secure the reenactment of the present excise tax on copper; to the Committee on Ways and Means.

8385. Also, petition of the Pacific Traffic Association of San Francisco to the President of the United States, Franklin D. Roosevelt, respectfully requesting consideration of the unsatisfactory and uncertain transportation situation and urging Congress to take definite action during present session on all transportation legislation now pending; to the Committee on Interstate and Foreign Commerce.

8386. By Mr. LUCAS: Petition of 22 citizens of Illinois, supporting House bill 6995; to the Committee on Pensions.

8387. By Mr. McMILLAN: Petition of Charleston County Petroleum Industries Commission, relating to proposed levying tax on fuel oil; to the Committee on Ways and Means.

8388. Also, petition of the Charleston County Petroleum Industries Commission, relating to resolution on the Federal gasoline tax; to the Committee on Ways and Means.

8389. Also, petition of the Charleston County Petroleum Industries Commission, relating to House bill 3660; to the Committee on Ways and Means.

8390. By Mr. PFEIFER: Petition of the National Association of Retail Druggists, Chicago, concerning continuation of the National Recovery Act; to the Committee on Appropriations.

8391. Also, telegram from the New York Joint Board of the Amalgamated Clothing Workers of America, New York City, concerning continuation of the National Recovery Act; to the Committee on Appropriations.

8392. Also, telegram from the New York Clothing Cutters Union, Amalgamated Clothing Workers of America, New York City, concerning the Wagner labor-disputes bill and continuance of the National Recovery Act; to the Committee on Labor.

8393. By Mr. RUDD: Petition of the Knights of Columbus, Long Island Council, No. 197, Brooklyn, N. Y., concerning the Mexican situation; to the Committee on Foreign Affairs.

8394. Also, petition of New York Clothing Cutters Union, Vest Makers and Coat Makers Amalgamated Clothing Workers of America, concerning the Wagner disputes bill; to the Committee on Labor.

8395. By Mr. TOLAN: Petition headed by Thomas Amneus and 70 citizens of Oakland, Calif., requesting Congress to give favorable consideration and affirmative action of House Joint Resolution 167, by Mr. LUDLOW, proposing an amendment to the Constitution of the United States with respect to the declaration of war and the taking of property for public use during time of war; to the Committee on the Judiciary.

8396. By the SPEAKER: Petition of the Middle Tennessee Retail Grocers and Merchants Association; to the Committee on Agriculture.

8397. Also, petition of the Twentieth Century Mothers Club of Newport, Tenn.; to the Committee on Public Buildings and Grounds.

8398. Also, petition of the Methodist ministers' meeting in Philadelphia; to the Committee on Foreign Commerce.

8399. Also, petition of the board of the Somerdale Community Baptist Church, Park Avenue, Somerdale, N. J.; to the Committee on Naval Affairs.

8400. Also, petition of the Industry and Business Committee for National Recovery Act Extension; to the Committee on Ways and Means.

8401. Also, petition of McFarland Post, No. 9, of the American Legion; to the Committee on Immigration and Naturalization.

8402. By Mr. TRUAX: Petition of Quarry Workers' International Union of North America, Lakeside, Ohio, by their corresponding secretary, F. J. Schroeder, urging support of the Wagner labor-disputes bill; to the Committee on Labor.

8403. Also, petition of Allied Office Guild, Cleveland, Ohio, by A. F. Lubbering, P. F. Hart, J. B. Colvard, resolutions committee, urging that their membership, consisting of engineers, architects, bookkeepers, stenographers, accountants, and all types of clerical workers, be employed in the work-relief program of President Roosevelt; to the Committee on Labor.

8404. Also, petition of Albert Smith, route 3, Madison, Ohio, and other farmers, numbering 60, thanking Congressman TRUAX for signing the Frazier-Lemke refinancing bill (H. R. 2066), and urging other Congressmen do likewise; to the Committee on Agriculture.

8405. Also, petition of Hardin County Farm Bureau, Kenton, Ohio, by their president, F. H. Steiner, favoring the proposed amendments to the Agricultural Adjustment Act; to the Committee on Agriculture.

8406. Also, petition of Hardin Live Stock Cooperative Association, Kenton, Ohio, by the president, D. H. Ralston, urging support of proposed amendments to the Agricultural Adjustment Act; to the Committee on Agriculture.

SENATE

MONDAY, MAY 13, 1935

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty God, who art the fountain of life and happiness, who through the past night hast given us sleep to refresh our weakness and to alleviate the labors of our fragile flesh: Grant that the Angel of Peace, the guardian of our souls and bodies, may encamp about us this day and lead us in the way of holy living, into paths of noble endeavor for the safety, honor, and welfare of our country.

Let Thy fatherly pity and protection rest upon the poor, the sick, and the sorrowful, that all men everywhere, being moved by Thy love, may show kindness and mercy toward those whom Thy dear Son hath vouchsafed to call His brethren. We ask it in His name and for His sake. Amen.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, May 10, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum, and move a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Pope
Ashurst	Copeland	La Follette	Radcliffe
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Dickinson	Loneragan	Schwellenbach
Bankhead	Dieterich	Long	Sheppard
Barbour	Donahey	McAdoo	Shipstead
Barkley	Duffy	McCarran	Stetwer
Bilbo	Fletcher	McGill	Thomas, Okla.
Black	Frazier	McKellar	Thomas, Utah
Bone	George	McNary	Townsend
Borah	Gerry	Maloney	Trammell
Brown	Gibson	Metcalf	Truman
Bulkeley	Glass	Minton	Tydings
Bulow	Gore	Murphy	Vandenberg
Burke	Guffey	Murray	Van Nuys
Byrd	Hale	Neely	Wagner
Capper	Harrison	Norris	Walsh
Caraway	Hastings	Nye	Wheeler
Carey	Hatch	O'Mahoney	White
Clark	Hayden	Overton	
Connally	Johnson	Pittman	

Mr. LEWIS. I announce the absence of the junior Senator from South Carolina [Mr. BYRNES], the Senator from Utah [Mr. KING], the Senator from New Jersey [Mr. MOORE], and the senior Senator from South Carolina [Mr. SMITH], who are unavoidably detained from the Senate.

I renew the announcement that the Senator from North Carolina [Mr. REYNOLDS] is absent on an official mission to the Virgin Islands.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness and that

the Senator from South Dakota [Mr. NORBECK] and the Senator from Minnesota [Mr. SCHALL] are necessarily absent.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

INVITATION TO FARMERS' MEETING ON A. A. A.

Mr. BANKHEAD. Mr. President, I ask unanimous consent to read to the Senate at this time an invitation addressed to the Vice President and Members of the Senate to attend a meeting of farmers to be held here tomorrow.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. BANKHEAD. The invitation reads as follows:

HALE COUNTY FARM ASSOCIATION,
Plainview, Tex.

To the Vice President and to the Members of the Senate, Seventy-fourth Congress of the United States:

On behalf of several thousand farmers from 25 or more States, assembling in Washington Tuesday, May 14, to express to this Congress and to the Agricultural Adjustment Administration the appreciation of the great majority of American farmers for the present adjustment programs which have saved agriculture from ruin, we extend to every Member of this honorable body a cordial invitation to attend the farmer meeting to be held in Constitution Hall, Tuesday, May 14, from 10 to 12 a. m.

This meeting is not one of protest or demand, but of endorsement of a farm program which is really an effective contribution in the farmers' long struggle for economic justice. Opponents of the program have not only spoken loudly in their own interests but have also professed to speak for farmers. To indicate to the leaders of this Nation the real voice of agriculture, farmers from all over America have journeyed here to emphasize their approval of these programs, to express their confidence in the leadership of the Agricultural Adjustment Administration, and to voice their conviction that the best interests of the Nation call for continuation and strengthening of these adjustment programs.

It is in this spirit that the farmers invite you to attend their meetings, that you may personally receive their commendation. Respectfully,

C. H. DAY, Texas,
J. F. TOMPKINS, Arkansas,
D. E. SCOTT, North Carolina,
EARL DEAN, Iowa,

National Committee on Arrangements.

Mr. ROBINSON. Mr. President, there was so much confusion in the Chamber I could not hear the time and place of the meeting.

Mr. BANKHEAD. The meeting will be at Constitution Hall from 10 to 12 o'clock tomorrow morning.

TRIBUTE TO SENATOR GLASS

Mr. LEWIS. Mr. President, may I beseech the Senate to allow me to impose on it for one moment while I speak on a matter which, perhaps, in its nature has something to do with the privileges of the Senate?

The public press informs us that recently there was presented at New York City to one of our colleagues, the distinguished senior Senator from Virginia [Mr. GLASS], a memorial, or memento, from the well-renowned historical organization, the National Institute of Social Sciences, certifying to the superiority of our brother of the Senate in a specific line of science, finance, and service to mankind. The medal accorded, as described, is of gold, upon which his name is indented, with reference particularly to the specific virtues of this American to which the medal is intended to certify.

Senators, I know you will indulge me to say that there generally prevails the impression that those engaged in such work as are we, the affairs of government and matters of state, are crudely confined wholly to that which is designated as politics or the exigency of statecraft. Rarely is it ever vouchsafed to us in the esteem of the world that there are attached to us any other attributes than those which characterize efforts in the field of what the world calls partisanship. When it is discovered and borne in upon us in this pleasant manner that one of our colleagues, notwithstanding the specialty to which we know he has devoted his life, politically, touching finance, is also talented specifically in matters of science, art, and literature, to the perfection that has brought to him recognition of so high a character as that which has been accorded the able Senator from Virginia, we marvel, because we know our country at large seldom ascribes to those situated as we are anything other

than the mere pursuit of the single subject of what the world pleases to dismiss as statecraft. Yet we recall with joy of inner consolation that in many of our colleagues there is the possession of the knowledge of the natural sciences, the grace of refining literature, sublime achievements in human relief by deep research and Christian science.

Mr. President, my colleagues about me may recall from the classics that we have it from Terence, the slave poet of the Romans, as given us by Menander, the self-applied encomium—

Homo sum; humani nihil a me alienum puto—

Which, liberally translated to our daily tongue, asserts, "I am a man, and there is nothing that concerns humanity that is foreign to me."

We are pleased to note that there are those in this honorable body who, while pursuing their course of public duty, well illustrate that there is nothing of human nature that is foreign to them. Such men, as the Senator from Virginia, courageous in action, deliberate in speech, independent in character, represent the model of the perfect Senator. We of the Senate behold in this tribute to the Senator from Virginia the photostat of the composite Membership of the Senate. This action brings to bear a reflection that this, our distinguished colleague, has demonstrated to the country pursuits varying of character that bless this tribunal with honor as they hallow the acknowledged talent of its Members. We delight to send our praise and expression of our gratification to the distinguished Senator from Virginia. We express our gratification in the credit the State of his home—renowned Virginia—may take in the distinction flowing to itself.

Senator CARTER GLASS is by this recorded tribute of his country embalmed in joyous acclaim for his scholarly qualities, the versatility of his genius; and for all this tribute accords, I assure our Nation that this honorable body joins with me in expressing our approval and pleasure. We, the United States Senate, adopt this honor accorded to Senator GLASS, a certificate to the versatile qualifications of this honorable body, the United States Senate.

I thank the Senate for allowing me to intrude upon them this welcomed reflection.

I beg to attach to these expressions an article from the news records of the press of New York and an editorial detailing the pleasurable exercises on the event I relate.

The VICE PRESIDENT. Without objection, the article and editorial presented by the Senator from Illinois will be printed in the RECORD.

The matter referred to is as follows:

[From the New York Times]

GLASS GETS MEDAL FOR BANK REFORMS—SENATOR ONE OF FOUR HONORED BY SOCIAL SCIENCE INSTITUTE FOR "SERVICE TO HUMANITY"—WILLIS SCORES CONGRESS—HE ALSO PRAISES COURAGE OF THE PRESS—BLISS, DR. CUSHING AND VINCENT GET AWARDS

In recognition of "distinguished services rendered to humanity," the National Institute of Social Sciences conferred its gold medal on four well-known Americans at its annual dinner last night at the Waldorf-Astoria Hotel. Those honored were Senator Carter Glass, Cornelius N. Bliss, Dr. Harvey Cushing, and Dr. George E. Vincent.

The presentation speech to Senator Glass was made by Dr. H. Parker Willis, professor of Columbia University. Mr. August Belmont made the presentation speech to Mr. Bliss; Dr. Willard C. Rappleye, dean of the College of Physicians and Surgeons, made the presentation remarks to Dr. Cushing, Roger Sherman Baldwin made the presentation speech to Dr. Vincent.

Herbert L. Satterlee presided at the dinner. The president of the institute is Henry Fletcher.

The citation of Senator GLASS declared the award was made to him "in recognition of distinguished services rendered to humanity as one of the leaders in the planning and creation of the Federal Reserve Banking System; as Secretary of the Treasury; as United States Senator; and as one, who has through life, consistently and unsparingly devoted his abilities and energies to public service."

SENATOR GLASS PRAISED

Senator GLASS was hailed by Dr. Willis as "one of those very few Americans who have been able to perceive the real character of the change which, in recent years, have been proposed in our Government who has recognized the constitutional bearings of our banking problem, and who has devoted himself wholly to a thorough examination and exposition of the nature of constitutional and financial relationships."

[Editorial]

PORTRAIT OF A SENATOR

To a country that has just seen the Senate pass the Patman bonus bill and hears the insolent clamor that threatens the opponents of that measure, the speech of Senator GLASS accepting the medal of the National Institute of Social Sciences is as salutary as it is timely. Senator GLASS will not even accept the common phrase "public servant" in its contemporary meaning:

"To me it was never intended to mean abject subservience to the popular will, however uninformed or misdirected. I prefer to think of a United States Senator as the representative of the sovereignty of his State and subject every moment to the promptings of his own conscience and the preservation of his own intellectual integrity."

The Senator learned long ago—

"Indeed, I did not have to learn; it is a self-evident proposition—that the public man who permits himself to pause long enough to inquire whether a thing is popular or unpopular, instead of seeking to know whether it is right or wrong, is not only useless but dangerous to his country. He is a coward to begin with and a menace always."

Senator GLASS' whole public career has been framed on this model. His public life is the realization of his words.

His name is written in momentous legislation; it is his greatest achievement that he has been faithful to his high conception of the duty of a Senator. He goes his way, unmoved by threats, careless of popularity. He is a free man and Senator, subservient neither to the administration nor to the manufactured "public opinion" of herds of self-seekers. His qualities are recognized and respected. It may be doubted if any public man of today stands higher in general estimation. His unbending firmness of purpose is appreciated even in the Senate, where he is one of the few specimens of what a Senator should be.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its recording clerks, announced that the House has passed the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 254) providing for an investigation by the United States Public Health Service of the plumbing and sanitary systems in Federal Government buildings, and it was signed by the Vice President.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of Texas, memorializing Congress to promptly enact such legislation as may be necessary to abolish the Federal gasoline sales tax and to surrender to the States exclusively the power to tax such sales in the future, which was referred to the Committee on Finance.

(See concurrent resolution printed in full when presented today by Mr. SHEPPARD, p. 7349.)

The VICE PRESIDENT also laid before the Senate a resolution of the House of Representatives of the State of Nebraska, memorializing Congress to make a complete investigation of the sugar-beet industry, with particular reference to the causes of the annual controversy arising concerning contract terms and alleged discriminations, which was referred to the Committee on Banking and Currency.

(See resolution printed in full when presented today by Mr. NORRIS, p. 7347.)

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of Nebraska, favoring the enactment of legislation authorizing the erection of an addition to the existing Veterans' Administration hospital in the city of Lincoln, Nebr., to care for neuropsychiatric patients, which was referred to the Committee on Finance.

(See concurrent resolution printed in full when presented today by Mr. NORRIS, p. 7347.)

The VICE PRESIDENT also laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, memorializing Congress and the President to adequately increase the protective duty on butter, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented today by Mr. LA FOLLETTE, p. 7348.)

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Louisiana, which was ordered to lie on the table:

Senate Concurrent Resolution 1

Whereas agriculture is the basic industry of this country, and there can be no recovery until agriculture is put on a sound basis: Now, therefore, be it

Resolved, That it is the sense of your memorialists, the members of the Legislative Assembly of the State of Louisiana, the Senate and House concurring, that the Congress of the United States should enact the Frazier-Lemke bill without further delay; be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of the State to the President of the Senate and Speaker of the House of Representatives of the United States, and to each Senator and Representative in Congress from this State, to the President of the United States, and to United States Senator LYNN J. FRAZIER and Congressman WILLIAM LEMKE.

The VICE PRESIDENT also laid before the Senate the following resolutions of the General Court of Massachusetts, which were referred to the Committee on Military Affairs:

Resolutions commending the President of the United States for his courage in urging Congress to take the profits out of war, and requesting that the President and Congress take the profits out of the manufacture of munitions by way of preparedness for war

Whereas the President of the United States has courageously recommended legislation looking to the taking of private profits out of war; and

Whereas private profits in war munitions may be an incentive to warfare and prevent the continuance of peace on earth and good will to men: Therefore be it

Resolved, That the General Court of Massachusetts hereby commends the President of the United States for his courage and leadership above mentioned, and earnestly and respectfully requests the President and Congress to further the cause of removing private profits from war and from the manufacture of munitions by way of preparedness for war; and be it further

Resolved, That copies of these resolutions be transmitted forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officers of both branches of Congress, and to the Representatives in Congress from this Commonwealth.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Business Mens' Association of the city of National Falls, Minn., favoring the making of an appropriation for the construction of a series of power and storage dams in the chain of lakes on the international boundary (Minnesota) with the purpose of conserving the flow of water from the Rainy River watershed and increasing the hydroelectric power in the lakes and streams, which was referred to the Committee on Commerce.

He also laid before the Senate several petitions of citizens of Illinois and Mississippi, praying for the enactment of old-age pension legislation, which were referred to the Committee on Finance.

He also laid before the Senate the petition of members of the Capital City Townsend Club, of Lansing, Mich., praying for inclusion in pending social-security legislation of the so-called "Townsend old-age pension plan", which was referred to the Committee on Finance.

He also laid before the Senate papers in the nature of memorials of several citizens of Brooklyn and vicinity, in the State of New York, remonstrating against the enactment of legislation imposing a special tax of one-half cent per gallon on heating oil, which were referred to the Committee on Finance.

He also laid before the Senate a memorial of several citizens of Peoria and vicinity, in the State of Illinois, remonstrating against alleged religious persecutions in the Republic of Mexico and the attitude of the American Ambassador to that country, which was referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by the Green River (Wyo.) Booster League, being employees of the Union Pacific System, favoring the prompt enactment of legislation repealing the fourth section of the Interstate Commerce Act, which were referred to the Committee on Interstate Commerce.

He also laid before the Senate a resolution adopted by the Fourth Cycle, Inc., Group 1A, of Compton, Calif., favor-

ing a senatorial public investigation of charges made by Senator SCHALL relative to the operations of Federal corporations, which was referred to the Committee on the Judiciary.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate petitions and letters, papers, and telegrams in the nature of petitions, from sundry citizens and veterans' organizations in the United States, praying for the prompt enactment of the so-called "Patman bonus bill", which were ordered to lie on the table.

He also laid before the Senate a letter in the nature of a memorial from Mrs. Harry Hamfel, of Detroit, Mich., remonstrating against the enactment of such bonus legislation as is advocated by the Reverend Charles E. Coughlin, which was ordered to lie on the table.

Mr. WALSH presented a resolution adopted by Lowell Aerie, No. 223, Fraternal Order of Eagles, of Lowell, Mass., favoring the passage of old-age pension legislation, which was referred to the Committee on Finance.

He also presented the petition of Local Union, No. 2178, United Textile Workers of America, of Millbury, Mass., praying for the enactment of legislation providing for a graduated tax on cigarettes, which was referred to the Committee on Finance.

He also presented petitions of Victory Lodge, No. 2097, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, of Fall River; Pioneer Lodge, No. 1235, of Springfield, and the Italian Mutual Aid Society, Inc., of West Springfield, all in the State of Massachusetts, praying for the enactment of legislation extending the effective date of the National Emergency Transportation Act of 1933, which were referred to the Committee on Interstate Commerce.

He also presented a petition of several citizens of the State of Massachusetts, praying for the passage of the so-called "Patman bill", providing for the immediate payment of World War veterans' adjusted-compensation certificates, which was ordered to lie on the table.

Mr. SMITH presented the following concurrent resolution of the Legislature of the State of South Carolina, which was referred to the Committee on Public Lands and Surveys:

A concurrent resolution commending Senator E. D. SMITH in his efforts for the passage of a bill to establish a national monument and cemetery in Greenwood County, to be known as the "Star Fort National Monument and Cemetery"

Be it resolved by the house of representatives (the senate concurring):

Whereas United States Senator the Honorable E. D. SMITH has introduced in the United States Senate bill No. 2716, providing for the establishment of a national monument and cemetery in Greenwood County, to be known as the "Star Fort National Monument and Cemetery", which is a companion bill to the one introduced by Congressman J. C. TAYLOR in House bill No. 7542; and

Whereas it is both meet and proper during these days of turmoil to revert to the early establishment of the Government of the United States and to commend and perpetuate the heroism enacted by the Revolutionary soldiers who gave their lives and their all for the benefit of establishing a "Government by the people, for the people" on this continent; and

Whereas the deeds and heroism as exemplified in the lives of those who sought to perpetuate and establish the United States of America should be preserved and enshrined in the hearts of the present and future generations and to keep the home fires burning throughout all times and to preserve the blessings to our people; and

Whereas the graves of the American soldiers buried at Star Fort have never had suitable monument or markers erected to perpetuate their deeds and lie in graves unmarked at the fort where they fell fighting for American liberty: Now, therefore, be it

Resolved, That we commend the efforts of Senator SMITH in getting this Star Fort Monument and Cemetery bill passed to commemorate in part the deeds enacted at this fort; be it further

Resolved, That a copy of this resolution be forwarded to the Vice President of the United States, to United States Senators SMITH and BYRNES, and to the entire South Carolina delegation in the House, and urge them to do all that is consistent to the favorable enactment of this law.

Mr. BARBOUR presented the following resolution of the House of Assembly of the State of New Jersey, which was referred to the Committee on Military Affairs:

Whereas Nicholas Casale, of the city of Newark, a World War veteran, served with the One Hundredth and Forty-eighth Regiment, United States Infantry, Thirty-seventh Division, with distinction and honor; and

Whereas his outstanding service was rendered to the United States and the State of New Jersey, because of the fact that he was only 4 feet 10 inches in height, and weighed less than 100 pounds, and was cited for bravery in action when his organization was under fire: Therefore be it

Resolved, That the house of assembly do memorialize Congress to pass suitable legislation authorizing the Secretary of War to bestow upon Nicholas Casale a gold Medal of Honor of such design as the Secretary of War may approve; and be it further

Resolved, That copies of this resolution, duly authenticated by the speaker and the clerk, be forwarded to each Member of the Senate and House of Representatives from the State of New Jersey.

Mr. BARBOUR also presented the following resolution of the House of Assembly of the State of New Jersey, which was ordered to lie on the table:

Whereas the State housing authority was created by an act of the Legislature of the State of New Jersey, in the year 1933, for the purpose of taking advantage of the National Public Works Act for the elimination of slum areas; and

Whereas the State housing authority has completed a survey of 40 projects and has prepared a 5-year construction program calling for an expenditure of eighty millions per year; and

Whereas the elimination of the slums is a public necessity, not only for the elimination of the slum areas but also the need of providing work for the building mechanics, who are about 70 percent now unemployed: Therefore be it

Resolved by the House of Assembly of the State of New Jersey, That President Franklin D. Roosevelt be urged to use his good office to expedite the work as already prepared by the New Jersey State Housing Authority; be it further

Resolved, That a copy be sent President Franklin D. Roosevelt, Secretary of Interior Harold C. Ickes, the United States Senators and Congressmen representing the State of New Jersey.

Mr. NORRIS presented the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on Banking and Currency:

Resolution memorializing the Congress of the United States to make a complete investigation of the sugar-beet industry

Whereas the sugar-beet industry is of major importance in agricultural regions and its prosperity affects producers, processors, and consumers alike, and is a means of livelihood for great numbers of employees of such growers and processors; and

Whereas annually controversies arise between sugar-beet producers and sugar-beet processors concerning contract terms and alleged discriminations; and

Whereas such annual sugar-beet controversy is far-reaching in its detrimental effects to farmers, processors, employees, and consumers and should be eliminated, as it creates a great economic loss, retards the normal flow of business, and prevents the normal progress which would otherwise be made in such industry: Now, therefore be it

Resolved by the House of Representatives of the State of Nebraska in fiftieth regular session assembled—

1. That this house hereby respectfully petitions and memorializes the Congress of the United States to make a complete investigation of the sugar-beet industry, paying particular attention to the causes of the annual controversy which arises concerning contract terms and alleged discriminations.

2. That the clerk of this house is hereby ordered and directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed to the President of the United States; the Vice President of the United States; the Speaker of the House of Representatives; and to the United States Senators representing the State of Nebraska; and to the Congressmen in the House of Representatives of the United States representing the State of Nebraska, to take such steps as are necessary to provide for a complete investigation of the sugar-beet industry and thus determine the causes of the annual controversy arising in such industry and, if possible, a remedy therefor.

Mr. NORRIS also presented the following concurrent resolution of the Legislature of the State of Nebraska, which was referred to the Committee on Finance:

Resolution—Erection of a neuropsychiatric hospital in city of Lincoln

Whereas there is a definite and urgent need for a veterans' neuropsychiatric hospital in the State of Nebraska, as at the present time there are 152 insane veterans being cared for in State institutions for the insane on account of the remote location of veterans' neuropsychiatric facilities assigned to the veterans of Nebraska; and

Whereas the inaccessibility of the locations of these veterans' neuropsychiatric hospitals prevents the families of such veterans

from visiting their insane relatives should the latter be hospitalized therein; and

Whereas the Government is making extensive additions and improvements to veterans' neuropsychiatric facilities throughout the country; and

Whereas the present physical plant of the United States Veterans' Administration facility at Lincoln, Nebr., occupies approximately only one-eighth of the acreage owned by the Federal Government, thus making available ample space for the construction of additional units for the care of veteran neuropsychiatric patients; and

Whereas present utilitarian facilities can take care of such additions with very slight increase in such facilities; and

Whereas House roll 7835 has been introduced in the Congress of the United States, authorizing the erection of such an addition to the existing Veterans' Administration facility at Lincoln, Nebr.: Now, therefore, be it

Resolved by the house (the senate concurring), That the Congress of the United States be and is hereby respectfully memorialized to enact, with all convenient speed, House roll 7835 of the Seventy-fourth Federal Congress; and be it further

Resolved, That the clerk of the house cause copies of this resolution, duly certified, to be transmitted to the President of the United States, the Vice President of the United States, the Director of the United States Veterans' Administration, the Chairman of the Federal Hospitalization Commission, and to all Senators and Representatives in Congress from the State of Nebraska, and that these latter be urged to use their best offices to procure the passage of House roll 7835 to the accomplishment of the purpose as set forth in the aforementioned bill.

Mr. LA FOLLETTE presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Finance:

Joint resolution memorializing the Congress of the United States and the President to adequately increase the protective tariff on butter

Whereas butter is one of the most important products made from milk, representing the outlet for more than 35 percent of the annual milk production of the United States; and

Whereas Minnesota, Iowa, and Wisconsin, ranking in the order named, normally produce approximately 40 percent of all the creamery butter manufactured in the United States; and

Whereas the butter-manufacturing industry is vitally important to the dairy farmers of Wisconsin, Minnesota, and Iowa, and to consumers of butter throughout the United States; and

Whereas the imposition of an adequate protective tariff is an imperative necessity to the continued prosperity and welfare of the butter industry, as has repeatedly been proved by the record of past experience; and

Whereas exigencies which arose within the butter industry, due to the competition of imported butter, were remedied by tariff increases from 8 cents to 12 cents per pound in 1926 and to 14 cents in 1930; and

Whereas during the months of December, January, February, and March, when domestic production is low and the price of butter is correspondingly high, the differential of domestic over foreign butter prices is sufficient to assure import butter a profit over and above the present 14 cents per pound tariff barrier; and

Whereas New Zealand butter has become the principal competitor of domestic butter for the following reasons: (1) Costs of production in New Zealand are considerably less than production costs in Wisconsin, due principally to the mild climate which reduces winter feeding and shelter costs in New Zealand; (2) the peak of New Zealand production coincides with the point of our lowest and most expensive production during the 4 winter months; (3) in spite of the long shipping distance, transportation costs from New Zealand by water to the New York market are approximately the same as rail-haul charges from Minnesota, Iowa, and Wisconsin to New York; and

Whereas the differential of domestic over foreign butter prices invites New Zealand competition despite the present 14-cent tariff, tending to depress winter butter prices on the domestic market; and

Whereas the amount of butter imported into the United States in 1933 was 1,021,806 pounds and in 1934 was 1,107,020 pounds, increasing from 29,329 pounds in March 1934 to 6,239,352 pounds in March 1935; and

Whereas 11,710,330 pounds of butter were imported into the United States during the first 3 months and 10 days of 1935; and

Whereas excessive recent imports of New Zealand butter are operating to nullify, at least in part, the benefits accruing to dairy farmers from the production-control efforts of the United States Department of Agriculture and to assist, instead, the New Zealand dairy industry at the expense of domestic producers; and

Whereas an emergency need exists for butter tariff revision to provide adequate protection for the domestic butter industry upon which the entire dairy industry of the United States bases its prices: Now, therefore, be it

Resolved by the senate (the assembly concurring), That the Legislature of the State of Wisconsin respectfully memorializes the President and the Congress of the United States to place a 21-cents-per-pound tariff on imported butter to protect Wisconsin, Minnesota, and Iowa dairy farmers, and the dairy industry generally, from the inroads of foreign competition, and to preserve the home market for the American farmer, to whom it rightfully belongs; and be it further

Resolved, That properly attested copies of this resolution be sent to the Governor and to both houses of the Legislatures of Minnesota and Iowa, respectively, requesting that they concur in this resolution, and also memorialize the Congress of the United States and the President, to the end that a united front be presented in urging the enactment of an adequate protective tariff on butter; and be it further

Resolved, That properly attested copies of this resolution be sent to the President, and to both Houses of the Congress of the United States, and to the Wisconsin Members thereof.

Mr. LA FOLLETTE also presented the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Mines and Mining:

Joint resolution petitioning the National Emergency Council and the Works Allotment Board to create a mining-works project in the dormant southwestern Wisconsin mineral area

Whereas \$4,880,000,000 have been appropriated by the Congress of the United States to defray the cost of various types of practical wealth-producing, self-liquidating works projects by virtue of which unemployed men and women may be furnished self-respecting jobs in lieu of the demoralizing dole and the United States Government may be relieved of the direct relief business; and

Whereas extensive mineral fields in southwestern Wisconsin, rich in lead, zinc, and sulphur deposits now lie practically dormant due to present abnormally low market prices for such minerals; and

Whereas this area has a stranded mining population of approximately 1,000 families, most of whom are now unemployed and many actually on relief rolls; and

Whereas operation of these mines would furnish employment to all these unemployed miners and several thousand other unemployed persons; and

Whereas by pegging the per-ton price on raised ores to a level commensurate with adequate living wages for miners and on the basis of index prices in any normal pre-war period, and by purchasing the same at such prices for indefinite storage against time of war or other demand therefor, the National Emergency Council and the Works Allotment Board could devise for this stranded area and its unemployed population a practical wealth-producing and self-liquidating work project and thereby put these mines in operation and the unemployed miners to work: Now, therefore, be it

Resolved by the senate (the assembly concurring), That this legislature earnestly petitions the National Emergency Council and the Works Allotment Board to give serious consideration to creating an appropriate and practical lead, zinc, and sulphur mining works project in the southwestern mineral area of this State for the paramount purpose of creating wealth and employment; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, the National Emergency Council, and the Works Allotment Board, and to each Wisconsin Member of the Congress.

Mr. LA FOLLETTE also presented the following joint resolution of the Legislature of the State of Wisconsin, which was ordered to lie on the table:

Joint resolution memorializing the President and Congress of the United States and the Administrator of the Federal Emergency Relief Administration to provide for the continuance of aid in lime and marl production

Whereas on May 1, 1935, the Federal Government will discontinue its aid in the production of crushed limestone; and

Whereas it is of great importance to this State that crushed lime and marl production continue at this time for the following reasons:

1. Approximately 85 percent of the production soil of this State is in great need of acid neutralizing elements and fertilizers which are essential to the successful production of crops, especially alfalfa.

2. There is now a serious shortage in cattle feed which seriously affects the cattle industry in this State and which shortage can be largely overcome by creating a great productive activity in the soil.

3. Such acid neutralizing elements and fertilizers are abundant in crushed lime and marl.

4. A large number of otherwise unemployed could be engaged in a profitable undertaking.

5. Production of crushed lime and marl is more profitable to the producer during the warmer months and a greater production is possible, the reasons being obvious.

6. Lime crushed during the warmer months can be applied to the soil in the fall of the year and thereby be permitted to disintegrate and become thoroughly mixed with the soil during the winter months and be an effective productive agent the following spring: Therefore, be it

Resolved by the assembly (the senate concurring), That the Wisconsin Legislature respectfully requests the Congress of the United States to provide for the immediate and further production of crushed lime and marl for farm application; be it further

Resolved, That properly attested copies of this resolution be sent to the President of the United States, to Harry L. Hopkins, Administrator of the Federal Emergency Relief Administration, to

each Wisconsin Member of Congress, and to Bruce Uthus, director of the work division of the Wisconsin Emergency Relief Administration.

Mr. DUFFY presented a joint resolution of the Legislature of the State of Wisconsin, memorializing Congress and the President to adequately increase the protective tariff duty on butter, which was referred to the Committee on Finance.

(See joint resolution printed in full when presented today by Mr. LA FOLLETTE, p. 7348.)

Mr. SHEPPARD presented the following concurrent resolution of the Legislature of the State of Texas, which was referred to the Committee on Commerce:

House Concurrent Resolution 98

Whereas Sulphur River which drains the watershed of about 12 counties of northeast Texas on account of the serpentine trend of the river and the sluggishness of the flow of same, caused by the fact that there is only a few-hundred-feet drop from its source to its mouth; and

Whereas the meandering course of such stream is so pronounced and that the present channel is over 450 miles in length, from its source to the Louisiana line, while in fact this distance by air-line is only about 200 miles; and

Whereas the watercourse of this stream is blocked in many places by drifts that have accumulated and also by dense growth of vegetation and underbrush; and

Whereas it is estimated that these conditions cause almost one-fifth of the area of this watershed to experience often disastrous overflow; and

Whereas these overflows, drifts, and undergrowth cause an accumulation of stagnant water producing unhealthy conditions; and

Whereas if the channel of this river were straightened, drifts and vegetation, brush and undergrowth removed that these conditions would be much improved; and

Whereas a great percentage of the people of this district are unemployed and the policy has been adopted by the Federal Government to spend a large amount of money to procure work for the people: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Chairman of the Civilian Conservation Corps is hereby urgently requested to place upon and along Sulphur River C. C. C. camps for the purpose of straightening the channel and clearing same of trees, drifts, and underbrush; and be it further

Resolved, That copies of this resolution be forwarded to our Representatives in the National Congress, and that a copy be furnished Hon. E. O. Sleske, professor of soil erosion of A. & M. College, Bryan, Tex.

Mr. SHEPPARD also presented the following concurrent resolution of the Legislature of the State of Texas, which was referred to the Committee on Finance:

Senate Concurrent Resolution 51

Whereas the Congress of the United States of America has imposed a tax upon all sales of gasoline; and

Whereas the State of Texas and every other State of the United States has already imposed taxes upon such sales; and

Whereas the Federal tax on such sales is untimely and prohibitive and, coupled with the respective State taxes on such sales, places a burden upon the users of gasoline beyond that which they should carry and beyond that which the traffic can legitimately bear; and

Whereas the legislatures of 19 States now or recently in session have memorialized Congress to repeal the Federal gasoline tax law; and

Whereas the taxation of sales of gasoline should properly be left to the exclusive use of the States as a means of providing funds for road construction and maintenance: Now, therefore, be it

Resolved by the Senate of the State of Texas (the house of representatives concurring therein), That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed such legislation as may be necessary to abolish the Federal gasoline sales tax and to surrender to the States exclusively the power to tax such sales in the future; and be it further

Resolved, That a copy of this resolution be transmitted to the President of the United States, the Speaker of the House of Representatives, the President of the Senate, and to each Member of Congress elected from the State of Texas, and that the latter be urged to use his best offices to procure the enactment of such legislation as will accomplish the purposes of this resolution.

Mr. SHEPPARD also presented the following resolution of the House of Representatives of the State of Texas, which was referred to the Committee on Interstate Commerce:

Whereas there has been introduced by the Hon. SAM RAYBURN in the House of Representatives at Washington a bill providing for the control of public-utility holding companies; and

Whereas this legislation has the endorsement and whole-hearted support of our President in the carrying out of his program for

the regulation of utilities and the elimination of wasteful investment in utility properties: Now, therefore, be it

Resolved by the House of Representatives of the State of Texas, That it endorses the provisions of the said general utility bill, and urges upon Congress the speedy passage of this legislation into law, and that a copy of this resolution be properly attested and forwarded to the Speaker of the House of Representatives at Washington.

Mr. SHEPPARD also presented the following concurrent resolution of the Legislature of the State of Texas, which was referred to the Committee on Irrigation and Reclamation:

House Concurrent Resolution 94

Whereas in addition to a most devastating depression during the last 2 years parts of the northern, western, and southern districts of Texas have encountered a most severe and destructive drought, thereby causing a loss of multiplied millions of dollars to the farmers and ranchmen of the said districts and likewise causing great losses to the State and Federal Governments; and

Whereas history and statistics reveal that such portions of the great State of Texas almost invariably suffer for the want of sufficient rainfall during the dry summer months just at a time when precipitation is badly needed; and

Whereas there is an urgent need at this time for both the State and Federal Governments to direct their early attention toward impounding and conserving water in such territory, taking necessary steps to develop irrigation projects, studying, promoting, and developing methods of dry farming, studying the type of farm products and livestock, which can be profitably produced and more particularly adapted for such regions and likewise putting on an additional program among the people concerning these problems: Now, therefore, be it

Resolved by the house of representatives (and senate concurring), That the Honorable Henry A. Wallace, Secretary of Agriculture, Washington, D. C., be respectfully requested to give more detailed consideration than has been heretofore given in the past to the above vital and perplexing problems, and at an early date employ a sufficient number of agricultural agents to make a detailed study of such prevailing conditions; and be it further

Resolved, That copies of this resolution be mailed to Senator MORRIS SHEPPARD and Senator TOM CONNALLY, now in Washington, D. C.; to each of the Texas Congressmen, to the Honorable Henry A. Wallace, Secretary of Agriculture, Washington, D. C.; to Hon. Harold Ickes, Secretary of the Interior, Washington, D. C., and likewise a copy of this resolution be mailed to Hon. J. E. McDonald, commissioner of agriculture for the State of Texas.

REPORTS OF COMMITTEES

Mr. BURKE, from the Committee on the Judiciary, to which was referred the bill (H. R. 157) to amend section 5296 of the Revised Statutes of the United States, reported it without amendment.

He also, from the same committee, to which was referred the bill (H. R. 6114) to amend section 128 of the Judicial Code, as amended, reported it with an amendment and submitted a report (No. 609) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 738) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof, reported it with amendments and submitted a report (No. 610) thereon.

He also, from the same committee, to which was referred the bill (S. 1148) to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to the Acadia National Park, reported it without amendment and submitted a report (No. 611) thereon.

Mr. HATCH, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2247) directing the conveyance of certain lands to the regents of the University of New Mexico, reported it with an amendment and submitted a report (No. 616) thereon.

He also, from the same committee, to which was referred the bill (S. 1066) to extend the provisions of section 2 of the act of February 28, 1925, authorizing reservations of timber, minerals, or easements to exchanges of lands in the State of New Mexico, under the act of February 14, 1923, and the act of February 7, 1929, reported it without amendment and submitted a report (No. 617) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 2462. A bill to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho (Rept. No. 612);

S. 2638. A bill to amend the law governing the leasing of unallotted Indian lands for mining purposes (Rept. No. 614); and

S. 2656. A bill to authorize the Secretary of the Interior to grant concessions on reservoir sites and other lands in connection with Indian irrigation projects and to lease the lands in such reserves for agricultural, grazing, or other purposes (Rept. No. 615).

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 6654) to increase the White House Police force, and for other purposes, reported it without amendment and submitted a report (No. 613) thereon.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 10th instant that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 282. An act for the relief of William Kemper;

S. 563. An act for the relief of the Jay Street Terminal, New York;

S. 1616. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory and supplementary thereto; and

S. J. Res. 43. Joint resolution for the establishment of a commission for the construction of a Washington-Lincoln Memorial Gettysburg Boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield of Gettysburg in the State of Pennsylvania.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. DIETERICH, from the Committee on the Judiciary, reported favorably the nomination of Robert W. Rabb, of Pennsylvania, to be United States marshal, middle district of Pennsylvania, vice Percy Brewington.

Mr. McCARRAN, from the Committee on the Judiciary, reported favorably the nomination of Joseph J. McGuigan, of the Canal Zone, to be district attorney, Canal Zone.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the same committee, reported adversely the nomination of Fred Wheeler to be postmaster at Hudson, N. Y., in place of C. E. Hardy.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably Executive G, Seventy-fourth Congress, first session, being the International Sanitary Convention for Aerial Navigation, which was opened for signature at The Hague on April 12, 1933, and signed on behalf of the United States on April 6, 1934, and submitted a report (Ex. Rept. No. 6) thereon.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 2804) to authorize the payment of retired pay to William Mitchell; to the Committee on Military Affairs.

By Mr. McKELLAR:

A bill (S. 2805) granting a pension to Sidney A. Scott (with accompanying papers); to the Committee on Pensions.

By Mr. LA FOLLETTE:

A bill (S. 2806) for the relief of William A. Devine; to the Committee on Civil Service.

By Mr. THOMAS of Oklahoma:

A bill (S. 2807) authorizing an appropriation for payment to the Delaware Tribe of Indians in the State of Oklahoma; to the Committee on Indian Affairs.

By Mr. BAILEY:

A bill (S. 2808) for the relief of Grier-Lowrance Construction Co., Inc.; to the Committee on Claims.

A bill (S. 2809) to designate the first week in May of each year as National Education Week for the Blind; to the Committee on Education and Labor.

By Mr. GUFFEY:

A bill (S. 2810) for the relief of the State of Pennsylvania; to the Committee on Claims.

(Mr. JOHNSON introduced Senate bill 2811, which was referred to the Committee on Commerce, and appears under a separate heading.)

By Mr. CLARK:

A bill (S. 2812) authorizing the Secretary of the Treasury to pay L. E. Durham and Margaret E. Durham for rent of premises occupied by Director of Farm Labor; to the Committee on Claims.

By Mr. CAPPER:

A joint resolution (S. J. Res. 126) authorizing the President of the United States to use the funds of the Imperial German Government, or its successor or successors, and of all German nationals, to settle claims of American citizens against said Government, and for other purposes; to the Committee on Finance.

By Mr. THOMAS of Oklahoma:

A joint resolution (S. J. Res. 127) to provide funds for the protection of land resources against soil erosion; to the Committee on Agriculture and Forestry.

By Mr. CLARK:

A joint resolution (S. J. Res. 128) for the designation of a street or avenue in the Mall to be known as "Missouri Avenue"; to the Committee on the District of Columbia.

P. W. A. PROGRAM FOR FLOOD CONTROL, ETC.

Mr. JOHNSON. Mr. President, I introduce a bill, the design of which is to remedy whatever injury may have been done by the recent decision of the Supreme Court in the case of the United States against the State of Arizona. The bill represents the considered conclusions of the Department of Justice and the Department of the Interior.

I should like to have the bill printed in the RECORD and annexed immediately thereafter a memorandum which has been prepared showing the projects in the Nation which are affected by the decision, and giving information regarding them. I ask that the bill be referred to the Committee on Commerce.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill (S. 2811) to authorize and adopt certain public-works projects for controlling floods, improving navigation, regulating the flow of certain streams of the United States, and for other purposes, was read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 2811

A bill to authorize and adopt certain public-works projects for controlling floods, improving navigation, regulating the flow of certain streams of the United States, and for other purposes

Be it enacted, etc., That for the purpose of controlling floods, improving navigation, regulating the flow of the streams of the United States, providing for storage and for the delivery of the stored waters thereof, for the reclamation of public lands and Indian reservations, and other beneficial uses, and for the generation of electric energy as a means of financially aiding and assisting such undertakings, the projects known as "Parker Dam" on the Colorado River and "Grand Coulee Dam" on the Columbia River are hereby authorized and adopted, and all contracts and agreements which have been executed in connection therewith are hereby validated and ratified, and the President, acting through such agents as he may designate, is hereby authorized to construct, operate, and maintain dams, structures, canals, and incidental works necessary to such projects, and in connection therewith to make and enter into any and all necessary contracts, including contracts amendatory of or supplemental to those hereby validated and ratified.

Sec. 2. All projects planned or undertaken to accomplish the purposes specified in section 1 for which allotments have been made pursuant to the provisions of title II of the act approved June 16, 1933, entitled "the National Industrial Recovery Act", are hereby authorized and adopted, and all contracts and agree-

ments which have heretofore been executed in connection therewith are hereby validated and ratified, and the President, acting through such agents as he may designate, is hereby authorized to construct, operate, and maintain dams, structures, canals, and incidental works necessary to such projects, and in connection therewith to make and enter into any and all necessary contracts, including contracts amendatory of or supplemental to those hereby validated and ratified.

The memorandum presented by Mr. JOHNSON was ordered to be printed in the RECORD, as follows:

MEMORANDUM RE EFFECT OF DECISION IN "UNITED STATES AGAINST STATE OF ARIZONA" ON THE P. W. A. PROGRAM

The projects in addition to the Parker Dam project, the status of which is doubtful in the light of the decision in the *United States v. State of Arizona* (decided Apr. 29, 1935), have been listed under five classes.

The projects included in list A are reclamation projects the authorization of which is doubtful, since the streams on which such projects are located may be held to be navigable by the Court. If the stream on which any of such projects are located is held to be navigable, the authorization of the project may be held bad, since it was not based upon a recommendation to the Congress by the Chief of Engineers.

The projects included in list B are projects of the International Boundary Commission, the status of which is the same as that of projects in list A.

The projects included in list C are projects under the jurisdiction of the Bureau of Indian Affairs. The status of these cases is the same as that of the cases in lists A and B.

The projects included in list D are flood-control projects of the War Department. Their status is the same as the status of projects in lists A, B, and C.

The projects included in list E are river-and-harbor improvements under the jurisdiction of the War Department. Their status is doubtful, since the Chief of Engineers did not make a recommendation to the Congress in connection with them.

An examination of the projects included in the comprehensive program of public works in exhaustive a manner as the time has permitted indicates the projects in the above-mentioned lists are probably the only projects affected by the Arizona decision.

List A

State	Project	Allotment	Construction features
Oregon.....	Vale.....	\$1,000,000	Agency Valley Dam and Reservoir (earth embankment, 480,000 cubic yards), Willow Creek Canal, 20 miles.
Washington.....	Grand Coulee.....	15,000,000	Grand Coulee Dam and power plant, 3,350,000 cubic yards of concrete. Railroad, highways, bridge, townsite building, streets, water supply, etc.; total cost, \$63,000,000.
Wyoming.....	Casper-Alcova.....	12,000,000	Alcova diversion dam. Semence Dam, Reservoir, and power plant. Canals and structures. Transmission line and 2 substations. Total cost, \$22,700,000.
Idaho.....	Upper Snake River storage.	4,000,000	Storage dam and reservoir on Upper Snake River.
Montana.....	Chain Lakes storage.	2,000,000	Fresno storage dam and reservoir on Milk River near Havre.
Nevada.....	Newlands (Truckee storage).	1,500,000	Storage dam and reservoir on Little Truckee River, Calif.
Do.....	Humboldt.....	2,000,000	Rye Patch Dam and Reservoir on Humboldt River.
Utah.....	Hyrum.....	930,000	Hyrum Dam and Reservoir on Little Bear River (earth dam and dike, 350,000 cubic yards). Hyrum-Mendon Canal, 14 miles, and smaller canals and canal structures.
Do.....	Ogden River.....	3,000,000	Pine View Dam and Reservoir on Ogden River near Huntsville. South Ogden and North Ogden high-line canals and other canals and canal structures.
Arizona-California.....	All-American Canal.	9,000,000	Imperial diversion dam (floating or Indian weir type, 1,700 feet long), 80 miles of main canal and 130 miles of Coachella branch canal; 65,000,000 cubic yards of excavation. Total cost, \$27,000,000.
Utah.....	Provo River.....	2,700,000	Deer Creek Dam and Reservoir. Canals and structures. Enlargement of Weber-Provo Canal. Total cost, \$9,974,000.
Do.....	Moon Lake.....	1,500,000	Moon Lake Dam and Reservoir.
Colorado.....	Uncompahgre.....	2,725,000	Taylor Park Dam and Reservoir, \$2,000,000. Improvement of Gunnison Tunnel, \$400,000. Repairs to project canal system, \$325,000.
Montana.....	Frenchtown.....	180,000	Irrigation project in Missoula River Valley.

List B

State	City or locality	Allotment	Character of work
Texas.....	Lower Rio Grande Valley.	\$500,000	International flood-control works including floodway excavation, levee embankment, and structures.
Do.....	.....	1,500,000	
Total.....	.....	2,000,000	
Arizona.....	Nogales.....	433,000	For the construction of an international flood waterway at Nogales, Ariz., and Nogales, Sonora, and improvement of existing channels to carry off flood waters in that region. The estimated cost of the work to be performed in the United States amounts to \$433,000.
Texas.....	.....	500,000	
Do.....	.....	2,800,000	
Total.....	.....	3,300,000	For the rectification of the Rio Grande in the El Paso-Juarez Valley, the construction of a dam and reservoir at Caballo, N. Mex., and the acquisition and disposition of any real or personal property in connection with the construction of the project, in accordance with the terms of the convention of Feb. 1, 1933, concluded between the United States and Mexico, and proclaimed by the President of the United States on Nov. 13, 1933. The estimated total cost of the work to be performed in the United States amounts to \$5,256,634.

List C

State	Location	Project	Allotment
Nevada.....	Walker River.....	Storage dam.....	\$153,700
Do.....	Owyhee River, Duck Valley.	do.....	46,000
Wyoming.....	South Fork Wind River.	Washakie storage dam.....	626,500
Montana.....	Mission Creek.....	Storage dam and canals.....	658,750
Arizona.....	Santa Cruz River.....	Santa Xavier diversion dam.....	39,700
Washington.....	Yakima River.....	Repair of Wapato diversion dam.	79,500

List D

State	City or locality	Allotment	Character of work
Vermont.....	Wrightsville.....	\$300,000	Completion of Winooski River flood-control dam. For the construction of a flood-control project of the Muskingum Watershed Conservancy District, a municipal corporation in the State of Ohio, designated as "the official plan" provided that the district contribute the sum of \$12,000,000 toward the accomplishment of the project by providing the necessary titles, easements, and flowage rights, and by financing certain other expenses. The sum provided for herein is the estimated construction cost of certain reservoirs and other public works necessary for the accomplishment of this project.
Ohio.....	Muskingum River.....	22,090,000	
Ohio.....	Muskingum River.....	.....
West Virginia.....	7,000,000	To aid in financing the construction of the Tygart River Dam including provision for the installation at a later date of equipment for hydroelectric development.
Do.....	.....	3,000,000
Total.....	.....	10,000,000

List E

1. Morehead City Harbor, N. C.: A preliminary examination and survey of Morehead City Harbor, N. C., was authorized by the River and Harbor Act approved March 3, 1925. The report of the Chief of Engineers, transmitted to Congress on December 27, 1930, recommended the provision of the channel 12 feet in depth and 700 feet in width from deep water in Morehead City Harbor to Sixth Street, Morehead City. The same river and harbor act also authorized a report on the preliminary examination of Beaufort Harbor and Beaufort Inlet, N. C. The report on that preliminary

examination was submitted to the Secretary of War for transmission to Congress on December 17, 1930. The report did not recommend further improvement of the channel to Morehead City. However, a further investigation was undertaken at the request of the Administration of Public Works. The report on this investigation submitted to the Secretary of War on May 12, 1934, for transmission to the Administrator of Public Works, recommended that a 30-foot channel be provided from deep water at Beaufort Inlet to the proposed location of the marine terminals at Morehead City. This report was based on material changes in conditions due particularly to the proposed construction of adequate marine terminals at Morehead City under a loan to be provided for the purpose by the Administration of Public Works. The harbor project has not been undertaken at the present time because local interests have not yet complied with the requirements of the Administration of Public Works requisite to obtaining a loan and grant for the construction of the terminal facilities. The construction of terminal facilities is a requisite condition to the undertaking of the harbor improvement.

2. River Styx, Fla.: The River Styx, in Florida, is a minor tributary of the Apalachicola River in western Florida. An investigation of the Apalachicola River and its tributaries was authorized by Congress in the River and Harbor Act of March 3, 1925, under the provisions of House Document No. 308, Sixty-ninth Congress, first session, submitted in accordance with the River and Harbor Act of January 21, 1927. The report of the investigation is now pending before the Board of Engineers for Rivers and Harbors as required by law prior to its transmission to Congress. The report did not give consideration to the improvement of the River Styx in the interests of navigation. However, in view of the unemployment situation and the particular merit afforded by minor dredging at the mouth of this river to provide access to an extensive pulpwood region, an allotment of \$3,500 was recommended for removing shoals in this river near its entrance to the Apalachicola River. The work has been completed.

3. Lorain Harbor (Black River), Ohio: The improvement of the harbor at Lorain, Ohio, has been investigated under congressional authority, and Congress has authorized the construction of converging east and west breakwaters, dredging in the outer harbor and the river channel 250 feet in width and 20 feet in depth between the piers and upstream from the American Shipbuilding Co.'s Dry Dock No. 2, the city of Lorain to dredge and maintain a channel 200 feet in width and 20 feet in depth in the Black River for a distance of about 2 miles above the Federal project. The maintenance of the channel above the Federal project is not a part of the authorized Federal project, but the usefulness of the Federal project is largely contingent upon the proper maintenance of this channel. The city of Lorain was financially unable to provide for necessary maintenance work this year, and in view of the emergency conditions after an investigation made at the request of the Administration of Public Works, this office recommended the undertaking of this work by the Federal Government as an emergency measure. This project has been completed.

4. Newport Bay Harbor, Calif.: Congress authorized a preliminary examination and survey of Newport Bay, Calif., in the River and Harbor Act of September 22, 1932. The report of this Department, transmitted to Congress on November 13, 1933, found that the improvement of Newport Harbor and Bay, Calif., as a project for the benefit of navigation was not deemed advisable, but pointed out that the local interests had agreed to contribute one-half of the cost of the improvement in addition to furnishing the necessary rights-of-way and areas for the disposal of dredged material, and the general benefits in the creation of a sheltered harbor for pleasure craft, and in relieving the congestion in Los Angeles Harbor, warranted the undertaking by the United States of the work on a 50-percent basis as a part of the relief program. A similar report was furnished the Administration of Public Works on September 25, 1933, recommending the inclusion of the project on this basis in the public-works program.

5. Lake Worth Inlet, Fla.: Congress, in the River and Harbor Act approved July 3, 1930, authorized a preliminary examination and survey of Lake Worth Inlet, Fla. The report of this Department, transmitted to Congress on December 7, 1933, found that the improvement of Lake Worth Inlet was advisable to provide for completing and maintaining a channel 16 feet in depth and 300 feet in width from deep water in the ocean to the western end of the inlet, thence 150 feet wide across Lake Worth, to include the turning basin on the western shore of Lake Worth. This work was undertaken by funds provided by the Administration of Public Works. During the period it was under way, in view of a large increase in commerce in this part between the calendar years 1932 and 1933, a recommendation was made to the Administration of Public Works for an increase in this depth to 20 feet. The project has been completed.

CHANGE OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 2748) for the relief of Arthur Edgar Scroggin, and it was referred to the Committee on Claims.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. COPELAND submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works

on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

DISPOSITION OF CERTAIN LIGHTHOUSE RESERVATIONS—AMENDMENT

Mr. COPELAND submitted an amendment intended to be proposed by him to the bill (H. R. 7131) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

HEARINGS BEFORE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. LEWIS submitted the following resolution (S. Res. 135), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Expenditures in the Executive Departments, or any subcommittee thereof, is authorized, during the Seventy-fourth Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

SETTLEMENT WITH EASTERN AND WESTERN CHEROKEES

Mr. THOMAS of Oklahoma submitted the following resolution (S. Res. 136), which was referred to the Committee on Indian Affairs:

Resolved, That in the settlement heretofore provided for and authorized with the Eastern and Western Cherokees, respectively, by the act approved April 25, 1932 (Public, No. 105, 72d Cong.), authorizing gratuities to be charged against them, it was the purpose of the act to charge only gratuities in money or property paid to those whose names are upon the rolls of such Indians.

PUBLICITY ACTIVITIES OF GOVERNMENTAL AGENCIES

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Chief Clerk read the resolution (S. Res. 131) submitted by Mr. DICKINSON on the 7th instant, as follows:

Whereas there is a specific restriction in the law prohibiting printing of any material in any form without direct authorization of law; and

Whereas various departments of the Government and various emergency bureaus are publishing miscellaneous and promiscuous reports; and

Whereas some emergency bureaus are publishing pamphlets and newspapers, both in multigraph and printed form; and

Whereas the expense, both for personnel employed and the cost of printing, is a large item; and

Whereas various bureaus of the Government, at the expense of the taxpayer, are having prepared and presenting to the public motion pictures and displays; and

Whereas various bureaus of the Government are setting up information booths inviting the public to go into debt in remodeling their homes; and

Whereas, either directly or indirectly, radio information is given to the public setting forth the benefits of remodeling homes and suggesting that the Government will loan the money therefor: Now, therefore, be it

Resolved, That the Committee on Appropriations, or any duly authorized subcommittee thereof, is authorized and directed to make an investigation with a view to determining (1) the authority under which such information is being printed and disseminated; (2) the cost incident to such printing and dissemination, including personnel, motion-picture production, multigraphing, and distribution costs; and (3) all expenditures made since March 4, 1933, by any executive department, independent commission, board, bureau, office, agency, or other establishment of the Government incident to such printing and dissemination. The committee shall report to the Senate as soon as practicable the result of its investigation, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

Mr. ROBINSON. Mr. President, I suggest that the resolution be referred to the Committee on Printing.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the resolution will be so referred.

ROOSEVELT, THE BUILDER—ARTICLE BY SECRETARY ICKES

Mr. COSTIGAN. Mr. President, important permanent benefits this country should obtain from public-works appropriations authorized under the leadership of President Roosevelt are comprehensively reviewed in an article in the New York Times of May 12, 1935, by Hon. Harold L. Ickes, the present able Secretary of the Interior.

The necessity and justification for the appropriations and the magnitude and permanence of various projects to be constructed promise to assure our public-spirited President the historic title, "Roosevelt, the Builder."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of May 12, 1935]

PUBLIC WORKS FOR SOCIAL GAIN—SECRETARY ICKES HOLDS THAT WE HAVE A VAST FIELD FOR MAKING A PROFITABLE INVESTMENT

By Harold L. Ickes, Secretary of the Interior

The United States has entered upon the largest works program, carried in a single appropriation, ever undertaken by this or any other country in time of peace. If we consider this program as the continuation of the activities of the P. W. A., the C. W. A., the T. V. A., the C. C. C., and almost innumerable established Federal, State, municipal, and local agencies, it reaches proportions which make such enterprises as the building of the Pyramids and the construction of the Great Wall of China seem almost petty. The Panama Canal, America's greatest pre-war engineering undertaking, was built at a cost of about one-ninth of the latest public-works appropriation.

Many of the jobs which have been and will be carried out with these funds will be in whole or part self-liquidating. Others will bring returns which cannot be measured in money values. Most of them were, or will be, undertaken with the primary object of giving work, directly and indirectly, to the unemployed. But they involve more than this. If the restoration of purchasing power were all that was aimed at, that object could be attained more speedily by loading our public-works funds into coal cars and shoveling out a million dollars every mile or so in the course of a swing around the country.

Wisely directed public works, of whatever nature, are more than a mere distribution of money. They represent an attempt, entered upon at a time when conditions for just that sort of attempt are favorable, to make our country more productive, more convenient, and more beautiful.

Public works, in time of depression, are not an enforced extravagance, arising out of dire necessity. They are—always provided that they are well conceived and well carried out—an economy. They use labor and tools that would otherwise be idle. They save wealth that would otherwise go to waste. If the 3,500,000 idle men who, it is hoped, will be put to work under the new program, were capable of earning only the low average wage of \$3 a day, the daily loss from their unemployment would be \$10,500,000, the annual loss in the neighborhood of \$3,000,000,000.

Through public works we can turn this loss into a positive gain. The countless tasks that can be performed—the building of roads and parkways, the controlling of rivers, the creation of power, the prevention of erosion, reforestation, rural electrification, the building of new homes for our people—will constitute a secure addition to the national wealth.

They are an investment, also, in the intangible values of the dignity and self-respect of the worker. The nature of the present emergency has made the dole a necessity in hundreds of thousands of cases in this country. But the dole is an un-American thing. Americans instinctively detest it and want to get rid of it. The old idea that there was work in America for every individual who wanted work is too precious a heritage to abandon. It was a priceless ingredient of the individual optimism that made us a confident, vigorous Nation.

I am old-fashioned enough not to want to see it pass from our national life; I am modern enough to be willing to use the power of the Government to create conditions which will insure that it will not pass. Until the average man has attained a standard of life and security far beyond that which he now enjoys, there must be work enough for everyone. When our application of the principles of business freedom cannot provide private work for every willing worker, there is no decent escape for this Nation from the President's determination to promote that work through a public-works program.

What has already been achieved is a measure of what can be achieved. I do not wish to emphasize unduly the accomplishments of the Public Works Administration, but from what the P. W. A. has done and failed to do we can draw some conclusions as to the possibilities of the future.

Starting from scratch, with no previously existing organization, with little experience to guide us, and hampered by various legal and technical conditions inherited from the past, the P. W. A. can point to more than 115,000 projects completed and in use, nearly 5,500 projects under construction, about 2,000 more contracted for and ready to start, more than 2,000,000 persons given work directly, perhaps as many more benefited indirectly.

To get the full record of public works in the United States since the beginning of the depression it would be necessary to include the achievements of other Federal agencies and the activities of States and local communities. But a growth should be noted in the whole theory of public works. We are getting away from the idea of a job as being merely a form of charity, differing from the dole only in being less humiliating to the recipient. We are trying to get rid of the attitude expressed in the phrase "work relief." We want men to feel that what they are doing is worth doing; that they are making a valuable contribution to the general welfare when they do it.

The list of completed P. W. A. projects illustrates what I mean. Our loans and grants have ranged all the way from \$400,000,000 for roads and highways, through \$80,000,000 for the electrification of the Pennsylvania Railroad, to \$350 for a boys' locker room in Emporia, Kans. We have built sewers and water mains; we have spent \$18,000,000 in 26 national parks for roads, parkways, trails, and other improvements designed to make them more accessible and to protect their natural beauty; more than \$325,000,000 of P. W. A. funds has gone into the magnificent work of the C. C. C., now being recruited to twice its former size under the new appropriation; we have made grants to make tourist travel safer and more pleasant all the way from Puerto Rico and the Virgin Islands to Alaska.

Some of these projects have been purely utilitarian—no one looks for esthetic qualities in a sewer. Some have been frankly intended to meet a real but intangible need—we cannot issue bonds against the serenity and loveliness of the Great Smoky Mountains, now made more accessible by trails and roads constructed with Federal funds.

The housing program, including projects completed, under way, and projected, is part of a crusade for better living conditions. I believe it will yield dividends in human values as well as dividends of utility. I believe that every American family is entitled to decent living conditions, to light, to air, to clean streets, to healthful surroundings, to an absence of preventable fire hazards, to parks and playgrounds in order to give the children now playing among noxious garbage cans in filthy alleys a chance to grow into normal and healthy American citizens.

At least a little progress has been made in this direction. The whole of the \$150,000,000 fund originally allocated by the P. W. A. for housing has been obligated, and when the projects actually under way, those approved, and those ready to be approved are completed, they will provide 42,161 individual dwellings. The finished projects will replace characteristic run-down, overcrowded tenements and shacks in slum areas, with model apartments that are sanitary, comfortable, and pleasing to the eye. In the same field the Subsistence Homestead Division has been working on model low-cost detached houses.

The recent allocation of \$450,000,000 for housing will enable this kind of work to be continued. No one concerned is under the illusion that the houses already built out of public funds will solve the American housing problems. I do believe, however, that a long step forward has been taken in demonstrating the practicability of low-cost housing and that further experimentation will make the point even clearer.

In a sense, the whole United States is but a larger dwelling place, which it is our duty to preserve and to improve for the benefit of our children and our children's children. The land and the water are our heritage and theirs. The moneys spent by the Federal Government on river, harbor, and flood-control projects may be thought of as helping to renovate and modernize our national estate. Boulder Dam, the Columbia River dams at Bonneville and Grand Coulee, the T. V. A.'s expenditure of \$50,000,000 to modernize a section of the Tennessee Valley about three-quarters the size of New England, the multitude of public buildings, schools, hospitals, libraries, modern waterworks, sewage-disposal plants built as local projects with Federal subventions make possible an improved national housekeeping on a grand scale.

What remains to be done? No one who has studied the physical needs of the United States, as reflected in countless applications for funds, or as broadly outlined in the reports of the Mississippi Valley Committee and the National Resources Board, can be at a loss for an answer. We have scarcely begun to take full advantage of the infinite possibilities of our country. We have scarcely begun the work of protecting it from the physical dangers, some caused by our own folly, some created by our failure to control the forces of nature that threaten it.

Even if there were no pressing problems of unemployment, the need of large public works to conserve and develop our natural resources, to prevent soil erosion and recurring periods of droughts and floods, would demand our serious consideration. The pressure of unemployment and the terrible warning of the drought and the dust storms demand action to put into effect a policy that has long stood as the matured counsel of wisdom and necessity. Many of the works undertaken under our program of the last 2 years are vitally essential to safeguard America's national capital resources and assure our future prosperity. They are works which we cannot afford not to do.

In broad terms, then, what remains to be done is to give continued employment and more employment on socially, financially, and economically justifiable public works, with particular emphasis on those that conserve national resources. Where are those works to be located? No answer can be given in specific terms until in each case detailed studies have been made.

But we have only to review the notorious facts of water erosion in the Mississippi Valley, of wind erosion in the western plains, of submarginal urban and rural communities, of forests threatened

with fire and disease, of water power going to waste, of inadequate recreational facilities, of wild life being exterminated for lack of natural refuges, of vast stretches of country where cheap electricity will lift the whole standard of living, of areas whose prosperity has been retarded by lack of good roads—and this list could be extended if I had space—in order to realize that we have a vast field for the profitable investment of public funds.

I wish to emphasize the last phrase. Public works are as profitable an investment as can be made, whether or not they are in the literal sense of the word self-liquidating. They should not be thought of as merely an enlargement of the public debt, reluctantly assented to in the hope of tiding over a depression. They are, in effect, a transfer of some of the social surplus, which private enterprise cannot at the moment profitably use, to a perfectly sound public investment. They are not inimical to private enterprise, for they do things that private enterprise cannot do. They avoid a tremendous waste which would otherwise take place, and they leave a clear field for individual initiative. The theory of public works does not ask that the Government do anything that private enterprise can and will do as well or better.

The task of public works is a continuing one. It will not end with the present depression. Some of its programs look ahead for 20 years or more. We cannot put our house in order and assume that it will stay in order forever. There will never come a time when constant vigilance will not be needed to conserve and fully to utilize our natural resources. We have passed the stage when we can safely leave them to nature and to the give and take of economic forces. We must interfere with nature in order to give her a chance to serve us. We must limit reckless exploitation in order to preserve the fundamentals of American individualism.

A sound public-works program cannot be brought into being by the pressing of a button. The experience of the P. W. A. would have taught us that, if we had not suspected it already. The P. W. A. had to create, as it went along, the machinery for its work. It could not act as speedily as it wished.

Few who did not have a hand in its program can realize how preparatory in nature its work up to now has had to be, how much heart-breaking effort has had to be put into spade work of which we are only now beginning to enjoy the benefits. There were no plans. There were no surveys. There was not even a coordinated organization which could immediately be put to work upon them. Phases of the work on important Mississippi River developments cannot go forward even today, because fundamental surveys have not been completed. The unsavory tradition of the "pork barrel" has to be transformed into a tradition of Federal works executed as efficiently, as honestly, and as intelligently in the public interest as private builders would build for their own account.

The experience of the past 2 years has been of enormous value. It has brought the removal of many of the impediments, often embedded in obsolete laws, to full cooperation between the Federal Government on the one hand and State and local governments on the other. It has taught us that public works programs are feasible, but that to justify themselves fully they must be well planned, well in advance of the actual need, and so constituted that they give assets of permanent value to the country.

There can be little gain in ill-considered, hastily prepared projects. We must make borings for our dams in order to find out how deep we must go for a firm foundation. We must do the same thing with our general planning. We must adapt our planning and our work to the genius of the American people, which is independent, self-reliant, and opposed to undue centralization. The thinking cannot all be done at the top. It must begin, almost literally, at the grass roots.

So long as Washington is lending or granting the money for public works Washington must be the court of final decision. But Washington must have the aid and cooperation of the State and local public-works agencies, with which its legal, financial, and engineering specialists should work in absolute harmony. The elements of cost, time required, employment to be offered, security of funds, and social desirability must all be passed upon.

There is no magic in dollars as such. We cannot make them perform miracles unless we plan in advance of the need. Planning cannot keep step with a national emergency. It must anticipate such emergencies.

"Human resources and human values", said the foreword to the report of the National Resources Board, "are more significant than the land, water, and minerals on which men are dependent. The application of engineering and technological knowledge to the reorganization of the natural resources of the Nation is not an end in itself, but is to be conceived as a means of progressively decreasing the burdens imposed upon labor, raising the standard of living, and enhancing the well-being of the masses of the people. It follows that the social directives back of such technical programs should be developed by persons competent by training and point of view to appraise the human values involved."

We need to have blueprints ready for the next crisis, which points the need for an enlarged program of public works. But behind the blueprints should be a developing conception of the larger things that need to be done, of the human needs that make them necessary, of the human values that they will serve.

An improvised public-works program that merely "makes work" must always be inadequate. I believe that we must go far beyond any such limited conception. We should turn men's hands to tasks that cry out to be done. When there are such tasks—and those who have tried to look at the physical needs of this vast country as a whole know how many they are—we have no right to deny anyone the chance to work.

We need public works to preserve the human as well as the natural resources of the Nation. We have learned in the field of business and in the field of labor that a measure of equality in bargaining power is necessary in a free market. To maintain a free market in times of stress it may be necessary for government to supply opportunities for livelihood on public works, just as in a past era it provided them on free public lands open for settlement.

Control by government to that degree is essential to insure that the free markets of a modern nation are accessible not to a chosen few but to all who have the capacity and the will to work in any of the various activities which serve man's economic wants and improve the quality of his life.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

POSTMASTER GENERAL FARLEY

The VICE PRESIDENT. Morning business is concluded. Under the unanimous-consent agreement previously entered into, the Chair lays before the Senate the resolution (S. Res. 74), which will be read.

The Chief Clerk read the resolution (S. Res. 74), which had been reported adversely by the Committee on Post Offices and Post Roads, as follows:

Whereas it has been reported that James A. Farley, acting as Postmaster General and in various other capacities for the United States Government, has conducted a private business for the selling of materials to persons engaged in doing public construction work for the United States Government, and that in some instances concerns buying materials from the said concern in which the said James A. Farley is interested have received contracts through as many as three low bidders being disqualified; and

Whereas it is further alleged that the said concerns favoring the firm of the said James A. Farley with business have been able to secure changes in specifications netting them large sums in profits after the award of contracts, and it being alleged that such changes are deliberately made for the purpose of allowing large profits and avoiding competition; and

Whereas it is further publicly known that the said James A. Farley has used the Printing Office and facilities of the United States Government for the purpose of gratifying personal whims and caprices of personal and political friends, even to the printing of stamps never to be used; and

Whereas it has been further charged that the said James A. Farley is implicated in a wire service leading into the gambling houses in the United States from the race tracks, and is using the functions which he supervises for the Government to pursue said businesses for profit to himself and to his friends; and

Whereas it is further alleged that without pay or compensation for the same, the said James A. Farley has commandeered for his personal use, facilities of public service corporations borrowing money from the United States Government; and

Whereas it has been charged that the said James A. Farley, on the eve of a loan being granted to a railroad in West Virginia, telephoned the leading factor of that concern that it was to his interest to take a certain political position affecting the election of a United States Senator; and

Whereas there are general and specific charges of misconduct, irregularity, dishonesty, and other activity on the part of the said James A. Farley, it is due to the people of the United States, the Government of the United States, and the said James A. Farley that a reasonable and fair disclosure be made of said matters: Now, therefore, be it

Resolved, That the Senate of the United States does hereby order an investigation into the public and official conduct of the said James A. Farley and all matters conducted by him affecting the business of the United States and the expenditure of funds of the United States, and that the said committee be composed of 3 Members of the United States Senate, not more than 2 of whom shall be members of the same political party, to be selected by the Vice President of the United States and to be approved by the said Senate; and that said committee shall have all authority necessary and proper to procure evidence, summon witnesses, to hear testimony and compel the production of books, records, accounts, statistics, employ experts, and do any and all such other things as may be necessary to carry out the purpose of said investigation; and be it further

Resolved, That any reports of investigations and data secured by the Department of the Interior, particularly through Louis Glavis and those associated with him, on the affairs in which said James A. Farley has participated for the Government of the United States, be forthwith furnished to the United States Senate to be, after proper perusal by Members of the said United States Senate, referred to the said committee to be provided for herein.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. LONG. Mr. President, I do not care to take the initiative in the discussion if the Senator from Tennessee

[Mr. McKELLAR] wishes it otherwise. The question is on a report from the Committee on Post Offices and Post Roads. If the Senator from Tennessee prefers, I have no objection to his having the right to speak first as the sponsor of the report, but if he does not so prefer I shall proceed.

Mr. NORRIS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. LONG. I yield.

Mr. NORRIS. I know the Senator, like myself, is interested in the unfinished business which cannot come up until 2 o'clock. I should not like to interfere with the consideration of the resolution. May we not have an agreement to vote on the resolution at or before 2 o'clock or, if it is desired to have an hour or two for discussion after 2 o'clock, I should be willing to ask unanimous consent to lay aside the unfinished business for that length of time and for that purpose. I do not want to proceed on the theory that we are going to debate the resolution all day.

Mr. McKELLAR. Mr. President, I should be very happy to agree to a limitation of debate. I have no objection at all to such an agreement. If the Senator would prefer the request it certainly would not be objected to by me.

Mr. NORRIS. I should like to have an expression from the Senator from Louisiana on that suggestion.

Mr. LONG. I am very sorry. I have no objection at any time the Senator sees fit to temporarily laying aside this matter to take up the T. V. A. bill. However, I do not want to agree to limitation of debate.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. Will the unfinished business be laid before the Senate at 2 o'clock?

The VICE PRESIDENT. The Chair is of the opinion that it will not. It is a peculiar agreement which was entered into by the Senate. There are some precedents on all fours with it. Former Senator Smoot at one time requested that following the disposal of morning business 2 weeks from that day a Senate bill be taken up and voted upon prior to the adjournment of the legislative day, which request was granted. At the specified time the bill was laid before the Senate. Its consideration continued for 5 calendar days, and the unfinished business then pending was not taken up for consideration until after the other bill had been disposed of under the unanimous-consent agreement.

Mr. NORRIS. When this unanimous consent was granted I was at lunch. I should have objected had I been in the Chamber. Both the Senator from Tennessee and the Senator from Louisiana are supporters of the bill which is now the unfinished business of the Senate. I should not consent, if I can prevent it, to having a filibuster conducted indefinitely on this resolution. While I expect to listen to the debate, my present intention is to vote for the resolution of the Senator from Louisiana. I am not opposing the Senator's resolution, but if discussion of his resolution is going to continue indefinitely it is my intention to make a motion, after I think the debate has proceeded as long as it should, to lay it on the table.

Mr. LONG. I think I shall complete what I have to say in a brief space of time. However, I understand that the administration has arranged to have me discussed for several hours, so I might want to reply. It would not take a great while to discuss Mr. Farley's case, but I understand some Senators will want to discuss me; and that being the case, I might want to have some chance to reply. That is why I do not agree to any limitation of debate on the resolution. However, I am not going to object.

Mr. NORRIS. If I reach the conclusion that the debate is extending beyond a reasonable time I shall not feel that I am trying to defeat the resolution if I submit a motion to lay it on the table, because that will be the only way to prevent an indefinite continuation of the debate.

Mr. LONG. I hope the Senator will not do that, because I am not going to take long to discuss it. It is rather an important matter.

Mr. McKELLAR. Mr. President, I am in hearty sympathy with the bill which the Senator from Nebraska has before the Senate. I am supporting that bill as strongly as I know how to do. I do not think the pending resolution should take much time. I am perfectly willing to vote on it as it is now. It is the resolution of the Senator from Louisiana, however, and if he wishes to speak on it I think he should have an opportunity to do so.

Mr. LONG. I am willing to agree to a limit on debate. What time do Senators wish to fix as a limit? Let us agree to a limit on debate.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. The Senator from Louisiana has the floor. Does the Senator yield?

Mr. LONG. I yield to the Senator from Idaho.

Mr. BORAH. Do I understand that there is a proposal to limit debate to 10 minutes?

Mr. LONG. Oh, no! [Laughter in the galleries.]

The VICE PRESIDENT. Let there be order in the galleries. The Chair wishes to make a statement to our guests in the galleries, so that they may understand the situation.

The occupants of the galleries are not to engage in laughter or disturbance of any kind. If our guests in the galleries respect the rules, they will refrain from it. It makes no difference how the proceedings may impress them; they will please refrain from laughter.

Mr. LONG. I understand that the Senator from Tennessee has a record to read about me, and I have a record to read about the man who is to read the record; so that is going to take a little time.

Mr. McKELLAR. What time would the Senator suggest?

Mr. LONG. So far as I am concerned, I am willing to limit my remarks to an hour and a half.

Mr. McKELLAR. I ask unanimous consent that debate on this resolution be limited to 3 hours, one hour and a half to be controlled by the Senator from Louisiana and one hour and a half to be controlled by the chairman of the committee, and at the end of that time that the Senate vote on the resolution.

Mr. LONG. Let me ask if we cannot agree to make that 2 hours to the side, because there may be some Senators here besides myself who will wish to speak on my side.

Mr. BORAH. Mr. President, let me say to the Senator from Louisiana and the Senator from Tennessee that there is a question involved in this matter which has not been discussed by either of the Senators, which I think may be discussed before the resolution is disposed of. Therefore, while I do not wish to postpone the ultimate disposition of the resolution, I do not desire to have the entire time consumed by the two Senators.

Mr. NORRIS. Mr. President, I ask unanimous consent that debate on the resolution be limited to 2 hours on a side, and that at the end of that time the Senate vote on the resolution without further debate.

Mr. McKELLAR. That is exactly the same request I have already preferred.

Mr. McNARY, Mr. BORAH, and Mr. ROBINSON addressed the Chair.

The VICE PRESIDENT. The Senator from Louisiana has the floor.

Mr. LONG. I yield to the Senator from Oregon, and the Senator from Idaho, too, if I can.

Mr. McNARY. Mr. President, I do not know the exact difference between the two proposals which have been made, but it seems to me there are at least three sides to this controversy. The Senator from Louisiana occupies one position, the Senator from Tennessee another, and still there are two minority reports from the Republican members of the committee. In some respects that makes four sides instead of two.

Under the circumstances, all things considered, I suggest that we proceed with the consideration of the resolution, and later in the day we can probably get together. I shall object now to any agreement.

The VICE PRESIDENT. The Senator from Louisiana has the floor.

IF ARITHMETIC IS TO COUNT, WE WILL INVESTIGATE FARLEY

Mr. LONG. Mr. President, I will ask my friends in the Senate to give me their attention without interrupting me, if possible, for a little while, until I have had an opportunity to cover this matter.

I have presented to the Senate a resolution asking for an investigation of Mr. Farley. I coupled with that resolution a request that the Secretary of the Interior, Mr. Ickes, send to the Senate whatever data he had that were included in an investigation that related to Mr. Farley. That matter was broken into two parts. The resolution addressed to Mr. Ickes, as modified, was agreed to, and the other part of the resolution went to the Committee on Post Offices and Post Roads.

The Committee on Post Offices and Post Roads has a very limited jurisdiction in this matter, if it has any jurisdiction to amount to anything at all. The only reason why ordinarily the matter would have gone to that committee would have been that the committee would pass upon whether or not there could be an investigation, as a mere matter of giving the resolution a right to be sent to the Committee to Audit and Control the Contingent Expenses of the Senate. In other words, the Committee on Post Offices and Post Roads was not supposed to try the case. No one was allowed to summon a witness before the Committee on Post Offices and Post Roads for the same reason that the investigation ultimately was not ordered. If I may explain, had I undertaken to summon a witness, I should have been met with the very objection which was made against a committee being appointed to investigate Mr. Farley until the expenditure had first been approved. I do not suppose that statement will be disputed. The point I am making is that I could not, nor could the Committee on Post Offices and Post Roads, hear the witnesses in this case.

What was the report supposed to contain to make out a prima facie case? I gave the names of witnesses, and also disclosed the existence of other witnesses who would be produced before the committee if there should be an investigation. I alleged a number of acts. In the report that the committee makes, I do not know what it means by its statement about there being "no prima facie case." I do not suppose a prima facie case could be made out without evidence; but if one is going to say that evidence is not required, that sufficient charges have not been made out to warrant an investigation of Mr. Farley, then, as a lawyer, I should like to know how anyone ever could come before this body and allege enough facts to justify an investigation.

Mr. President, the undisputed facts of this case are these:

No. 1: That Mr. Farley, according to the allegations of this resolution and the letter of proof given to the committee, first manipulated the award of contracts. I have alleged, and I have submitted proof for it, that James A. Farley, the Postmaster General, is not only in the control of the appointment of the Federal prosecuting officials, but that in certain enumerated cases he has regulated the conduct of Federal prosecuting officials against certain designated parties, and I have listed the witnesses who could give evidence to prove that allegation. I alleged that in Kansas City one Tony Lazzia—a man of Italian extraction, probably—was up for indictment and prosecution; that Mr. Farley was called into the case by Mr. Pendergast, of Kansas City, not through any ill conduct on the part of Mr. Pendergast, but because the circumstances and facts proved that Mr. Farley was the only man to go to in order to get the kind of action that he wanted had; and that when Mr. Pendergast called upon Mr. Farley, Mr. Farley intervened, and that the Federal prosecuting official undertook to withhold and to withdraw and to prevent any indictment, as a result of which the foreman of the grand jury rose in court and asked the judge of the court if he would be permitted, with his fellow members of the grand jury, to return an indictment. He was informed by the court that he could do so; and they returned the indictment, prosecuted Mr. Lazzia, and secured a conviction.

I have produced the letter written to Mr. Farley, and the testimony of Mr. Pendergast, which Mr. Pendergast, of

course, admits, and the conclusions of which show beyond any peradventure of question that Mr. Farley was in control of that particular party.

The other day my attention was attracted by an administration newspaper in this city, wherein they cartooned Mr. Farley as sitting behind the judicial seats of this country or of this particular territory, and placing there those of his choice whom he wished to act as the enforcers and regulators of the law.

That is no. 1; but if you have tears, prepare to shed them before I get through. I am not going to leave this matter to the imagination of anybody. I am not going to leave it to anybody's imagination, gentlemen of the Senate. Before I take my seat on this floor I shall compel every man in the Senate who can add 2 and 2, or who can subtract 4 from 10, to admit that Mr. Farley was the manipulating party of a diabolical fraud which no Member of the Senate can refuse to know to be a fact; and every man who votes for his whitewash will have to do so without adding up the figures, because if he should do so his conscience would not allow him to vote for a whitewash.

Before I take my seat I will uncover the element of this Capital City who have been trying to cover up this man on the ground that there was no evidence that they would allow to be produced before a committee.

You have a report here that you are not going to allow the sworn testimony to be taken; but I have something here that already appears of their own records, and which I shall disclose before I take my seat on the floor of the Senate, which means that you will have to say that notwithstanding the fact that the indelible proof is there of the swindle and the robbery and the defalcations that have been committed against this country through this man Farley, nonetheless you are going to hold out and keep sworn testimony from coming before a committee of the Senate.

If you have tears, prepare to shed them, because they will come before I get through.

Now let me proceed. That is no. 1. What was allegation no. 2? Allegation no. 2, I might properly say, was that there was a man here from the State of Texas, who came here for the purpose of assisting Mr. Farley in raising some money, and in securing for himself an appointment as United States district attorney for one of the districts of Texas.

What happened to his case? I have a copy of a telegram by which this man, who was a candidate for appointment as United States attorney, wired down to his own clients. The telegram stated, in substance:

I have the matter in good shape. Everything is going to be all right. Wire me so much money real quick. And I don't mean maybe.

He used those words. Whereupon a wire came, and Mr. James A. Farley acknowledged the receipt of the money direct to the man who had remitted it through his lawyer, as the result of which, and Mr. Farley's acknowledgment, when it got a little bit tangled up, they double-crossed the poor man out of whom they looted the thousand dollars, told him to plead guilty on the ground that there was going to be a very small sentence imposed upon him. As a result, after they had befuddled the poor man into giving up his money while he was under the indictment, Mr. Farley appointed his lawyer as a United States attorney, and, through the appointment of the United States attorney, they seized the poor man under indictment, whose money they had gotten, and sent him off to the penitentiary. I have shown that I have the witnesses to prove that kind of rascality, and I have named the witnesses, and I have produced the telegrams. But it is said that does not make out a prima facie case. Mr. Farley says it is not so; therefore it is not!

That was no. 2. Now I come to no. 3. I said, and I listed the number of witnesses by whom to prove it, though their names were undisclosed, that when there was a campaign on for United States Senator in the State of West Virginia a certain very influential official, an attorney of the Baltimore & Ohio Railroad, received a telephone call from Mr.

Farley at a time when there was pending with the Reconstruction Finance Corporation an application for a loan of \$50,000,000 to the Baltimore & Ohio Railroad. He telephoned to this official telling him to get in line for Mr. Clem Shaver. I allege that this official went to other persons and said they had him where he could not help himself, that he would have to come out for Mr. Clem Shaver; and that as a matter of fact he did come out for Mr. Clem Shaver. A few days later the R. F. C. authorized the loan of \$50,000,000 to the Baltimore & Ohio Railroad, and they had not authorized it before that.

What is allegation no. 4? It is the Hillside Development case. In that case it was shown without any question whatever that the brick and other materials sold on that job were sold in part by the General Builders Supply Co., sold in derogation of the law, which forbade the Postmaster General to profit directly or indirectly by it. That went on in the face of a statute to which practically no attention has been paid.

Now I come to no. 5. I allege that Mr. Farley, as the handler of the postage stamps, printed up special issues of postage stamps the value of which was hundreds of thousands of dollars, and probably nearly a half million dollars; that he awarded his friends several hundred thousand dollars' worth of postage stamps, the value of which amounted to that much, and that it was known by Farley that it amounted to that much.

He did not merely give out a few postage stamps. What that man gave out was something that sold on the market, at the time he gave them out, or very soon thereafter, for as much as \$500,000. He was allowed to, and did, go in and print up those documents, and he gave them out not only to certain friends—he gave them out, I allege and I will prove, to people who were being solicited to buy stuff from the General Builders' Supply Co. He gave them out to people who were being solicited to give business to that company, and he gave one of them stamps of a market value of \$40,000, not for politics alone but in order that the Stewart Contracting Co., to whom he was selling materials, could get business with this private concern.

He later demanded those stamps back, after they had been deposited in the bank and something like twenty or thirty thousand dollars had been borrowed on them; and they could not get the stamps out of the bank, because they had already been hypothecated. Talk about a little thing!

What is Mr. Farley's defense for that? He says there were other Postmasters General who violated the same law. No one is going to dispute that it was a flagrant violation of law. It was not a nickel, or a dime, or a souvenir; it was dollars and cents, hundreds of thousands of dollars and cents, with which this man was dealing, and he palmed these things off to get business for Stewart & Co.; he palmed them off to get money for their clients; he palmed them off to get business for the General Builders' Supply Co.; and when he was caught with the wool in his teeth, what did he do? He announced that he was going to flood the market with another issue of those stamps.

What does the committee do? Does the committee say that this was not a violation of law? No; it does not. It cannot. There is not a committee that ever sat in the United States that alleged itself to be following the law that will not have to admit that, according to the statute which I have put into the CONGRESSIONAL RECORD, any officer or any other person taking stamps of the United States, belonging to the United States, is guilty of violation of a criminal law.

Lo and behold, I remember when post-office inspectors used to go around and pick up a little country postmaster who had let out as much as \$10 worth of stamps, and prosecute the poor devil and send him to the penitentiary for the \$10 worth of stamps which had been handled irregularly, or contrary to law and postal regulations. But here is a man who has been allowed to use the facilities of the United States to give out to his friends these stamps worth half a million dollars, and he gives as a defense that somebody

else did it before he went in there. Somebody stole a horse, and therefore I can steal four horses. That is the defense offered by Farley.

The committee thinks it had the Glavis report, but the majority of the committee did not find anything in the Glavis report which required an investigation. They did not have the Glavis report. They had the papers which had been left in there after they rifled the files. The committee had the papers they had left in the Glavis report. The committee thought they had the papers out of the office of the Secretary of the Interior. If they thought that, they did not know how to read what they had. I shall read some of them in a moment. But that is not half of it. They did not have them all.

They prepared for this investigation. I think I will be able to present a little proof along that line in a moment. When they found that this investigation was to be made, when we brought in this resolution calling on Mr. Ickes to send up those papers, why did it take Ickes 3 weeks to send them? Why did it take Ickes 3 weeks to send those papers to the Senate?

I see my friend the Senator from Tennessee writing a memorandum. He is going to show that it would take 3 weeks, but before he will ever have to use that memorandum, I will read him something that will explain it, so that he will scratch out that note. He will make another one before we get through.

Why did it take 3 weeks? The distinguished Senator from Tennessee, whom I love as I love no other man in this body [laughter]—

The PRESIDING OFFICER (Mr. CLARK in the chair). The Chair must admonish the occupants of the galleries that they are here as guests of the Senate, and demonstrations of approval, or disapproval, or of amusement are strictly forbidden by the rules of the Senate. The Chair hopes it will not be necessary again to admonish the occupants of the galleries on this point.

Mr. LONG. Mr. President, here is a document which the Senator from Tennessee had before him when he was chairman of the committee. I want to show the Senator that he did not even read page 1, or his inquiring mind would have compelled him to go further. If he had read page 1 he would have gotten some idea of what was going on. I say that because I know how keen he has been on the scent in the air mail business, and rightfully so, probably, in many respects, at least. If the Senator had read page 1, what would he have found?

He would have found what this man Glavis said, Mr. President, and if I had not found this I might not have accepted certain information which came to me, as I have been afraid to take certain information that came to me from the outside, but I managed to verify this thing right up to where there could not be any question about it.

Here is the Glavis report, one of them, and then I will show the Senate something else, and if the Senator from Tennessee had read it I believe his inquiring mind would have said that we ought to inquire a little further about this thing, at least we ought not to stop the inquiry, because at this point the Committee on Post Offices and Post Roads did not have any right to conduct an investigation anyway. The only thing the Committee on Post Offices and Post Roads was called upon to say was whether or not they would recommend to the Committee to Audit and Control the Contingent Expenses of the Senate that there be an appropriation for this investigation. That was the situation under that new statute which was passed here, which the former Senator from Ohio, Mr. Fess, sponsored when the Republicans were trying to keep any more investigation from being had—the Republicans, I guess, did that, although I cannot say because I was not here.

Here is what Mr. Glavis said in a document which he wrote:

The facts are that the conference was opened by Mr. Mellick demanding to know the specific charges and sources thereof, followed by his statement that he considered the investigation directed against the Treasury Department.

Note that now, that he considered that they were investigating the Treasury Department when they were looking into Farley's connection with these jobs. They said they did not look into Farley because Ickes said in his report he never investigated Farley. I am going to show the Senate what he did and then stopped it. Why? I will show the Senate when they stopped. They did not stop when the thing got mysterious. They stopped when they got right up against the proposition where they had to say it was a skin game and a fraud or say nothing, and they recommended to say nothing.

Right 10 pages deep in this report I find this language—I did not read this thing until the other day:

The facts are that the conference was opened by Mr. Mellick demanding to know the specific charges and sources thereof, followed by his statement that he considered the investigation directed against the Treasury Department. Further, practically every question was put by Special Agent Bruce from a prepared list intended to be asked the contractors, but answered by Mr. Mellick after being informed what the questions were.

The alleged irregularities connected with James Stewart & Co. on which it was considered necessary and important to investigate their record were:

1. The change in marble.

I hope the Chair will listen to this, because the Chair was in a group which went to protest, I was told, but the Chair, being like me, did not know what he was running into and either they satisfied the Senator from Missouri [Mr. CLARK] or he is as I was—he did not know any better until somebody came and told him and showed him just what he had before him.

1. The change in marble. After the awarding of the contract to them for which they allowed a credit of \$140,000, but for which it is alleged the credit should have been much larger—

I skip to 7.

Whether or not the total amount of marble—

Listen to this, Members of the Senate—

originally aggregated 55,000 feet—

It was 60,000 feet. He was guessing at it. This man Glavis had heard about it. I will show the Senate it was 60,000 cubic feet, but he says around 55,000—

and has been reduced to 46,000 feet; and if so, has a commensurable credit been received by the Government.

All right. What happened to that? He said that is what they were to investigate. Did they investigate it? Let us see if they did. Here is another letter in which it is said:

As it appears from your letter that it is now found advisable—

Listen to this—

to reverse—

This is another one of the gentlemen who was going to let them investigate the Treasury Department, but one of the Treasury men, Mr. Peeples, wrote and says:

As it appears from your letter that it is now found advisable to reverse the arranged method of procedure and make an examination of the books of James Stewart & Co. with respect to the courthouse
* * * ordered at New York—

That is this same project where the marble was to be used. In other words, he said, "I am going to investigate Stewart first." I am going to show the Senate that before they ever got to Stewart they were warned and told by Mr. Farley himself, through Mr. Watts, that Stewart had to burn up every file they had, and that Stewart & Co. instituted a brand new filing system and opened up an entirely new thing and fired the old filing clerk, so there would not be anything there. That will come in in a moment.

But wait a minute. All we want to do is to chase this thing down. What did they do with it? I hope the Senate will hear this. What did they do with this report? When they found he said here in one of these statements—I have not got the time to read it all—that it appeared that more than double the award would have had to be allowed as a deduction for substituting that marble, he said:

In view of the requirements of the Treasury Department—

They substituted lawyers along about that time up there in the Treasury Department. Some of the Senators know why.

I will show the Senate why in a minute. I will show why they did it. They did a whole lot of funny business up there, and I heard some Senators on the floor say they could not understand why they were doing it. I was reading as follows:

In view of the requirement of the Treasury Department that before any of the contractor's files could be examined the names of the complainants and sources of all complaints be furnished, as well as the specific complaints upon which the investigation was being instituted—

Notice that. After they had got the details of what they had done?

As such procedure would make an investigation practically impossible—

Notice that, Members of the Senate—

and reveal the sources of information confidentially secured, it is recommended the investigation of the above allegations by this division be considered closed, the project in question not being under P. W. A.

When they ran right up on it and state right here in their own words that there had been a skin game under these allegations, that they had reduced those quantities 11,000 feet—and that is not half of it; wait until I get to it and show the Senate what it was—when they came up to the door of it and there could not be any way of getting around it, after they burned up files of Stewart & Co., they came in and said, "We recommend that we do not go into any further, but that this thing be closed, and that there be no further proceedings."

Perhaps that would be enough. But perhaps it is not, because we are dealing with some mighty recalcitrant minds on this matter; we are dealing with some minds which are prejudiced because perhaps they have been running the other way in some cases. That alone might have been sufficient. I hope Members of the Senate will pay very particular attention to what I am going to read. I am going to wait until I get very complete silence in the Senate, because I want every Member of the Senate to hear what I am going to read.

The PRESIDING OFFICER. The Senate will be in order.

Mr. LONG. I desire my friend from Arkansas [Mr. ROBINSON] and the Senator from Nebraska [Mr. NORRIS] to hear me on this, and I am going to wait until they finish, if necessary, because I want both of them to hear me on this matter. I am perhaps more anxious to have them hear me than to have the Senator from Tennessee [Mr. McKELLAR] hear me, because there is party responsibility in this matter.

State of New York, county of New York.

Now listen to this, Members of the Senate. Here is an affidavit from an employee who was paid around \$300 a month by the firm of Stewart & Co. This employee was a very confidential employee, handling everything from the most confidential matters to the telephone calls which came in, and everything else. She handled the switchboard. She handled various and sundry other things, and she drew a weekly salary of \$63 a week from the firm of James Stewart & Co. Here is an affidavit which this lady has made.

State of New York, county of New York.

I have here proof from the Government files to show the Senate that everything which she has said has been verified. I have here everything that I can find from Government records, and I would not have found those if it had not been for this affidavit. I would never read the affidavit to the Senate if I had not found that proof substantiating it in the Government files.

My name is Helen Humphreys, my residence is St. Albans, Long Island, N. Y., and I make this statement to be verified by affidavit, of my own free will and without the promise of any reward or other consideration and for the sole cause of public good, viz:

It is a matter of my own personal knowledge—

And she says she will bring any number of witnesses to substantiate anything that they want—

that the firm of James Stewart & Co., Inc., some years ago took into its employ one Harry D. Watts, who at first served as contact manager for the purpose of securing new business, and after about 1 year he was made vice president of the business at about

\$12,000 salary; the said Watts did not have the money to pay for the stock placed in his name on some kind of credit basis; at about the time of the election in 1932 the said Watts began to make representations to and later demands upon the Messrs. A. M. and James C. Stewart that, on account of contacts he had with James A. Farley, representing that big business was to accrue through Government business thereby, and that for the work that he could and would bring that he should have advancement in pay and position with the firm and a contract for not less than 3 years at a salary of about \$25,000 per year—

That is, that the minute that Roosevelt was elected Watts demanded that they double his salary and give him a 3-year contract, and he said:

with a share in profits and without his sharing in the losses; that the said Watts, in course of his demands, caused a telegram to be exhibited, either sent through Farley in person or through Farley's brother-in-law, Harry Finnegan, offering him a position to serve as an assistant in the Treasury Department to control letting of public contracts, and stated that if he were not given the promotion and contract demanded, he would control the Government's business in favor of other concerns and use the connection which he had with Farley to the disadvantage, rather than to the profit of, the said Stewart firm, and after considerable delay the demands of said Watts were fully met, and among remarks made to deponent by said Stewart brothers was that there would be little other than Government business for the next 3 or 5 years, and that having begun with said Watts it was imperative that the said firm should use the connection rather than to have the same used against it at that late date.

That the said Stewart brothers called in deponent at about the time of the aforesaid negotiations with said Watts and instructed her, that since they feared the said Watts and the turns and things which he might do, she should carefully listen to all conversation which the said Watts might have, particularly by telephone, and report the same to them regularly.

Then the said Watts was often called, not only by Farley and Farley's secretaries, both in Washington and in New York, and said Watts was called and called upon by the said Farley's brother-in-law, Harry Finnegan, and said Watts was in frequent conversation on calls made by said Watts with said Farley and his said aides; and on one occasion—

Get this, gentlemen of the Senate—

And on one occasion the said Farley called the said Watts from a pay station to avoid any chance of detection; all of which covered a wide range of matters having to do with the manipulating of Government business and grants and contracts, among which were included the following:

Here is what she lists as among the things that she remembers and can produce testimony about:

1. How insurance premiums in which Farley was interested should be given to one J. L. Nolan, and the particulars thereof.

In other words, Nolan was a party interposed to get the insurance premiums on Government business, and Farley called there time and time again as to when and how they paid the insurance premiums on this Government business to J. L. Nolan, so that Farley could get it.

2. The awarding and placing of orders for marble on the Federal Office Building in New York.

I have just read you about that, but I am coming back to it. This party swore at a time when we did not have any proof of it at all that they had conversations there in and out manipulating arrangements through which this trade was pulled off, and I am going to give letters and figures which they cannot contradict to save their lives.

3. The making of arrangements for meeting of Farley and Watts while Farley was in New York and the designation of the time and place of meetings.

It gets hotter as it goes on.

4. For the giving of certain materials—

I found out something that I did not know—

For the giving of certain materials to various concerns in which Farley disclosed interest and concern.

I looked for the General Builders Supply Co. She says that is not where to find it all. What happened was that they went to the contractor when his bid was up to be accepted or not accepted and they told this man, "Your bid is not going to be accepted because you are not a responsible contractor, or you did not file an N. R. A. certificate on time, or you did not sign the President's reemployment agreement, but we have got a way that we can get the contract accepted in your name." In that manner they did most of their

business by the General Supply Co., and she names dates, persons, and particulars.

5. For \$303,000—

Gentlemen of the Senate, you can find out from investigating these books and records facts that they will not be able to quibble about to save their lives.

5. For \$303,000 to be given to the Raisler Heating Co., in which Farley indicated his interest, which said Watts indicated had been done per orders.

She said that Farley rang up and gave the details as to how that money was to be given, and that he rang Farley back and said, "Jim, I have handed over the money; it is all fixed."

6. Conversations relative to valuable stamps being given—

Now listen to this. You have been told to laugh about this business, but when you see this you will not laugh about an attack being made on this stamp matter. It is a whole lot more serious than you think, as you will discover if you will listen to this lady. I had been inclined somewhat to regard that as a matter that did not amount to much, except as a souvenir proposition, but wait until you hear this, and there are bank records to back it up if you think this witness is not telling the truth.

6. Conversations relative to valuable stamps being given by Farley to Watts; later pay-station calls from Farley to Watts that the matter was in serious shape; Watts' information that the stamps had been given as per understanding to one Randolph Cook, with the Pennsylvania Railroad Co. for business to be had from the railroad to the said Stewart Co.; Watts calls to Cook, which failed to materialize; later Watts calls to Eiseman with the same railroad office in Philadelphia, whereby information came that said stamps had been deposited in a bank as security for a loan, with the resultant later printing of stamps to undo the harm.

I am told he got \$40,000 for those stamps, and he could not get the \$40,000 back; and when Mr. Farley said, "I have got to get these stamps back", he said, "I used those stamps to get business with the Pennsylvania Railroad. This man is the purchasing agent in charge of the letting of contracts and the purchasing of material for the Pennsylvania Railroad, and I have used these stamps to get in with this fellow; he has taken the stamps and sold them, and we are going to have trouble; we have got to do something about this, because he has put them up and got thousands of dollars." Do not investigate. No. It will not do. We have got to protect the party.

No. 7—

This will disclose something. When you investigate that nabob of New York here we will find the Democratic Party doing just what the Republican Party did about Daugherty. They will wash themselves with whitewash instead of washing Farley with whitewash. We will put on whitewash and erect a white wall between us and Farley, and get him as many miles away from us as possible.

7—

This is rather cogent, too—

7. That Farley had managed to grab all the papers—

Here is the telephone conversation between Watts and Farley. It happened, this lady says, about the time that we called for these papers from Mr. Harold Ickes, and the investigation was about to occur, and, therefore, the telephone conversation came in:

7. That Farley had managed to grab all the papers and correspondence between Ickes, Green, and Glavis—

I did not know there was a man by the name of "Green" until I picked up that record and found that Green was a high "muck-a-muck" in it—

7. That Farley had managed to grab all the papers and correspondence between Ickes, Green, and Glavis (which occurred about the time said papers were being called for in Washington for investigation) and that Farley desired that Watts should come over to the New York office of Farley to go over the matters.

Here I was waiting 3 weeks for them to send in those papers, while Farley was sending word to Watts that he had all the papers and to "come over and let us see what we will leave in there that Huey Long is going to be allowed to see."

I had a fine chance with the papers in New York in Farley's office and word being sent to the other man to come and look over the papers and see what they could afford to leave in the files.

And deponent has various detailed proof of such matters and others of the kind to submit and other witnesses whose names she can give to prove the same.

That further, pursuant to such calls, the entire files of the said Stewart Co. were taken out and mostly destroyed and a new filing system installed on advance notice that investigation would likely soon occur.

(Signed) HELEN HUMPHREYS.

Sworn to and subscribed before me, a notary public, this 23d day of April 1935.

[SEAL]

(Signed) FLORENCE M. BAILEY,
Notary Public, New York County.

[N. Y. Co. Clks. No. 23, Reg. No. 7B374. Term expires Mar. 30, 1937.]

Mr. WHEELER. What is the date of the affidavit?

Mr. LONG. The affidavit was signed the 23d day of April 1935. I was lying in bed one night, about 11 o'clock, when the telephone rang. Someone was calling from New York. A lady asked me if I had investigated the court building. I told her I had heard something about it—the post-office building or the court building. She said, "If you care to come to New York, maybe I can give you some information." I said, "Can you not come to Washington?" She said, "No." It was then about 11 o'clock, or perhaps 11:30. Whatever hour it was, by 12 o'clock, I think, I was on my way to New York. I met the lady the next morning and time after time she told me something that I checked back as well as I could on Washington, and found out that that woman could not be telling anything but the truth. Then she handed me pencil memoranda, and I still have those memoranda with me. Some of them are more embarrassing than anything I have said; some of them get closer home.

Gentlemen of the Senate, I leave for you to consider one of the things they did that a blind man can see.

They had a contract, Mr. President and the Senator from Missouri, to use Missouri marble in the courthouse building in New York City—32,000 cubic feet of Ste. Genevieve marble and 24,000 cubic feet of Ozark marble, as I believe they call it. That contract, which was let before the 4th day of March 1933, was for 60,000 cubic feet—56,000 cubic feet of Missouri and 4,000 cubic feet of Vermont. The price f. o. b. New York of the Missouri marble was \$12.50 a cubic foot; the price of the Vermont marble f. o. b. New York City was \$4 a cubic foot.

Get that, Senators, 56,000 cubic feet of Missouri marble at \$12.50 and 4,000 cubic feet of Vermont marble at \$4. That was the specification of the marble contract written into the post-office-building contract under the Hoover administration. What did they do? The architect was not heard from, but there came a letter of June 15, 1933, addressed to the supervising architect from James Stewart & Co. saying, "We propose, in lieu of the marble that has been prescribed for this new post-office building in New York City, that we will subject the following quantities and kinds of marble." How did they do it? Very cleverly. So much from New York, so much from Missouri, so much from Vermont, so much from Indiana, so much from this State, and so much from that State. A delegation from Missouri went on to protest that they had taken away two-thirds of the marble that thus come out of Missouri, and the answer to that Missouri delegation was that all the other States were complaining and "we are having to do something to scatter this marble work among the other States, so Missouri will not get it all."

I almost believe there was somebody back in the Hoover administration who cooked up this crooked business in advance to occur at a later time, but I could not say that is true. Having had some experience in contracts, they left the loopholes there so all they had to do was to find the man who would do it and pull off this contract.

Gentlemen of the Senate, in writing these marble contracts they do not state the quantities. They said, "This wall shall be Missouri marble, this floor shall be Missouri marble, this ceiling shall be Missouri marble." They did

not put in the contract "60,000 cubic feet of marble." They left that out. But the facts were that that could be done with 46,000 cubic feet of marble instead of 60,000 cubic feet. Stewart wrote the letter. I have a copy of the letter which I got out of the Comptroller's office after my force had been told at the Treasury Department that I could not have it. In that letter he said, "We will use so much marble." Adding up the quantities we get 46,000 cubic feet. What was the price of that marble? I have the details here. Perhaps the Senate would like to have that letter in full. I have it here and can read it all. Here is the letter and I shall send it to the desk to be read or printed in the RECORD.

The whole thing added up in this way: One thousand two hundred feet of Montana marble—they may have said the Senator from Montana [Mr. WHEELER] was complaining and wanted some Montana marble used. When someone went up to complain about it they were told that the Senator from Missouri or the Representative from Missouri were interested in this matter and "are liable to jump on us, so we have scattered the marble around." There were 1,200 feet of Montana marble and 6,000 feet of Ozark marble. They reduced that down to about one-third. Then there were 2,000 feet of Ste. Genevieve marble. That had been 34,000 feet, but they reduced that down to 2,000 feet. There were 4,000 more feet of Tennessee marble. They said, "That fellow from Tennessee is likely to come here and complain, so we have to give him 4,000 feet of marble." Then there were 4,000 feet of Georgia marble that was used to pacify, apparently, the delegation from Georgia. It all added up 46,000 cubic feet.

According to the specifications filed and the bids filed, according to their own figures, according to their own specifications, the marble they were to furnish would have cost about \$700,000 or \$600,000 more money than the marble furnished in substitution. They made an allowance of \$140,000. Making every kind of allowance on the top side face of the globe, at the very least there were 387,000 cold dollars clear profit that went into the pocket of James Stewart & Co. out of the contract price. There is no way to explain it.

When they came to the Glavis investigation growing out of the Interior Department, when they got right up against it, what did they do? Lo and behold, there was a hand which crept in there more powerful than the hand of the investigators. They said, "This thing dare not go any farther"; and the thing never went any farther. They said, "We must have this thing dropped"; and that thing was dropped.

I have all the details which I have stated merely in substance. At the conclusion of my remarks I shall offer them for printing in the RECORD so anyone may read all the details which I have prepared. I shall offer them for publication at the conclusion of my remarks so any Senator who has not understood and who wants the details and quantities and everything can get them. I send the statement to the desk and ask that it be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit A.)

Mr. LONG. Mr. President, there is just a part of the case. By the way, how long have I been talking? Have I been talking 30 or 40 minutes?

The PRESIDING OFFICER. The Chair will state to the Senator from Louisiana that no record of time has been kept because there is no unanimous-consent agreement limiting debate. The Senator claimed the floor in his own right and has been proceeding in that way.

Mr. LONG. I do not care to take any more of the time of the Senate than is necessary. Here is the record. The only thing I have asked is to investigate Mr. Farley. Here is the record showing the banks where the details can be found, showing the post offices where the details can be found, showing the contract firms where the details can be found. The witnesses are listed. I have gone to the trouble of writing the committee a 9- or 10-page letter, detailing the names of the witnesses and what they would testify. We

are not allowed to go into the Committee on Post Offices and Post Roads and summon witnesses and produce the testimony. The only way by which this investigation can be had and entry may be had into these details is through process of the Senate.

Mr. President, I submit these matters to the Senate.

EXHIBIT A

James Stewart & Co., Inc., contractors, took the Federal Government out of more than \$350,000—and that is a very conservative estimate—on the New York Federal courthouse job, through the aid and assistance of Postmaster General James Aloysius Farley.

This fraud was perpetrated on the American people by permitting a modification of the specifications for installation of marbles in the interior halls, vestibules, lobbies, and corridors of the new United States courthouse in New York City.

The original specifications called for the installation of approximately 56,000 cubic feet of Missouri marbles, which are the finest in the world, apparently, and which cost far more than any other marble.

The original specifications for the New York Federal courthouse called for the installation—I am reliably informed by an architect friend—of 34,000 cubic feet of Ste. Genevieve golden vein Missouri marble and of 22,000 cubic feet of Ozark stainless marble. Both of these are Missouri marbles.

The lowest bid for the installation of these Missouri marbles in the interior of the new New York Federal courthouse was \$1,010,000. The specifications, I am told, were so written that no bid could be made for substitution of any other marbles for these marbles. There was one set of specifications. All bids had to be made on those specifications. Those specifications called for 34,000 cubic feet of Ste. Genevieve golden vein marble and 22,000 cubic feet of Ozark stainless marble. Another 4,000 cubic feet of Vermont marble were included in the specifications for other interior parts of the building. I am not positive whether the bid for these 4,000 cubic feet of Vermont marble was included in the \$1,010,000 bid. My informant says it was.

The lowest bid was from James Stewart & Co., which began work under its contract, which called for much other construction besides this particular installation of interior marbles.

Let me divert a moment now to explain the difference between a Missouri marble and a Vermont marble.

A Missouri marble is delivered in block form and finished on the job. At the time of the construction of the New York Federal courthouse I am informed reliably that Missouri marbles were delivered in New York City at \$12.50 per cubic foot. Now, in addition to commanding a higher price in the rough, Missouri marble is more costly to install, as the work of fabrication, cutting, polishing, and waxing must be performed by skilled mechanics receiving a minimum wage of \$10 per day of 8 hours.

Now, Vermont marbles, good as they are, are very much cheaper in cost. At the time of the construction of the New York courthouse, Vermont marble was being sold in New York City at \$3 per cubic foot. These Vermont marbles are fabricated at the quarry and delivered on the job almost ready for use. Work on them is done by unskilled labor, receiving from 35 to 50 cents per hour, or paid at the maximum of \$4 per day of 8 hours.

In April of 1933, 1 month after Franklin Delano Roosevelt assumed the office of President, and 1 month after James Aloysius Farley took over the business of running the Government for the benefit of a favored few politicians, the situation was this:

The James Stewart & Co. contractors, of New York City, old-time friends of Mr. Farley, were about to install the interior marbles called for in their contract negotiated under the Hoover Administration. They were to receive \$1,010,000 for installing 56,000 cubic feet of the high-priced Missouri marble, and 4,000 cubic feet of the cheaper Vermont marbles. Their contract called for the installation, I am told, of 60,000 cubic feet of all marbles.

Now, a little joker had been written into the specifications for the New York Federal courthouse. It reads as follows:

"422. Marble.—The naming of marbles or other stones on the drawings or in the specification is for the purpose of indicating the type that is required, but it is not intended to exclude any marbles, granite, or other stones which, in the opinion of the Architect, are so nearly like those scheduled on the drawings or named in the specification that they will give practically the same effect."

You will notice that they were permitted, under this joker, to change the marbles to be used, providing the changes met with the approval of the Supervising Architect of the Treasury Department. The Acting Supervising Architect at the time the original contract was drawn was James A. Wetmore. The Supervising Architect in April 1933, was ———.

Now, in April 1933, with Franklin Delano Roosevelt and James Aloysius Farley in power, the James Stewart & Co. contractors suddenly recalled this joker, and so they proposed to the Supervising Architect to make some little changes in the specifications for installation of marbles in the interior of the New York Federal courthouse. Curiously enough, their specifications called for the installation of 46,200 cubic feet of marble, instead of the 60,000 cubic feet called for under the original contract.

Now, it may be that my friend the architect, who studied these contracts and specifications, may be in error about it, but from what I have seen of them with my own eyes it does appear to me that the modified specifications cut down the original require-

ment of 60,000 cubic feet to a new requirement of only 46,200 cubic feet. This new proposition made by the James Stewart & Co., contractors, to the Supervising Architect reads as follows: [New York, N. Y., courthouse (NFW). James Stewart & Co., Inc., contractors. Cable address, "Stuconco." Codes: W. U.: 5 Letter, General, Bentley. New York Central Building, 230 Park Avenue. Harry D. Watts, vice president. Proposals. 1243. United States Courthouse, New York, N. Y.]

NEW YORK, June 15, 1933.

The SUPERVISING ARCHITECT,
Treasury Department, Washington, D. C.

SIR: We propose to make changes in the interior marbles in the New York City courthouse for a deduction of \$140,000 from our contract price.

The approximate allocation of marbles, by States, is as follows:

Approximately 1,200 cubic feet of Montana Travertine.
Approximately 6,000 cubic feet of Ozark, Missouri.
Approximately 2,000 cubic feet of Ste. Genevieve Golden Vein, Missouri.

Approximately 4,000 cubic feet of Gray Tennessee.
Approximately 4,000 cubic feet of Light Cherokee, Georgia.
Approximately 2,000 cubic feet of Cardiff Green, Maryland.
Approximately 3,000 cubic feet of Alabama Veined Cream.
Approximately 24,000 cubic feet of Vermont marble, including Imperial Danby, Northern Ivory, Neshobe Gray Veined, Pink Lepanto, French Gray, Special White Danby, Westland Cream Dark, Brocadillo, or Cippolin.

Accompanying this proposal is a schedule prepared by the architect, Cass Gilbert, dated May 24, intended to show an allocation in accordance with our agreement with the Department. Should the Department determine after analysis of the architect's schedule that the quantities of marble indicated thereon vary materially from the State allocation previously agreed upon, we will furnish, without additional cost, marbles which may be indicated in any revised schedule more in keeping with the distribution desired.

Respectfully,

JAMES STEWART & Co., INC.,
HARRY D. WATTS, Vice President.

[Letter of notification dated June 26, 1933.]

Received: Office Supervising Architect, Treasury Department, June 16, 1933. A. Noted, —. Answered, June 26, 1933.

You will observe that these new specifications call for the use of only 46,200 cubic feet of marbles.

Instead of the 4,000 cubic feet of Vermont marble called for by the original specifications, the revised specifications call for 24,000 cubic feet of Vermont marble, including—

"Imperial Danby, Northern Ivory, Neshobe Gray Veined, Pink Lepanto, French Gray, Special White Danby, Westland Cream Dark, Brocadillo, or Cippolin."

You will notice that only 6,000 cubic feet of Ozark Stainless marble is called for in the revised specifications, instead of the 22,000 cubic feet of Ozark Stainless marble called for in the original specifications.

You will notice that only 2,000 cubic feet of Ste. Genevieve Golden Vein Missouri marble is called for in the new specification, instead of the 34,000 cubic feet of Ste. Genevieve Golden Vein Missouri marble called for in the original specification.

You will notice that the new specifications call for 14,200 feet of other marbles, including 4,000 cubic feet of Gray Tennessee marble, from the State of my distinguished friend the Senator from Tennessee.

Now, a little bit of simple arithmetic shows us how the Government was defrauded. You will notice that James Stewart & Co. concede that the use of the cheaper marbles will save the Government \$140,000. That means that under the original bid of \$1,010,000, the Government paid \$870,000 for the cheaper marbles. I am not much on figures, but I can multiply 56,000 cubic feet of Missouri marbles by \$12.50 per cubic foot, and I get \$710,000 as the cost of the marble called for by the original specifications.

I can multiply 4,000 cubic feet of Vermont marble by \$3 per cubic foot, and I get \$12,000.

I can add \$710,000 to \$12,000, and I get \$722,000.

Now, I take the original bid of \$1,010,000 and subtract \$722,000 from that. I get \$288,000, which, apparently, was the cost of installing this marble—60,000 cubic feet of it.

But let us take the new contract now, the one that James Aloysius Farley gave to his friends, James Stewart & Co., Inc. This new contract calls for only 8,000 cubic feet of Missouri marble. Again, I multiply 8,000 cubic feet by \$12.50 per cubic foot, and I get \$100,000. Now, I take 24,000 cubic feet of Vermont marble, multiply it by \$3 per cubic foot, and get \$72,000. Now I take 14,200 cubic feet of other cheap marbles, multiply by \$3 per cubic foot, and I get \$42,600. Now I add \$100,000, \$72,000, and \$42,600, and I get \$214,600 as the approximate cost to the contractor of these substitute marbles.

I add, although he is installing only 46,200 cubic feet instead of the 60,000 cubic feet called for by the original specifications, and concede that it cost him \$288,000 to install these cheaper marbles. The result is a gross total of \$502,600. That should have been a fair price for these marbles.

Now, they charged the Government \$870,000 for this work, when the fair price should have been \$502,600, according to their own bids in the original specifications. That means the Government lost \$367,400.

I have been informed by a learned architect who inspected these records that the actual saving to James Stewart & Co., Inc., was

\$523,000 through this modification negotiated for them by James Aloysius Farley. These generous people allowed the Government \$140,000—about one-third of their saving. That would mean that James Stewart & Co. netted a cool profit of \$383,000 by the modification of their original contract. That is pretty close to my own figures, as I figured it at \$367,400.

In any event, this swindle gypped the American Government out of at least \$350,000. The proof is available to this committee. It cannot be obtained by asking Mr. Farley whether it is true, but it can be obtained by subpoenaing documents; the original specifications that were sent out with the call for bids; the original bid of James Stewart & Co., Inc.; their original contract, and this modified contract.

There is one other peculiar thing, Mr. President: Nowhere in the record have I been able to find an approval of the modification by the Supervising Architect of the Treasury, although the original contract in that joker section gave him sole power to permit a modification of the original specification.

One thing more, Mr. President: The original contract called for the installation of 60,000 cubic feet of marbles. The original price to the Government was \$1,010,000. The price per cubic foot under the original bid was \$16.83 per cubic foot. The modified contract called for the installation of 46,200 cubic feet for \$870,000. That was an average price of \$18.83 per cubic foot—just exactly \$2 per cubic foot of marble more than under the original contract, and with cheaper marbles being installed.

The fraud in this contract is apparent on its face.

Mr. BAILEY obtained the floor.

Mr. McKELLAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Pope
Ashurst	Copeland	La Follette	Radcliffe
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Dickinson	Lonergan	Schwellenbach
Bankhead	Dieterich	Long	Sheppard
Barbour	Donahay	McAdoo	Shipstead
Barkley	Duffy	McCarran	Steiwer
Blibo	Fletcher	McGill	Thomas, Okla.
Black	Frazier	McKellar	Thomas, Utah
Bone	George	McNary	Townsend
Borah	Gerry	Maloney	Trammell
Brown	Gibson	Metcalf	Truman
Bulkley	Glass	Minton	Tydings
Bulow	Gore	Murphy	Vandenberg
Burke	Guffey	Murray	Van Nuys
Byrd	Hale	Neely	Wagner
Capper	Harrison	Norris	Walsh
Caraway	Hastings	Nye	Wheeler
Carey	Hatch	O'Mahoney	White
Clark	Hayden	Overton	
Connally	Johnson	Pittman	

The PRESIDENT pro tempore. Eighty-six Senators having answered to their names, a quorum is present.

Mr. BAILEY. Mr. President, one fact must be perfectly apparent to every Senator who has heard the remarks of the senior Senator from Louisiana [Mr. Long]. That fact is that having charged, or brought forward in form of allegations upon hearsay, self-admitted, eight serious charges against the Postmaster General, and having had abundant opportunity before the Committee on Post Offices and Post Roads to present his evidence, he comes here this morning and argues only 3 of those 8 allegations; and in order to sustain the charges with respect to those 3 he attacks his own evidence in undertaking to discredit the records sent here and produced by him just now from the Department of the Interior; and manifestly realizing the inadequacy of that procedure, he produces an affidavit dated April 23, when his accusations were made on the 11th of February, when he was given opportunity to be heard in the first week of March, and when the report upon the whole matter had been filed 8 days.

Mr. President, that is the size of the case as presented by the senior Senator from Louisiana against the Postmaster General.

Ordinarily I do not think it would be worth my while to make the effort to comment upon this case, or worth the while of the Senate to hear me. We might proceed at once to vote upon such a presentation as the Senator has made, and with absolute confidence; but we may justify ourselves by way of looking into this matter and seeing what has occurred here, what is going on here, and what is implied in

this extraordinary series of performances on the floor of the Senate of the United States.

I have just said that the Senator from Louisiana brought forward his resolution on the 11th day of February. He spoke at length on that day, purporting to speak on the subject of the resolution. On February 12 he spoke again; on February 14 again; on February 20 again, all purporting to be on the subject of the resolution; on February 21 again; on March 4 again; and on March 5 still another speech on the same subject.

I bring forward that fact because it indicates the implications of this extraordinary situation. In the course of these several speeches, seven in number, the Senator from Louisiana preferred charges against the Treasury Department of the United States, the Interior Department, the Navy Department, the Department of Justice, the Post Office Department, the office of the Comptroller of the Currency, and did not hesitate, when pressed, to asperse the character and seek to compromise the integrity of the President of the United States.

There is something more involved here, Mr. President, something more of deliberate purpose than that of discrediting James A. Farley, the Postmaster General. I have wondered at times just what could be going on, and just what was in contemplation; and, searching my recollection for analogies and illustrations, I came upon this autobiography entitled "Every Man a King." This is the first volume of three. The first volume is entitled "Every Man a King." The second volume will be known as "Every Man a King-fish." The third will be known as "Every Man a Sucker."

From this first volume I propose to read a little story by the author of Every Man a King (p. 325):

Time and again have I called the attention of the people of Louisiana to the millions of dollars, funds of the State and funds contributed by the special-privilege interests of Louisiana, to pursue various investigations relative to all affairs connected with my administration, and to the further fact that never has one material iota of proof been submitted by evidence that would be competent in any court.

I pass by the opportunity to remark that in this investigation, as the Senator from Louisiana must well know, not one iota of proof has been submitted by way of evidence that would be competent in any court, or competent in any other reasonable body; but I do not care to dwell upon that so much as upon the capacity of our distinguished senior Senator from Louisiana to testify to his immaculate character and unimpeachable record. Of us all here, he alone is pure and true. Of us all here, he is the only friend of the people. Of us all here, thank God! we may find in this Senator one righteous man.

I think I have a song for him. I understand he is undertaking to write, or has even written, a national hymn for himself. The song dates from the seventeenth century and comes from a peculiar sect rising in that century, in which many sects rose, which arrogated to themselves all of religion and all of honor and all of righteousness and all of virtue. In order to be sure of it, when they would meet on Sundays they would sing these lines, which I propose to dedicate to the only righteous man left in our great land:

We are the sweet selected few;
Let all the rest be damned.
There may be room in hell for you;
We won't have heaven crammed.

Having said that, I will proceed now to read the story from Every Man a King, on page 326, by way of throwing light upon this unusual procedure here since the 11th day of February:

I have said to the people of Louisiana:

"Once on the farm we had to go a long ways from the house we lived in to the field where we worked. We had a little fice dog that always dragged along with us. Just about the time that we got the mule hitched up to the plow, sharpened the hoes, and got well under way, that little dog would begin to bark out in the woods like he had treed something.

"So we would lay down the hoes and tie the mule up to the rail fence and run over in the woods to find the dog.

"When we would get there we would find him with his shaggy nostrils buried in the hole of a tree yelping for dear life. So we

would send one of the boys up to the house to get a saw and ax, and when he came back we would cut down the tree and saw off a cut and split it open, then to find that there was not a single thing in the tree.

"So we would go back to work, but about the time we would get started the dog would begin yelping three times as hard as he had before. Then we would figure the dog had evidently missed the game the first time but that it had slipped over to another tree.

"Out in the woods we would go again and cut down some more trees and split them open, but never to find any game.

"We kept up that practice until we had cut down and split open about all of the trees there were in those woods.

"We lost the crop, but we convinced the dog."

Mr. President, I know something about dogs. I can identify that fice. He is known as the "share-our-wealth" fice. He will not tree, he will not hunt with the other dogs, and he cannot trail. He has a great way of running all over the woods and barking at the root of every tree, calling upon all in his hearing to "come and share my 'possum. Come and share my squirrel. Come and share my 'coon", well knowing that there is no 'possum there, and no squirrel there, and no 'coon there. That is the process by which that worthless fice manages to exalt himself in his own esteem. He will bark at the root of every tree, he will attack everybody and everything, but when you follow him up and cut down the tree, you never convince him, and you lose your crop.

What do we have here? Barking at the Treasury Department; barking at the Interior Department; barking at the Post Office Department; barking at the Comptroller's office; barking at the Department of Justice. Barking! Barking! Barking! But we are not going to lose the crop. It is a matter of indifference to me whether or not we convince anybody.

Mr. President, with that by way of introduction, I am going into this matter in a reasonable way, and in view of the facts and circumstances.

I am going to ask first, what was the nature of the resolutions offered by the senior Senator from Louisiana? He himself says they did not contain charges or accusations, and for that I turn to the CONGRESSIONAL RECORD of February 12, page 1830, and read from the Senator as follows:

I have made no charges whatever.

We will let that rest right there. He himself was unwilling to stand on the floor of the Senate and say that he had made accusations against the Postmaster General.

Further than that, I will read from the RECORD of February 11. In that RECORD, on page 1796, we find that he stated:

I know nothing.
I am informed.
I am told.
I cannot of my own first-hand information give this proof.
I am only repeating what is contained in information given to me by others.
I am told by a Member of the Senate.
I should say.

And so on and so on and so on.

In plain language, he disavows that he has any knowledge whatsoever concerning the matters on the subject of which he has addressed the Senate eight times, and managed in every speech to cast a suspicion upon the conduct of the Government and of the administration, a suspicion which, if believed over this country, could have no other effect than to destroy the national faith. Yet he knows nothing! Those are his words, not mine.

He said on February 12, as appears on page 1830 of the RECORD:

I make them upon the word of what I consider responsible men.

There is the situation. That is the background of the investigation. It was upon declarations of that character that the Committee on Post Offices and Post Roads, at the instance of the Senate, went into session, in order that there might be something of substance discovered if there were something of substance; in order that the Senator from Louisiana might produce evidence and might name witnesses.

Let us see what happened. Here is the stenographic record of the meetings of the Senate Committee on Post Offices and Post Roads. Let us see what went on before that committee, and what the Senator from Louisiana said and did by way of making good these insinuations; and I use that word carefully. If one does not know, if he depends upon hearsay, if all he can say is that "I am informed", and he blurts that out to the American public, he invites some sort of description of that sort of thing, and I know of no words that will describe such a thing other than the words "insinuation" and "unfounded suspicion."

Here is the colloquy in the hearing before the Committee on Post Offices and Post Roads:

Senator BAILEY (addressing Senator LONG). We are willing to hear your statements, of course, but we are not going to act on statements. We are here to act on evidence.

Senator LONG. Yes; you mean that you are going to hold an investigation then, and you want me to produce the witnesses. I am ready.

Senator BAILEY. Then let's proceed.

That was the understanding on the first day.

Senator LONG. I can produce the witnesses.

Were they produced?

Mr. LONG. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. LONG. Is it not a fact that the committee addressed me a letter asking me to name the witnesses and what they would swear instead of asking me to produce them?

Mr. BAILEY. I think so.

Mr. LONG. I will ask the Senator further: Did that committee have authority to summon witnesses and pay their expenses?

Mr. BAILEY. Yes.

Mr. LONG. Under the law, then, we would not have had to send this matter to any committee, because the only reason for sending it to the committee was that witnesses could not be summoned at all to testify because that involves expense. According to the Senator's statement, they did not have to send it to the committee.

Mr. BAILEY. The committee met to hear the Senator and hear his witnesses and repeatedly asked him to produce them.

Mr. LONG. The Senator says they asked me to produce witnesses?

Mr. BAILEY. They asked the Senator to produce them.

Mr. LONG. Where is that noted?

Mr. BAILEY. I am going to read the record about it.

Mr. LONG. Oh, yes. I gave you a list of them. They are all there.

Mr. BAILEY. I shall come to that, too. The Senator's list was "Mr. A" and "Mr. B."

Mr. LONG. No; it was not.

Mr. BAILEY. I will read it. I have it here. It is all in the record, "Mr. A" and "Mr. B", and you are going to involve the character of a great Government on "Mr. A" and "Mr. B."

Mr. LONG. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. LONG. Did I not state that I would disclose the names of "Mr. A" and "Mr. B" in those particular cases where I did not want to disclose the names, whenever the time might come to produce them?

Mr. BAILEY. The time was then. That is the point.

Mr. LONG. No; it was not.

Mr. BAILEY. The committee was in session, and the committee waited. Those are the facts.

We can have disputes, Mr. President, about some things, but we cannot have a dispute about the word of a person present in a matter of instant knowledge, and we cannot have a dispute about evidence in the presence of the witnesses; and here is the record.

Here is the record, and the members of the Committee on Post Offices and Post Roads are here, and they will verify what I state.

Mr. BLACK. And it can be verified from the stenographic record.

Mr. BAILEY. I am reading from the stenographic record.

Senator BYRNES. Then you do know who handled them and can give us the names?

Senator LONG. I say that I could not give the names offhand.

Senator BYRNES. Can you name any man that was engaged in the awarding of the contract?

Senator LONG. I would have to secure those witnesses.

Senator BYRNES. Do you know the names of the men?

Senator LONG. I know the names of the men that were engaged in this contract.

Senator BYRNES. But you do not know the names of the men that were engaged in the awarding of these contracts?

Mr. LONG. I do not pretend to carry them around in my head. I know Flynn.

Now again:

Senator BYRNES. But you cannot give the names?

Senator LONG. I will submit a list of the names.

Where is the list? Was it ever submitted? There are 18 members of the Committee on Post Offices and Post Roads, and they will bear witness no list was produced; no names were mentioned other than the one or two contained in the newspaper reports and Mr. A and Mr. B.

On page 10 of the record:

Senator LONG. If you want facts, you will get plenty of them.

Did he come with the facts? Eighteen members of the Committee on Post Offices and Post Roads will bear witness and the stenographic report here bears witness that he did not come with the facts any more than he came this morning with the facts.

That is not all. I quote from page 14:

Senator BYRNES. You do not know the name of one man?

Senator LONG. Yes! I will call them as witnesses.

Senator BYRNES. You cannot give the names now?

Senator LONG. No; I do not have them now. There is no difficulty about that. You will not be disappointed in the proof.

Senator BYRNES. Right now you cannot give a single name?

Senator LONG. I will give plenty of names. They will all be summoned and examined. I will take the responsibility to see to that.

This was the first day. And we met 3 succeeding days and never a name—

Senator BYRNES. I would like to have the names now. You can give them if you have them.

Senator LONG. You can get some of them; you can get some of them. This information has been garnered by very great risk and men taking the risk, men who are willing to trust me and make the investigation, and they will be willing to appear.

Senator BYRNES. Would you give their names before that time?

Senator LONG. Yes; I can give some of the names.

Senator BYRNES. Will you put them in the record?

Senator LONG. Yes; I will go and get up the names and put them in the record.

Did he do it? What does the record say? And if he did it and the record does not say it, where is his complaint? He did not do it. Eighteen United States Senators, members of that committee, will bear witness to the accuracy of my statement. Now again:

Senator BYRNES. You do not know who they are?

Senator LONG. I can get them up.

Senator BYRNES. Do you know the names now?

Senator LONG. No; I do not. I did well to get up all those I did.

The only thing that he has ever gotten up was a lot of newspaper editorials and news stories.

Senator LONG. My informer was given this information truthfully.

Senator BYRNES. Who is the informer?

Senator LONG. Many people. There was one in Ickes' office.

Senator BYRNES. If you say he testifies truthfully, who is that man?

Senator LONG. I do not have to give that man's name. He is still in the Government.

Senator BYRNES. He told you that the Emergency Department loaned the money to the Hillside Development Co.?

Senator LONG. He did not tell me that. He transmitted this from other sources, and I know from other sources in New York that all of these officials were named by Farley.

Does the Senate get the idea? The man did not tell him. Somebody else told him that the man had said it.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. LONG. He sent a Congressman to me.

Mr. BAILEY. I did not understand the Senator.

Mr. LONG. I said he sent a Congressman to me.

Mr. BAILEY. Very well. He did not even tell us that.

Mr. LONG. Mr. President, I did not want Mr. Farley to know all the case.

Mr. BAILEY. Mr. President, I do not know that the Senator intends at this point to reflect on the Committee on Post Offices and Post Roads, but if he does, then I stake them against him before the American people.

Mr. LONG. Mr. President, I mean to say that I informed the committee that the names of certain persons which I gave, whose names appear in the Record, were hounded by Mr. Farley and the Treasury and the Department of Justice agents on the following day and threatened with arrest. I gave the names, all of them here.

Mr. BAILEY. I am prepared to tell the Senator that he sent that information to us. We investigated that. We found there was not a word of truth in it, but there were certain rascals in Oklahoma who were being pursued by the Post Office Department for using the mails to defraud, and they threw what they did into this investigation as a smoke screen for themselves; and we investigated it further and found that the matter had been carried on in due course in the Post Office Department, and Mr. Farley knew nothing of it. That is in the record.

Mr. LONG. Mr. President, will the Senator further yield?

Mr. BAILEY. I yield.

Mr. LONG. It is a further fact that these people were not investigated nor bothered until they came here and gave me these affidavits and telegrams, too, is it not?

Mr. BAILEY. I do not think so. That is not the record, and that is not the evidence before the committee. If the Senator from Louisiana will take the trouble to read the record, he will find there is no ground on earth for his suspicions.

Mr. LONG. Did the Senator examine witnesses?

Mr. BAILEY. Did we examine witnesses?

Mr. LONG. Yes.

Mr. BAILEY. We got every bit of available information. We read every item that the Senator from Louisiana produced, and I have it here and I am going through it.

Mr. LONG. I am talking about witnesses. Did the committee summon them and question them, and did the committee investigate to see if they had been hounded? Did the committee have any witnesses who testified?

Mr. BAILEY. Yes.

Mr. LONG. It did.

Mr. BAILEY. Not in the sense of having them summoned and examined. We investigated and found out about those particular rascals down in Oklahoma, and we satisfied ourselves entirely, the whole committee—not just the Democrats, but the whole committee—that it was nothing more than a smoke screen drawn up by some criminals who wished to use this investigation to create a certain sort of sense of sympathy for themselves.

Now again:

Senator LONG. I would like to have it to introduce my proof.

That refers to the report from the Department of the Interior. That is the report on the Senator's desk. It relates to the Federal building in New York City and the Hillside housing project. I read that report. I read every document in it. The Senator from Louisiana this morning practically said there was nothing in it, and how did he get around the situation? He did it by aspersing the character of the Interior Department and its head, and one can always do that when he runs ashore—he can always attack the evidence by saying that somebody doctored it.

But where is the proof? What will the Senate of the United States think about a Senator and a lawyer who calls for the evidence and when the evidence is produced without one scintilla of proof to justify his statement, deliberately says that it has been doctored, that the docu-

ments have been withdrawn from it? Where is the evidence about that? Where is the man to swear to that? How could the Committee on Post Offices and Post Roads act upon that?

Now listen. On these very documents, on the very day they came down from the Department of the Interior, and were delivered on that desk at the instance of the Senator from Louisiana, he said to the committee "There is not anything in them." And yet he had addressed the Senate five times on the subject, informing us and the press of America and the people of America that those documents would practically expose Mr. Farley, destroy his character, and show up a state of corruption and fraud in the Public Works Administration. That is what went on here. But when they came in he said, "I knew all the time there was nothing in them. It took them too long to get them down here. There is something dead up the creek."

Mr. President, that would not go in a justice-of-the-peace court. That has been put forward here on the floor of the Senate of the United States. What did he say in the committee when these reports were offered to him as he has them now?

Senator LONG. I don't think there is much to them.

Does the Senate recall what a sensation was created here? Does the Senate recall the overt suggestions here that Glavis had been investigating Farley; that Secretary Ickes had been investigating Farley; and that all we had to do was to get those records and a condition of indescribable fraud and corruption would be revealed? But when they came, knowing there is nothing in them, he seeks to escape by way of disgracing the Department of the Interior of the United States; insinuating to the American people that "there is something dead up the creek."

Again, on the subject of witnesses:

Senator LONG. I said 3 hours a moment ago. I think I could go over to my office and in 30 or 40 minutes get up everything.

Does the Senate appreciate the force of that? Here is a committee of the United States Senate charged with the serious duty of investigating accusations or allegations of the grossest misconduct, involving the character of the administration and the public confidence in it. He is the only accuser, and he spreads his accusations from day to day from his desk here. The committee meets. We ask him to produce his evidence. He says, "I can go over to my office and in 30 or 40 minutes get up everything." I understood he had it, and every member of the committee understood he had it, and that it was a mere matter of going to his office and in less than an hour giving us a full disclosure of everything he had. Did he do it? Not one word of evidence did he produce.

The next day he did not appear. We sent him another letter and reminded him of his promise, and the next day he came with nothing, and the next day with a little affidavit about something and a statement from criminals in Oklahoma that they were being pursued on account of their friendship for him. There is the record, Mr. President.

What did he do with it? There was the opportunity. Will he be heard to say that we did not proceed in good faith? When he told us on the first day that he had the witnesses and would produce them, and when he did not appear on the second day, we wrote him a courteous note. He did not produce the witnesses. When on the third day we waited and on the fourth day we waited, never a name, never a document, never an iota of evidence involving Mr. Farley or anyone else was offered.

Mr. President, it is one thing to stand on the floor of the United States Senate and fill the air, fill the ears of our people, fill their minds in a time of distress with all sorts of suspicions, with all sorts of suggestions that the Government is not their friend, that the Government is rotten; it is one thing to do that, and it is quite another thing when the Senate of the United States acts and gives the Senator an opportunity to come into executive session before a committee

of the Senate and tell the truth and give us the names and he does nothing. That is a picture of this situation.

Mr. President, the Senator from Louisiana will say that he did have evidence. At the risk of taking some time, I am going into some of the evidence by way of showing its nature.

Here is the record of February 20. The evidence in that record is exhibit A, being a New York World-Telegram news story, in which to a great extent the matters brought forward by the Senator from Louisiana are explained. I thought when he brought it up it was a damning sort of thing, but, on reading it, I found it goes on to explain the rulings about rejecting a certain award. It says the ruling was based upon the claim that the low bidder had violated the code of the cement industry by giving a lower price than was fixed by it. Is there anything wrong about that? Every Member of the United States Senate knows that the United States Government is dealing with industries that comply with the code, and that was the case in the Stewart contract and the public building in New York. The low bidder on the third bid was turned down because he had not complied with the code requirements. Was that a matter of secrecy? It was referred to the Attorney General of the United States and the Attorney General of the United States made a ruling that that low bidder could not be considered because he had not complied with the N. R. A. code. The bids were offered over again.

Now listen. The evidence produced here by way of newspaper statements, of course, is not evidence, but assuming that it is, I will make the proposition that every Senator who will read these statements, as I have read them, will find in practically every one of them, while suspicion is stated on the one hand, the facts are stated on the other.

The Senate heard a great deal just now about the matter of marble. Read the evidence of the Senator from Louisiana in that case. The contract was changed by Admiral Peoples for the good of the service and for the interest of the building. The contract was changed more than once. One of the changes brought about a saving of \$184,000 in the cost of the building.

Of course, I have not time to read all these newspaper statements. I am going to content myself with saying that if any Senator thinks that Mr. Farley was in any way compromised by any of these newspaper exhibits, I will give him my collection—I have them all—and if he will take them home tonight and read them, I am confident he will come back here and say that, while suspicions were uttered on the one hand, the facts of the matter were evident on the other. But even if that were not so, when did we reach the point that the head of a department of the United States Government was to be called into question and the public confidence in our country destroyed merely because here and there, in a land of a thousand newspapers, somebody wrote something about somebody?

The humblest man who walks the earth is entitled to a trial on the evidence and to face his accuser, and if here or anywhere else we are ever going to involve the character of men, however high or however low, merely because some newspaper wrote something, then God save America. But, of course, we are not going to do that.

I could go on here with the other evidence, but I simply must content myself with inviting Senators to read the exhibits.

I come to the final letter of the Senator from Louisiana. He said that at last, on the last day of the meeting of the Committee on Post Offices and Post Roads, he filed in the Senate a communication. In response to our reasonable request for witnesses, in response to his solemn promise to produce witnesses, here is his letter:

Witnesses: Officers of the concerns listed on the building directory, 205 East Forty-second Street—

Mr. LONG. Mr. President, will the Senator yield there?

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Louisiana?

Mr. BAILEY. I yield.

Mr. LONG. I ask the Senator to yield before he reads that letter further. The Senator knows that what I was asked to do was in compliance with a letter sent me by the chairman of the committee, the Senator from Tennessee [Mr. McKellar], does he not?

Mr. BAILEY. Certainly. It says:

In response to a letter received from your chairman, Senator McKellar, asking for information as to names of witnesses and what they will testify relative to James A. Farley and his concerns and transactions handled under and with his authority, I beg leave to submit the following.

That is the initial statement in the Senator's letter. Is the Senator satisfied with that interpretation of the situation? It is his own.

Instead of giving names he asked us to send to offices of all the concerns listed on the building directory at 205 East Forty-second Street as occupying office no. 1701, that being the private headquarters of James A. Farley. Here is what he was going to show:

To show that more than twenty-odd concerns there operating, including six holding companies, have been organized, combined, and affiliated for practically the sole purpose of transacting and dealing in matters with which the United States Government is identified for the purpose of making private profit.

That is asking us to go to New York with not a scintilla of evidence to support it and find a list of all the corporations that may be in a certain building because Mr. Farley or his company had an office there. That procedure would not be worthy of any court and to be sure it could not be worthy of the United States Senate.

It was merely a statement of what he hoped to prove, with not a scintilla of evidence that there was anything of the sort. On the other hand here was a solemn statement from the Postmaster General that there were only two corporations on earth in which he had an interest; that he was not an officer of either; that one was a company which was in liquidation, simply holding a lot of slow paper, and the other, the General Builders Supply Co., in which he owned 14 percent of the preferred stock and, I believe, 14 percent of the common stock.

With that statement, and not the remotest evidence to the contrary, the Senator from Louisiana undertakes to comply with his promise that he had the names, that he had the witnesses, that he could go over to his office and get them in 40 minutes. That is the record. So far from standing upon his own assurance, when put to it, he tells us to go up there and find 20 unknown corporations on suspicion.

I was reading from the letter—

Mr. LONG. Page 3013 of the RECORD.

Mr. BAILEY. I thank the Senator.

Again he refers to the testimony of Commissioner Robert Moses, of New York, and the data which he had assembled and which would be called for the purpose of proving certain sales. Hear me, Senators! The only thing the Senator from Louisiana has ever produced here indicating that Robert Moses knows anything about the matters which are before us is a report of a campaign speech in his campaign for Governor by Mr. Moses, and a letter—

Mr. LONG. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. LONG. Following the mention of Mr. Robert Moses' name in that letter did I not give further detail about Moses' continuing to hold his job and getting Government money?

Mr. BAILEY. Precisely. It is precisely like the Senator from Louisiana. And it is precisely like Rostand's cock who thought the sun came up whenever he crew. [Laughter.]

Mr. LONG. I asked the Senator a question. Will he answer it?

Mr. BAILEY. That is it. He thinks Mr. Moses kept his job because of something he did here.

Mr. LONG. Will the Senator answer my question?

Mr. BAILEY. Yes; I will answer the Senator's question. Just as an old rooster could walk around in the barnyard at break of day and crow and, seeing the sun come up, tell his hens he had brought it up. If the Senator can get away with that, he has a right to do it.

Mr. LONG. Will the Senator answer my question? Did they not allow Mr. Moses to receive the Government money as the head of that park and playgrounds department, or whatever the department was, after I mentioned his name in that document, and they said they would not let him have it?

Mr. BAILEY. Perhaps they did so, but it was not because of anything the Senator said or did.

Mr. LONG. I suppose the Senator from North Carolina advised them it would be all right. That is the rooster that crowed.

Mr. BAILEY. No; I have not advised them, and I am not claiming anything for myself. I am simply exposing, I hope politely, that state of mind in which a man will argue that everything that happens after he does a certain thing was caused by him. There is a term for that, Mr. President, and that term is "delusion of grandeur."

Mr. LONG. Mr. President, will the Senator yield again?

Mr. BAILEY. I yield.

Mr. LONG. The Senator has the names of witnesses that I named. He admits that Moses stayed on that job and got Government money, too. Why does not the Senator go on and mention the others and see if they did not do something?

Mr. BAILEY. I am going all the way through. The Senator has totally misstated what I said. I did not say that they had issued a criminal process against somebody who was his friend or who was taking his side. I said certain criminals in Oklahoma, being pursued by the Government, seeing this "ruckus" raised here, undertook to hide behind it, and that is what they did. But, of course, the Senator thinks that whatever happened down there happened because he made a speech here, and I cannot undertake to change his mind.

Mr. Moses made his campaign and got into a controversy with the Department of the Interior. The New York Times and other influential journals in the United States took his side. He was retained in his place and the money was paid him. I do not think anybody in the Senate had anything to do with it, but if anybody wishes to think he was running that matter, it is all right with me.

I was going into the Moses matter. The Senator from Louisiana wanted Moses as a witness because of a newspaper statement of the speech by Moses in his campaign for Governor of New York on the Republican ticket. That was the newspaper report. It was on the subject of the Federal housing project, and the Federal housing project has been thoroughly investigated and the report of the investigation is on the desk of the Senator from Louisiana and he says there is nothing in it. Why should we send for Moses?

It is the same way about the Federal building. Right on that desk [indicating] is every paper relating to it, and I have read them. I took them home with me at night and spent the night going through them to see if there was anything that would involve Mr. Farley. I do not have to say to the Senate that if I had found anything against Mr. Farley in those papers I would have reported it to the Committee on Post Offices and Post Roads.

This institution is not a fraudulent affair. I think it is about time the American people were told that chicanery, trickery, dishonesty, fraud, corruption, and indirection are not tolerated in this body. The insinuation that they are is a stab in the heart of the confidence of a great people in a great government in a time of extreme distress.

We did not send for Moses because every feature of the matters mentioned by him has been investigated and the documents were before us.

What is the next paragraph?

Witness A and, if necessary, Witness B—

That is equal to the anonymous letter with which the Senator from Louisiana began this thing, in the RECORD of February 14. We do not know to this day who wrote it, but I read it. The writer of that letter—look it up—says, "This is a tale that was told to me." He did not have anything himself; and yet that anonymous letter is heralded abroad. The writer will never be known. His name was not produced in the executive session. It is not produced here today. That letter is heralded abroad, for what purpose? If that

sort of thing can be carried far enough in America, I will give no guarantee for the preservation of any government here.

Witness A, and if necessary Witness B, whom we expect to testify that an important official of the Baltimore & Ohio Railroad previously with no connection with James A. Farley, received a telephone call from the said Farley, informing him that he desired him to support one Clem Shaver for the United States Senate from West Virginia. The records of the Reconstruction Finance Corporation will show that about the time there had been pending, and for causes otherwise unexplained, there had been held up a decision relative to a loan to be made to the Baltimore & Ohio Railroad for approximately \$50,000,000. Witness A, and if necessary Witness B, to further testify that party called by said Farley hesitated, hoping the loan would come through, but finally disclosed that action on the same was held in abeyance and that he had no way to dodge the responsibility, but would have to declare for Shaver in accordance with Farley's instructions, and immediately upon so doing the Reconstruction Finance Corporation loan of \$52,000,000 was announced.

There is not a word of truth in it. They did not loan that amount of money. The loan had been outstanding for 2 years. The proposition pending was a proposition whereby the Baltimore & Ohio Railroad was to sell bonds to the bankers of America for \$50,000,000 in order that they might pay part of their debt to the Reconstruction Finance Corporation, and they sold them; and whereas at the beginning they had been owing the Reconstruction Finance Corporation \$25,000,000, when they finished the transaction the Reconstruction Finance Corporation had received \$12,000,000, and they owed the Reconstruction Finance Corporation only \$13,000,000. Moreover, that happened on July 14, 1934, and every member of the Board of the Reconstruction Finance Corporation and the Interstate Commerce Commission approved the loan, and yet here we have all this about that—government by suspicion; destruction by insinuation.

I will read the rest of it:

It is commented on in said Manual for Engineer Inspectors—

I do not care to read anything about that.

Now we come to this:

Letters, checks, vouchers, and witnesses, including Mr. Edwin P. Knott and others, to show that Clyde O. Eastus, now United States attorney in Texas, while in Washington, D. C., in the month of April 1933, arranged for his appointment as said United States attorney in consultation with Mr. Farley, wired Edwin P. Knott and otherwise gave to understand that the said Edwin P. Knott's case was being arranged through Mr. Farley, provided said Edwin P. Knott wired immediately \$1,000 to go to Mr. Farley for politics.

What are the facts? Knott is in jail; in the penitentiary. The insinuation here is that Knott bought his freedom from the criminal law with a bribe to the Democratic Party. It is true that Eastus sent him a wire, but Mr. Farley is not responsible for that. It is true that the man made a contribution, but Mr. Farley did not know the man was indicted. When the authorities here found there was an indictment, they lost no time in ordering that he be prosecuted to the limit. Eastus was withdrawn as attorney. The Department of Justice put a disinterested man there, and Knott got a sentence of 5 years.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. LONG. What became of Eastus?

Mr. BAILEY. I do not know; but I will say in perfect frankness that I think Eastus ought to get out.

Mr. LONG. Eastus is United States attorney today.

Mr. BAILEY. I know it. I say he ought to get out as United States attorney.

Mr. LONG. So he is the man, instead of Farley, although Farley got the money.

Mr. BAILEY. No; Mr. Farley got a contribution in absolute good faith. Mr. Eastus' guilt lies in the fact that, representing that man, he induced him to make a contribution. His guilt lies in the fact that he imposed upon James A. Farley; and his guilt is all the more damnable because the Senator from Louisiana can use facts like that to damn the character of a perfectly innocent man. That might happen to me. That might happen to you. That might possibly happen to the senior Senator from Louisiana.

Again:

Witnesses: Richard M. Atkinson, former attorney general in the State of Tennessee—

Here is a great, long paragraph about a bank. We investigated that, and fortunately the chairman of our committee knew all the facts about it. He gave the committee absolute assurance that there was not one scintilla of truth in the allegation. Moreover, the Comptroller of the Currency put in writing the statement that Mr. Farley had never in his life had one thing to do with the appointment of receivers or attorneys for receivers, and I have that statement here. Moreover, the Department of Justice of the United States filed its solemn asseveration before our committee that never had they been party to prosecuting or investigating or having anything to do with that banking situation or any other banking situation by the suggestion—direct, indirect, or remote—of James A. Farley. The Senator from Tennessee [Mr. McKellar] has explained that on the floor, and I do not intend to go further into it.

While I have not read every word of the letter from the senior Senator from Louisiana, I have read practically all of it. He says:

That further to prove the extent of the said Farley's control of the Department of Justice and the purposes to which it is manipulated, that when a gangster was about to be indicted in Kansas City by the United States grand jury, appeal was made to Farley to prevent the same, and Farley took the same in hand.

That is Lazzia. What happened to him? He is in the penitentiary. Where is there the slightest evidence that Farley ever had a thing to do with it? Nothing beyond the fact that a man out in that part of the country sent Mr. Farley a letter or a wire. I am not responsible for letters and wires that come to me. I should hate to have any Senator or any human being put under suspicion because some scoundrel writes him a corrupt letter; and yet that is precisely the case here. On the other hand, we have the record of the man's indictment and his prosecution. We have not the slightest suggestion of anything wrong about Mr. Farley, or that he ever even touched the case in the remotest degree.

Mr. McKellar. Mr. President, before the Senator leaves that subject, and as further evidence, the Attorney General of the United States had this to say concerning this particular matter:

No action taken by the Department of Justice in any of these matters was at the instance or suggestion of Mr. Farley. No appointment or designation of any attorney or agent to handle any phase thereof was suggested by him, nor was any official removed or caused to resign by him.

Mr. BAILEY. Yes.

Mr. President, I have gone through all this matter so far for the purpose of showing that notwithstanding the affirmations made here, and the assurances given here, and the impression created upon the public mind here that there was something dreadfully wrong, and that the evidence was at hand, notwithstanding the assurances given to the Post Office Committee, we come here in the month of May, when the thing began on the 11th of February and has been kept up practically ever since, and at the present moment there is not a scintilla of real evidence which would be admissible in a court which would justify even the slightest suspicion that any of the serious charges against Mr. Farley could be sustained, or ought to be investigated.

Then the Senator comes along and says, "Oh, well, but Mr. Farley has a news ticker in his office"; and that news ticker at once magnifies itself into a great gambling institution in which the former friend of the Senator from Louisiana is involved. He says Sullivan is in that.

I have the Senator's book here. He speaks of his friendship for Sullivan. He tells how he broke with Sullivan, and he does not tell anybody that he broke with him because Sullivan was a gambler. He says he broke with Sullivan because Sullivan could not deliver the votes. That is in the book. If there is any question about that, I will read it.

Mr. TYDINGS. Mr. President, will the Senator repeat that statement? I did not understand it.

Mr. BAILEY. I will let the Senator read the book.

Mr. TYDINGS. I do not want to read it.

Mr. BAILEY. I referred to Sullivan. Does the Senator want me to read that part of it? Let me see if I can find it. The chapter is entitled "Breakers Ahead." I read from page 120.

Mr. TYDINGS. From what book is the Senator reading?

Mr. BAILEY. Every Man a Kingfish. [Laughter.]

Now, Colonel, let me tell you how bad it was; 95 percent of the money we raised for my campaign for Governor was spent through Mr. Sullivan in New Orleans—

Mr. TYDINGS. Who is Mr. Sullivan?

Mr. BAILEY. He is that terrible gambler who has now got in with Farley through this news ticker down here at the Post Office Department.

Mr. ROBINSON. Mr. President, the Senator from North Carolina does not mean to say that the Senator from Louisiana would authorize Sullivan to spend 95 percent of his campaign funds?

Mr. BAILEY. I would not say it, Mr. President, for anything on earth, but I can read it from the book which the Senator from Louisiana wrote, and I think it might be believed.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. TYDINGS. What position was the Senator from Louisiana holding at the time these campaign funds were collected and expended?

Mr. BAILEY. I am sorry that I do not know.

Mr. CONNALLY. Railroad commissioner.

Mr. BAILEY. Railroad commissioner or Governor; I do not know. It is on this page. I will let the Senator read it. It is pages 120 and 121 in the book Every Man a King.

Mr. TYDINGS. He was Governor after that, was he not?

Mr. BAILEY. Let me read it:

Now, Colonel, let me tell you how bad it was. Ninety-five percent of the money we raised for my campaign for Governor was spent through Mr. Sullivan in New Orleans—

That explains what his position was—

Including all of the money we raised in the country, and yet I ran a poor third in this city. One candidate beat me more than 20,000 votes, and another candidate beat me about 5,000 votes, and with no money to carry on our work in the country I had to hit the line of the city 70,000 votes ahead of my nearest opponent to get the office. Now, what is our answer?

"Well, I will ask you", replied the colonel.

Well, Colonel, you know and I know the people of this city will not stand for Sullivan and his business as a gambler. We had to get him to get your help. Now, if we want to be his friend, had we not better tell him the truth and give him to understand that while we can be of help to him he should locate himself in something besides politics? He cannot help anybody and can only hurt himself.

My point was that he did not get rid of him because he was a gambler; he got rid of him because he was unpopular. Yet he thinks this testimony here would involve Mr. Farley's name, and by way of doing it he finds a mere news ticker in the Department. They are all over Washington, and they are all over the country.

I will make a little distinction. There are news tickers and there are stock tickers. The stock tickers confine themselves to the momentary prices of stocks and bonds, with a little item of news now and then. The news ticker takes in prices of important stocks and important bonds, and takes in the news.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BAILEY. Certainly.

Mr. LONG. You said I made objection to a news ticker being in Farley's office.

Mr. BAILEY. No; I said you took that as the foundation for your allegation that he was engaged in gambling transactions.

Mr. LONG. Where did you get that?

Mr. BAILEY. I got it from your speech.

Mr. CLARK. A point of order.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The Senator will state it.

Mr. CLARK. The point of order is that the rules of the Senate provide against Senators addressing each other directly in the second person. This debate, it seems to me, affords an adequate opportunity for the enforcement of the rule.

The PRESIDING OFFICER. The point of order is sustained.

Mr. LONG. I have not used the second person.

Mr. CONNALLY. The Senator said "you."

Mr. LONG. Will the Senator read where I objected to the news ticker? Is it not a fact that I said there was a gambling wire service in which Mr. Farley was interested, without any relation whatever to news tickers that go into offices?

Mr. BAILEY. I think that is what the Senator said.

Mr. LONG. Then why does the Senator make these other statements he has been making all the time?

Mr. BAILEY. The only basis for it is a news ticker down there.

Mr. LONG. Where does the Senator get that?

Mr. BAILEY. The Senator stated in his speech that Mr. Farley had one in his office down there.

Mr. LONG. Where did you get that?

Mr. BAILEY. I will read it. I have all the records.

Mr. LONG. I would like to have the Senator read that.

Mr. BAILEY. I will read all the speeches.

Mr. LONG. The Senator will find that I said that the General News Service, a well-known wire gambling service, which I proved in a senatorial hearing, that furnishes the information upon which gambling can be indulged in throughout the United States, was affiliated with Mr. Farley.

Mr. BAILEY. I am agreeing to that, the General News Service, and I said that the general news service, not mentioning the title, but all the news services, carried stock quotations, and that with that for a basis he imputes gambling to Farley, without a scintilla of evidence.

Mr. LONG. Will the Senator yield for just one further interruption?

Mr. BAILEY. Certainly.

Mr. LONG. I wish to state to the Senator that those tickers in offices are not the General News Service at all, but that is not the thing I am talking about at all. The General News Service does not specialize in general news, but only in gambling news. So the Senator is confused.

Mr. BAILEY. Mr. President, the Senator from North Carolina is not confused. I have stated the facts as to the difference between a stock ticker and a news ticker, and have stated the facts as to what the Senator said. Now I go further. The very simple fact that stock quotations come into any department in Washington does not justify anyone in raising an imputation that somebody is gambling.

Mr. LONG. Will the Senator yield?

Mr. BAILEY. I yield.

Mr. LONG. I agree with that—

The PRESIDING OFFICER. The Senator from Louisiana must address the Chair if he desires to interrupt.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Louisiana?

Mr. BAILEY. I yield.

Mr. LONG. Will the Senator from North Carolina permit me graciously to agree that the last observation the Senator made was correct? And will the Senator permit me to state now to the Senator from North Carolina, in the third person, that what I was referring to was a ticker that has nothing whatever to do with the ticker that goes into brokers' offices?

Mr. BAILEY. Very well. The Senator has graciously agreed with me, and I am going graciously to refuse to permit this aspect of the matter to be further prolonged. I think I have stated the facts as they are as they appear in the RECORD.

Now I wish to come, by way of conclusion, to the report of the committee, and I shall read, first, the findings of the committee on the subject as they appear on page 10:

CONCLUSION

Your committee further reports that at the end of the hearing the following resolution was offered and passed by vote of all those present.

I hope Senators hear me in this. That was joined in by all parties and everybody. Two of the Senators were absent, the Senator from North Dakota [Mr. FRAZIER] and the Senator from Minnesota [Mr. SCHALL]. All the others were present. This is the resolution:

Resolved, That it is the sense of the committee that the senior Senator from Louisiana has not produced facts or evidence constituting a proper case for investigation by the Senate under his Resolution No. 74.

That was the unanimous decision of the Senate committee, consisting of representatives at the time of three political parties. That was after 4 days of session. The committee further made report as follows:

Resolved, That Senate Resolution No. 74 be reported back to the Senate with the recommendation it do not pass, and the chairman be authorized to make the report.

That is the decision of the committee. Let us look at the statements or dissenting decisions from the other members, minority views, as follows:

We concur in the findings of the majority of the committee that upon the record there has not been presented a prima facie case for an investigation of the charges contained in Senate Resolution 74.

I wish Senators to dwell upon that. The signatories to these findings, the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from New Jersey [Mr. BARBOUR], and the Senator from Vermont [Mr. GIBSON], say:

We concur in the findings of the majority of the committee that upon the record there has not been presented a prima facie case for an investigation of the charges contained in Senate Resolution 74.

They add this paragraph:

It is our view, however, that the wide-spread circulation of these charges has created suspicion in the public mind. We believe that the interests of the parties concerned and the public welfare can best be served by a prompt and thorough investigation of the charges made in Senate Resolution 74.

Mr. President and Senators, I desire to be heard on that for just a word. These minority views cannot justify the passage of this resolution in any aspect of the matter. I have argued the facts of the case and have waived every consideration of law. My argument has been that there was no evidence to justify the charges. My argument has further been that there was evidence to negative the charges, and that it was very powerful evidence. But I am going to argue now that the minority views as expressed cannot justify the adoption of the resolution:

We concur in the findings of the majority of the committee that upon the record there has not been presented a prima facie case for an investigation.

If they have that view, on what basis can they insist that we proceed to investigate? That is the question of law and the question of the character of the Republic and the question of the power of the Senate. It is not an unsettled question.

Take the other words:

It is our view, however, that the wide-spread circulation of these charges has created suspicion in the public mind.

Granted; but that does not lay the basis for the remotest power of investigation by the Senate of the United States. There cannot be an investigation of anyone in the United States, in office or out, by the Senate, simply because the "circulation of charges has created suspicion in the public mind." We are not here to allay suspicion. This is a legislative body, with vast powers beyond the legislative character. The Senate has the power of investigation, and that power is clearly defined. That power was laid down by Chief Justice White in the case of Marshall against Gordon, and with an historical background that leaves no doubt in any man's mind. The Senate has the power of investigation with a view to legislative action. It can aid itself in legislation. But it has nothing whatever to do with under-

taking to allay suspicion in the public mind, and I do not hesitate to say that if it ever departed from that doctrine and went into the business of undertaking to allay suspicion in the public mind by investigations of the character sought, we would create a whirlwind of suspicion and of fear and of disaster, rather than allay any suspicion whatever.

I think that is self-evident. We can turn this body, if we choose, for a period into a general smelling committee. We can have Senators come here and vent their spleen against someone up and down the street. He can gather up newspaper editorials or news stories, file them here in the RECORD, and demand an investigation, and some Senators may say, "Well, the thing has gone so far we have got to have an investigation in order to allay suspicion." Once we start that we will go all the way. We will lose our function as a Senate and assume the function of delivering this body over to every man who wants to stir the depths of hate and strife and fear in the hearts of the American people.

I will read the additional minority views. They do not sustain the proposition that this resolution should be adopted:

The undersigned respectfully disagree with the report of the majority of the committee.

The charges made in Senate Resolution 74 are of a serious nature, and in view of the fact that the author of the resolution has repeatedly stated on the floor of the Senate and before the committee that he can and will furnish witnesses and evidence to sustain the charges made, and that in all fairness to the Postmaster General he should be accorded an opportunity to vindicate himself and to allay the suspicion that has been created in the public mind by the constant reiteration of these charges.

We therefore recommend that a prompt and thorough investigation be made of the charges set forth in Senate Resolution 74.

There is not a phrase, there is not a word in this expression of the minority views by the Senator from South Dakota [Mr. FRAZIER] and the Senator from Minnesota [Mr. SCHALL] that will justify in the remotest degree the adoption of this resolution. What do they say? They want it adopted in fairness to the Postmaster General. We have nothing to do with fairness to the Postmaster General. He is in his own right, and he can defend himself, and this is not the arena to clear his character. That, too, is self-evident. We have one opportunity here. Should a public servant be impeached we may try the impeachment, but we cannot adopt resolutions here to save a public official from disgrace. We have nothing to do with that. That is beyond our function.

What is said in the Daugherty case? What is said in the Marshall case? Plainly the Senate of the United States has the power of investigation in aid of its function as a legislative body. When did we ever get the idea that somebody could prefer charges here and we would have to vindicate those charges? I am not here to vindicate the Postmaster General. I am not going to vote today to give him a chance to vindicate himself. I am voting on the facts. I am voting within my powers as a Senator. Granted that we had here a definite occasion by inference for legislative action, the situation would be different. I am perfectly willing to grant it, because in such case the powers of the Senate to investigate are very broad, but they are not broad enough to take in the allaying of suspicion or the vindication of character.

Do I need to elaborate that view? I have the cases here, but I know I have taken too much time.

I have an old book here, and a book that I like to read, Alexander Hamilton and James Madison's book. We call it the "Federalist." It tells us how this Ship of State was built. It tells us of its structure and its character. I often feel, Mr. President, that if we would keep to that building and keep to that structure it would be incomparably better for the mighty people whose destiny personally and in the mass is dependent upon their Ship of State. Right here on this matter of the possible conflict between the three departments of the Government:

The accumulation of all powers—legislative, executive, and judiciary—in the same hands, whether of one, a few, or many, and whether hereditary, self-appointed, or elective, may justly be pronounced the very definition of tyranny.

Were the Federal Constitution, therefore, really chargeable with the accumulation of power, or with a mixture of powers, having a dangerous tendency to such an accumulation, no further arguments would be necessary to inspire a universal reprobation of the system.

The reasons on which Montesquieu grounded his maxim are a further demonstration of his meaning. "When the legislative and executive powers are united in the same person or body", says he, "there can be no liberty, because apprehensions may arise lest the same monarch or senate should enact tyrannical laws to execute them in a tyrannical manner."

Mr. WHEELER. Mr. President—

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Senator from North Carolina yield to the Senator from Montana?

Mr. BAILEY. I yield.

Mr. WHEELER. Assuming that the Senator believed the facts as set forth in the statement made by the Senator from Louisiana, would he then feel that an investigation should be had?

Mr. BAILEY. I was arguing, I will say to the Senator, that an investigation could not be had under the two sets of minority views. If I felt that all this matter printed in the newspapers were true, I would have to make a very violent assumption, because, as I said to the Senator just now, a great deal of this newspaper matter negatives itself; it brings an accusation, and then gives an explanation, and no man could reach a conclusion that there was anything worthy of investigation from reading the newspaper statements. If the Senator wishes me to demonstrate that, I will read it. I want the Senator to get this. Take the matter of the public building in New York. Take the matter of the Hillside housing project. The newspapers put in that evidence, facts showing that Mr. Farley was in no way connected with it, facts showing that there was nothing to raise a suspicion; that is to say, they gave the news, they raised the suspicion, they have the honor to tell the truth on the other side. I do not think that is evidence.

Mr. WHEELER. Let me say to the Senator that he apparently misunderstands my question or the purpose of my question. He has correctly stated, in my judgment, the fact that upon the statement of the minority view no investigation could be based upon that view, but if the Senator believes that those facts were true, as set forth in the charges made, would he feel that there should be an investigation?

Mr. BAILEY. Does the Senator mean I should take all of the evidence in the newspapers, in the editorials, and the news stories, and everything that the Senator from Louisiana has said here on the floor on information and belief, and then believe it to be true? I would not only be in for an investigation; I would be in for an impeachment.

Mr. WHEELER. The point I wanted to make was this. I wanted to find out how far the Senator went, because the same question came up with reference to the Daugherty investigation. The statement was made on the floor of the Senate by those defending Daugherty, and it was repeatedly made, that the Senate should not go into investigating a Cabinet officer unless we showed affirmatively that we intended to pass some legislation. Now, of course, in that resolution which was drawn for the investigation of Daugherty it was not suggested in the resolution at all that we were seeking to pass legislation, but the Supreme Court in its interpretation, as I remember the language, said that it would be presumed, of course, that we were passing it upon the theory that we wanted to propose legislation.

Mr. BAILEY. I am in full agreement with the Senator about that. I stated that the power of investigation was very broad, but it must always be directed to legislation, and I argued the whole case until I came to the minority views on the merits, and I did not wish to invoke the law. I have invoked the law only to show that the minority views are not founded in the law, and defeat every conception of the power of the Senate. I want to read to the Senator the Daugherty case.

Mr. WHEELER. I am entirely familiar with the Daugherty case, because I handled it pretty nearly from beginning to end. However, the point I wanted to make was this, that

repeatedly when investigations have been carried on by the Senate of the United States or by the Federal Trade Commission the hue and cry goes up that the Senate of the United States has not any right to investigate. I just want to make this statement. In my 12 years of experience in the United States Senate I believe that one of the most important functions which this body has had to perform and has performed, and one of the most important things that it has done, that the greatest good it has brought about has been through many of the investigations it has carried on. We may have overstepped our powers in the minds of those whom we investigated, or in the minds of a lot of great corporate wealth of this Nation, but, nevertheless, if there be taken away the power of investigation into these things the legislative branch of our Government will be made pretty nearly impotent to deal with the problems with which it is faced.

Mr. BAILEY. Mr. President, I am in full agreement with the Senator from Montana. I am afraid he overlooked my statement which I made in a condensed way in the interest of time, that our powers were very broad, and that I had assumed in all that had gone before, until I got to the minority views, that we could invoke some sort of legislative prospect here for justification, and I had argued the merits rather than the law.

But when I came to the minority views I was content to show that those views did not contemplate anything of a legislative character; they contemplated the allaying of suspicion and of vindication of Mr. Farley, and I am saying that that is not within the power of the Senate. The Senator agrees to that?

Mr. WHEELER. I agree to that.

Mr. BAILEY. In *McGrain v. Daugherty* (273 U. S., at p. 178), the Court says:

The only legitimate object the Senate could have in ordering the investigation was to aid it in legislating—

They agreed that that object need not be written in the text of the bill—

and we think the subject matter was such that the presumption should be indulged that this was the real object. An express avowal of the object would have been better, but in view of the particular subject matter was not indispensable.

We are agreed about that; but how does that affect my argument that the minority report fell outside the power of the Senate, in that the Senate has no power to investigate a public servant in order to allay suspicion or in order to give him a vindication?

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. BAILEY. I yield.

Mr. BORAH. Did I understand the Senator to contend that the minority report gives no justification for the investigation?

Mr. BAILEY. That is my contention.

Mr. BORAH. By reason of the fact that it is manifestly outside of any purpose to acquire information for the purpose of legislation?

Mr. BAILEY. And by reason of the fact, if I may say so to the Senator, that on its face in the one case it says to vindicate himself and allay suspicion created in the public mind, and, in the other case, says it believes the interests of the parties concerned and the public welfare would be served. I am saying that those purposes are all out of the constitutional power of the Senate.

Mr. BORAH. In other words, the minority report eliminates the question of legislation. Does the Senator admit that the charges in the minority report or what is covered by it are sufficient to base a presumption that an investigation should be had for a legislative purpose?

Mr. BAILEY. I did not take the position before, and I wish to say to the Senator that I am thankful for the opportunity to make it clear that I did not wish to come into this case with anything that could have the appearance of a confession and avoidance; I did not wish to come here with anything that would look like a technical objection; I did

not wish to raise the question of the power of the Senate. I reserved all of that after having presented the case on the evidence, and assuming that there was no law to govern it, but now we are in that portion of my argument in which the law is necessarily involved, and I want to touch upon that. The minority views do not constitute a basis for presumption of legislative purposes.

What, Mr. President, would be the consequences if we should adopt this resolution? Every officer in the public buildings of the executive departments in Washington, every head of a department, every head of a bureau, every assistant, too, would live and work in holy terror that the Senate of the United States was going to call him in to question at the instance of some Member.

Mr. WHEELER. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Montana?

Mr. BAILEY. I yield.

Mr. WHEELER. Let me say to the Senator that I think every head of an executive department, if any question arises with reference to his official conduct, should be subject to investigation by the Senate of the United States. I was afraid the Senator was going to take the position that the Senate of the United States should not have the right to investigate such officials unless a specific charge was made that it was necessary to do so in the interest of enacting some legislation. I repel that suggestion, and say, if that is the Senator's viewpoint, I should regret to see him take that position, because if the Senate of the United States has not the power to investigate the various departments, if they are crooked or corrupt or there is maladministration, the Senate of the United States and the House of Representatives of the United States become impotent in dealing with many of the things which arise in the conduct of the business of the Government.

Mr. BAILEY. I am very much obliged to the Senator. That is not what I am saying and that is not what I am contending. I will have to reiterate. I said that the power of the Senate under its authority of investigation with a view to legislation was very broad. It is sufficiently broad to investigate the official conduct of any bureau of any department, with a view to legislation providing correction; and, of course, "legislative correction" is a very broad term. The Senate has no power, however, to drive a man from office. We do not have the appointing power. The Senate has no power to raise suspicion and bring about such a loss of public confidence in an official that his usefulness is destroyed. Its power in that respect has got to be guarded. I go back to my argument, that we cannot cause an investigation to be had in order to allay suspicion or to vindicate character or on the ground of the general welfare.

Now, let us see the implication. The Senate of the United States has no power whatever to dominate over the executive department of the Government. That department is just as independent of us as we are of it.

The Senate of the United States has no right to use its legislative and investigating power for the purpose of enabling anybody to domineer over, to threaten, to hector, or to control or to vent its disappointment upon any officer. They are free and they must be free. If this Government is to remain the Republic it always has been, and always ought to be, the three coordinate departments must be maintained separate. We cannot legislate about the judges; we cannot disgrace the judges, either. Thus far and no further may we go.

We cannot affect the Attorney General of the United States by bringing him into disgrace and driving him from office. There is a way, if necessity arises. We can investigate the conduct of officers; but the moment we step beyond the good faith of legislative action we have usurped the power which we have sworn not to usurp. I know I am right about that, and I know what the consequence of unauthorized action would be. The adoption of a resolution such as this will set a precedent; and the consequences of that precedent, faithfully followed, will be a "kingfishery" in the United States. [Laughter.]

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Montana?

Mr. BAILEY. I yield.

Mr. WHEELER. The adoption of the pending resolution would not set any precedent, let me say to the Senator, because, as a matter of fact, the precedent has long since been set. It was set when the Senate investigated the Teapot Dome conditions, and when it investigated Attorney General Daugherty and the Department of Justice.

I am not contending as to facts and I am not disputing with the Senator whether the facts at the present time are sufficient to warrant an investigation in this particular instance; but I do not want to see the Senator led astray into saying that the adoption of the resolution would set a precedent which would destroy the Government, because, if he says that, then he is using identically the language that was used by the other side when we investigated Daugherty and the Department of Justice under him. At that time the other side said, "You seek to tear down the Government; you are going to destroy the faith and confidence of the people of the United States in the Government. I submit that we never destroy the faith and confidence of the people of this country in their Government except in one way, and that is by putting the soft pedal upon charges against men in high places who are charged with corruption and crookedness. That is the way faith and confidence are destroyed; not by bringing out the facts, but by suppressing them."

Mr. BAILEY. I do not think, Mr. President, the Senator and I greatly differ about the law of the case. He is simply taking the view that I am carrying my argument to the point of saying that we cannot investigate a public servant. I know very well we can, and I have just read the case. I am saying that in connection with any investigation there has to be a legislative object in view; to correct conditions by legislation and not to drive a man from office, not to blacken his character, not to destroy public confidence in him; and I am perfectly satisfied that the moment we construe our legislative power into the province of investigating a man for any other purpose than constructive legislation, we have extended the power of the Senate into the executive department of the Government, and we will have every official in that department wondering what he may say to a Senator who comes to his office and makes a demand upon him.

Mr. President, I think I understand the whole situation. I have gone through it with a great deal of care. I have left out one thing, and I am going to discuss that and then take my seat.

There is a great deal more involved here than the insinuations against Mr. Farley, because the Senator from Louisiana himself has said he has preferred no charges.

Mr. WHEELER. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Carolina yield further to the Senator from Montana?

Mr. BAILEY. I yield.

Mr. WHEELER. I should be inclined to agree, although I have not followed the testimony before the committee and was not able to do so. The thing that impresses me is that this morning this affidavit is presented. I will say frankly if I had been in Mr. Farley's place or if the Senator from North Carolina had been in Mr. Farley's place and charges of this serious nature had been made on the floor of the Senate, the Senator from North Carolina would have said and I would have said, "I should like you to bring on the witnesses and have an investigation." However, that is beside the question.

Mr. BAILEY. Let me interrupt the Senator. That is precisely what Mr. Farley did. Nobody called upon him for the statement he sent to the chairman of the committee. Mr. Farley voluntarily sent a statement of all the facts to the chairman of the committee. When he sent that statement, so far as I was concerned, I considered it an invitation to send for him if we should find any facts or any evidence, and I found none. I think Mr. Farley's conduct in this matter has been absolutely above criticism. I am afraid the Senator from Montana has not read his statement.

Mr. WHEELER. I have not read his statement.

Mr. BAILEY. He took up each allegation, gave us the facts, and made no effort to get out of anything. That reminds me that I have left out all that trivial stuff about the stamps, and I think the Senator understands that. Will the Senator now continue?

Mr. WHEELER. Here is an affidavit presented this morning. Regardless of whether it was presented too late or whether it was not presented as it should have been presented, it does seem to me the committee at least ought to call this woman, because she presents a sworn affidavit. She can be prosecuted for perjury if it is not true. She has presented a sworn affidavit making what I consider serious charges. I think it would be exceedingly unfortunate if the committee should say, "We are going to disregard the sworn affidavit" of some woman whom I do not know and whom none of the rest of us know. It seems to me the least the committee can do is to call the woman before the committee and ascertain what she does know, and whether or not she can prove the things to which she has sworn in her affidavit.

Mr. BAILEY. I would not subscribe to that suggestion.

Mr. WHEELER. I think if that is not done, in view of the publicity involved which is going all over the country, it will have a bad effect.

Mr. BAILEY. If we should do that and the lady came before the committee and did not make good, and we came again to argue this case here on the floor of the Senate, there would be another lady with another affidavit. I intend to have a conclusion of things so far as I can. We began this matter on the 11th day of February. It is not our fault it has not been heard. There has never been a day since that report was made when the chairman of the committee and myself were not ready to go forward in the matter and sustain the report. It is not our fault it is brought up now, but having been brought up, let us finish it. Otherwise the Senate would go into an investigation and come here again with a report. We gave the man making the accusations 4 days, when he earnestly assured us he had the evidence and could produce it in 40 minutes, and now he comes forward at the last moment in his argument today with an affidavit dated April 23. If he desired the committee to examine anything, why did he not bring it to us and file it with us?

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. McKELLAR. The Senator will recall that in discussing the case in the committee it was freely prophesied, as I remember, by several members that it made no difference about what we reported on the charges already made, the Senator from Louisiana would have additional charges when he got to the floor of the Senate.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BAILEY. Yes.

Mr. WHEELER. It certainly would not take very long for the committee to send a subpoena and bring this woman here, whoever she may be, and have her testimony in executive session if the committee desires it taken that way. My own view about the matter is that I would want it done, and I think it would be much better for the Postmaster General himself if it were done in that manner.

Mr. BAILEY. I respect the Senator's judgment about it, but my own judgment is quite to the contrary. Most of us have tried cases. I rarely have seen anybody convicted but that some time, between the day of conviction and the day of meeting the penalty, he would bring forth an affidavit.

Mr. WHEELER. Yes; and if he brings it forth with reference to material facts, a new trial is ordinarily granted.

Mr. BAILEY. In some jurisdictions, and in some others we have to have an end of the litigation.

Mr. WHEELER. Yes; in many jurisdictions, if he brings forth material facts to prove his innocence, he is entitled to have a new trial.

Mr. BAILEY. He must show that in good faith, in the first instance, he produced the evidence he had. He must show it was not his fault if he did not have the evidence

newly presented. He must show that at any rate he had a case in the beginning. I do think either of these three principles could be established here as a foundation for the procedure suggested by the Senator.

Mr. McKELLAR. He must also show that he acted with diligence in presenting his evidence after he got it. The affidavit in question here is dated April 21, and this is the first time the committee ever heard of it.

Mr. WHEELER. Mr. President, if the Senator will yield—

Mr. BAILEY. I yield.

Mr. WHEELER. Of course if the Senator wants to base it upon a technicality I would agree with the Senator that if he had the affidavit he should have presented it. I agree that he ought not to have waited until the last minute to present it. I agree further that he had not cooperated with the committee in the manner in which he should. I am perfectly willing to agree with the Senator upon all those points.

Notwithstanding that fact, no matter who it was that presented it, even if it was the worst enemy I had and he presented evidence of fraud against the Postmaster General of the United States or any other Cabinet member, in the form of the sworn affidavit that this person would testify so and so, if that affidavit were presented on the floor of the Senate, then I would think, in justice to the Senate, in justice to the Postmaster General himself, that the woman ought to be called before the committee and she ought to be interrogated as to where she got the information, and so forth.

Mr. BAILEY. Mr. President, the Senator from Montana totally ignores the facts already in the Record. That affidavit relates to the General Builders' Supply Co., the Stewart Co., and the public works of New York, especially the public-building and housing projects. On the desk of the Senator from Louisiana right now is the last word on those subjects.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. LONG. The last word is, "We find fraud, and we recommend that they stop." That is the last word—that they found the charges were apparently supported, that he swindled the Government, and they ought to cease. That is the last word.

Mr. BAILEY. There is no word in the reports to that effect.

Mr. LONG. Let me read it. Here it is. The charge is in the words of Mr. Glavis himself that the change in marble, after the award of the contract to them, for which they allowed a credit for \$140,000, but it is alleged the credit should have been much larger. They finally wound up the report by saying that they ought to investigate Stewart first, and then after that—

In view of the requirement of the Treasury Department that before any contractor's file should be examined, the names of complainants and sources of complaints must be furnished, as well as specific complaints on which the investigation is based, such procedure would make the investigation practically impossible. Being unable to reveal how the sources of information have been secured, it is recommended the investigation of the above allegations by this Department be closed.

Mr. BAILEY. There is still nothing in what the Senator read that remotely connects the matter with the matter now in hand. I have been through those files. I know how they started and I know how they ended. I read every document. I shall give some testimony. I never saw a more thorough-going investigation of anybody, and I will pay Mr. Glavis and his chief, the Secretary of the Interior, the compliment of saying that they appear to have overlooked nothing.

They were not investigating Mr. Farley, I agree. They say they were not; but they were investigating everything touching the Hillside housing project and the Federal building in the city of New York. They investigated the contractors and the subcontractors. They investigated the letting of the bids for the subcontractors as well as the contractors. It is a manifest impossibility, Senators, for anyone to go through each of those documents on the floor of the Senate,

but they are here for the inspection of Senators, as I inspected them; and I think you may go all the way through and back without the remotest suggestion of a suspicion upon Mr. Farley. The only connection he could possibly have had with the matter was the fact that he was a stockholder in the subcontractor, General Builders' Supply Corporation; and the evidence produced by the Senator from Louisiana, this newspaper article, carries the statement that the General Builders' Supply Corporation did not receive any more business than it had ordinarily received in similar businesses in New York. That is in his evidence.

Mr. President, I was saying just now that I had finished and come to my conclusion. Senators here are witnesses to the fact that this matter, this purported resolution of accusation—whereas it is not; it is merely one of insinuation—has been made the occasion more than twice for reflections of the most damning nature upon the character of the President of the United States.

I do not think it would be fair to myself for me to take my seat without expressing some resentment. I do not think the character of the President of the United States needs defending as against the attacks of anybody. I do not think the character of the President of the United States can be injured by anything that may be said here. That is beyond the power that seeks to destroy the national faith in him. I think it is a matter of self-respect in a Senator's breast that he should not be content to sit in this Chamber and hear a Senator asperse the character of the President of the United States.

We are witnesses here to what has happened. We heard the words, and I have too much respect for the Senate to repeat them. I condemn them, not in his interest, but in my own.

The President of the United States is the symbol of the Nation. The great masses of men do not find the repository of their faith in parliaments or congresses or conventions. They always look to one man. As said by the ancient prophet:

And a man shall be . . . as the shadow of a great rock in a weary land.

This was a weary land in 1932 and 1933. Whatever else may be said—and I would say nothing in unkindness—the American people found their man in November 1932. They exalted him to the Presidency, not in order that he might be just a President, but he was "the shadow of a great rock in a weary land." He was the repository of the faith of 126,000,000 people, and he is; and while we may differ with him, and we should be free to differ with him, it is of the essence of things that in a time like this, if not in all other times, no responsible man in the Union should ever venture, should ever dare to utter a word or make a suggestion calculated to destroy the national faith in him. That is the greatest asset.

I am told that there are eight billions of gold in the Treasury, but the faith in the President is more precious than the gold in the Treasury and means more to the life of the Nation. The faith in the President means more than the rising market or the hope of the harvest. The President is the symbol of the Nation in the darkest hour of its existence.

These are not easy times, Mr. President. These are difficult hours. Things are better than they were, thank God, and they are better than they were because Mr. Roosevelt is what he is, and has been the President that he has been. He has justified that faith. We are surrounded with the testimony that that faith was well worth its exercise. The farmers have an income increased by two billions in the year. The workers have incomes increased by twenty-seven millions every week. The national income has increased in his administration from thirty-eight billions to fifty-two billions. Best of all, whereas men were desperate until they found him, and whereas there was despair in millions of eyes until they beheld him, and whereas there was confusion of counsel like the confusion of Babel until he spoke the word of power and hope from yonder steps, now the people have found themselves. They are planting their crops with hope. They are going about their work with cheer. There

is a unity in America, and the basis of that unity is faith in Franklin D. Roosevelt. Differ with him though we may, question his policies if we will, he is not true to his country who undertakes, in an hour like this, to destroy the faith of the American people in the man whom they chose, and who is their President and their leader.

Mr. O'MAHONEY. Mr. President, I am aware that for me to take the floor after the very able, learned, and eloquent address of the Senator from North Carolina [Mr. BAILEY] savors greatly of an anticlimax; and I should not undertake to trespass upon the time of the Members of this body if it were not for the fact that I am in position to give personal testimony.

The Postmaster General is my friend. I am very happy to take advantage of the opportunity that is afforded me today to say a word for him, to say here that I am proud of that friendship, and to say to my associates upon this side of the Chamber that they also may be proud of the record that man has made, and is making, and of the character of man he is.

I say I can give personal testimony because I had the honor of serving with the Postmaster General in New York City in the conduct of the campaign of 1932, which resulted in the election of President Roosevelt; and because, at the conclusion of that campaign, the Postmaster General did me the honor of asking me to become First Assistant Postmaster General.

I did not desire to leave my private practice as a lawyer to enter the service of the Government in the Post Office Department. It was the last thing that had entered into my head to do. I so stated to Jim Farley, when he asked me to become his First Assistant Postmaster General. Then he told me that he likewise had no desire whatsoever to enter into the Cabinet of the new administration, but he felt that, in response to the invitation of the President-elect, he could not refuse, and he said to me that he expected me to perform in exactly the same manner.

I am happy now that I did, because, from the 6th of March 1933 until the 3d day of January 1934, I was First Assistant Postmaster General of the United States, and I know how that Department was operated; I know the motives and the principles which guided the Postmaster General in what he was doing; and I know the high standard of service which he held up to the rest of us.

Let me say, Senators, that the Postmaster General realized, when he was entering upon that responsible position, that there had been many charges in the past of improper manipulation of Government authority. He knew that there were contracts to be let. He knew that the great aviation system of the country had prospered greatly on an air mail subsidy. He knew that the ship subsidy was being operated under a law passed by the Congress.

He knew that great buildings were being constructed throughout the length and breadth of the land, and there were applications which came to his desk for appointment to all of the principal positions of the Post Office Department from men who, by reason of their association with aviation, or with shipping, or with the construction of buildings, were claiming special fitness to take charge of the bureaus which would have to handle such contracts.

The Postmaster General laid down the principle that the Assistant Postmaster General who should have charge of aviation or with shipping contracts should be a man who had had no connection near or remote with any aviation company or with any shipping company, because he wanted to make it certain that the Second Assistant Postmaster General, under whose jurisdiction those contracts would come, would be above any possibility of reproach. I say to you, Senators, that you can take a great deal of satisfaction in the fact that the man upon whom that selection fell was the Honorable William W. Howes, of South Dakota, whose honor and whose integrity and whose ability are recognized by all who know him.

Under the leadership of Mr. Howes and of the gentleman who was appointed to succeed him when he became First Assistant Postmaster General—I refer to the Honorable

Harlee Branch, of Georgia—under both of these gentlemen the business of the air mail subsidies and the business of ship subsidies have been conducted in a manner that does credit not only to Jim Farley, not only to the Democratic Party, which he represents, but it does credit to the great Government of the United States as well. The reports as to those things have been laid upon our desks where every man may read them. We know that in these branches of the service there was opportunity enough for any official who wanted to be corrupt, and we know that the record of the Department is as clean as the proverbial hound's tooth.

That was not all. Under the jurisdiction of the Fourth Assistant Postmaster General came the business of specifying what the postal needs were so far as buildings were concerned. Under the system in vogue at that time the construction of post-office buildings as well as their custody was under the jurisdiction of the Treasury Department. So, for the position of Fourth Assistant, as well as for the others, Jim Farley sought a man who would be above any possibility not only of suspicion, but of temptation, by reason of former associations. There was therefore selected as Fourth Assistant Postmaster General the Honorable Silliman Evans of the State of Texas, and there is no man who knows Silliman Evans or who knows his record who does not know that he also is a man of the highest standards upon whom the utmost reliance can at all times be placed.

When Silliman Evans resigned that position to accept a responsible and very remunerative post with a large private corporation, the Postmaster General, this man against whom these charges are being hurled in the reckless and wanton manner that has been described by the able and eloquent Senator from North Carolina [Mr. BAILEY], this Jim Farley, at whom certain people for political purposes like to hurl sneers, this "Jim" Farley sought then for the position of Fourth Assistant Postmaster General the Honorable Smith W. Purdum, a civil-service employee, a man who had worked his way up from the very lowest position in the civil service; a man who had made such a record for efficiency and integrity that the Postmaster General felt himself honored to designate him as his Fourth Assistant Postmaster General, and to place him in charge of all that went on, in this department, with respect to building. Was that the conduct of a man who harbored the purposes charged by the Senator from Louisiana?

The Postmaster General knew, because he had been in politics, that charges were likely to be made. He did not know, of course, from what quarter they might come, but he did know, and we all know, that he who enters into the political arena takes his character in his hand, because there is never a lack of men who, for the purpose of advancing their own cause, or the cause of an organization which they think they represent, are willing to pervert the evidence in order to create suspicion and to undermine character. Knowing this, the Postmaster General was guided, as I have pointed out, in the selection of these various and sundry principal assistants.

Because he understood the method of political attack, however, he went a step further, and upon the day I took the oath of office as First Assistant Postmaster General, Jim Farley came to me and said, "Joe, I want you to select the chief Post Office inspector, and I want you to select a man upon whom the Post Office Department can depend for absolute integrity and one whose ability and loyalty will be unquestioned, and one in whose actions the people of the United States can place reliance."

So, Senators, carrying out the instructions of my chief, I undertook to select the Chief Post Office Inspector, the man who is at the head of this bureau which, you have heard it said, is being used as an instrumentality for tracking down witnesses, and intimidating them, and seeking to suppress evidence.

Senators may be interested to know how that selection was made. Not a single political endorsement was received from any quarter of the country, because we desired to have a post-office inspector and a post-office inspection division which would be under obligations to no leader, to no group,

to no interest except to the Postmaster General and the administration. So I sent word to all of those who were candidates for appointment as chief inspector to write a memorandum of a certain length suggesting improvements in the Postal Service, and indicating the conception of each of the respective candidates of the duties he would be called upon to perform should he be selected.

As a result of that competition conducted by the First Assistant Postmaster General, the choice of chief postal inspector fell upon Kildroy P. Aldrich, whose ability in the Postal Service had been such that he had been designated by the previous administration as inspector in charge at Chicago, one of the most important offices in the country. And so Mr. Aldrich became the chief post office inspector.

Then one day—I think it was in April 1933, or shortly after he was appointed—Mr. Aldrich called upon the Postmaster General and said, "We have here a case against one Edwin P. Knotts, which comes up from Texas. You may be interested in it, because it appears from the record that this Mr. Knotts made a contribution to the Democratic national campaign committee fund." That is the contribution which has been mentioned in the charges which were presented to the Committee on Post Offices and Post Roads. And Mr. Farley said to Aldrich, "Go and see the First Assistant Postmaster General. Whatever he says about this case is all right with me. I have placed him in charge of the postal-inspection branch of this service. Take it up with him."

So Aldrich came to me with the Knotts case. This is the case upon which all this mountain of suspicion has been built. I reviewed the file, and I said to Mr. Aldrich, "Why, there is only one thing to do. Proceed with the case. I am sure that will be the judgment of the Postmaster General. Let us put it up to him."

Accordingly, Aldrich and I together went to the Postmaster General, made him acquainted with all the facts, and he said, just as I knew he would say, "Proceed with the case; let the chips fall where they may."

So Knotts was prosecuted, and the accused pleaded guilty of using the mails to defraud. So much for that.

I do not intend this afternoon to go into all the charges which were presented to this committee. That would take too much time. I am just talking to the Senate of some of the things that I know of my own knowledge so that the Senate may have the benefit of that first-hand information.

THE STEWART CO. CONTRACT

The principal charge in all this case has to do with the contract which was awarded to the James Stewart Co. for the construction of the post-office annex in New York City. There again I can speak from personal knowledge.

In December 1933 the Postmaster General took his first vacation and went to Europe. Going to Europe, he left me in charge of the Post Office Department, and from the day that he departed early in December until after New Year's day in 1933 I was the Acting Postmaster General in charge of the Department. During that period this question of James Stewart & Co. and the New York annex building came up. I followed the same course with respect to that contract that I had been instructed to follow by the Postmaster General with respect to all other matters coming under my jurisdiction as Acting Postmaster General; that is to say, the law and the facts without favoritism of any kind.

Mr. LONG. Mr. President—

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Wyoming yield to the Senator from Louisiana?

Mr. O'MAHONEY. I yield.

Mr. LONG. Is the Senator talking about the courthouse building?

Mr. O'MAHONEY. I am talking about the annex.

Mr. LONG. The post office?

Mr. O'MAHONEY. The post-office annex.

Mr. LONG. The marble matter was in the—

Mr. O'MAHONEY. Oh, that is just another phase. The marble was in the courthouse. We will take them one at the time, if the Senator will permit.

Mr. LONG. I was wondering if the Treasury Department marble building was in there.

Mr. O'MAHONEY. We will take that up in due course.

Mr. LONG. All right.

Mr. O'MAHONEY. The curious fact is that the controversy with respect to the construction of this post-office annex lay between a contractor by the name of Driscoll and a contractor by the name of Stewart—the Stewart Co. A Member of this body, the distinguished senior Senator from Maryland [Mr. TYDINGS], called me by the telephone because he said a constituent of his was interested in Stewart & Co. He said that Stewart & Co. were entitled to receive the bid, but he had information that something was going on somewhere to take the contract from Stewart and give it to Driscoll. In other words, the charge which was repeated to me by the senior Senator from Maryland was that some political forces were in operation seeking to take the contract away from Stewart, the company Farley was said to be favoring, and give it to Driscoll & Co. It was clear to me that the Senator thought the Post Office Department was favoring Driscoll. I was able to say to Senator TYDINGS, "The Post Office Department will have no part whatsoever in the awarding of this contract. If you have any complaint to make upon that score, take it up with the Treasury Department, because the Treasury Department is the Department of the Government which has jurisdiction." That the Senator did. On the 18th of January 1934 he took the floor in this body to speak about this very question. His address will be found in the CONGRESSIONAL RECORD for January 18, 1934, beginning at page 857. On page 858 I find these words referring to an opinion of the Attorney General. The senior Senator from Maryland said:

That was sent to the Secretary of the Treasury. That removed the firm of Driscoll & Co. from the field. The contract then should have been let to Stewart & Co., who were the lowest qualified bidder having signed and complied with the N. R. A. code prior to the time of the opening of the bids, which Driscoll did not do until a week later, when he found he was the lowest bidder and thus had an unfair advantage of making a second choice as to whether or not he wanted the contract or did not want it at all. Of course, Driscoll & Co. then wanted the contract. They knew the Attorney General had ruled against them, so they appealed to the Comptroller that the contract should be given to the lowest bidder, notwithstanding the provisions of the invitation to bid.

The provisions of the invitation to bid, of course, were that the successful bidder should comply with the N. R. A. code, and Driscoll had not complied.

I do not believe the Comptroller had all the facts, but his opinion, which I have not here, simply indicates that the lowest bidder, whether qualified or not, should have the contract.

Then there was some interruption of the Senator, and he concluded with these words:

It has not been let—

The contract has not been let—

and that is the reason why I am here today, because I am afraid it is going to be illegally let, and if it is we will air some things I have not time to go into this morning.

Now, what was that charge? The charge of the senior Senator from Maryland was that he feared the bid was about to be illegally let. To Stewart & Co.? Not at all. To Driscoll & Co. And Driscoll & Co. is not the contracting firm which the Postmaster General is alleged to have favored.

THE FEDERAL COURTHOUSE

The Senator from Louisiana has referred to the Federal courthouse. It may be interesting to note that the contract for the Federal courthouse in New York City was let on January 19, 1933, before the beginning of the present administration. It was let by the then Assistant Secretary of the Treasury, Ferry K. Heath, an appointee of the previous administration. The board, by the way, which had jurisdiction over the letting of contracts at that time consisted of James A. Wetmore, Acting Supervising Architect, H. G. Sherwood, executive officer, L. A. Simony, superintendent Architectural Division, and G. W. Stone, who acted as substitute that day for Mr. George O. Von Nerta, supervising engineer. Each one of these individuals was a civil-service employee. And afterward under the present administration there was no political

appointee in the Treasury Department in charge of the construction activities of that Department except the Honorable L. W. Robert, Jr., Assistant Secretary of the Treasury.

He had assisting him the same George O. Von Nerta, supervising engineer; J. W. Ginder, superintendent architectural engineering division; T. C. Brooks, superintendent structural engineering division; N. S. Thompson, superintendent mechanical engineering division; and H. S. Roome, chief of the law division—every one of them a civil-service employee.

Under the Procurement Division in charge of the public-works program of the Treasury, the Director of Procurement is Admiral C. J. Peoples, and under him a long list of civil-service employees, including W. E. Reynolds, L. A. Simon, J. W. Ginder, Neal A. Melick, T. C. Brooks, N. S. Thompson, J. G. Schaefer, and William K. Laws—all of them, as I said, civil-service employees.

Mr. President, I shall not undertake to trespass further upon the time of the Senate, but I do want to say that Admiral Peoples, Director of Procurement, has made a report, which is available to any who desire to see it, upon all of the changes in the Federal courthouse to which reference has been made by the Senator from Louisiana. I ask that it may be printed at the close of my remarks. However, the point in which we are interested, the point in which the Committee on Post Offices and Post Roads is interested, is that the Postmaster General had nothing whatsoever at any time to do with the letting of the contract; that all of this work was carried on by the Treasury Department through its own agents, and that any changes in specifications which were made, were made at the order of the Treasury Department without the intervention in any way of the Post Office Department or the Postmaster General.

So I say, Senators of the United States, every single charge which has been made in the resolution can be analyzed and controverted in exactly the same way. I know of my own knowledge that the Postmaster General never undertook to control the discretion of the Attorney General or of any other officer in the Government in the selection of appointees. I know that the instructions which he gave to all who were assisting him and the word which he sent to the head of every department to which a clearance might go from him, were, "Appoint nobody who in your judgment is not competent to perform the task you want done."

Mr. President, let me conclude by saying that having worked with Jim Farley in New York and in the Post Office Department in Washington for more than a year, I can testify that there is not in the United States of America a man of higher ideals; there is not a man in the United States whose integrity stands higher than his; there is not a man or woman in the United States whose morals can be said to be any clearer than his. I am proud to call myself his friend; and Senators, whether on this side of the Chamber or upon the other side of the Chamber, may be proud that Jim Farley is a member of the Cabinet of the President.

The report of Admiral Peoples on the changes in the courthouse building in New York, I now send to the desk.

The report is as follows:

FEBRUARY 27, 1935.

MR. LOUIS R. GLAVIS,

Director Division of Investigations,

Federal Emergency Administration of Public Works,
Washington, D. C.

DEAR MR. GLAVIS: In my letter to you of September 21, 1934, in reply to your letter of August 22, 1934, I stated to you that all of the items referred to in your letter, excepting nos. 5, 9, and 10, appeared to relate to the New York courthouse project which, it was understood, was not to be further investigated by your agents; and that the necessary steps to investigate the remaining items could be taken by the Treasury Department. I find on examining the file that I have never further replied to your letter nor indicated to you the result of such investigation. For the purpose of completing the record, I am now transmitting the following information, the result of my inquiries of the persons having knowledge of the transactions, and an examination of the pertinent records:

Item no. 1—Substitution of marble, resulting in reduction of \$140,000

An increase in the cost of the foundations and other portions of the structure over the original estimates made it necessary to pro-

vide for savings and reductions in cost wherever it was possible to do so. One of the proposals was a substitution of less expensive types of marble for interior finish. As a result of representations from the representatives of the marble industry in various States, it was determined to allocate the material so that as many States as possible would be represented. The approximate distribution of marbles, by States, under this allocation, was as follows:

State:	Allocation	Cubic feet
Montana	-----	1,200
Missouri (Ozark)	-----	6,000
Missouri (Ste. Genevieve)	-----	2,000
Tennessee	-----	4,000
Georgia	-----	4,000
Maryland	-----	2,000
Alabama	-----	3,000
Vermont	-----	24,000
Total	-----	46,200

The architect proceeded to revise his distribution of interior marbles throughout the building, and on May 24, 1933, submitted to the contractor such distribution floor by floor. This list consisted of 16 different marbles, as follows:

Imperial Danby, Vermont.
 Special White Danby, Vermont.
 Northern Ivory, Vermont.
 Neshobe Gray Veined, Vermont.
 Pink Lepanto, Vermont.
 Westland Cream, dark, Vermont.
 Broccadillo or Cipolin, Vermont.
 French Gray, Vermont.
 Ozark Claire, Missouri.
 Ozark Veinless, Missouri.
 Ste. Genevieve Golden Vein, Missouri.
 Light Cherokee, Georgia.
 Alabama Veined Cream, Alabama.
 Montana Travertine, Montana.
 Cardiff Green, Maryland.
 Gray Tennessee, Tennessee.

The reallocation affected only 38,200 cubic feet out of a total of 46,200, 8,000 cubic feet of the original allocation being maintained; and later a further item of 4,200 cubic feet was omitted because of the change from marble cornices in elevator lobbies to plaster.

On this reallocation of the marbles the Supervising Architect's Office estimated a saving of \$150,000, made up as follows:

(1) Additional cost of freight	\$10,000
(2) Floor-tile changes to 17 inches by 33 inches for floor filled areas only and marble borders to remain as originally required	23,000
(3) Ashlar for wainscots throughout building to remain 1 1/4 inches thick where originally required	5,000
(4) Marble cornice for which there is an alternate to change to plaster for a deduction in contract price of \$57,000 is about 10 percent of total marble cost and is included in the contractor's proposed credit of \$140,000 to the extent of about	12,000
Total	50,000

Office estimate as of Apr. 5, 1933, was a deduction of 200,000
 Deduct the above items 50,000

Estimated credit due Government for marble changes 150,000

The final result compared with the Assistant Secretary's allocation is as follows:

State	Assistant Secretary's allocation	Architect's final distribution
	Cubic feet	Cubic feet
Montana	1,200	548
Missouri (Ozark)	6,000	5,960
Missouri (Ste. Genevieve)	2,000	2,040
Tennessee	4,000	3,900
Georgia	4,000	3,877
Maryland	2,000	1,467
Alabama	3,000	3,065
Vermont	24,000	25,343
Total	46,200	46,200

The change was finally agreed to with the contractor on June 15, 1933, on the basis of a credit of \$140,000.

A letter from the contractor, James Stewart & Co., to the procurement division, sets out the following detail as to the result of its credit of \$140,000:

Original amount included in our bid	\$800,000
Credit to Government, alternate A	\$57,000
Credit change in marbles	140,000
Total credits	197,000
Balance included in contract	603,000

Actual cost to us	\$662,500
Net loss to us	59,500
In addition thereto we pay Duffy Bros. for plaster cornices where marble was omitted in the elevator lobbies	6,000

Making a total loss to us of 65,500

"Due to the substitutions and modifications by the architect and the Government.

"We must call to your attention the fact that N. R. A. was just coming into being during these negotiations, causing great increases in mill and quarry wages in the sections selected by the Government for the purchase of these marbles. Your Department, however, held us to our credits with the consummate loss to us as above set forth."

Two of the above items were substantiated as follows:

The original amount included in bid of \$800,000 was supported by a sworn copy of an original proposal of April 14, 1933, from the F. E. Gates Marble & Tile Co., of Indianapolis, for all marble according to the plans and specifications for the sum of \$800,000.

The actual cost to the contractor of \$662,500 was substantiated by a sworn copy of a contract dated August 15, 1933, between James Stewart & Co., and Mutual Marble Corporation, showing the cost to be the amount referred to, \$662,500.

Both of the foregoing sworn copies are at present in our file.

Item no. 2. The extra order for cabinet work aggregating \$189,000, following the award to the contractors of the general contract and reconciliation of the amount involved

The woodwork in question involved special cabinet work, carving and sculpture, and required particularly careful treatment. The amount originally set aside for this work by the architect was \$300,000. It was originally contemplated that this item would be covered by a special contract. However, under date of March 17, 1933, the architect recommended that because of the necessity that this work be coordinated with the work that the contractors were doing, it be handled by a subcontract by means of invitation for bids from subcontractors, a proposal based thereon to be submitted by the contractors to the Supervising Architect's Office. In view of the close contact which a separate woodworking contractor would have to have with similar work in the general contract and the fact that the general contractor could without difficulty take bids from a selected list of thoroughly qualified woodworking concerns, it was decided to authorize the general contractor to proceed in the manner suggested. Such instructions were issued under date of April 5, 1933, by the Acting Supervising Architect to Cass Gilbert, the architect.

On April 25, 1933, the architect forwarded a proposal from the general contractor with a recommendation that the lowest of the nine bids secured by the contractor be accepted in the amount of \$172,418.05. To this amount the general contractor had added 7 1/2 percent for general conditions and overhead and 10 percent fee for his services in handling the work and for profit, amounting to a total of \$203,834.34. The architect recommended that this proposal of the contractor be accepted and called attention to the fact that the amount recommended is \$96,000 less than the amount carried in the reservation set up for the special woodwork.

After full consideration the contractor was required to eliminate the 7 1/2 percent for general conditions and overhead, and on May 25, 1933, Assistant Secretary Robert accepted the modified proposal of the contractor, in the amount of \$189,659.85.

Under date of August 15, 1933, the Comptroller General questioned the addition to the contract from the standpoint of the 10-percent allowance of the general contractor. This communication from the Comptroller General was answered on November 11, 1933, with a general statement of the facts involved. In a second letter of January 12, 1934, the Comptroller General took further exception. This letter was answered on June 19, 1934, with a letter pointing out that while the construction engineer in charge of the project inspects the material and generally supervises the cabinet work, the supervision over detailed work in connection with the cabinet work, which is of great importance, is part of the duties of the general contractor, and to assume these duties the Government would necessarily have had to employ additional experienced help. It was also pointed out that the bids for the cabinet work received by the general contractor did not include provision for hoisting material, furnishing power for machines, heating of the building, protection of materials, coordination of various trades, and responsibility for paying for material and labor prior to acceptance by the Government. The Department stated that it considered the contractor entitled to the 10-percent fee for all foregoing services.

No further reply has as yet been received from the Comptroller General.

Item no. 3. The circumstances surrounding the use of granite instead of limestone for exterior of the building

The only relevance to investigation of this project which is perceived in connection with this item is that on the basis of the bids submitted a limestone building would have been cheaper than one constructed of granite. For reasons which were deemed sufficient, the Supervising Architect's Office determined, on the basis of recommendations of the architect of the project, that granite was the appropriate material for the outside finish of the building.

Excerpts from a letter dated January 11, 1933, from the architect, Cass Gilbert, who, incidentally, designed the new Supreme Court

Building, and, as you know, was considered to be an outstanding member of his profession, sufficiently explains the basis for his recommendation:

"The site is located between the municipal building and the county courthouse. It faces the civic center, around which some of the most important public buildings in the city of New York have been grouped and others will be located. Included in this group are the municipal building, the new county courthouse, the hall of records, the new State office building, all of which are of granite, and the new board of health building, now under construction, which will be of granite.

"The United States courthouse will be the most prominent building in this group, and it seems desirable that the material of which it is built should be of the most permanent character and in harmony with the public buildings adjacent to it. Many expressions from prominent citizens of New York have reached us and all are unanimously in favor of the use of granite for the exterior of this building * * *.

"All of the bids are exceptionally low, and this is especially so of the granite bid, for in the granite trade there is a very large number of unemployed men. By the use of granite not only will the Government get a very good bargain but it will put more men to work than in using any other material, for granite requires a larger percentage of hand work and less machine work in its fabrication * * *."

Item No. 4. The change in specifications after award of the contract, whereby brick was substituted for marble in the air shafts, and a reconciliation of the \$49,000 allowed therefor

The necessity for savings in the final cost of the building has already been indicated. On February 21, 1933, the architect was instructed to submit a list of items further to reduce the cost. With his letter in reply, of March 21, 1933, the architect forwarded a proposal from the contractor offering a deduction of \$40,000 for the substitution of certain brick wall facings and trim where granite was required by the original contract, this change being suggested after study by the architect in accordance with the Department's instructions. The architect recommended the acceptance of this proposal. As a result of further negotiations with the contractor, the amount of the deduction was increased to \$49,000. The allowance for the granite omitted was about \$70,000 and the allowance for the additional cost of the brick in place thereof was about \$21,000. It is understood that the face brick was purchased by the contractor from Fredenburg & Lounsbury, of New York City.

There follows a detailed statement of the method of arriving at the foregoing figures prepared in the Office of the Supervising Architect at the time, based on the contractor's figures and on independent verification thereof, and the original of which is in our files:

PR. 6/28/33.....	Granite	3.65	
	Setting	.75	
		4.40	
U. S. COURTHOUSE, N. Y. CITY			
Granite.....	cu. ft.	16,670	
		753 add. to outs	
		15,917	4.40 \$70,035
Additional cost:			
Face brick.....	M.	128.75	85.00 10,774
Common brick.....	do	164.54	40.00 6,582
Steel lintels.....	16..	3,000	.05 150
Brick trim for windows.....	M.	45 additional	30.00 1,350
Additional allowance for scaffold at \$2 per			
M brick.....	M.	291.29	2.00 583
Cleaning down brickwork, insurance, etc., allow.....			1,200
			20,639
Deductions.....			70,035
Additions.....			20,639
			49,396
Say.....			49,000

Items nos. 5 and 9: Relations said to exist between Harry D. Watts, vice president of Stewart & Co.; Assistant Secretary L. W. Robert and Mr. W. E. Reynolds, of the Procurement Division; and whether or not Government officials were entertained by Stewart & Co. by being brought from Washington to New York at their expense to prize fights and other entertainments, and if so, the identities of such officials

The Director of Procurement questioned closely Mr. W. E. Reynolds as to alleged relations with Mr. Harry D. Watts. Mr. Reynolds gave assurances that he barely knew Watts, that his relations with him were purely official on public business, and that he had not accepted any courtesies from Stewart & Co. or from Mr. Watts; and, in fact, was not present at any prize fight as their guest. The Director of Procurement made inquiries from Mr. Melick as to any such relations; also from Mr. Martin, and was advised to the contrary. The Director has observed Mr. Reynolds since he has been Assistant Director of Procurement and there has never been the slightest intimation or indication of anything which could raise a question or the slightest suspicion as to his honesty and integrity.

I know that these charges against Mr. Robert have been investigated by the Treasury Department, and that no evidence was found to substantiate them.

Item no. 6: Observation on the fact that when the contract was awarded, January 1933, and it was then known that costs of approximately \$300,000 in excess of the expectation would result, changes were not made in the plans for the superstructure before awarding the general contract

It is assumed that the only alternative being suggested is, that when the low bid was found to exceed the amount available, bids should have been rejected, specifications altered, and new bids requested. Whether this action should be taken involved the exercise of judgment and the necessity for an administrative determination. There is certainly no evidence, in view of the urgency of creating work by placing the building in construction at the earliest possible moment, the low prices prevailing at that time, and the wide competition in the bidding on the contract for the superstructure, that this judgment was exercised unwisely; still less, that it was exercised irregularly. The fact that the savings required amounted to no more than approximately 5 percent of the estimated cost of the building presumably indicated that there would be no difficulty in securing reasonable reductions in cost as the building progressed.

It is assumed that the only place this item might have in this connection is that it indicates some irregularity in the proceedings. No slightest suspicion of this arises from the facts stated. It may be added, incidentally, that those officials referred to in your report as possibly being involved in close relations with the contractor, were not, at the time this bid was accepted, in any way connected with the Procurement Division or the Treasury Department.

Item no. 7. Whether the total amount of marble originally aggregated 55,000 feet, which was reduced to 46,000 feet, and if so, had a comparable credit been given the Government?

The original amounts were not reduced. The original amount of 54,000 cubic feet (not 55,000) was made up in part of 7,800 cubic feet of miscellaneous marble, limestone, and green slate. This item was retained unchanged in addition to the 46,200 feet, the allocation of which is explained in detail under item no. 1. In addition to the 7,800 cubic feet of miscellaneous marble, limestone, and green slate, an item of 8,000 cubic feet of Missouri marble originally specified was also retained without reallocation, as explained under item no. 1. Obviously no credit was due the Government in connection with this item.

Item no. 8. Whether the size of the tiling in marble floors was reduced from that originally specified and a reconciliation of the credit allowed the Government on this account

The size of the tiling in the fields only in the marble floors was slightly reduced. The original contract called for tiling of 4½ square feet each, the dimensions being 18 by 36 inches. It was finally determined to reduce the tiling in the fields, but not in borders, etc., to approximately 3.85 square feet each, the dimensions being 17 by 33 inches. This resulted in a reduced cost principally of labor of approximately \$25,000, due to the union wage scale, which required higher rates for setting tile over 4 square feet. This item of \$25,000 is included in the \$140,000 saving described in item no. 1, the marble covered by item no. 1 including all marble tile and its installation.

The figure of \$25,000 was, as appears from the original figures in our files, arrived at as follows: 74,200 square feet of field, 35 cents per square foot, saving \$25,850.

Item no. 10. Whether relatives of officials of the Treasury Department or Procurement Division are or were employed by the contractors in connection with either project

It having been discovered that a son of Construction Engineer Edward F. O'Brien was employed by Stewart & Co. working on the Post Office Annex, Mr. O'Brien was, on July 14, 1934, requested to see that the employment referred to was terminated immediately. A carbon copy of this letter is in our file. On July 17, 1934, a letter of Mr. O'Brien contained the following:

"On receipt of your letter of the 14th instant, relative to my son Emmett, I at once requested the contractors to terminate his services, and last evening he was separated from his position on this operation."

This is the only instance in which any information has been obtained of a relationship of this character.

Very truly yours,

C. I. PEOPLES, Director of Procurement.

Mr. BARBOUR. Mr. President, I feel at this juncture that the minority views, in which I concurred with the senior Senator from Wisconsin [Mr. LA FOLLETTE] and the junior Senator from Vermont [Mr. GIBSON], should appear in the RECORD, and my own remarks concerning it are going to be very brief. I, therefore, ask unanimous consent that the clerk read these particular minority views, for there is a second minority report also, in addition to the one to which I refer.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

MINORITY VIEWS

We concur in the findings of the majority of the committee that upon the record there has not been presented a prima facie

case for an investigation of the charges contained in Senate Resolution 74.

It is our view, however, that the wide-spread circulation of these charges has created suspicion in the public mind. We believe that the interests of the parties concerned and the public welfare can best be served by a prompt and thorough investigation of the charges made in Senate Resolution 74.

ROBERT M. LA FOLLETTE, Jr.
W. WARREN BARBOUR.
E. W. GIBSON.

Mr. BARBOUR. Mr. President, while the report, which, as the Senate will have observed, is a very brief one, fully covers our views, I feel I should briefly refer to them, nonetheless.

First, may I point out that while I was not in the Chamber, and I am of the opinion that none of us were in the Chamber during all of the remarks of the distinguished Senator from North Carolina [Mr. BAILEY], which were very long, though, as always, most eloquent and compelling, I believe the distinguished Senator rather disposed of the report of this particular group of the minority as being of no particular moment or importance. I do not criticize the Senator for his views as he may have expressed them in relation to the report, and I know he did not say what he did in criticism, either, but I do want to say, and I believe I am speaking for the other two Senators who signed it, that we were, of course, entirely sincere in what we said and felt, as we still feel, that our views were, in their own way, just as important as any other views on the subject.

I am not going to indulge in any of the personalities which have been raised in this matter, and I make no accusations myself, but it is certainly my honest conviction that in the light of the wide-spread publicity that has been given to the charges of the Senator from Louisiana [Mr. LONG], and in the light of the very grave nature of these charges, despite what might be called the animus on the part of the author of the resolution, in the Postmaster General's own interest, and in the public interest, there should be a full and complete investigation. Certainly if the charges were made against someone associated with an administration "on this side of the aisle" so to speak, that most certainly would be my view also.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Tennessee?

Mr. BARBOUR. Certainly.

Mr. McKELLAR. The Senator was of the opinion, however, that the charges which had been brought by the senior Senator from Louisiana [Mr. LONG] had no evidence to support them?

Mr. BARBOUR. Mr. President, I was going to say in a moment anyway, and it would have been only fair to say it, that, in the first place, the Chairman of the Committee on Post Offices and Post Roads, of which I am a member, and the other members of that committee were fair in the way they considered the resolution, and were diligent and careful. I feel, as expressed in this minority report, that there was nothing actually adduced in the hearings of the committee which would have warranted an investigation of the Postmaster General or anyone else. In that statement of fact I concur with the majority of the committee.

Mr. McCARRAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Nevada?

Mr. BARBOUR. I yield.

Mr. McCARRAN. At the time the minority views were filed did the Committee on Post Offices and Post Roads have before it, either in substance or in effect or in form, the affidavit which has gone into the Record of the Senate today, or any part of it? I refer to the affidavit, or purported affidavit, of Miss Humphreys, which appears to have been regularly taken. I wonder if the Senator or his committee had any cognizance of the facts, if they be facts, set out in that affidavit.

Mr. BARBOUR. I think not, Mr. President. If I have in mind aright the affidavit to which the able Senator refers, it is entirely new matter which has been brought up since

the deliberations of the committee in respect to the resolution.

I shall not delay the Senate much longer. There is on my part no partisan feeling in this matter, and my views are simply these: Entirely aside, as I have said, from the fact, as it must be said in all fairness, that there was not brought before the committee in its deliberations what one might call actual evidence, although the committee and its chairman gave every opportunity for such evidence to be brought forward; none the less, in the light of the extreme gravity of the charges which have been made here on the floor of the Senate against a Cabinet officer, I feel that it is not only in his interest and in the interest of public opinion, that the investigation should be made, but, frankly, although I myself make no charges, I am astonished and surprised that the Postmaster General himself has not demanded that a full and complete investigation should be made.

Mr. McCARRAN. Mr. President, I have given to this controversy every moment of time and every ounce of training and every measure of fairness that comes by reason of years of experience. I address the Senate after listening to a splendid presentation of one phase of the matter coming from the eloquent tongue of the Senator from North Carolina [Mr. BAILEY], and after a pleading and most pathetic presentation by the Senator from Wyoming [Mr. O'MAHONEY]. When I use the term "pathetic", I do so out of my recognition of the splendid heart in the breast of the Senator from Wyoming, who is naturally favorable to his great principle. Out of it all, however, there comes a thing which to me is uppermost in all of this controversy; and I hope I may deal with it in the same spirit of fairness as I should deal with it were it presented to me on a court of last resort.

Everything else may be waived aside; all that the learned Senator from North Carolina [Mr. BAILEY] says has its force and effect; everything that the able Senator from Wyoming [Mr. O'MAHONEY] says has its place in the picture, and everything that the able Senator from Louisiana [Mr. LONG] says has its place in the picture, to be viewed from their various standpoints; but there comes before the Senate, and there has been admitted into the Record, a matter which now goes before the American people, and we cannot stop it to save our lives, the affidavit of an individual, made under the solemnity of an oath, which stands here condemning somebody. Either the person who made that oath and that affidavit should be punished as having made a false affidavit which brought the recognition of the Senate to the extent that it has gone into its own records, or else the great, broad, determined, fearless powerful man standing at the head of a great party should say, "I challenge the facts, if they be facts, set out in that affidavit, and I want an investigation. I want my party to investigate, because my party is in control of the Senate of the United States, and it will have the majority of the membership of the investigating committee."

I am speaking now for a man for whom I have the most profound respect, and I am not speaking against a single utterance that has been made here. I am speaking in the interest of the future strength of the Democratic Party. We can lead this party downward or we can lead it upward if we desire. We can lead it downward by smothering facts, or we can lead it upward by saying, "Come on and prove the facts"; and, if I may for the moment quote from Shakespeare—

And damn'd be him that first cries, "Hold, enough!"

Jim Farley to me, so far as I know from this record, stands as a man before a bar, presumed to be innocent; and in my mind he is innocent; but I do not want him to be convicted by that affidavit. I am now speaking for Farley, and I am speaking for my party. I do not want him, and I do not want my party to be sent downward under a single affidavit to which we did not dare say to the affiant, "Come on and prove your facts!"

Why do we not call a committee here? Why do we not present the affidavit to the committee before which it now

stands, the Post Offices and Post Roads Committee, and say, "Go into that affidavit and call every witness that the Senator from Louisiana will even intimate has any knowledge of the facts?"

Let us take up this thing fearlessly. It is not a question of dropping the subject or smothering it under. Things cannot be smothered under with the American populace; and if democracy stands for anything, it stands for fair play. Fair play demands that Mr. Farley be defended and that this affidavit be not permitted to be smothered in the RECORD of the Senate of the United States.

Mr. President, I say to every lawyer here who has ever presided over a court that if that affidavit were presented to a court having power to issue writs in equity there is not a court in the land which would not issue a temporary restraining order or a temporary injunction upon that affidavit ex parte. If that be true, does the Senate of the United States say it is afraid to go into an investigation in order to defend its own administration?

Democracy is in the balance here in a larger way than some of us may think it is. Courage will do more for democracy than smothering it under or smearing it over or saying the blame should be thrown on the Senator from Louisiana. I hold no brief for any Senator who brings somebody before the bar for investigation, but it is not a question of the Senator's activity. It is a question of whether or not the public should have the facts so that the public may say that the party to which the accused belongs was fairly dealt with, convicted if need be, but acquitted, pray God!

Mr. BORAH. Mr. President, the pending resolution is before us under unanimous consent, which, I presume, will require that it be disposed of before any other business may be taken up.

As I read the resolution, I can find in it no request for an investigation for the purpose of eliciting facts to aid us in legislation. As I read the resolution and the statement of the facts, and hear the facts discussed, I must conclude that the investigation sought is one which would not have for its purpose that of guiding us in legislation, but that it would be an investigation which would have for its purpose getting rid of one who is charged to be an incompetent public official. This is an attack based on malfeasance in office. It is upon the resolution as I find it here in the Senate that I must pass, and therefore I discuss it according to its terms.

Whatever might be thought by some as to the propriety of the Postmaster General in asking for an investigation, or whatever might be regarded as the proper procedure from a party standpoint, I have to do with the resolution and with our authority to deal with the subject as the resolution is presented.

There are about seven charges lodged against the Postmaster General. At least four of these charges, if true, would render him wholly incompetent to hold the office which he now holds, and not only that, but some three of them would render him liable to indictment and prosecution in the courts of the country. It cannot be any ordinary matter, therefore, when we come to deal with a member of the President's Cabinet upon such grounds as are here alleged.

I do not know of any graver responsibility than that of this body undertaking to pass judgment on a member of a coordinate branch of the Government. As I find the resolution not justifying an investigation on the ground that it would bring forward facts which would aid us in legislating, I do not know of any authority by which we can proceed to investigate for the purpose of removing an official from office.

The President of the United States is solely responsible for Mr. Farley's presence at this time in his Cabinet. He has the sole power to continue him in the Cabinet, or to dismiss him. The President is responsible to the people of the United States the same as are we. He has his responsibility under the Constitution, and that responsibility is par-

ticularly defined by the Constitution in this particular instance.

Let me ask, if the Senate under this resolution should proceed to an investigation, and it should be found on investigation that the charges were true, what would be the result? What would we do about it? What could we do about it? What power have we in the premises? What power would we have in the premises to move any further?

We could not pass a resolution which would result in the removal of Mr. Farley from office. We could not take any action which would result in his removal from office. He would still be a member of the President's Cabinet, if the President saw fit to retain him. In other words, we would be utterly without power to effectuate the result of our investigation. We would be utterly without power to accomplish anything in the way of removing one whom we might desire to remove by reason of the demonstration of his incompetency to hold public office. If the purpose is to secure removal from office you must go to those who are vested with power to remove him.

The President of the United States, however, has the exclusive power, and the President now has the information, and I must assume that the President will act in accordance with the public interest as he views it. If he does not, the responsibility is his, not mine. The Constitution fixes responsibility and I have no power and this Senate has no power to change it.

Suppose we proceeded to the investigation and brought in our report, as I have stated, and suppose we passed a resolution condemning Mr. Farley. Then this body, which is the only court for the trial of impeachments, would have passed judgment in advance of any judicial procedure known to the Constitution. If thereafter anyone should lodge articles of impeachment against Mr. Farley in the House of Representatives, and they should be voted upon the facts as presented, the case would come to this body for trial, and the body which would have to pass upon Mr. Farley's impeachment and determine whether he should retain office, what would be the position if this Senate would have rendered a decision in advance which would make it wholly incompetent to perform its duties as a tribunal for the trial of the impeachment?

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. BORAH. In just a moment. There are three tribunals which under the Constitution may take charge of such a matter as this and deal with it. There is the House of Representatives, where impeachment proceedings may be lodged, and the Senate must try the impeachment. There is the President of the United States, who may dismiss, under the Constitution, and remove Mr. Farley in that way. There are the courts, which are open, and as to three of the charges particularly the court would have jurisdiction if the cases were placed before them.

But under the Constitution and under our law the Senate of the United States is given no power whatever to remove Mr. Farley from office, and no power to deal with such a matter, except to try the party charged in case of impeachment. The one body which has no jurisdiction is the Senate.

I yield to the Senator from Nevada.

Mr. McCARRAN. I take it, from the discussion of the able Senator from Idaho, that he is contending that an appointive officer is subject to impeachment by the House of Representatives. Is that his position?

Mr. BORAH. That is my position.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. LONG. I wonder whether the Senator would permit me, during his time, to amend my resolution. I would like to send an amendment to the desk, because perhaps the Senator might take a different view.

Mr. BORAH. Perhaps the Senator would better wait until I finish, for fear that if the resolution were amended as he has it in mind to amend, my remarks would not be relevant. [Laughter.] I shall be very brief.

Mr. President, it will be recalled that during the investigation of the oil matter the Senate did proceed under a resolution to make investigations.

But there we were investigating concerning a matter which was clearly within the jurisdiction of the Senate. It clearly had to do with the matter of legislation. It clearly had to do with the property of the United States concerning which we had the right to legislate. But the time came when a resolution was offered here requesting the President of the United States to dismiss a member of his Cabinet or members of his Cabinet. I only recall it for the purpose of saying that at that time it was my view, expressed at length in the RECORD, February 8, 1924, more so than I shall at this time, that the Senate was without power or without jurisdiction to control either the judgment or discretion of the President of the United States as to who should remain in office under his appointment. I said at that time:

The President of the United States is responsible to the same constituency to which we are responsible, and that is the only constituency to which he is responsible. The Senator and I account for our stewardship to the people. The President of the United States has had lodged with him, as the President, the sole duty of executing the law, and therefore, as Mr. Madison said, he must have unhampered judgment and discretion in the retention of his instruments for the execution of the law. Suppose the President keeps Mr. Denby in his office. The Senate may want him out, but we have no power by which to remove him from office. The President of the United States alone has the power of removal.

That, in my opinion, Mr. President, is the situation as it is presented to us here at this time.

Mr. FRAZIER obtained the floor.

Mr. LONG. Mr. President, will the Senator from North Dakota yield?

I send to the desk an amendment to my resolution, which I offer and ask to have read.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. It is proposed to insert as the first paragraph of the resolution:

Whereas the said James A. Farley, in addition to the position of Postmaster General, also holds and exercises the office of chairman of the National Democratic Committee and chairman of the State Democratic Committee of New York, and the Congress of the United States should have information so as to determine if there are not practices pursued as a result thereof requiring the enactment of legislation to prevent the Postmaster General exercising the position of chairman or executive of the committees of national or State political parties.

On page 3, in line 13, it is proposed, after the word "investigation", to insert the words: "to enable the Congress to secure such information as may be necessary for the consideration and enactment of legislation."

Mr. McKELLAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The Senator will state it.

Mr. McKELLAR. Under the rules of the Senate the resolution had to go to the Committee on Post Offices and Post Roads. At this late hour, just preceding the time when I hope we shall have a vote, an amendment is offered.

Mr. LONG. Mr. President, I have the right to amend my resolution.

Mr. McKELLAR. I concede that right, but that amendment should go to the Committee on Post Offices and Post Roads and be passed upon by the committee.

The PRESIDING OFFICER. The resolution?

Mr. McKELLAR. No; only the amendment should now go to the committee as it seems to me.

The PRESIDING OFFICER. The Chair holds that when an amendment to a pending resolution is offered the amendment is not referred to the committee, but it is voted on as an amendment to the resolution.

Mr. LONG. I desire the RECORD to show that I offer those amendments to my resolution. I have that right.

The PRESIDING OFFICER. The preamble of the resolution is not acted on until the body of the resolution is adopted, and the question then is whether the Senate desires to change, amend, or eliminate a preamble.

Mr. LONG. I have one amendment, however, which affects the substance of the resolution. I refer to the last one.

Mr. FRAZIER. Mr. President, I had not intended to take any part in the discussion this afternoon, but I am a member of the Committee on Post Offices and Post Roads, to which this resolution was referred, and my name having been brought into the discussion this afternoon, as I was one who signed one of the minority reports, I desire to submit just a few remarks.

I do not know just what authority the Senate may have in regard to these investigations, but I know that a great many Members of the Senate are moved to act on precedent. Personally, I am not a confirmed follower of precedent, but inasmuch as a large majority of the Senators belong to what may be termed the "profession" which acts largely on precedent, I desire to refer to the Daugherty resolution, which was offered by the junior Senator from Montana at that time [Mr. WHEELER]. It was offered on February 13, 1924, and was voted on March 1, 1924.

There were some very keen speeches made in defense of Mr. Daugherty, especially by the then Senators from Ohio, from which State Mr. Daugherty came, and I think he had a personal acquaintance with both the Senators from Ohio. I remember the senior Senator from Ohio, the late Senator Willis, at that time made a very eloquent speech in behalf of Mr. Daugherty, and stated, as I recall, that he had known him for years; and the junior Senator from Ohio, Mr. Fess, made the statement that while he had not been exactly a political follower of Mr. Daugherty, yet he believed Mr. Daugherty was honest and believed in his integrity and all that.

I remember that on the other side of the aisle there were a number of very eloquent speeches made by prominent Members. I find in the RECORD some remarks by the senior Senator from Arkansas [Mr. ROBINSON] and the former senior Senator from Alabama, Mr. Heflin, and by the late Senator from Arkansas, Mr. Caraway, in regard to this question.

When the resolution was brought up by the Senator from Montana on the 1st day of March, Senator Willis, of Ohio, offered some amendments. The word "alleged" was inserted in several places to avoid any direct statements. That is one of the things which in the present case has been objected to by some of the members of the Committee on Post Offices and Post Roads—that there were no direct statements, and I think it is mentioned in the majority report that the charges are alleged, and so forth. Those amendments were accepted, and there was no further discussion on the resolution at that time. The resolution was read and the vote was taken.

I find that on March 1, the same day the resolution was called up before the Senate for discussion and for consideration, there were on the record vote 66 yeas and 1 nay. In fact, every Member present and voting on both sides of the Chamber, except one, voted for the resolution.

As I read it there was no legislation or contemplated legislation in view in the resolution in the Daugherty case. It simply charged the Attorney General at that time with not carrying out the duties of his office, and so forth. It had been discussed in the Senate and in the newspapers. Senator Willis, of Ohio, the day it came up had inserted in the RECORD some newspaper articles. One was from the Herald-Examiner of February 23, 1924, by Arthur Brisbane, copyright in 1924 by the Star Co. I desire to read just a paragraph of what he said:

The fight between Attorney General Daugherty and the crowd trying to drive him out of office will be worth watching. The Attorney General is a fighter. His enemies include some able men. One question is: Who are the men behind those who are trying to get rid of Mr. Daugherty?

The same question is now asked here: Who are behind those who are trying to get rid of the Postmaster General?

The article by Mr. Brisbane continues:

The charges made against him are vague.

That is the same argument which is now made, that the charges made against the Postmaster General in this resolution are vague.

Then the article by Mr. Brisbane goes on to say that the Attorney General had nothing to do with the Teapot Dome investigation, and so forth. There were printed in the *Record* a couple of more articles, one from the Cincinnati *Times-Star* and another from the Akron *Beacon-Journal*, and if the Senator from Ohio had wanted to put in extracts from newspapers he could have put in a great many more, of course.

What I want to call attention to is the fact that the charges have been made. The names of some witnesses were given and cases were named. The Senator from Louisiana, the author of the resolution, stated that he could furnish affidavits and also witnesses to testify and bear out the facts he had stated both on the floor of the Senate and before the committee. It seems to me that in all fairness to Mr. Farley the investigation should be had. Personally, I have not a thing against Mr. Farley. I know him only casually and have nothing against him, but I have heard many of these complaints and many statements about him. In all fairness to Mr. Farley it seems to me an investigation should be made.

A good precedent to follow is the Daugherty case, in which an investigation was made. As I remember, the only two Members of the Senate to speak in behalf of Mr. Daugherty and in his defense were the two Senators from his own State of Ohio. When we voted on the resolution as amended, both Senators from Ohio at that time voted for the resolution of investigation. The committee to investigate was chosen by vote of the Senate itself. As the Senator from Idaho [Mr. BORAH] said, of course, the Senate has no authority to discharge any Member of the Cabinet. That is a foregone conclusion, of course. However, as I said, both Senators from Ohio at that time voted for the resolution to investigate Mr. Daugherty.

Personally, it seems to me that the friends of Mr. Farley should be the ones to demand that the investigation be made. The charges have been made and given publicity in the newspapers throughout the land.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Texas?

Mr. FRAZIER. I am glad to yield.

Mr. CONNALLY. Does the Senator concur in the minority report which states that at the tentative or preliminary investigation there was not evidence enough adduced to establish a prima facie case?

Mr. FRAZIER. No; I did not concur in that report.

Mr. CONNALLY. Does the Senator concur in it now?

Mr. FRAZIER. No; I do not.

Mr. CONNALLY. Does the Senator think, even if we should investigate, that we ought to investigate merely on the basis of vague charges? Does not the Senator think there ought to be something substantial in the way of charges before we do anything?

Mr. FRAZIER. I think there is enough substantiating evidence to warrant an investigation, and so I said in substance in the minority report which I signed with the junior Senator from Minnesota [Mr. SCHALL].

Mr. CONNALLY. The minority report of the committee concurred with the majority in stating that there was not any evidence in the record sufficient to establish a prima facie case. Is not that correct?

Mr. FRAZIER. The Senator will find, on the last page of the report by the committee, that there is a minority report, signed by the junior Senator from Minnesota [Mr. SCHALL] and myself, in which we stated that we did not agree with the majority report of the committee.

It seems to me, in all fairness, an investigation should be made. If there is nothing to the charges, the sooner the investigation is made the better. It should have been made sometime ago. The sooner it is made and the sooner the charges are cleared up, if they are to be cleared up—and I am not one to say they cannot be cleared up—the better it will be for all concerned, including Mr. Farley and his friends. I think the resolution should be adopted.

Mr. CONNALLY. Mr. President, will the Senator yield again?

Mr. FRAZIER. I am glad to yield.

Mr. CONNALLY. I refer to the conclusion in the majority opinion of the report, which states as follows:

Your committee further reports that at the end of the hearing the following resolution was offered and passed by a vote of all those present.

Mr. FRAZIER. I did not happen to be present when the resolution was adopted.

Mr. CONNALLY. The Senator was not present?

Mr. FRAZIER. No.

Mr. CONNALLY. The Senator does not join in the minority report, which says that while there was no evidence to establish a prima facie case, yet it was thought there was sufficient evidence to justify an investigation?

Mr. FRAZIER. Over on the next page the Senator will find an additional minority report, which I signed.

Mr. WHEELER. Mr. President, in answer to the statement made by the Senator from Idaho [Mr. BORAH] with reference to the fact that the resolution does not contain a statement that it is with the idea of having legislation enacted, I desire to call his attention to the language used by the Supreme Court in the Daugherty case. In the investigation of Daugherty there was nothing said in the resolution of investigation with reference to the fact that we were seeking to investigate because of a desire to enact legislation or to ascertain facts. The Supreme Court said that the adoption of the resolution itself would be presumed to be for that purpose, and they sustained the resolution on that ground.

While it is better practice, as a matter of fact, without a question of doubt, to allege in the resolution calling for an investigation that information is sought upon which to base the legislation, nevertheless, when the Senate of the United States acts in such matters it is to be presumed, particularly where we are proposing to investigate a Cabinet officer, that it is for the purpose of enacting legislation to correct certain evils which may be found by the committee to exist.

Mr. President, a word with reference to the resolution. First of all, I wish to say I have known Mr. Farley for a long period of time. I came in contact with him and was associated very closely with him during convention days, both before the Chicago convention and after the Chicago convention. Personally, I have high regard for him and for his integrity and his honesty. Nevertheless, when charges are made upon the floor of the Senate by a United States Senator, it is quite different from charges being made by some person who is not a Member of the United States Senate. A Member of the United States Senate is supposed not to make charges unless he can verify those charges by facts and evidence, and unless he at least has some reasonable grounds upon which to base those charges.

It may be the Senator from Louisiana has no facts whatever in his possession. It may be that his charges are based entirely upon his personal spleen, if one desires so to term it; but notwithstanding that fact, regardless of what the reason is, when a Member of the United States Senate rises in his place and denounces a man, as the Senator from Louisiana has denounced Mr. Farley, it seems to me if I had been in Mr. Farley's place I would immediately have said, "Under these circumstances I want an investigation."

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WHEELER. I am glad to yield.

Mr. McKELLAR. One day last week—I forget which day it was, but the *Record* will show—the senior Senator from Louisiana [Mr. LONG] in just as unmeasured terms denounced Franklin D. Roosevelt, the President of the United States. Those charges were just as vigorous, just as poignant against the President of the United States as any charges he has made against Mr. Farley. Would the Senator vote for an investigation of the President of the United States upon the charges made by the senior Senator from Louisiana?

Mr. WHEELER. If he presented a resolution setting forth acts of corruption on the part of the President of the United

States, I should vote for a resolution to investigate those charges.

If the Senator will recall, during the Daugherty investigation and during the Teapot Dome investigation—

Mr. McKELLAR. Mr. President—

Mr. WHEELER. Let me finish the statement. During those investigations evidence was produced showing corruption on the part of high officials which led up very close to the White House door; and yet there was no man on this side of the Senate Chamber who for one moment wanted to stop those charges because they involved a Cabinet officer or an executive officer of the Government of the United States.

Mr. McKELLAR. Mr. President, the Senator from Montana is aware that since that time the Senate has adopted a rule that before investigations shall be ordered, the charges shall go before an appropriate committee. After the charges were made by the Senator from Louisiana, they were referred to the Post Office Committee. Every opportunity under Heaven was given the Senator from Louisiana to produce his witnesses or to make a showing which might result in an investigation. He did not do it. The committee had to write to him two or three times before receiving an answer. He failed again to undertake to substantiate the charges.

Suppose the Senator from Louisiana should offer a resolution to investigate the President of the United States on the charges he made last week, and then should refuse, before the appropriate committee, to make any effort to sustain those charges. Would the Senator from Montana still think the Senate ought to investigate the President of the United States?

Mr. WHEELER. I do not know what the charges were which the Senator from Louisiana made against the President of the United States. I was not here, and I am not upholding him in making any charges against either Mr. Farley or the President of the United States. I think it is exceedingly unfortunate if the Senator made such charges. I neither saw the newspaper reports about the matter, nor do I know what the charges were. I should regret it exceedingly if the Senator from Louisiana made any charges against the President of the United States such as the Senator from Tennessee indicates.

Let me call the Senator's attention, however, to the fact that if, in the case of the Daugherty investigation, we had had to have the resolution go before some appropriate committee controlled by Senators on the opposite side of the Chamber, we never should have had an investigation of Mr. Daugherty and the Department of Justice. I say these things because I know what the facts were.

The only way in which we were able to get an investigation at that time was by offering a resolution asking for the appointment of a special committee, because the Members of the Senate would not permit the resolution to go to one of the standing committees of this body. If it had not been for the appointment of the special committee, Mr. Daugherty would have served as Attorney General throughout Mr. Harding's and Mr. Coolidge's entire administrations.

If Senators will go back to that time and refer to the headlines in the newspapers, they will see that every night, when the testimony came out in the Daugherty investigation, the headlines of the papers carried Mr. Daugherty's story. It will be recalled how difficult it was for us to get any information from the Department of Justice; and the thing which finally compelled Mr. Daugherty's resignation was that he refused to give the committee information which he had in the Department of Justice. He refused to give it to the committee, and it was only after that fact was brought to the knowledge of President Coolidge that he asked for the resignation of Mr. Daugherty.

For weeks and months, however, it was impossible to obtain from one of the departments any information concerning Mr. Daugherty or his activities. I was denounced in practically every leading newspaper throughout the United States, both the Republican and the Democratic newspapers. The great newspapers of the city of New York, Democratic as well as Republican, denounced me and said that I was trying to tear down the Government of the

United States because I was seeking to drive an unfaithful servant out of office here in the Capital of the Nation. Yet, when the facts finally came out, day after day and day after day, of course, the great daily newspapers changed their story. The Senator from North Dakota [Mr. FRAZIER] has called attention to the argument of Mr. Brisbane. That was not only said by Mr. Brisbane, but it was in every single newspaper from one end of the country to the other.

I do not believe Mr. Farley is guilty of the things with which he has been charged. I have confidence in his honesty and in his integrity, and I do not believe the statements. I think it is unfortunate that the Senator from Louisiana has brought them forward. Here, however, is an affidavit which he has produced, sworn testimony, upon which the affiant can be prosecuted for perjury if it is not true.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BLACK. The statement has been made before this time that this affiant could be prosecuted for perjury if she had made a false affidavit. I believe that statement is erroneous, for the reason that she could be prosecuted for perjury only for making a false affidavit in accordance with the requirement of some law. There is no law which requires such an affidavit to be made.

I will state to the Senator from Montana that there is an easy way by which that affiant and all others connected with that affidavit can be caused to testify under oath. She and anyone else can be summoned to appear before the grand jury in the State of New York to state what they know about those facts, how the affidavit was obtained, why it was given, why a person who is alleged to have been working in a confidential capacity suddenly aroused herself to the extent of calling up somebody over the long-distance telephone at 1 o'clock at night to give an affidavit. I am frank to state to the Senator from Montana that I think all of it should be investigated before a grand jury, and I believe it would be most advisable to have the matter taken before a grand jury in New York, where the witnesses can testify under oath, and let them testify, and find out all about the facts as to the affidavit, and what prompted it.

Mr. WHEELER. The Senator from Alabama is not so naive as to believe that a grand jury of the city of New York would make a complete investigation of a thing of this kind.

Mr. BLACK. If the Senator will yield—

Mr. WHEELER. Let me finish. If the Senator wants a grand-jury investigation, he can have it; but why should the Senate of the United States refuse an investigation of this matter, when the Senators on this side of the Chamber voted for an investigation of Daugherty upon evidence just as flimsy at the outset as the testimony here?

I had never at any time presented to the Senate a sworn affidavit charging fraud or crookedness upon the part of Daugherty. At the outset of that investigation I had only letters which had been written to me by people whom I did not know, but whom I assumed to be responsible. I did not have any affidavit, and yet every Senator on this side of the Chamber voted for that investigation. Is the Democratic Party going to say it is not willing to have an investigation now because it is a Democratic Cabinet officer, and not a Republican Cabinet officer, against whom the charges are made?

Mr. BLACK. Mr. President, will the Senator yield for an answer to that question?

Mr. WHEELER. I venture the assertion that practically every Senator on this side would vote for an investigation if the charge were brought against a Republican.

Mr. BLACK. Will the Senator yield?

Mr. WHEELER. I am saying that an investigation of these charges is for the benefit of the Democratic Party. I appreciate the feeling that exists in this Chamber against the man who made the charges; but I say to Senators that we should not let our prejudices run away with us, and we should not be afraid to vote for an investigation because the charges are against a Democratic official.

Mr. BLACK. Will the Senator yield?

Mr. WHEELER. I believe thoroughly that these charges will be disproved. I feel that an investigation of them will be a boomerang upon the Senator from Louisiana. I think he has made a mistake in making the charges; but, notwithstanding that fact, when an affidavit is presented here, when statements of this kind have been repeatedly made upon the floor of the Senate and broadcast throughout the country—

Mr. BLACK. Mr. President, will the Senator yield?

Mr. WHEELER. I will yield to the Senator in a moment. When these statements have been broadcast throughout the country from one end to the other, I say the Senate owes it to itself to investigate the matter, and Mr. Farley ought to desire an investigation of it.

Mr. BLACK and Mr. McKELLAR addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Montana yield; and if so, to whom?

Mr. WHEELER. I yield to the Senator from Alabama.

Mr. BLACK. Mr. President, the Senator made some statements which I feel sure were made in the heat of debate and which he did not intend to make. The Senator left the inference that practically all the Democrats on this side who would vote against the resolution would do so either because they were afraid to investigate a Democrat—which I deny—or by reason of the fact that the charge was not made against a Republican. So far as I am concerned, I wish to state to the Senator that it would make no difference whether it were a Democrat, a Socialist, a Communist, or who it was. I do not believe the Senator intended to leave the inference, which from his statement I am sure would be left, that many of those on this side who were against the resolution were against it because the charges were against a Democrat.

I may say to the Senator that I think, frankly speaking, that if he will review the history, he will agree that quite a different situation was presented with reference to the Daugherty resolution than is presented by the pending resolution. It was not merely one man who was seeking to have Daugherty investigated. It was generally believed, by the Senator from Montana and a large number of others, who had not been engaged in any political feud with Mr. Daugherty, who had not been engaged in attacking him from day to day, who had not been engaged, as the Senator from Louisiana has on this floor, in making personal attacks, that certain conditions existed which made an investigation necessary. I think the Senator will agree with me that there was nothing in the political background of himself and others, or in the fight in which they had been engaged, which would lead to the conclusion that there was a personal feud. That makes quite a different situation from that which now exists here.

Mr. WHEELER. Of course, there was no political feud between Mr. Daugherty and myself, because I had never met him and did not know him, and, so far as I was concerned, there was nothing of that kind. But that does not alter the situation, as I see it. What I stated was that every Democrat voted for the Daugherty resolution.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. WHEELER. I yield.

Mr. McKELLAR. I desire to obtain some information. I have seen the copy of the affidavit which was handed the clerk, but has anyone seen the affidavit? I would like to know where the affidavit is. I have not seen it.

Mr. WHEELER. I just asked for the original affidavit, but did not get it.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Louisiana?

Mr. WHEELER. I yield.

Mr. LONG. The affidavit is in a bank lockbox, because my desk has been rifled several times since this controversy began, and my telephone has been tapped. I have put the document in a bank lockbox because I wanted to preserve it.

Mr. McKELLAR. We are proceeding, then, on a copy of a supposed affidavit that is in a lockbox somewhere.

Mr. LONG. No; it is a genuine affidavit.

Mr. McKELLAR. In whose lockbox is it? This grows mysterious.

Mr. LONG. Oh, no; it is not mysterious.

Mr. McKELLAR. Why should an affidavit of this kind be put in a lockbox?

Mr. LONG. Because many original documents have been stolen from my files by somebody since I started, and it is very hard to retain a document.

Mr. McKELLAR. Surely the affidavit could be made again.

Mr. LONG. I have the original affidavit in my lockbox in the city of Washington, D. C., and can produce it in any daylight hour. My integrity in producing these documents has never yet been questioned.

Mr. McKELLAR. I am not questioning it, but I am saying to the Senator that it seems to be a strange proceeding, when we are asked here at the last hour to have our votes influenced by reason of an affidavit, when we do not have the affidavit before us.

Mr. WHEELER. I think we have to have just a little bit more faith in one another.

Mr. LONG. I reciprocate—

Mr. WHEELER. I refuse to yield. I am sure that if anybody, the Senator from Tennessee or anybody else, rose in the Senate and said that a paper he held in his hand was a copy of an original affidavit and that he had the original in his lockbox we would not question it.

Mr. McKELLAR. I suppose we would not; but that is not what happened. It is not explained at all, but just a copy of an affidavit is sent to the clerk's desk.

Mr. McCARRAN. Mr. President, will the Senator from Montana yield to me?

Mr. WHEELER. I yield.

Mr. McCARRAN. This morning, when the affidavit was offered, I wondered that the able Senator who had charge of this matter did not call for the original, but I took it as a matter of course that the able Senator was entirely content to have the carbon copy go into the RECORD. Otherwise, it should not have gone in at all.

Mr. McKELLAR. Mr. President, I did not know that the copy that was handed me when I asked for it was not the original. I supposed the original was here. I do not know where the original is.

Mr. McCARRAN. I take it that it is an authenticated copy of an original somewhere, and that the Senators—

Mr. McKELLAR. It is not an authenticated copy. It is just a copy, without anything else on it.

Mr. WHEELER. Does the Senator doubt that this is a copy of the original?

Mr. McKELLAR. The Senator from Louisiana says he has the original in a lockbox. But that is a strange proceeding. Why should an affidavit which he seems to regard as of some value be withheld from the Senate when the clerks are just as honest and straight men as I ever knew? There is no reason why, having once gotten into their hands, it could not be reproduced or could not be kept in perfect shape. I do not see why a lockbox is a better receptacle for an affidavit than is the Senate of the United States.

Mr. WHEELER. I agree with everything the Senator has said with reference to it, but I am frank to say that I assumed the original had been produced. I did not question the affidavit, because I had never seen it, and I asked that a copy of it be sent me.

Mr. LONG. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. LONG. Copies of original documents are offered here constantly, but this is the first time I ever heard one questioned on the floor of the Senate. If I had palmed off a forged document on the floor of the Senate I would certainly be amenable to immediate expulsion.

Mr. WHEELER. I desire again to call attention to the statements in the affidavit:

My name is Helen Humphreys; my residence is St. Albans, Long Island, N. Y.; and I make this statement to be verified by affidavit, of my own free will and without the promise of any reward or other consideration and for the sole cause of public good.

I have no doubt but that this woman was discharged from Stewart & Co. I do not know that, but I am assuming that she is probably a discharged employee. However, that does not change the fact that she has made this affidavit.

When "Roxie" Stinson was called before the special committee investigating the Dougherty matter, the newspapers denounced "Roxie" Stinson and said she should not be believed. Notwithstanding that fact, as the Senator from Arizona [Mr. ASHURST] will verify, every single statement she made before the committee was subsequently verified by other evidence that was produced in the courts. Yet many people would have said, "You cannot believe her because she is a prejudiced witness." She detailed a tremendous lot of hearsay testimony, hearsay because it had been told to her by "Jess" Smith. Yet every detail of her testimony was verified in subsequent evidence produced in the courts of the United States.

We find out things of this kind from discharged employees, or people in similar situations. We do not find them out ordinarily from people voluntarily coming up and giving their testimony. We find them out only when people become angry because they have been discharged. We get such evidence only in that way. The affidavit continues:

It is a matter of my own personal knowledge—

Not hearsay, as a result of something she got from other persons, but—

It is a matter of my own personal knowledge that the firm of James Stewart & Co., Inc., some years ago took into its employ one Harry D. Watts, who at first served as contact manager for the purpose of securing new business, and after about 1 year he was made vice president of the business at about \$12,000 salary; the said Watts did not have the money to pay for the stock placed in his name on some kind of credit basis; at about the time of the election in 1932 the said Watts began to make representations to and later demands upon the Messrs. A. M. and James C. Stewart that, on account of contacts he had with James A. Farley, representing that big business was to accrue through Government business thereby, and that for the work he could and would bring, that he should have advancement in pay and position with the firm and a contract for not less than 3 years at a salary of about \$25,000 a year.

Mr. LOGAN. Mr. President—

Mr. WHEELER. Let me comment on this. That statement may be of no value whatsoever, because it may be that Mr. Watts was simply trying to work his employers to get an increase in pay. He may have misrepresented Mr. Farley entirely. I think hardly a day goes by but someone in Washington or somewhere else goes to a corporation and says, "I should like to have you employ me, because I have influence with certain Senators", or "I think I could influence somebody down in Washington." They are doing such things without the knowledge of the Senators, and they are doing it for the purpose of getting money out of some of the big industrial corporations by reason of their supposed influence. So it does not make any difference to me that such a statement may have been made.

Mr. LONG. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. LOGAN. I desire to ask the Senator a question. After the original resolution was referred to the Committee on Post Offices and Post Roads to enable them to make a report as to whether there should be an investigation, and it submitted a report of the facts which were presented to it, after a full opportunity to present facts had been afforded the Senator from Louisiana, does the Senator think it is fair to bring into the Senate of the United States affidavits subsequently obtained, which were not in existence at the time the committee made its report, without ever presenting the affidavits to the committee at all?

Mr. WHEELER. I am not at all interested in the technicalities of the situation. I think the Senator from Louisiana should have presented the affidavit in question to the committee if he had it at that time. I think he should have cooperated with the committee, and he should have furnished the names of witnesses to the committee, if he had

them, and he should have done all the things he is charged with not having done. That is not the question now involved. The present problem is a bigger and broader problem. Has there been any evidence presented to the Senate which ought to be heard? I am frank to say to the Senate that I do not know whether an investigation should be had, but I do say that the members of the committee owe it to themselves to call this witness before the committee, and they ought to find what is back of this affidavit if they can, and find out why she made it, and just what information she has. They can have such an investigation in executive session if they desire.

Mr. LOGAN. Mr. President, I fully agree with the Senator as to that.

Mr. WHEELER. That is all I am saying. Before we vote on this question the committee ought to call this woman before it, either in public or in executive session, and find out whether she is telling the truth, and whether or not she has the facts she says in the affidavit she has. If the committee does not do that, and this affidavit is allowed to appear in the RECORD without such investigation, it is just playing into the hands of the opposition; it is playing into the hands of the gentlemen on the other side of the aisle; it is playing into the hands of everyone who is opposed to the present administration, and Senators are going to have to meet this question upon the hustings a year and a half from now.

Do not make any mistake about it at all. If you suppress this evidence, if you stop the committee from going into the matter, you are going to have to answer for it. You ought to call a meeting of the committee in executive session or in open session and call the witnesses and investigate the statements made in this affidavit, regardless of when the charges were brought.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BLACK. I desire to state to the Senator that should we vote on the resolution, which is reported on evidence entirely different from that presented in the affidavit, the committee would not be prevented from calling this woman to testify before it hereafter. I fully agree with the Senator, and if I were a member of that committee and the Senate were to vote on the resolution today I would summons her here, and I would also submit that question to some grand jury which has jurisdiction, where the whole matter can be gone into. But I do not see any reason why we ought to be called on to hold up the vote on this resolution, with reference to which evidence was submitted, simply because an affidavit is presented at the last moment.

I agree with the Senator that if I were a member of the committee I would vote to summons the woman to appear before the committee. I see no reason in the world why they should not summons the signer of this affidavit to come before them. However, I do think we ought to be permitted to vote on this resolution on the evidence which was presented before the committee.

Mr. WHEELER. If she were called to appear before the committee, there would be the loss of only 1 day. They could immediately issue a subpoena and summons the woman to appear before the committee, and they could easily and quickly tell whether they wanted to go farther.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. CONNALLY. Can the Senator explain why this woman was not brought before the committee by those interested in getting her testimony in the record?

Mr. WHEELER. I cannot.

Mr. LONG. I can.

The PRESIDING OFFICER. Does the Senator from Montana yield; and, if so, to whom?

Mr. WHEELER. I would rather not yield now.

Mr. CONNALLY. Mr. President, will the Senator yield to me for a moment?

Mr. WHEELER. I yield.

Mr. CONNALLY. Let me call attention to the fact that the affidavit is an ex parte affidavit. The Senator, as a

lawyer, knows that one can go out and get ex parte affidavits from anyone on nearly any question. The Senator speaks of fairness. Is it fair to the Senate and to the Committee on Post Offices and Post Roads, after the committee has made a tentative investigation of facts and of the charges filed, and after it has made a report, and the matter is ready for conclusion, that someone should rush in and say, "Here is an affidavit"?

Let me call the Senator's attention to the fact that the refusal to go on with these charges and have an investigation, as pointed out by the Senator from Alabama [Mr. BLACK], does not foreclose the matter. The courts are open, the grand jury is open, and the Senate committee is open, and any time anyone brings forth any evidence which the Senate deems of sufficient importance to justify an investigation we can go ahead and have an investigation. But I refuse to vote for an investigation, and a new investigation and a rehearing, every time somebody runs in here and waves an ex parte affidavit from somebody. We do not know who this woman is. We do not know whether she is a credible person, nor do we know anything about her. I have no objection to the committee's having her before it, and I am wondering why the parties who think so much of her testimony did not produce her before the committee when the committee was hearing these charges.

Mr. WHEELER. I will say that I am not interested in the technicalities of this question whatsoever. As I pointed out before, the committee could, of course, have subpoenaed this woman before it when it was considering the resolution; but the Senate is now asked to vote on a resolution when an affidavit is before the Senate. I do not think it should have been produced under the circumstances. Nevertheless, the affidavit is before us, and we are asked to vote on it, when, as a matter of fact, the committee could convene and issue a subpoena and have the woman here in 24 hours. Such action would simply mean a delay of 24 hours. The committee could have the woman brought before it, and then the committee could decide whether or not she is credible, or whether she knows what she is talking about.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. McKELLAR. Will the Senator be good enough to say, after reading the affidavit, whether or not the woman even says that she knows Postmaster General Farley? As I read it, she does not even claim to know him.

Mr. WHEELER. No one can read the affidavit, it seems to me, without coming to the conclusion that she knew Mr. Farley, or else she testified falsely in the affidavit. Here is what she says—

Big business was to accrue through Government business thereby and that, for the work that he could and would bring that he should have advancement in pay; * * * that the said Watts, in the course of his demands, caused a telegram to be exhibited, either sent through Farley in person or through Farley's brother-in-law, Harry Finnegan, offering—

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. CONNALLY. What the Senator just read is what I want to call attention to. Somebody showed a copy of a telegram that was supposed to have been sent by Farley. How does she know who sent it?

Mr. WHEELER. She does not purport to say who sent it.

Mr. CONNALLY. That is what I say.

Mr. WHEELER. She does not purport to say Farley sent it. She simply is reciting what Watts did.

Mr. CONNALLY. If we are trying Watts, it would be a different thing. We are not trying Watts.

Mr. WHEELER. I will get to the other point. I simply say she is reciting what she saw; that is all. She had a perfect right to say that she exhibited a telegram which purported to come from Farley or from Farley's brother-in-law.

Mr. CONNALLY. She does not say "purported." Read the affidavit.

Mr. WHEELER. She said—

Watts * * * caused a telegram to be exhibited, either sent through Farley in person or through Farley's brother-in-law.

Mr. CONNALLY. She is swearing there that it was sent through Farley or through his brother-in-law. She did not say "purported." That is the kind of testimony the affidavit affords.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. McCARRAN. I desire to make reply to the able Senator from Tennessee in charge of this matter, wherein he comments on the lack of knowledge or acquaintance of this affiant with Mr. Farley. That she does not know Mr. Farley goes to augment the force of her statement, so far as the record goes. The whole situation in my mind, if I may continue to interrupt for just a moment, is that if this affiant has made a false oath and filed it before the Senate she should be prosecuted, if it is false. On the other hand, if it is fair, if it is reasonable, if it is true, then there ought to be an investigation.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. BLACK. That is the third time the statement has been made that the signer of this affidavit could be prosecuted for perjury. I think it would be wise at this time to read the definition of perjury.

Mr. WHEELER. From what is the Senator reading?

Mr. BLACK. I am about to read from the United States law defining perjury.

Mr. WHEELER. That is an entirely different proposition. This affidavit was made in the State of New York.

Mr. BLACK. I can very easily get the New York statute, but all the State statutes provide, just as this does, that the affidavit must be made in pursuance of some clause where there is an obligation to make the affidavit. There is no duty imposed by law to make this affidavit. It is a voluntary affidavit. The Senate has only a copy of an affidavit, when even if it had the original it would be impossible to prosecute the woman for perjury.

Mr. WHEELER. I am inclined to think the Senator is correct.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHEELER. Certainly.

Mr. CONNALLY. Let us suppose the woman did make a false affidavit in New York State and is guilty of false swearing under the New York State law. Can we try her for that?

Mr. WHEELER. Of course not.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Louisiana?

Mr. WHEELER. Certainly.

Mr. LONG. If the lady were brought here and swore to these facts, she could be prosecuted for perjury in the District of Columbia if she testified falsely; but I am fearful that Senators do not want the lady to come here and testify and to have that opportunity.

Mr. WHEELER. Of course, if she came here and testified falsely, if she testified to matters which were untrue, then, as the Senator from Louisiana has said, she could be prosecuted without any question of doubt.

Mr. BLACK. I wish to say to the Senator from Louisiana that here is one Senator who is not fearful about her coming down here. I sincerely hope the committee will bring her here tomorrow and find out the facts in connection with the matter. It will not affect my vote on the pending resolution when the affidavit has been withheld somewhere in somebody's pocket or somewhere else until right at the moment when we are about to vote on the resolution.

Mr. LONG. The affidavit was made on the 23d day of April. The report of the committee had been filed for several weeks before the lady called me and told me that she wanted to make this statement.

Mr. BLACK. The committee was still in existence. It was here and the Senate was here. The affidavit could have been brought before the committee. Here is an affidavit of innuendoes and insinuations which has been made and brought here at the last moment to try to damn a man when

there was not any evidence to present to the committee to condemn him. The committee was there and the affidavit could have been brought before the committee at any time since it was signed.

Mr. WHEELER. I am willing to agree it could have been and should have been brought to the attention of the committee, but I repeat that that does not change the situation, as I see it, in the slightest degree. I am unable to follow the Senator who says, because of the fact that some Senator did not do what he should have done in presenting certain evidence and has presented it at a different time, that we should stand upon some technicality in a matter of vital importance not only to the Postmaster General and the administration but to the people of the country.

Mr. BLACK. Let me state to the Senator that I am not claiming or asserting that the Senate should decline to act on a technicality. I agree with the Senator, except that I go further. I say the matter should not only be investigated before the committee with reference to what is charged in the affidavit, but the whole matter with reference to the way the affidavit was obtained, what prompted it, what efforts were made to get it, even before the lady called the Senator from Louisiana over the telephone. Let us find out everything behind it. Let us act as a grand jury and ascertain all the facts in connection with it.

Mr. WHEELER. I am in thorough accord with the Senator from Alabama with reference to that. If this woman has made a false affidavit or if somebody got her to make a false affidavit, then, in my judgment, it was a dastardly act.

Mr. BLACK. I agree with the Senator.

Mr. WHEELER. The whole matter should be thoroughly investigated to ascertain whether or not that is the fact.

Mr. BLACK. I agree further that she ought to be heard at the earliest possible moment before some tribunal which has authority to administer an oath in order that if it shall prove to be a false oath, if it shall prove to be perjury, not only the person who makes it but anyone who instigated it may be properly prosecuted.

Mr. WHEELER. She may be brought before the committee and have a hearing. Let me invite the Senator's attention to the fact that no resolution is pending before the committee. There may be some question as to the authority of the committee to call this woman and swear her with reference to some matter when there is no resolution pending before the committee.

Mr. LEWIS. Mr. President, may I ask the Senator a question?

Mr. WHEELER. Certainly.

Mr. LEWIS. Is there any record here, disclosing whether the affidavit, as has been suggested, has ever been presented to Mr. Farley or that he has become cognizant of its contents, and any reply thereto has been made?

Mr. WHEELER. I assume he has never seen it. That is why I say the woman should be called before the committee, and Mr. Farley should be given opportunity to reply if there is any substance to the affidavit. I am assuming that the Postmaster General has never seen the affidavit. I am assuming that if this woman should come before the committee, Mr. Farley would want to come before it and deny the statements there made if she testifies to what she has stated in the affidavit.

But that does not alter the situation. It seems to me that Mr. Farley ought to have an opportunity to answer the affidavit, and the woman ought to have an opportunity to be called before the committee to testify before we are called upon to vote upon the resolution.

Mr. LEWIS. Knowing the Senator from Montana to be a good lawyer and one of experience, is it assumed here that an affidavit made at the date named in the affidavit has lain like some sword in its scabbard to be drawn here at the last moment, with no knowledge on the part of the accused that such a decree holds over him, and in the meantime it has been secretly held to be used thus suddenly on an occasion such as this?

Mr. WHEELER. I will say to the Senator that I disagree on that policy. I was not in the confidence of the Senator from Louisiana with reference to it and never heard of the affidavit until he read it this morning. But, I repeat, that does not alter the situation that we have an affidavit pending before us and that we are called upon to vote upon the resolution before this woman is asked before the committee to testify and before Mr. Farley has a chance to refute the charges. In the course of her affidavit she says:

That the said Stewart brothers called in deponent at about the time of the aforesaid negotiations with said Watts and instructed her that, since they feared the said Watts and the turns and things which he might do, she should carefully listen to all conversation which the said Watts might have, particularly by telephone, and report the same to them regularly.

Then the said Watts was often called, not only by Farley and Farley's secretaries both in Washington and in New York, and said Watts was called and called upon by the said Farley's brother-in-law, Harry Finnegan, and said Watts was in frequent conversation on calls made by said Watts with said Farley and his aids.

These are more or less statements of fact, but I would seriously doubt that they were true unless the woman was cross-examined, because this is an ex parte affidavit. Nevertheless, if she is not examined these statements go out to the country as statements of fact by a supposedly reputable employee, a girl who, it has been said here, was getting \$50 or \$60 per week.

On one occasion the said Farley called the said Watts from a pay station to avoid any chance of detection.

Of course, that last statement must be a conclusion that he did it to avoid detection.

* * * all of which covered a wide range of matters having to do with the manipulating of Government business and grants and contracts, among which were included the following:

1. How insurance premiums in which Farley was interested should be given to one J. L. Nolan, and the particulars thereof.
2. The awarding and placing of orders for marble on the Federal office building in New York.
3. The making of arrangements for meeting of Farley and Watts while Farley was in New York and the designation of the time and place of meetings.
4. For the giving of certain materials to various concerns in which Farley disclosed interest and concern.
5. For \$303,000 to be given to the Raisler Heating Co., in which Farley indicated his interest, which said Watts indicated had been done per orders.
6. Conversations relative to valuable stamps being given by Farley to Watts; later pay-station calls from Farley to Watts that the matter was in serious shape; Watts' information that the stamps had been given, as per understanding, to one Randolph Cook, with the Pennsylvania Railroad Co., for business to be had from the railroad to the said Stewart Co.; Watts' calls to Cook, which failed to materialize; later Watts' calls to Elsemann, with the same railroad office in Philadelphia, whereby information came that said stamps had been deposited in a bank as security for a loan with the resultant later printing of stamps to undo the harm.
7. That Farley had managed to grab all the papers and correspondence between Ickes, Green, and Glavis (which occurred about the time said papers were being called for in Washington for investigation) and that Farley desired that Watts should come over to the New York office of Farley to go over the matters.

And deponent has various detailed proof of such matters and others of the kind to submit, and other witnesses whose names she can give to prove the same.

That, further, pursuant to such calls, the entire files of the said Stewart Co. were taken out and mostly destroyed, and a new filing system installed on advance notice that investigation would likely soon occur.

If that affidavit, as I have previously said, is untrue, it is one of the most dastardly lies, one of the most dastardly things that has ever been presented upon the floor of the Senate. It is inconceivable to me that the Postmaster General should be guilty of these things, and I am frank to say to the Senate that I do not believe it. If he is guilty of them, however, if he has done the things and if they have been done in the manner in which this affiant says they have been done, and these telephone calls have been sent, certainly he is not fit to be Postmaster General.

Mr. CONNALLY. Mr. President—

Mr. WHEELER. I yield to the Senator from Texas.

Mr. CONNALLY. Let us assume that Mr. Farley is guilty of all these things: Does the Senator think Mr. Farley or anybody else would call up and discuss the matter over the telephone, when there are 40 exchange girls, and others

all along the line who, if they wanted to, could hear everything he said? Does the Senator think he would say, "This is Farley speaking. I am getting ready to crook somebody out of \$303,000 on marble. This is Jim Farley speaking. I want to put you wise, everybody that is listening, to the fact that we are going to pull off another crooked deal somewhere?" Does not the whole affidavit on its face bear evidence of falsification, improbability, and unbelievability? If the woman were here and swore to those statements, would the Senator believe what she says?

Mr. WHEELER. The Senator is asking me whether I would believe it. Yes; if she swore to the things she has stated in that affidavit—

Mr. CONNALLY. She has sworn to them in the affidavit, and the Senator said he did not believe it.

Mr. WHEELER. Oh, no; do not misunderstand me. I say it is inconceivable to me that Mr. Farley could be guilty of these things. Whether or not I believed the woman would depend upon her demeanor; it would depend upon her previous character; it would depend upon her cross-examination. In other words, I would not believe an affidavit just as an affidavit, because anybody who is familiar with the practice of law knows that an affidavit may be obtained, and many times the affiant, when called to the witness stand, will not substantiate the conclusions and the statements in the affidavit. No; I should not believe the affidavit. I should want to hear the affiant testify. I should want to check up on the testimony before I should ever think of believing anything of the kind. I should desire in some way to have the evidence substantiated, if possible.

Nevertheless, here is an affidavit which has been made—and, to all intents and purposes, it is made by a reputable person—making very serious charges against a member of the Cabinet of the President of the United States. I say that we cannot overlook that kind of an affidavit, going into the public record, going into the press of the country. If we do not investigate those charges we shall be doing Mr. Farley an injustice, in my judgment, and doing the administration itself an injustice. Mr. Farley ought to be the first one to come before the Senate committee and before the country and demand a thorough investigation of the situation, and let the chips fall where they may.

If this woman is guilty of perjury, she ought to be prosecuted and convicted of perjury. I agree with the Senator from Alabama that if somebody induced her to testify falsely, that person ought to be prosecuted for subornation of perjury; but the whole matter ought to be investigated from top to bottom, every detail of it ought to be investigated from top to bottom, and the Senate should not by any manner of means be a party to suppressing an investigation of a matter of that kind.

Mr. LONG. Mr. President, I know the Senate does not desire to listen to further argument this evening. It is nearly 6 o'clock. I must of necessity answer some very erroneous statements which have been made, and it will take a while. I should prefer that we complete this matter tomorrow. I am willing, so far as I am concerned, to come here at 10 o'clock or at 11 o'clock, when the Members of the Senate will be more in a frame of mind to listen to further argument on this subject.

Mr. McKELLAR. Mr. President, let us go on. It was understood that we were to finish the consideration of this resolution today. There was virtually a unanimous-consent agreement to that effect. That was included in the agreement. Let us go on. I ask the Senator to let us proceed and vote.

Mr. LONG addressed the Senate. After having spoken, with interruptions, for about 30 minutes—

Mr. McNARY. Mr. President, will the Senator yield to me for the purpose of proposing a unanimous-consent agreement?

Mr. LONG. I yield.

Mr. McNARY. I ask unanimous consent that when the Senate concludes its business today it take a recess until 12 o'clock noon tomorrow, and take a final vote on the resolution at 1 o'clock.

Mr. LONG. Will not the Senator make that 1:30? I desire to finish my speech on this matter. I took only 45 or 50 minutes earlier in the day. I did not take nearly so much time as my opponents have taken.

Mr. McKELLAR. Mr. President, for the present, at any rate, I object.

Mr. LONG. I do not mind going on tonight; I think it is a good idea, but I do not want to be rushed. It is not late. It is only 6:15.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. JOHNSON. Did I understand the Senator from Tennessee to object?

Mr. McKELLAR. Yes; I did. I think we should vote on the resolution tonight.

Mr. JOHNSON. No matter what time? Then, will the Senator from Louisiana yield to me to make a parliamentary inquiry? I make it only because of the statement that we must vote upon this resolution tonight. Would it be in order to move to refer the resolution back to the committee with instructions?

The PRESIDENT pro tempore. In the opinion of the Chair, it would not. The unanimous-consent agreement was that the Senate should consider this resolution and vote on it.

Mr. McKELLAR. Vote on it tonight.

Mr. JOHNSON. There was no unanimous-consent agreement to vote on it tonight.

Mr. McKELLAR. Yes; the agreement was to take up the resolution today and vote on it.

Mr. LONG. The agreement did not say "vote today."

Mr. McKELLAR. That is the interpretation which has been given to it, and I think it is the proper interpretation.

Mr. JOHNSON. I appeal to the Senator from Tennessee. Why not take a recess and vote at 1:30, or at whatever time we may agree upon? What is the use of keeping us here now for 2 or 3 hours?

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Senate now take a recess until 12 o'clock noon tomorrow, and vote at 12:30 p. m.

Mr. LONG. Give me a little longer than that. Make it 1 o'clock.

Mr. ROBINSON. Mr. President, in all fairness, there should be a division of the remaining time.

Mr. LONG. Well, I do not know. I have not had more than 45 or 50 minutes.

Mr. ROBINSON. The Senator from Louisiana does not know how long he has spoken. He has spoken much longer than that.

Mr. LONG. There you go on arithmetic again.

Mr. ROBINSON. I am not complaining of that; but the Senator cannot expect to have an agreement under which he shall have all the remaining time, and it is not right that he should ask it.

Mr. LONG. Very well; let us make it 1:30 and divide the time.

Mr. ROBINSON. Why not meet at 11 and vote at 12:30?

Mr. LONG. That would suit me.

Mr. McKELLAR. The time to be equally divided.

Mr. ROBINSON. The time to be equally divided.

Mr. LONG. That is satisfactory.

Mr. McKELLAR. I amend my unanimous-consent request to that effect.

Mr. JOHNSON. That the Senate recess until 12 o'clock noon tomorrow?

Mr. McKELLAR. The request is that the Senate take a recess until 11 o'clock a. m. tomorrow, and vote on the pending resolution at 12:30 p. m. o'clock, the time between 11 and 12:30 to be equally divided between the two sides.

The PRESIDENT pro tempore. Let the Chair understand. How is the time to be divided?

Mr. ROBINSON. That the Senator from Louisiana control one-half the time and the Senator from Tennessee control the other half of the time.

The PRESIDENT pro tempore. Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. McKELLAR. The request included, of course, the provision that the Senate should take a recess until 11 o'clock a. m. tomorrow.

The PRESIDENT pro tempore. That was included in the request.

Mr. LONG. Mr. President, knowing my friend from Texas [Mr. CONNALLY] and my friend from Alabama [Mr. BLACK] to be very highly skilled constitutional lawyers and prosecuting officials, it strikes me as very strange that they are unwilling to have these charges investigated, especially in view of the fact that each and every one of the allegations of this particular affidavit can be proven true or untrue by other sources. All it is necessary to do is to go into the books of the Raisler Corporation and see if they paid \$303,000. The Senator would not have that investigated. All it is necessary to do is to go into the accounts of J. L. Nolan, or whatever his initials are, and see if he was getting the insurance-premium money. The Senator does not want that investigated.

Mr. CONNALLY. Mr. President, the Senator from Texas did not say that. The Senator from Louisiana ought to know that he did not say that. The Senator from Texas said that at any time after this resolution is voted on, if there is any proof to be adduced of a criminal character, the Senate can investigate it, and the grand jury can investigate it. I did not ask, and do not ask, that the matter be foreclosed.

Mr. LONG. The Senator from Texas is asking for a great deal worse than foreclosing it, and if he will stay here long enough to hear me I will prove it to his own satisfaction.

The Senator probably was not here in the first part of the session today. There was another allegation as to which Senators can go to the Government records and find out whether or not it is true. The person who executed this affidavit says that they switched the marble. What did I do? The only document available to prove these seven enumerated items of defalcations, fraud, and corruption was the record of the new courthouse building in New York City in regard to that marble, because there I could find it out.

We could not get the files from the office of the Secretary of the Treasury, but we did find a very prominent official of a very prominent public body of this country, one of the highest ranking officials of America in the line of work in which he is engaged. I finally found him. I knew, from outside information, that he knew this story, and I sent a high-class newspaperman of this country to ask him whether this woman's statement was true or false; and he sent back word to me that he could not allow his name to be used now, but that the woman's affidavit was true. I then sent back and got him to write out the facts before I brought this affidavit to public notice, and I got these facts from him, in the form in which I have them, only a few days ago. I have the original typewritten sheets he furnished to me; and he showed that there had been at the least a defalcation and a swindle as to which this woman gives evidence, of \$387,000.

Thereupon I went to Comptroller General McCarl last Saturday, I think, or perhaps Friday, and I asked the Comptroller General if I could see such records as he had on this particular contract, after office hours; and he allowed me to see them. There I went through the records, and I saw with my own eyes that they had substituted \$12.50 Missouri marble for \$4 marble; that they had reduced the quantities from 60,000 cubic feet, the best I could calculate, to 46,000 cubic feet; and there were the prices and specifications, verifying what this woman had sworn, verifying what this prominent man sent me word had been done, that they had robbed the United States of \$387,000; and there it is, according to their own figures.

When I found that Glavis' report had stated that they had before them the allegation that there had been that swindle, and that some persons and officials had shut out the investigation after he made the preliminary report, with

that information I knew beyond any question of a doubt that this woman was swearing to God's eternal truth.

Mr. McKELLAR. Mr. President—

Mr. LONG. There is not any use in trying to convince the Senator from Tennessee. He would not know the facts if he saw them in this Farley case. If you should put a light right in front of his face, if it showed the truth about Farley's defalcations, he would not believe it, and he will not believe the records of the Government now.

He will not take a pencil and figure that 2 plus 2 equals 4. He will not take the figures and show that they took 60,000 cubic feet of Missouri marble and made it 46,000 feet of inferior marble, and that by multiplying the items themselves they have taken \$387,000 belonging to the United States. He does not want an investigation so that we can bring an architect and bring an engineer and figure it right out from the books themselves that the Government has had \$387,000 of its money taken away from it. He does not want an investigation. He said he did not want an investigation.

Talk about no facts to back it up. I went before that committee. I have been before committees. I have been head of committees once or twice. I was put on several committees in the national convention with work to do and did it.

I want to tell the Senate what happened. I want to be complimentary to the committee. I will not say anything on the floor of the Senate that breaches its rules; but I am not going to say that that committee was acting as if it were trying to get facts on Farley. If it is necessary in order not to offend the rules of the Senate for me not to say anything, I will not say anything.

What was the function of this committee? I am going to show in just a moment what the committee has done, according to the Senator from North Carolina. The committee wrote me a letter. It did not do what the Senator from North Carolina said it did. He is mistaken and does not remember the facts, and the Senator from Tennessee is mistaken, too, and does not remember the facts.

They did not ask me to summon witnesses; no. They wrote me a letter, signed by the Senator from Tennessee, asking me to give him a list of the witnesses and an outline of what they would swear. I deliberated and decided I would give them the names of enough witnesses to convince anybody, I thought. But there were some I could not afford to give. They told me not to give their names. They said, "Call me under a subpoena, put me on the stand and ask me this question, and I will answer the truth; but please do not give my name as having volunteered anything about this case."

As an example, with regard to the case in West Virginia, I had two witnesses. One said, "Here is the first witness; here is the second witness; and if neither of them will testify, I will have to be the witness myself."

I gave them the name of a man by the name of Knotts, because Knotts had already gone to jail, and I thought Knotts could not be hurt. It was only a short length of time before they jumped on his wife and the other man down there and began to threaten them with criminal prosecution. They have not yet prosecuted them, I understand, but they have been down there threatening them with prosecution ever since they delivered the telegram whereby they were to "Send us a thousand dollars. We are fixing the case up. Send me a thousand dollars; and I don't mean maybe." And the copy of Mr. Farley's telegram back to them: "All right. I have your thousand dollars. Thank you very much." Or perhaps that was a letter, the last one. Then what happened a little bit later on? The gentleman who pulled off that deal was made United States attorney.

The Senator from North Carolina says they ought to make that United States attorney quit because he imposed on Mr. Farley. What more right have we to presume that Mr. Eastus imposed on Mr. Farley than to say that Farley imposed upon Eastus? Both of them knew what they were doing. I do not think either one of them imposed upon the other. At least, however, this investigation has done

so much good already that the Senator from North Carolina, carrying the bell rope here for this opposition to an investigation, says that the man who was the Barcocheba of Mr. Farley in this matter ought to be run out of office because he was unfaithful to Mr. Farley.

Gentlemen of the Senate, I do not think you could run Eastus out. Why not let us investigate that? Here is a place where some good can be done. The Senator from North Carolina suggests that at least one of these appointees of Mr. Farley, by reason of having defrauded Mr. Farley, ought to be run out of office. Why not investigate and do at least that much public good and have the investigation without further delay? They will not run Eastus out of his office. He will be there as long as anyone is in office.

Here is something we do not have to go far to find. This lady said to me, in this affidavit, and it is in there, "You will find that Farley was getting business not only from the General Builders Supply Co. but that the General Builders Supply Co. was getting business from other contractors." She said, "You will find how that thing worked in."

I did not have time to look very far, but I looked and saw this much today. Here was the Hillside Development contract. Right off the bat I have found the General Builders Supply Co. getting a contract for plaster and for finishing lime and for gaging plaster that was much over and above the contract for the brick.

I looked over a little bit further, and I saw where this same concern, the General Builders Supply Co., was getting a contract likewise from Starrett Bros. and Eken, Inc. Let me tell Senators what they will find in this file, which has been submitted on only one of these deals, because, gentlemen of the Senate, they kept out of this return made by Mr. Ickes the matter of the new courthouse building; but you will find that when they returned the file here dealing solely and only with the Hillside Development Co. and the new post-office annex in New York City, in that file alone there is contract after contract that was being garnered here for the General Builders Supply Co.

Information was volunteered here that Mr. Farley owns 14 percent of the General Builders Supply Co. Where does the Senator from North Carolina get those facts?

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BAILEY. They are in the record.

Mr. LONG. Who gave them?

Mr. BAILEY. Mr. Farley.

Mr. LONG. I am reliably informed that if I am allowed to bring Farley before the investigating committee I can develop that Finnegan never paid Farley 5 cents for the stock; that Finnegan never had a dime to pay his brother-in-law, Farley; that Mr. Finnegan is nothing in the world but a mask for Mr. Farley; and that the public records are there to show it. All we have is, not testimony but a statement Mr. Farley has sent to the committee.

Whatever Mr. Farley has sent to this committee has been accepted as though it were manna falling from heaven. It is something which has come from the celestial ether. Anything on earth that big Jim Farley, the party accused in this case, will certify, not under oath, is accepted, but, oh, no, for this poor woman you are about to prosecute here, I understand, because she has dared to say something about this big high muck-a-muck of American corruption in this country. Whence comes this idea of protecting political spottedness against which she dared to speak? None must speak evil in the presence of the king, but Farley's word, denial, explanation, modification is accepted to undo the four tables of arithmetic. It does not make any difference that the old arithmetic says 4 times 4 is 16, or that 8 from 10 leaves 2—the Senator from the State of Wyoming [Mr. O'MAHONEY] says that he was up there at the Department—and if anything means that Farley did something that does not carry out the rules of arithmetic, do not believe the arithmetic. That is like the man who gave his wife a clock with the specific instructions that if he told her what time it was when he came in and the clock struck something else

that she should not believe the clock, but should believe what he said; that probably there was something wrong with the clock. That is the kind of instructions that come here from these gentlemen. I would be ashamed of myself to stand up in a civilized open legislative forum when you have got the figures right out of the Government records showing that they took \$387,000 of the money belonging to the people of the United States, showing that they took money just as openly and fraudulently as dared to be taken, and nonetheless with your own figures verifying it, you decline to allow these things to be threshed out in a manner that can be done by sworn testimony under cross examination. You say I was called upon and given the right to produce testimony and make that statement.

Mr. McKELLAR. Mr. President, I shall be very happy to read the very short letters I wrote.

Mr. LONG. All right, read them.

Mr. McKELLAR. The first is as follows:

MARCH 4, 1935.

HON. HUEY P. LONG,

United States Senate, Washington, D. C.

DEAR SENATOR LONG: When before the committee today you stated you could not recall the names of the witnesses you desired to produce in support of the statements made by you, but you could furnish such names to the committee in connection with its consideration of Senate Resolution No. 74.

I am directed by the committee to ask you to present to the Chairman of the Committee on Post Offices and Post Roads, not later than noon, of Tuesday, March 5, 1935, the names of the witnesses whom you propose to call and the substance of the evidence which you propose to elicit from each.

Very sincerely yours—

Signed by me as chairman of the committee.

I received no answer to that, and on the next day I sent a second letter, as follows:

MARCH 5, 1935.

HON. HUEY P. LONG,

United States Senate, Washington, D. C.

DEAR SENATOR LONG: I wrote you yesterday by direction of the committee but I have received no response to my letter.

The committee has adjourned until Wednesday, March 6, at 2 p. m. I write to express the hope that you will be kind enough to furnish by that hour the information requested in my communication of yesterday and which you stated that you could furnish.

Very sincerely yours,

KENNETH McKELLAR, *Chairman.*

There are two requests. The Senator did not furnish the evidence or the names of the witnesses.

Mr. LONG. Oh, yes; I did! Here it is, and I am going to make the Senator from Tennessee swallow every word he said about it.

Mr. McKELLAR. I will swallow it if it is right to swallow it.

Mr. LONG. Or else, if the Senator does not understand it, the Senator does not understand English. The Senator wrote one letter, and wrote another letter the next day, probably 11 hours apart. He wrote me one day and said, "I ask you please to send us the names of the witnesses and what they will swear." Before I could get the letter he wrote me another one telling me the committee was not going to meet until Wednesday. Now he tells us he had to write me twice. Why not put the proper interpretation on it?

Mr. McKELLAR. I do put the proper interpretation on this thing.

Mr. LONG. Why not learn to lose this partisan explanation in matters of this kind?

Mr. McKELLAR. The Senator was asked to send a statement of the evidence by a certain date, when the committee was to meet. He did not send it, and we gave the Senator a reminder. We tried to do everything in the world to expedite the Senator's hearing before our committee.

Mr. LONG. A letter came in one day and the next day the committee met again, I understand, early in the morning and announced they would meet Wednesday, and they hoped I would have the letter there by Wednesday, and they had it by Wednesday. Here is what I wrote them—I am going to read to the Senate what I wrote them. The only way in the world the Senator can say that this did not give them plenty of witnesses to prove that Farley ought to be run out of the United States and put in the penitentiary is

just to say that you would not summon the witnesses, that is all. Here is my letter to them:

GENTLEMEN: In response to the letter received from your chairman, Senator McKELLAR, asking for information as to names of witnesses, what they would testify relative to James A. Farley, and his connections and transactions handled under and with his authority, I beg leave to submit the following:

I talked this over directly and through other parties with members of that committee.

Your committee, I am sure, on reflection will not come to the conclusion that I should expose all witnesses and persons who are prepared to give testimony with regard to Mr. Farley, who must, of necessity, be protected if there is to be any investigation.

Did that prove correct? No. 1 was the case of the man named Knotts who gave the original telegram, and the Senator from North Carolina said the man helping Farley ought to be run out of office for deceiving Farley already; and yet they ran after these poor devils they claim on a charge pending in the Post Office Department for which they have never yet been arrested and never were bothered until I gave their names in this forum.

In addition to that, the Senator from North Carolina alleges culpability, but not to Farley. He said Farley was deceived by the man Eastus, whom he appointed United States attorney, who sent the wires for Farley and who got the money not for himself but turned it over to Farley, and Farley made the acknowledgment of the money.

The next name I mentioned was Mr. Moses. I thought I might mention Moses' name because Moses had alleged in print some of the information that he had. Lo and behold, I mentioned Mr. Moses at a time when Mr. Ickes said that they would not let New York State have any money.

Mr. McKELLAR rose.

Mr. LONG. I will not yield now. At a time when Mr. Ickes said they would not let New York have any money for a certain thing unless Moses resigned in connection with it, Moses stood his ground. Thereupon I gave his name. I was not the cause of it, but it is just one of those little incidents in life—that a few days later they went up and gave Moses the money.

Now, I wish to say to the Senator that you do not have to eat a whole beef to tell when it is tainted. When you give one man's name and they run and threaten to put him in the penitentiary if he does not hush his mouth, and then you give another man's name and they say they are not going to give him any money if he does not quit the office, and then they give him the money, I do not have to eat the whole beef to know that it is not all right. All I have to do is to take one bite. I do not have to put my head in the halter. And these learned and illustrious statesmen from all over the United States who know more about this business than I do, they may be wiser statesmen than I am, but I am pretty good on proving my case in court, and you know you have got to protect your witnesses, Mr. President, when they are doing what this crowd is doing here.

I have had too many lawsuits. I used to fight the corporations in my country, and I had to keep my list of witnesses secret. The day I would go and put down on the book who the witnesses were, and have the sheriff to summon those witnesses, 5 times out of 6 when the case would come up I would not have any witnesses by the day I tried my lawsuit. I learned the expedient of going out in my automobile into the oil fields or the lumber camps on the day when the case was to come up and bring my witnesses in at 9 o'clock on that day. That is the old experience that proved just as good in the United States Senate as it did out there in the woods.

Let me go a little bit further:

Further, some of these witnesses have asked that they be called and placed under oath before their names are in any manner disclosed.

Investigators were sent who threatened to indict them for income-tax matters. A. A. A. and N. R. A. inspectors were sent to my State and gave them a rubbing over the coals for various matters. There never was a reign of corruption and terror under Daugherty or any other man in the control of the political government of this country that compares in

terrorism and rottenness to the reign of this man Farley, who has used the processes of the Government to protect his friends and used the processes of the Government to condemn every man who dares raise his voice to expose his rottenness. Yet it is insisted that we ought not to know who they are.

Let us see what was done to those we did disclose:

Further, surely your committee will understand that to a large extent the verification of the charges which I make, and others which could be made, would be shown from public and private records—

Just like this affidavit I produce today. There is the public record to show that—

the production and examination of which would be asked in ordinary course.

I could not even get the public records out of the Treasury Department. The Comptroller General of the United States did let me look at one up there, but that was the best I could get.

However, in order that this committee may know that to some extent I can offer to be specific, I stated the following which I expect to produce and prove:

1. Witnesses: Officers of the concerns listed on the building directory at 205 East Forty-second Street as occupying office no. 1701 (being the private headquarters of James A. Farley)—

They said they did not know who they are. The names of the people and a photograph of the list of the concerns were placed in the CONGRESSIONAL RECORD and were published and were presented to this committee. There were the names of every one of them placed in the CONGRESSIONAL RECORD and made available to the committee. The name and case was most specifically designated and handed to them in the course of the hearing.

I did not expect the Senator from Tennessee [Mr. McKELLAR] to pay much attention to it. I think he is just as blind as an ox in this case. I should hate to see a man any more blind than the Senator is being in this case. I know him to be an honest man whose prejudices, when they reach the inner cells of his understanding, know absolutely no rule of logic or arithmetic or grammar or anything else.

I had photographs and I had names, and I listed them with the committee. Did they summon one of them? No! There were 24 of them. Did they summon one of them? No; surely not! Why not? Because of the fact that under the law that committee cannot summon witnesses. The reason why this committee had the resolution to consider was because of the fact that before one 5-cent piece could be spent summoning a witness there had to be a report by a committee. That is the word used by the Senator from Arkansas [Mr. ROBINSON] on the floor of the Senate when I undertook to keep the resolution from going to the committee on the ground that it might involve an expenditure. He said:

The first witness you swear involves an expenditure. Even taking down the testimony in shorthand involves an expenditure.

For that reason the committee presided over by the Senator from Tennessee did not have any jurisdiction whatever to swear a witness, and I knew it, but if they did have authority, why did they not do it? The names were given to them.

I continue reading:

To show that more than twenty-odd concerns there operating, including six holding companies, have been organized, combined, and affiliated for practically the sole purpose of transacting and dealing in matters with which the United States Government is identified for the purpose of making private profit, a large part of which inures to James A. Farley.

There are plenty of people who will sound the tocsin "Farley, Farley, Farley, Farley" as long as he is dispensing jobs in the United States. Judas Iscariot would have had defenders just as Farley has them now. It would not have made any difference. They would both have their defenders. That is our system of government.

I read further:

For practically the sole purpose of transacting and dealing in matters with which the United States Government is identified for the purpose of making private profit, a large part of which inures to James A. Farley in violation of four criminal statutes of the United States insofar as concerns said Farley.

They said I did not give them anything—

Said witnesses to prove the said purpose of concerns affiliated with said Farley and occupying space in his office by reason of the same, and that they were in position of financial bankruptcy—

Get this—

And that they were in position of financial bankruptcy prior to Farley's ascendancy and since that time have become financially affluent; to prove that Farley interposed his brother-in-law—

Farley said this was not so, so the committee said they did not need any of these 20 witnesses to prove it—

To prove that Farley interposed his brother-in-law as a poor simulation as the head of concerns.

And Farley said that was not true, so the committee said it was not true. We do not need to summon any witnesses. Farley says it is not so—this culprit against whom charges have been filed. Nonetheless, his denial is the balm of Gilead that wipes away any such thing as an insinuation against the name of Farley as long as he is handling the patronage and the plums and the doles of the United States Government. Mr. Farley! Mr. Farley!

That any pretense to show the disposition of his interests is a further simulation.

This could have been disclosed from bank records to show that Harry Finnegan did not have money enough to shine his shoes, let alone money enough to purchase any stock certificates in a company of James A. Farley or his building company or other supply concerns—

To prove that through the various concerns there enumerated as affiliated with James A. Farley contracts for materials have been listed in advance of the awarding of contracts by the United States Government.

Understand this; he puts it out on a blackboard and tells us:

And that contracts to low bidders have been refused—

Listen to this! I had to put this in the RECORD a long time before this little woman gave me the information about how they held up these contracts from various and sundry concerns who could not make the bonds they were requiring of them. This little lady came along and said, "If you will look in the record you will find time after time, when some little concern got one of these contracts, that James A. Farley's General Building Co. practically took over and did the work, or James A. Stewart took over and did the work or furnished the materials, as the case might be, in order that the profits could go to the Farley firm.

They did not summon any witnesses to find out if this was so or not. Oh, no. They said they ought to have some witnesses and ought to hear them. They had 20 witnesses named by me and did not summon even one of them. Was it because of the fact that the name of HUEY P. LONG was signed to the letter they had? It will be signed to more letters than that in the next few years. There will be plenty of chance to go over some of the States and explain it to the people. We will find out how we stand in some of them in the days to come.

In this connection the officers and records of Stewart & Co., of Driscoll & Co., and of Severn & Co. will be produced. The testimony of Commissioner Robert Moses, of New York, and the data which he has assembled will be called for the purpose of proving such sales have been made by firms with which Farley is identified—

I had the written statement of Moses to that effect. I submitted that written statement.

of the appropriation of funds on the jobs where Farley's firm were furnishers of materials, for the expansion of subdivisions under the guise of being projects for slum removal.

There they were out there developing a new subdivision on the ground that it was removing slums, and there had never been a slum there since Christ came to earth! Did they want that witness? No; they did not want that witness. They ran up to New York and said, "Mr. Moses, when we published the statement that we were not going to give this money to the city of New York as long as you were to handle it, we did not know what we were talking about.

We have changed our minds. The money is going to come." That is what they did.

Did they summon Moses? No. They say no prima facie case is made out. We could not make out a prima facie case unless you wanted to call the witnesses and take the testimony. You did not have the right to call them. The committee did not want to call the witnesses and take the testimony. The only thing it had the right to do was to report back to the Senate on whether or not these allegations were sufficient to justify the calling of the witnesses, and now it makes the pretext that there has been no case made out because no witnesses were produced!

Here is a list of the witnesses who could have been subpoenaed. Here are the names. Not one of them has been called, for the simple reason, as stated on the floor by Senators, that none of the committees has a right to call a witness, or to have one called, or else because they did not want witnesses called, in order to keep Mr. Farley from being investigated. As a matter of fact, under their own interpretation the law did not allow a witness to be called.

Oh, no; there never was a Member of the United States Senate who offered in the United States Senate a resolution of any kind to investigate HUEY P. LONG, but you had five senatorial investigations of HUEY P. LONG without a single Senator ever making one allegation on this floor of anything to justify it—five different committees, 4,500 pages of testimony—but not one page of testimony can be taken with regard to James Aloysius Farley, handler of the boodle and of the funds of the United States Government at this time. All right.

The testimony of Commissioner Robert Moses, of New York, and the data which he has assembled will be called for the purpose of proving such sales have been made by firms with which Farley is identified, of the appropriation of funds on the jobs where Farley's firms were furnishers of materials, for the expansion of subdivisions under the guise of being projects for slum removal; for the paying of excessive prices for property—

For paying excessive prices for property. I gave that to them in writing, showing that here is what they did with these allies of Farley who were buying this material from him, that they paid about two or three times as much for this land to his allies as they paid for other lands, and that they kept the frontage of the land and only sold them the rear part, so that the business part that might be built up would be available to the private owners for future sales. I put that in the RECORD, too. Did they call for that? No; they could not call for this information. The only time this case can be tried is after the Committee to Audit and Control the Contingent Expenses of the Senate has approved the appropriation. That is what the Senator from Arkansas [Mr. ROBINSON] said on the floor. He said that we could not have any expenditure of any kind by any investigating committee until the resolution had first been sent to a standing committee, and later approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. ROBINSON. That is, where expenditure is required under the resolution.

Mr. LONG. Yes; and the Senator said that an expenditure would be required to bring a witness. Those were the words the Senator used—that it would necessarily require an expenditure to summon and bring a witness, or to take testimony through stenographers.

Mr. ROBINSON. That is true.

Mr. LONG. That is true. I am not arguing that matter with the Senator.

Mr. ROBINSON. But where the circumstances show, as I think they do in this case, that the Senator from Louisiana is persistently pursuing a personal grudge against Mr. Farley, I do not believe an investigation is justified.

Mr. LONG. I am not arguing that particular point, but the Senator agrees with me that the Committee on Post Offices and Post Roads could not swear a witness or take a line of testimony, because the resolution has first to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. ROBINSON. Oh, no; the committee can swear witnesses and take testimony.

Mr. LONG. Testimony that involves no expense.

Mr. ROBINSON. It might involve expense.

Mr. LONG. All right.

Mr. ROBINSON. If the witness refused to attend without payment of his expenses or his fees, it might involve expense, but all standing committees of the Senate are authorized to swear witnesses and take testimony.

Mr. LONG. That is the argument I made.

Mr. McKELLAR. The Post Office Committee has the power to do that.

Mr. LONG. Why did not the Post Office Committee summon the witnesses then? Here are their names. Why did not the Post Office Committee summon them?

Mr. McKELLAR. We were not asked to do so.

Mr. LONG. Here is the list.

Mr. McKELLAR. It was not given to the Post Office Committee.

Mr. LONG. Here it is.

Mr. McKELLAR. The Senator read that list to the Senate. He did not present it to the committee.

Mr. LONG. Oh, I know the Senator from Tennessee has cast aside the four tables of arithmetic. He is now going to throw out the dictionary because it shows that he got the names of the witnesses; it shows that he was told that they would swear to certain things, and it shows that he did not issue a subpoena to a living soul, but he ran in here and said, "There is no prima facie case. There is no evidence before the committee." That is what the Senator said.

At this point Mr. LONG yielded to Mr. McNARY to propose a unanimous-consent agreement, and debate ensued, following which Mr. LONG yielded the floor for the day.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations and an international agreement, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

RECESS

The PRESIDENT pro tempore. Under the unanimous-consent agreement the Senate will stand in recess until 11 o'clock tomorrow morning.

Thereupon (at 6 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, May 14, 1935, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate May 13, 1935

ADMINISTRATOR OF THE RURAL ELECTRIFICATION ADMINISTRATION
Morris L. Cooke, of Pennsylvania, to be Administrator of the Rural Electrification Administration.

UNITED STATES ATTORNEY

Frederick V. Follmer, of Pennsylvania, to be United States attorney, middle district of Pennsylvania, vice A. A. Maguire, appointed by the court.

UNITED STATES MARSHAL

William P. McDermitt, of New Jersey, to be United States marshal, district of New Jersey, to succeed Frederick C. Schneider, term expired.

PROMOTIONS IN THE COAST GUARD

Commander LeRoy Reinburg to be captain, to rank as such from May 1, 1935, in place of Capt. Herman H. Wolf, retired.

Lt. Comdr. Elmer F. Stone to be commander, to rank as such from May 1, 1935.

The above-named officers have passed the examinations required for the promotions for which they are recommended.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 13, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed be the Lord God of Israel from everlasting to everlasting. We are glad that we are still in the hands of a living God and a loving Heavenly Father; before Thee we bow in humblest reverence. To Thee we are linked by bonds stronger than death and with the lights of the ultimate sky. O Faith! thou art a saving power hanging over all the things of time. The weakest life that flutters and falls to the ground is redeemed by a soft and tender radiance of divine love. Forgive us the instances in which we have caused one another pain in which we had no desire. Clothe us for self-assertion, for public declaration of faith, for principle and loyalty. We pray Thee to let the week be a most useful page in the Book of Life, in the garden, with fruit, flowers, and sunshine. In the Redeemer's name. Amen.

The Journal of the proceedings of Friday, May 10, 1935, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 14. Concurrent resolution authorizing the Committee on Finance, United States Senate, to have printed 1,000 additional copies of the hearings before that committee on S. 1130, the Economic Security Act.

DELEGATION OF AUTHORITY

The SPEAKER laid before the House the following communication:

MAY 11, 1935.

The SPEAKER HOUSE OF REPRESENTATIVES,

Washington, D. C.

SIR: Desiring to be temporarily absent from my office, I hereby designate Mr. H. Newlin Megill, an official in my office, to sign any and all papers for me which he would be authorized to sign by virtue of this designation and of clause 4, rule III, of the House.

Yours respectfully,

SOUTH TRIMBLE,

Clerk of the House of Representatives.

THE BANKING ACT OF 1935

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, the Banking Act of 1935 provides for a sounder, a more effective banking system.

I hesitate to discuss this bill, because of the general impression that banking bills and banking problems are complicated technical subjects that only a few banking experts can understand. However, the past few years of misery and suffering have taught the people the importance of money and banking. People now understand that the volume of credit and the volume of currency have an important influence upon the prices of goods, upon employment and unemployment, and upon the economic state of the Union.

PRIVATE CONTROL OF MONEY DANGEROUS

The control of the people's money by private bankers, the use of bank credits and of investments by private bankers, the control of the insurance of money and of the expansion or contraction of credit by private banks have been important factors in bringing about the depression.

Whoever controls the monetary system, whoever controls the banking and credit system of the Nation controls the destinies of the people. No great and lasting improvement is possible until the control and supervision of the banking and of the credit system of this country are taken from the

private bankers and vested in an agency of the Government itself.

The banking bill of 1935 consists of three sections or titles. Title I places on a permanent basis the insurance of bank deposits by the Federal Government. Title III makes technical amendments in the National Banking Act and in other banking statutes. Title II deals with fundamental changes in the Federal Reserve System.

I shall first briefly discuss title I and the insurance of bank deposits, and then shall devote the balance of my speech to title II and to the important changes which it makes in the Federal Reserve System.

FEDERAL INSURANCE OF BANK DEPOSITS

During the last year of the Hoover administration the people were fast losing confidence in the soundness, and often even in the integrity, of the banks. Withdrawals of banking deposits increased at an alarming rate. People had completely lost confidence in the soundness of the banking structure. However, at all times they retained confidence in the Government. This is evidenced by the increase of postal-savings deposits. In 2 years postal savings increased from \$347,000,000 to \$1,200,000,000 because the people knew the Government was behind these deposits and would guarantee them. Therefore, Government insurance of all bank deposits was the logical step.

FEDERAL INSURANCE HUGE SUCCESS

The Federal insurance of banking deposits has been a singular success. It has caused money to come out of hiding and to be redeposited in the banks, where it could be used for industrial- and commercial-credit purposes.

Ninety percent by number of all the licensed commercial banks in the United States have been admitted to the Federal Deposit Insurance Corporation. Over 90 percent of the total deposits in commercial banks and trust companies in the United States have been insured.

This insurance of bank deposits, up to \$5,000, is now made permanent by the banking bill of 1935. The insured maximum of \$5,000 is held to be sufficient because 98 percent of the banking deposits are less than \$2,500. There are over 50,000,000 depositors in this country, but 1,000,000 depositors have as much on deposit as the combined 49,000,000 other depositors have. The average single deposit is only \$183.12.

Member banks of the Federal Reserve System have their deposits insured. Banks that are not members of the Federal Reserve System may terminate their deposit insurance after July 1, 1935. If they choose to do so, they must notify all depositors of such action.

CLOSE CONTROL OF BANKING CREDIT POLICY

There is a difference between monetary policy and banking operations. Monetary policy has to do with the expansion or contraction of the credit or of the currency of this country. In the past this policy has been turned over to the bankers, who have managed it and manipulated it for their private gain, without regard to the national welfare and without responsibility to anyone. The banking bill of 1935 changes this. It diverts the control of monetary policies from the private bankers and vests it in a Federal Reserve Board appointed by the administration in Washington and controlled by it. Let me repeat, the main object of title II of the bill is to lessen and to reduce the power of the bankers to determine the monetary policy of the United States.

This bill does not greatly affect the ordinary operations of banks. The usual function of a bank is to receive deposits and to lend its own money and the money of its depositors to borrowers. These functions are not affected by this bill. They are left to the individual banker. But the determination of our monetary policy is an entirely different matter. Our monetary policy must be based on the purchasing power of money, on the prices of goods and commodities, on gold reserves, and on many other factors that make for a sound currency. They have nothing to do with the usual and ordinary functions of a bank.

I want to explain to you that there are two kinds of money—currency and credit money. About 95 percent of

our supply of money is in the form of bank credit and only 5 percent in paper bank notes and other money such as quarters, dimes, and so forth. In view of the prevalence of checks and negotiable notes, the largest amount of business can be conducted on bank credit, without reference to the actual supply of paper money. So when a bank increases or decreases the total amount of bank loans and bank credits, it thereby increases or decreases the supply of credit money. For instance, if a bank grants a loan of, say, \$1,000, that has the same force and effect as if the bank had printed 1,000 new \$1 bills, since, because of the facility with which checks are cashed, they have the same value in ordinary business transactions as actual cash.

IMPORTANCE OF CREDIT CONTROL

In the past each bank or group of bankers could grant as much credit as it desired. It could refuse to give credit and thereby disrupt business; it could call in loans and foreclose on property at will, by the simple expedient of refusing further credit.

This privilege, this power the bankers have greatly abused; their policies have contributed to bringing misery and suffering and unemployment upon millions of people during the past few years.

As of last June the total of the capital and surplus of all the banks amounted to seven and one-half billion dollars. On the basis of the 10 to 1 ratio permitted to banks, the banks could have had deposits amounting to \$75,000,000,000. But, in fact, all the deposits totaled only forty-six and one-half billion dollars. In other words, the banks contracted currency or stopped the supply of money to the extent of about \$30,000,000,000. Had the banks extended sufficient credit so as to have bank deposits totaling \$75,000,000,000 instead of \$46,000,000,000 there would have been no money shortage today; there would have been few foreclosures of homes and farms; private industry and business would have been able to reemploy millions of men now idle, and the wheels of industry and of commerce would have been turning rapidly.

Now, under this bill the Federal Government will exercise control over the credit policy of the Federal Reserve System by influencing the election of the Board of Governors of the Federal Reserve System.

The movements in the volume and supply of money and credit must be controlled by some responsible Government agency. They must be controlled in the interest of the public, in the interest of society as a whole, and not in the interest of the banking community alone. The banking bill of 1935 places the responsibility in a committee of the Federal Reserve Board called the "Open Market Operations Committee", whose orders are made mandatory.

The banking bill of 1935 is not a complete solution of the banking problems. It will not eliminate all banking abuses, but it is a beginning. It is a step in the proper direction.

The power of banks to issue currency has already been curtailed. Now the power of banks to affect the volume of the credit of the Nation has been greatly reduced. The elimination of these two evils will go a long way to bring financial freedom to the people of the United States.

IMPEACHMENT PROCEEDINGS

Mr. SUMNERS of Texas. Mr. Speaker, on behalf of the Committee on the Judiciary I send to the desk a privileged resolution.

The Clerk read as follows:

House Resolution 220

Resolved, That for the purpose of conducting an examination in order to determine its recommendation to the House of Representatives with reference to House Resolution 214, the Committee on the Judiciary, as a whole or by subcommittee, is authorized to sit and act during the present Congress at such times and places in the District of Columbia and elsewhere, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, and documents, and to take such testimony as it deems necessary.

Mr. SNELL. Will the gentleman yield for a question?
Mr. SUMNERS of Texas. I yield.

Mr. SNELL. As I listened to the reading of the resolution I thought it was in the usual form that we have under such proceedings. Is that correct?

Mr. SUMNERS of Texas. I will say to the gentleman from New York that this refers to the resolution introduced by the gentleman from Illinois [Mr. DIRKSEN] last week. The power and authority requested is the usual power and authority requested by the committee, with this exception and this difference:

This resolution is to give the Committee on the Judiciary authority to send for persons, papers, and to administer oaths, and so forth, in order to enable it to conduct the preliminary examinations deemed necessary by the committee in order that it may be advised as to what sort of recommendation the committee should make to the House on resolution 214.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. MURDOCK. Mr. Speaker, this Congress has seen fit to appropriate \$5,000,000,000, the major part of which will be spent for public works. In yesterday's New York Times I read an article written by Secretary Ickes, which in my opinion is one of the most statesmanlike articles I ever read on that question. I think there is information in the article which every Member of Congress, especially those who voted for the appropriation, should read, and I ask unanimous consent at this time to extend my remarks in the RECORD and include therein this article written by Secretary Ickes.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

Mr. RICH. Reserving the right to object, I question whether we should have newspaper articles inserted in the RECORD.

If Mr. Ickes has a manuscript that the gentleman would like to have inserted, there might be some merit to it, but I question whether we should permit newspaper articles at this time to be printed. For that reason I object.

Mr. MURDOCK. Mr. Speaker, will the gentleman reserve his objection?

Mr. RICH. Yes.

Mr. MURDOCK. If I get the manuscript from the Secretary of the Interior, will the gentleman still object?

Mr. RICH. I shall not object to one of the Cabinet officers having inserted his remarks if they are from his own manuscript, but if we are going to take a newspaper article, I object.

Mr. MURDOCK. I contacted the Secretary this morning on this matter and, of course, he assured me that the article appearing was his own manuscript or at least taken from his manuscript.

Mr. RICH. If the gentleman will substitute the manuscript, I shall not object.

Mr. BLANTON. Mr. Speaker, I agree with the gentleman from Pennsylvania that if the newspaper articles come from the Hearst papers or the Washington Post they would be unreliable, but I should think that the manuscript would be satisfactory.

Mr. MURDOCK. Mr. Speaker, I modify my request. I ask unanimous consent to extend my remarks and to include therein the manuscript of an article of Secretary Ickes on the question of public works.

The SPEAKER. The gentleman from Utah asks unanimous consent to extend his remarks and to include therein the manuscript of Secretary Ickes on the subject of public works. Is there objection?

Mr. TRUAX. Mr. Speaker, reserving the right to object—and I shall not object—I suggest that the gentleman have Mr. Ickes refrain in this article from criticizing the Honorable

Senator from Louisiana, Mr. Long, and Father Coughlin because they happen to think and believe that all the people ought to have more of a share in all of the wealth in the country.

Mr. WOODRUM. Mr. Speaker, will the gentleman from Ohio yield?

Mr. TRUAX. Yes.

Mr. WOODRUM. Does the gentleman approve the sentiments of Senator Long and Father Coughlin?

Mr. TRUAX. Mr. Speaker, a few days ago I read into the CONGRESSIONAL RECORD the 16-point platform and program of the National League for Social Justice, and stated at that time—and I reiterate that statement now—that I do approve of the principles laid down in the 16-point program.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. RICH. If those 16 points are adopted by the Democratic platform, will the gentleman support the Democratic platform, or will he support a platform of Father Coughlin?

Mr. TRUAX. I think that part of the 16 points is taken from the Democratic platform.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. MURDOCK. Mr. Speaker, it has been said that "when there is no vision the people perish." Because our political leaders during the decade following the World War lacked the vision essential to statesmen, our country and our people were led perilously near the verge of ruin. That time has passed, and with it has passed the blindness that permitted us to plunge into depression. During the past 2 years our great President and his administration have succeeded in planting our feet firmly on the road that leads to hitherto undreamed-of prosperity; to an era of economic justice. The new deal is consecrated to the promotion of the general welfare. One of the most important phases of the new deal is the Public Works Administration. The public-works program, as planned and as administered, is a mighty example of statesmanship with vision. It involves a new form of an age-old concept of justice—the concept according to which every willing worker is entitled to work, to earn a livelihood, and to enjoy freedom and happiness. Fortunately a statesman with vision to perceive the potential greatness of our country, and with ability to administer the expenditure of vast sums of money honestly and effectively, was chosen to direct this program. I refer, of course, to Hon. Harold L. Ickes, Administrator of the Public Works Administration. Mr. Ickes recently wrote an article which is one of the finest economic and social documents I have ever read. The text of this article follows my remarks, and I recommend it to every Member of Congress as worthy of his careful study.

(The article referred to appears under remarks of Hon. Edward P. Costigan, of Colorado, p. 7353.)

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article which appeared in the New York Herald Tribune of Sunday last by former Under Secretary of State William R. Castle on the cotton situation. I have the manuscript, Mr. Speaker.

The SPEAKER. The lady from Massachusetts asks unanimous consent to extend her remarks by including therein a publication by former Assistant Secretary of State Castle on the textile situation. Is there objection?

Mr. RICH. Mr. Speaker, if the gentlewoman will substitute the manuscript instead of the newspaper article, I shall not object.

Mr. YOUNG. Mr. Speaker, I reserve the right to object. Do I understand that the article referred to is by some former public official?

Mrs. ROGERS of Massachusetts. Yes.

Mr. YOUNG. Not holding any public position at the present time?

Mrs. ROGERS of Massachusetts. Not at the present time.

Mr. YOUNG. Mr. Speaker, I object.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

Mr. YOUNG. Mr. Speaker, I object.

FORMER REPRESENTATIVE WILLIAM WALLACE M'CREIDIE

Mr. EKWALL. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes to make an announcement of the death of a former Member of this House.

The SPEAKER. Is there objection?

There was no objection.

Mr. EKWALL. Mr. Speaker, I rise with considerable regret to announce the death of William Wallace McCredie, a former Member of the House from the State of Washington. Mr. McCredie was born in Montrose, Susquehanna County, Pa., April 27, 1862. He attended the University of Iowa Law School and was admitted to the bar in 1890 and commenced the practice of the law at Vancouver, Wash., which is just across the Columbia River from my home city of Portland, Oreg. He served as a prosecuting attorney of Clark County, Wash., from 1894 to 1896. Thereafter he engaged in the general practice of law and was elected and served as judge of the superior court of Clark County, Wash., from 1904 to 1909. In 1909 he was elected to the Sixty-first Congress to fill the vacancy caused by the death of Francis W. Cushman.

Judge McCredie served one term. Probably he was not known to many of the younger Members, but I am sure he will be remembered by the older Members of the House on account of his ready wit and genial personality. Judge McCredie moved to and lived in my home city of Portland for a number of years prior to his death, which occurred in that city on May 10, 1935.

Judge McCredie was president of the Portland Club of the Pacific Coast Baseball League for about 17 years and was an ardent baseball fan until his death. He was very favorably known in my city and in that entire section of the country, where he was active in a professional and civic way from the time he moved from the East. He was a good lawyer, a just judge, a splendid statesman, and a warm friend. America has lost a real patriot and I am sure his former colleagues of the House will hear of his passing with deep and genuine sorrow.

EXTENSION OF REMARKS

Mr. WITHROW. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein several brief tables compiled by the Wisconsin State Chamber of Commerce.

Mr. KNUTSON. Mr. Speaker, reserving the right to object, are they compiled by former public officials?

Mr. WITHROW. No; these were not.

Mr. KNUTSON. I shall not object, even though they were not.

Mr. RICH. Mr. Speaker, reserving the right to object, how much space will this extension take in the Record?

Mr. WITHROW. The entire extension will not go over two pages, in my opinion; that is, my own remarks and the three brief tables I wish to insert with my remarks.

Mr. RICH. Mr. Speaker, a week ago similar permission was given to another Member of the House, with the result that 22 pages of the Record were taken in the extension. We do not want any more extensions like that.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin to extend his remarks in the Record and to include therein certain tables prepared by the State Chamber of Commerce of Wisconsin?

Mr. BULWINKLE. Mr. Speaker, reserving the right to object, who did the gentleman say the matter was from?

Mr. WITHROW. The matter I wish to include in my remarks is several brief tables taken from the report of the Chamber of Commerce of the State of Wisconsin. I doubt whether the entire extension, including my own remarks and these brief tables, will take over two pages.

Mr. BULWINKLE. Mr. Speaker, I dislike to object, but I must.

LEGISLATIVE APPROPRIATION BILL, 1936

Mr. LUDLOW, from the Committee on Appropriations, reported the bill (H. R. 8021) making appropriations for the

legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes, which was read a first and second time, and, with the accompanying papers, was committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. POWERS reserved all points of order.

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes; and, pending that, I ask unanimous consent that general debate on the bill may continue during today, the time to be equally divided and controlled by the gentleman from New Jersey [Mr. POWERS] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Indiana.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8021, the legislative appropriation bill, 1936, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

Mr. LUDLOW. Mr. Chairman, I ask unanimous consent that the first reading of the bill may be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. Mr. Chairman, I yield myself 33 minutes.

Mr. Chairman, in preparing the bill making appropriations for the legislative establishment for the next fiscal year the subcommittee of which I have the honor to be chairman has been actuated by a sincere desire to make the burden rest as lightly as possible on the taxpayers while at the same time providing in sufficient measure the funds required to carry on all necessary activities. We believe we have produced a good bill that meets all essential requirements without wasting a dollar of the taxpayers' money. We have been faced with the duty of deciding some questions of policy in reference to personnel and promotions and we believe that our decisions, while they may prove temporarily disappointing to some, are based on correct principles and that the future will justify them as being sound and constructive.

I do not believe that the members of any subcommittee ever worked together more happily and more harmoniously in the public interest than our subcommittee has in framing this bill, and I wish to pay my humble tribute of gratitude and appreciation to my coworkers, Mr. SNYDER, of Pennsylvania, Mr. ZIONCHECK, of Washington, Mr. DOCKWEILER, of California, Mr. MORAN, of Maine, and Mr. POWERS, of New Jersey, who have been most faithful and diligent in seeking to find the best solution of every one of the many problems presented and who, I may add, by way of personal acknowledgment, have been most generous in overlooking the shortcomings of their chairman. Our task has been large, and the objects of our attention have been widely diversified, with the result that our Members have been led more or less into fields of specialization, and in the course of general debate the gentlemen of our subcommittee will pay considerable attention to their several specialties. At this point I would like to inject into my remarks what appears from frequent repetition to be a bromide but which bears the hall mark of eternal truth, when I say that we had the benefit of the best adviser that ever kept an appropriations committee in the safe, open channel and off of the rocks—Marcellus C. Sheild. From the beginning until the end of our deliberations politics stood adjourned. We had but one aim and that was to do what seemed to be best for our country. We may have made mistakes, but, if so, they are the honest mistakes of all six of your servants on the subcommittee. The report we bring to you is unanimous.

Our respectful regard for economy is borne out by an analysis of the bill we are placing before you for your consid-

eration. The total carried by this bill is \$2,590,140 under Budget estimates. The amount appropriated is \$20,355,965, as against Budget estimates totaling \$22,946,105. The amount carried in the bill is \$1,884,934 more than the total of the appropriations of the legislative establishment for 1935, but this increase is more apparent than real, as \$1,000,000 of it, while appearing as an appropriation, is in fact a loan to the working capital of the Government Printing Office and is to be repaid in its entirety to the United States Treasury within 6 months after the close of the next fiscal year. Then, too, the amount required to restore salaries to the 100-percent level, as heretofore provided by act of Congress, adds approximately \$1,380,000 to the 1935 appropriations, so that if we eliminate from consideration the loan to the working fund of the Government Printing Office and the increase of salaries to normal the total appropriations for the legislative establishment for 1936 show an actual net decrease of \$495,066 below the total appropriations for 1935. [Applause.]

Early in our deliberations we were faced with the necessity of reaching a decision in regard to certain salary and personnel increases.

The number of positions and the rates of pay for the Senate and House employees are specifically fixed by the Legislative Pay Act of 1929, when a general salary increase was provided. Since those salaries were fixed they were reduced by as much as 15 percent temporarily, and since that reduction restorations have gradually been made until commencing April 1 of this year they were placed again on a 100-percent basis.

Living costs, which at the time these salaries were fixed in 1929, were abnormally high, have decreased considerably since that time and have not yet gone back to the 1929 high levels.

There are some elements of incongruity of pay for similar employments under the Senate and House. Some positions on the House side are not as favorably compensated in comparison with similar employments on the Senate side and vice versa. That situation invariably will exist with each body supreme in the management of its own affairs. Particularly is this so when personnel is selected on a purely patronage basis. Uniformity in the very nature of things cannot be wholly brought about. It was sought on two different occasions by a joint committee of the Senate and House considering the subject of legislative pay, but disparity still exists, and probably will always continue to exist.

In the matter of additional employments in the House some increases may be justified, perhaps not on the permanent roll but for temporary service to relieve present conditions. Good presentations were made in behalf of more telephone operators, more mail messengers, and more pages. The necessity for most of this personnel results from conditions growing out of the present emergency and the pressure is lifted when Congress adjourns. Whatever relief in these directions may be necessary should be considered of temporary nature only, at least for the present.

Experience has shown that whenever additions are made to the statutory roll, even to serve a temporary need, they seldom are severed when the emergency has passed.

Much fine service is rendered about the Senate and House of Representatives by the employees. Many of them are hard-working, faithful, and exceedingly competent, rendering a full measure of service, and some of them undoubtedly are underpaid. However, a large group of those employees work only when the House is in session, and when a sine die adjournment has been taken are free to go their ways until a new session starts.

The way to correct these obvious disparities and injustices is not through a committee whose sole duty it is to make appropriations, and it should not be done in a popgun fashion, which has the demerit of increasing the salaries of some employees and overlooking others who are equally meritorious, but to reach a just determination the subject should be gone into thoroughly and in all of its phases by a legislative committee, acting in conformity with a resolution of the House directing a general investigation and overhauling of all salaries. Only in that way can a result

be reached that will be just to all employees as well as to the taxpayers. Gentlemen came before our subcommittee urging an increase of salary for this, that, and the other employee. The list of these proposed increases grew by leaps and bounds, and, while we recognized merit in some of the claims, we could not, as a subcommittee, wholly lacking in legislative authority, do otherwise than advise the interested parties to direct their efforts toward promoting a resolution through regular legislative channels providing for a general readjustment of salaries.

We had before us an estimate providing for an increase of the Capitol Police force. It was proposed to add 24 men to the force, and the estimate submitted to cover salaries and uniforms for these 24 additional privates was \$41,518. This addition would increase the force from 132 to 156 men to guard the Capitol Building, the House and Senate Office Buildings, and the Capitol Grounds.

Our subcommittee gave the most careful consideration to this estimate after hearing testimony from Kenneth Romney, Sergeant at Arms of the House, and William S. Orthman, captain of the Capitol Police. We were not unmindful of the peculiar police problems presented by Capitol Hill and its unusual surroundings, and we entered into the subject with a desire to establish a sound permanent policy that would bring about improved conditions as rapidly as possible. It was our conclusion after hearing all of the evidence that a strengthening of the Capitol Police force is obviously needed, but that it can best be strengthened not by additional numbers but by an improvement of the standard of the force. We were aided in reaching that conclusion by the testimony of Mr. Romney, Sergeant at Arms of the House, who said that he did not want any additional men unless they measure up to the standard of the Metropolitan Police force.

We decided not to grant any additional policemen, but to tackle the problem from another angle by giving the Capitol Police Board authority to establish a standard of qualifications for policemen that will insure the gradual building up of a force of increased usefulness and efficiency. There are 126 acres in the enlarged Capitol reservation with 132 policemen now assigned to guard the buildings and grounds, while in the Park Police force of the District of Columbia there is a force of 70 men to patrol 5,553 acres, or approximately 80 acres per man.

It might be said of the existing Capitol Police force that, like Topsy, it just "grewed up." Neither political party is to be held exclusively responsible for its lack of perfection. Capitol policemen under both parties have come under the head of "patronage." Members of Congress are not to blame for appointing unsuitable men, because no standard of qualifications has ever been set or even hinted as being necessary. Nobody has ever told Members of Congress that a constituent in order to be a policeman must be so many feet high, weigh so many pounds, and be sound in body and limb.

Captain Orthman gave a stirring admonition that something tragic may happen unless a standard for police timber is provided, and Sergeant at Arms Romney—see page 65 of the hearings—said:

Unless you write into the permanent law a provision that all policemen shall conform to the standards provided for service in the Metropolitan force, I do not want any policemen.

It seemed to us to be the part of wisdom to take cognizance of the facts and circumstances above set forth, and we have written into the legislative appropriation bill the following provision in the form of a limitation:

Provided, That no part of any appropriation contained in this act shall be paid as compensation to any person appointed after June 30, 1935, as an officer or member of the Capitol Police (including those for the Senate and House Office Buildings) who does not meet the standards to be prescribed for such appointees by the Capitol Police Board.

Under this provision the Capitol Police Board will set up certain standards that must be observed in making future appointments to the Capitol Police force. The Capitol Police Board is composed of the Sergeant at Arms of the House, the

Sergeant at Arms of the Senate, and the Architect of the Capitol. They can be depended upon to prescribe qualifications that will best serve the public interest. In writing this limitation we have intended no reflection whatever on any Member of Congress or on any of the men on the force who are worthy men and citizens. We believed, and still believe, that Members of Congress will gladly cooperate in choosing men as policemen who measure up to required qualifications when they learn what those qualifications are. As the turn-over in these positions is fairly rapid, we believe that the effect of this legislative provision will be to so improve the force that accretions will not be necessary.

I repeat that the blame—if there is blame—for the weakness of the Capitol Police force cannot be placed on individual Members of Congress or the many fine men who serve on the force, but it is due to the system, and the system has been the same under the rule of both political parties. The limitation we have written into the bill will not remove policemen from the patronage group, but it will enable Members of Congress to say to applicants for policemen's jobs that it will be useless for them to apply unless they measure up to a certain standard of qualifications. Thus the unfit will be eliminated automatically. On page 183 of the hearings you will find the opinion of Captain Orthman, chief of Capitol Police, as to what these qualifications should be—age not less than 21 nor more than 50; height not less than 5 feet 7 inches; weight not less than 145 pounds, with preference to those who have had service in the military or armed forces. We believe the limitation in this bill is a wise provision; that it undoubtedly is in the public interest, and that it should be adopted to the end that we may have a police force that will be entirely satisfactory and above reproach.

It is not my purpose to review in boresome detail the provisions of the bill we are bringing before you. The report is thorough and we believe is illuminating as to all essential items. Salaries of Members and their clerks and other employees affected by the act, having already gone back to normal, are provided for on 100-percent basis. The expiration of the Economy Act on June 30 lifts the cut in Members' mileage, which also is provided for on 100-percent or normal basis. We include an item of \$28,000 to pay for painting the Capitol dome and the middle part of the Capitol Building. Unless the dome is painted approximately every 4 years it begins to show signs of weather deterioration, and it would seem to be good business to paint it according to the usual schedule. We have made provision for new awnings for the old House Office Building and have allowed \$14,000 for steel file cases for the House document room, where numbers of documents are now piled on the floor on account of the congestion.

The House restaurant, I am pleased to report, continues on a self-sustaining basis under the able direction of Hon. LINDSAY WARREN, Chairman of the Committee on Accounts, but we have allowed \$5,000 for long overdue restaurant equipment to take the place of worn-out ranges, utensils, and so forth. In view of the fact that the restaurant was for so long a financial white elephant, I do not believe that anyone will begrudge this modest replacement outlay. We have allowed two necessary improvements at the Capitol power plant—\$25,000 for the installation of a parallel coal conveyor and \$77,000 for the installation of rear water walls in 16 boilers in place of the present worn-out bridge walls—but we deferred for future consideration an estimate of \$1,507,537 for the construction of a new building and the installation of equipment to increase the capacity of the existing plant. With the improvements authorized last year and with the two improvements carried in this bill, the Capitol power plant will carry the Capitol Hill load pending the construction of the proposed addition to the Government Printing Office. When that building is added to the Capitol Hill group, some additional provision will have to be made to carry the increased load. Otherwise, it will be necessary to turn loose at least one building of the group to be serviced by the Potomac Electric Power Co.

The Botanic Garden, under the new management of David Lynn, the Architect of the Capitol, is showing a gratifying improvement, and it is believed that within 4 or 5 years Poplar Point nursery, an adjunct of that establishment, will be able to supply, free of charge, to other Government agencies nearly all of the plant material required to embellish the open spaces surrounding the various Government departments and activities, thus effecting quite a saving.

Among the few major improvements allowed for is an item of \$116,900 to reconstruct and recondition the elevators in the Library of Congress. A committee composed of a representative of the Bureau of Standards and a representative of the Office of Architect of the Capitol pronounced several of the elevators unsafe and a positive menace to the lives of visitors and attendants. With the completion of this elevator job all of the elevators in the buildings on Capitol Hill will be safe and in prime condition, the elevators in the Capitol and old House Office and Senate Office Buildings having been reconstructed under authority of the legislative and deficiency appropriation bills of the last Congress.

The bill inaugurates a new feature of the legislative reference service of the Library of Congress, which, it is believed, will be distinctly useful to Members of both branches of the Congress. Once a week a brief digest will be made of all public bills introduced, and this digest or syllabus will be sent to every Member for his information. When a public bill is reported out of committee a somewhat more extended digest will be made. When the service is in operation these digests or syllabi will come to the offices of the Members automatically. The need for this service was suggested by Representative ARNOLD, of Illinois, whose illuminating testimony on the subject is an interesting contribution to the hearings of our subcommittee, beginning on page 171. It is believed this service will be very helpful to Members in enabling them to obtain a comprehensive knowledge of legislative proposals, which ordinarily come so thick and fast and are so numerous that no Member can take the time necessary to undertake a personal study and digest of all the introduced and reported measures. It also is believed that this new service will be of great value to Members in making it possible for them to answer their correspondence promptly.

We have added \$1,000,000 to the working capital of the Government Printing Office, but this is more of a paper transaction than it is an actual appropriation, as every cent of it is to be returned to the United States Treasury within 6 months after the close of the next fiscal year. It is, in fact, nothing more than a loan to the working-capital fund until the Public Printer can collect from the various departments and governmental activities the amounts they will owe the Government Printing Office on their printing accounts.

It seemed to us it was good business that this be done. In its financial transactions, the Government Printing Office has got into a rut that is anything but businesslike and that reflects no credit on the Government of the United States. Its income on departmental printing accounts is so slow that it is continually holding up its creditors and depriving them of the money due them. In some instances it is 120 days late in the payment of its bills, which means that to a certain extent it is running on the money of its creditors. By this addition of a million dollars to its working capital the Government Printing Office can pay its bills promptly, and the money will be returned to the Treasury when the Government Printing Office is reimbursed by the departments and other governmental activities on their printing accounts. It also is hoped that the prospect of prompt settlements will enable the Government Printing Office to secure more favorable discounts on its printing bills. A. E. Giegengack, the new Public Printer, is a practical printer of long experience who appears to your subcommittee to be thoroughly devoted to his job, and we were inclined to encourage and assist him in his efforts to install business methods in the great printing establishment. The working capital of the Government Printing Office for years was \$2,500,000, which

also is the congressional-printing fund and is drawn upon continually after the beginning of the fiscal year. To this it was necessary to add \$200,000 to meet the increased cost of the 40-hour week, and the addition of the \$1,000,000 referred to as an increment to working capital will increase the working capital to \$3,700,000 in the fiscal year 1936.

Further, in the interest of businesslike methods and a simplification of bookkeeping, leaves of absence will hereafter be granted at the Government Printing Office on the basis of the rate of pay received by the employee at the time the leave is taken instead of at the rate of pay when the leave was earned. It is apparent that in some instances this general formula cannot be applied without slight injustice in individual cases, as, for instance, when the employee earns his leave at nightwork and is transferred to daywork before the leave is taken. In a case like that the employee will lose the benefit of the night differential. On the other hand, when the employee earns his leave at daywork and is transferred to nightwork before leave is taken the differential in that instance will operate against the Government and give the employee an undue advantage. All in all, it is about as broad as it is long; and when we consider that the new method does away with an enormous amount of involved computation and reduces cost by simplifying bookkeeping, the argument in favor of the change as presented by the Public Printer was impelling and forceful. Our subcommittee was especially impressed by the disclosure that a vote was taken on this subject at the Government Printing Office last September, when the men held their own election, making up their own ballots, and selecting their own tellers; and two-thirds of the employees voted in favor of the change that is embodied in the bill. To be doubly certain that no injustice would be done, I took the matter up by correspondence with Charles P. Howard, president of the International Typographical Union, to get his opinion of the proposed change in the method of computing leave, and I have his reply, in which he says:

I conferred with some of our members who are employed in the Government Printing Office, and I did not find any considerable opposition to the legislation to which you refer. It appears to me the change would simplify bookkeeping to a considerable extent, and I do not know that it would do any injustice if fairly applied.

Mr. Howard, whose headquarters is in Indianapolis, was in Washington the other day, and while here he called at my office to state that he had no objection to the proposed change. The installation of the new method of computing leave will have the merit of doing away with a lot of redtape and will assist the Public Printer in his efforts to make the largest printery in the world an up-to-date establishment, conducted on business principles.

That, I believe, concludes my presentation of the bill, and I thank you, ladies and gentlemen of the House, for your patience. [Applause.]

Mr. COLDEN. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from California.

Mr. COLDEN. On page 25 of the bill, under the title "Architect of the Capitol", the salaries are shown as \$47,500, apparently for the Architect, the Assistant Architect, and other personal services at rates of pay provided by law. Will the gentleman explain what that includes besides the Architect and Assistant Architect?

Mr. LUDLOW. Well, it is the regular provision that has been carried in the bill for years.

Mr. COLDEN. Will the gentleman state what the salaries of the Architect and his assistant are? This does not break down the total amount appropriated for those salaries.

Mr. LUDLOW. The Architect's Office, I may say, has a very considerable personnel attached to it, and the detailed information in reference thereto I will be glad to furnish the gentleman under the 5-minute rule if the gentleman will renew his request at that time. The Architect's salary is \$9,000 a year.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman from New York [Mr. SNELL] 47 minutes.

Mr. SNELL. Mr. Chairman, it has been repeatedly charged that the new deal was deliberately attempting

to prolong the depression in order that the people, driven to desperation, might adopt the socialistic theories which have been persistently advanced by various new-deal spokesmen, and destroy our economic system and overthrow our present form of representative government. This charge has been denied in some quarters of the new deal, but the denial has by no means been unanimous nor, in many cases, very vehement.

Whether or not the charge is true, there can be no doubt of the fact that if it were true and the administration were attempting to wreck our present economic system and set up a socialistic form of government, its policies and practices would not materially differ from those which it has followed during the past 2 years.

The Roosevelt administration launched its so-called "recovery program" along four lines, three of which were unsound and uneconomic, foredoomed to failure because of their inherent defects. These three major new-deal policies were the Agricultural Adjustment Act, the National Industrial Recovery Act, in which was included the Public Works Administration, and the abandonment of the gold standard and the substitution of the commodity dollar.

The fourth policy called for the reduction of public expenditures and the honest balancing of the Budget. That was the one sound economic policy originally attempted by the new deal. Had it been pursued with a single purpose and constant courage, it would have brought us a long way toward actual recovery, but it was early scuttled by the President in favor of the "pump priming" theory of public economy. It was abandoned largely, if not solely, because it ran counter to the theories of those extravagant experimenters, whose influence has dominated the new deal from the day of its inauguration.

I discussed the failure of the Agricultural Adjustment Act a short time ago.

The second major new-deal policy was embodied in the National Industrial Recovery Act, which was enacted for the stated purpose of relieving unemployment, increasing wages and the purchasing power of the wage earner, fostering fair competition, which carried with it the promise of a fair deal to the small business man and manufacturer, and, under title II, which created the Public Works Administration, it provided for the construction of useful public works.

That program, which was to put private industry on its feet, idle wage earners back to work, and increase domestic markets for agricultural products, became operative August 1, 1933, under terms of the President's unemployment agreement which, according to the statements made at the time by the N. R. A., was signed by approximately 3,000,000 employers.

That policy has failed as completely and miserably as has the agricultural-adjustment program.

It has not increased employment in private industry. According to the reports on unemployment issued monthly by the American Federation of Labor, over 11,000,000 industrial wage earners are out of work, insofar as their employment by private industry is concerned. There are over a half a million less individuals on the pay rolls of private industry than on August 1, 1933, when the N. I. R. A. went into effect.

It has not increased real wages, according to the same authority. The average yearly income of industrial wage earners in 1934 was only \$70 greater than during the year 1933. Meantime, the price of food has increased 34 percent and the price of clothing and household furnishings over 15 percent. Obviously, the average wage earner's living standards are of necessity lower now than they were when this new-deal experiment was inaugurated.

It has been charged in some quarters that employment and wage statistics issued by the American Federation of Labor are not reliable. However, the statistics issued by the United States Department of Commerce in its monthly publication known as the "Survey of Current Business" prove the accuracy of the figures issued by the American Federation of Labor. That publication shows the average weekly wage of factory employees in August 1933 was \$19.25 and

the average in December was \$20.71, or an increase under the new deal and the N. R. A. of \$1.46 a week in the average wages of industrial employees. This corresponds almost exactly on a yearly basis to the figures given by the American Federation of Labor, that the yearly wage for 1934 was only \$70 greater than the yearly income of the industrial wage earner in 1933.

Moreover, other figures given in the monthly Survey of Current Business issued by the United States Department of Commerce, clearly prove that since the N. I. R. A. went into effect, industrial and business activities have suffered a decline. The following table contains data taken from the Survey of Current Business for the months indicated:

Indices showing trend of industrial activity, freight-car loadings, business activity, wholesale prices, exports, and imports under the new deal

[All figures are taken from the monthly publication of the Department of Commerce known as "Survey of Current Business." February 1935 is the last month for which complete figures are given, those figures appearing in the April 1935 issue]

	1933			1935 February
	March	July	August	
Industrial production.....	57	101	91	91
Iron and steel production.....	22	100	80	79
Textile production.....	76	130	114	100
Spindle hours (millions).....	7,050	8,128	7,942	6,575
Bales raw cotton consumed (thousands).....	495.2	600.6	588.6	478.2
Freight-car loadings (manufactured goods).....	62	70	69	65
Actual cars (manufactured goods, thousands).....	156.1	166.4	170	152.2
Actual cars, all freight (thousands).....	460.3	621.8	625.7	581.4
Department-store sales.....	57	70	77	75
Wholesale prices.....	60.2	68.9	69.5	70.6
Department-store retail prices.....	69.7	76.1	85.2	86.6
Exports.....	28	43	38	47
Imports.....	26	48	50	43

President Roosevelt, in his annual message to the Congress, January 4 of this year said:

The stark fact before us is that great numbers still remain unemployed. A large proportion of these unemployed and their dependents have been forced upon the relief rolls. The burden of the Federal Government has grown with great rapidity.

Those words, together with the figures furnished by the United States Department of Commerce, constitute the most devastating indictment of the so-called "recovery program" of the new deal that can possibly be made.

The figures in the above table show that between March and August 1933 there was consistent and continuous improvement in practically every field of private enterprise, and that this improvement was greater than has taken place in any similar period of American history. They show that following the reopening of the banks 10 days after Roosevelt's inauguration, industrial activity increased, industrial employment and wages increased, freight-car loadings increased, department-store sales increased, exports and imports increased. The complete tables furnished by the Government show this increase to have been without recession or intermission week after week from March 1933 to August 1933.

Prior to August 1933 none of the new deal's so-called "recovery measures" were in effect. The Agricultural Adjustment Act had been signed in the middle of May, but it was a revolutionary measure calling for the establishment of entirely new machinery to carry out its provisions. That machinery was not in operation until well toward the latter part of July. Therefore, any recovery in agricultural prices or the purchasing power of the farmer's dollar which took place prior to August 1933 cannot be credited either to the Agricultural Adjustment Act or any other legislation by the Democratic Congress or any act by the Democratic administration.

As stated above, the National Industrial Recovery Act became operative as of August 1. Therefore, none of the increase in industrial and business activity prior to August 1 can by any stretch of the imagination be attributed to the operations of that act.

In his special message to Congress of February 20, 1935, asking that the National Industrial Recovery Act be extended for 2 years, the President said:

The immediate objective (of the National Industrial Recovery Act) was to check the downward spiral of the great depression and it met this objective and started us on our forward path.

Now, in point of fact, that statement in the President's message was based on misinformation. There was no downward spiral at the time the Industrial Recovery Act was enacted. The spiral had been consistently upward ever since the President was inaugurated.

Moreover, and this is of the greatest importance, the Government's own figures as quoted above show that instantly the National Industrial Recovery Act became a law, the spiral of business and industry turned downward and has been downward ever since. Industrial production has never recovered the point it reached in July and August 1933, before the National Industrial Recovery Act became a law.

The textile industry was the first to submit a code and have it approved. On July 24, 1933, in one of his so-called "fireside talks", President Roosevelt called attention to the textile code and praised it as a model charter for industry, which would give labor improved working conditions and would bring prosperity to the textile industry. The Department of Commerce figures given above show that it had quite the opposite effect. In July 1933 the number of spindle-hours the textile industry operated was 8,128,000,000. It has never reached that point since. There has been a downward spiral of activity in the textile industry ever since the National Industrial Recovery Act became a law and the textile code became operative. In February 1935 the number of spindle-hours operated was over 1,553,000,000 less than in July 1933. If it be claimed that the cause of this is the different months of the year the following figures will prove very illuminating. In July 1933 the textile industry operated 8,128,000,000 spindle-hours. In July 1934 the same month but a year later, all of which year had been under the complete domination of the Textile Code, the textile industry operated 5,152,000,000 spindle-hours.

To show the failure of the N. I. R. A. insofar as it affects the textile industry, let another example be given. In July 1933 the textile industry consumed 600,641 bales of raw cotton. At no time since has that much raw cotton been consumed in any one month by the textile industry. The amount consumed in February 1935, the last month for which there are complete figures, was only 478,200 bales. In July 1934 there were only 359,951 bales consumed.

An infallible index of industrial activity is freight-car loadings. Freight-car loadings of merchandise, as distinguished from grain, livestock, ore, coal, and other unmanufactured commodities, were represented in July 1933 by the index number 70, in August by the index number 69. At no time since the National Industrial Recovery Act has been a law have the freight-car loadings of manufactured merchandise been as great as they were the month it became a law.

What is true of freight-car loadings of manufactured goods is also true of the loadings of all classes of freight. In August 1933 there were 625,700 car loadings of freight of all kinds. That peak has never been equaled since.

The National Recovery Act has not benefited our foreign trade. The report issued by the Bureau of Foreign and Domestic Commerce April 27 last, for the month of March and for the 3 months ending March 31, shows a decided swing against us in foreign-trade balances. Our exports decreased not only as compared with March 1934, but our exports for the first 3 months of this year decreased when compared with the first 3 months of 1934. On the other hand, our imports increased in March this year over March 1934; and for the 3 months ending March 31 this year, our imports increased over the corresponding months last year. The exact balance of trade is as follows:

For March this year our exports were in excess of our imports in the sum of \$7,722,000, while March a year ago they were in excess of our imports in the amount of \$32,785,000.

For the first 3 months of this year our favorable balance of trade was only \$27,464,000, as against \$99,275,000 for the first 3 months of 1934.

To put it another way, our exports for the first 3 months this year were \$1,625,000 less than for the first 3 months last year, while our imports were \$70,186,000 more.

While upon this subject, it might be argued that increase of imports indicates a return of industrial activity. That is true when the country is normal. Under those conditions the increase of imports consists largely of raw material or semimanufactured articles which enter into further fabrication by American industries. This is not true of the increase in imports this year over last. The increased imports this year are largely agricultural products, namely, meats, butter, vegetable oil, grain, foodstuffs, sugar, and manufactured articles, particularly textile goods.

Figures issued by the Bureau of Foreign and Domestic Commerce furnish some other interesting facts bearing upon the N. I. R. A. Our exports for March this year were \$185,000,000. The N. I. R. A. went into effect August 1933. Our exports in September of that year were \$160,000,000; in October, \$193,000,000; November, \$184,000,000; December, \$193,000,000. In March a year ago they were \$191,000,000. So that in point of fact the trend of exports has been downward since the N. I. R. A. went into effect.

The reverse is true of imports. In September 1933 they were \$147,000,000; in October, \$151,000,000; in November, \$128,000,000; in December, \$133,000,000. A year ago in March they were \$158,000,000. In March this year they were \$171,000,000.

There is no consolation in these figures to that school of thought which, at the time the N. R. A. was established, predicted it would result in the stimulation of American industry and a rapid expansion of American trade.

Department-store sales are not as great now as they were the month the National Industrial Recovery Act became a law.

In other words, every industrial index shows that, contrary to the statement of President Roosevelt in his special message asking for an extension of the National Industrial Recovery Act, that act has not checked the downward spiral of depression, but, to the contrary, has increased it and continued it.

As to the increase in unemployment, which the President in his annual message stated was a stark fact, irrefutable figures show there is more unemployment today than there was when the National Industrial Recovery Act became operative. Even the President admitted that fact in his special message, in the following words:

It is now clear that in the spring and summer of 1933 many estimates of unemployment in the United States were far too low, and we are therefore apt to forget that the National Industrial Recovery Act was the biggest factor in giving reemployment to approximately 4,000,000 people.

In other words, in a futile endeavor to explain away the vast millions of unemployed today the President charges that the Government's estimates of unemployment in 1933 were too low. But there is no reason to assume that the President's guess today is any better than his guess in 1933.

The administration guessed at the number of unemployed in 1933 and is still guessing at it. The President states the National Industrial Recovery Act gave reemployment to approximately 4,000,000 people. On March 4 last Secretary of Labor Perkins stated that since March 1933, 2,550,000 have been put back to work in private industry. General Johnson on the same date, in a radio address, stated that 3,000,000 had been put back to work. How are you going to reconcile these various statements?

In one of his fireside talks over a radio network October 22, 1933, the President stated that there had been approximately 10,000,000 unemployed in March of that year. He stated that the new-deal policy had put 4,000,000 back to work as of that date, which would have left only 6,000,000 unemployed in October 1933. But the President stated February 20, 1935, that there were still only 4,000,000 people back to work by reason of the National Industrial Recovery Act. So by his two statements he admits there has been no gain made in the way of reemployment since October 1933.

Again, Mr. Richberg, in his report to the President September 7, 1934, stated that 4,000,000 had been given reemployment in private enterprise during the previous year and 4,000,000 more had been given employment on public enterprises, making a total of 8,000,000 who had been put back to work under the new deal. Taking the President's figures as of October 1933, that 10,000,000 were unemployed when the new deal came into power, that would then have left only 2,000,000 unemployed at present, according to Mr. Richberg.

In other words, it is impossible to reconcile any of the figures of any two members of the President's Cabinet or his official family, or to reconcile any of their figures with the President's figures. The reason for this is set forth by Gen. Hugh Johnson in a statement appearing under his signature March 15. In that statement he said:

We have some millions of men out of work. We have talked about the number being 10,000,000. There isn't anybody in the United States who knows whether that figure is within gunshot of the facts. This moves me to say that the outstanding feature of this depression is our almost complete ignorance of it. We are disbursing millions of dollars to take care of the unemployed and their families, and yet we have not the simplest fact regarding it. . . . We do not know—but it ought to be our business to find out—just exactly how many of our people are out of jobs. Of course, this raises in the minds of most people an idea of months of preparation and the expenditure of more millions to count the unemployed. That is a piece of nonsense.

During the war, when we were putting over the draft, we needed an accurate census of man power. We took two censuses, registering 40,000,000 men of arms-bearing age. Each of these two censuses took just 24 hours to accomplish, and the cost in each case (except for printed matter) was about \$50,000. The same process would give us a real chart of the unemployment situation.

In other words, the new deal, which is supposed to be the last word in economic planning, has, after 2 years of administration, the major problem of which was dealing with unemployment, no accurate knowledge of the number of unemployed and no system whereby such knowledge can be obtained.

The public must rely, as it does, upon the American Federation of Labor and other statistical organizations for its information in this regard.

But the public does not have to rely upon private organizations for information regarding the number of individuals on public relief. There are over 20,000,000. The President stated it accurately in his annual message that "the burden of the Federal Government has grown with great rapidity." Federal expenditures for public relief show an increase of over 200 percent since July 1933—the month before the so-called "recovery program" was set in motion. There are between 5,000,000 and 6,000,000 more individuals on public relief rolls than there were in July 1933, the month before the so-called "recovery program" was set in motion.

As the President stated in his annual message, this is a "stark fact." However, the tragedy of it is that it was so unnecessary. Had this administration not attempted foolishly to fly in the face of economic laws and discarded sound policies in order to set up a haphazard system of experimentation, we would not now be compelled to admit that, insofar as material recovery is concerned, the rank and file of the American people are in far worse shape than they were when the new deal began its experiments.

That private industry in this country has failed to recover to the degree expected during the last year is largely due to the fact that it is no longer master in its own house.

The N. R. A. has developed into a machine of industrial disorganization and confusion, despite the fact that it was offered to industry as merely "a voluntary program to fight depression" which would give industry "an opportunity of democratic self-discipline."

The Government seeks to take away from the management of private industry control over the wages and hours of labor, the production, distribution, and prices of the products, and the issuance of new securities. Manufacturers are prohibited the right to improve their plants by the replacement of obsolete machinery with modern equipment. New plants or extensions of old ones may not be built without the Government's consent. The Reconstruction Finance Corporation is directed to withhold financial credit from

any manufacturer who does not bow to the dictates of the N. R. A.

To add to the irony of the claim that the N. R. A. was set up to promote industrial self-government, when an industry or group of industries, acting in good faith, accept a code, they find in it a proviso that the President may, without notice or hearing, or assignment even of a cause, cancel or modify any or all of the provisions of the code. Furthermore, this has been consistently done, to the injury and sometimes to the ruin of those affected by the change. In other words, the sanctity of contractual rights and agreements has no place whatever in the administration of this organization improvised by the new deal in the pretense that it was to aid industry in its fight to recover from the depression.

Furthermore, during the recent arguments of the Oil Code before the United States Supreme Court, it developed the Government had indicted and prosecuted individuals for violations of Executive orders which had never been promulgated and which, of course, those so prosecuted had never heard of.

Following the caustic criticism of this episode from the bench of the Supreme Court, it developed that since the N. R. A. was established it has issued 10,269 Executive orders, ostensibly by the authority of the President of the United States—orders which had the full force and effect of law, their violation being a criminal offense punishable in the Federal courts. It further developed that hundreds of these orders the President never read. They were never printed and circulated among the individuals or the industry to which they were directed. In a great many cases, copies of these orders were not even filed with the proper officials of the Federal Government.

How could industry recover under such conditions? How could a manufacturer or business man plan for the future, arrange to expand his activities, and add to his pay roll and expenses when he had no voice in the management of his own enterprise, and when he might be laying himself liable to criminal prosecution for violation of orders affecting his industry or business, copies of which had never been furnished him by the administration issuing them, and the very existence of which he had no knowledge?

A striking example of how the policies of the new deal are operating to prevent recovery is furnished by the durable-goods industries. A survey of the durable- or heavy-goods industries conducted by the Machinery and Allied Products Institute was completed in February and the findings published February 27, 1935. Those findings were:

First. A pent-up demand for machinery, accumulated during the depression years since 1929, amounting to an indicated total of \$18,574,000,000.

Second. A prospective pay roll to labor employed in the manufacture of these machinery requirements amounting to approximately \$12,073,600,000.

Third. A prospective total of 20,123,000,000 man-hours of labor in producing the machinery required to meet the accumulated requirements.

Fourth. Potential employment for 2 years of a force equal to 4,000,000 workmen—more than four times the present number of workmen in the machinery industries—a several-year task for machinery plant capacity to handle—in the production of machinery needed to meet the accumulated demand.

What is holding up the durable-goods industries? A committee representing those industries was selected March 7, 1934, at the request of General Johnson, Director of the N. R. A., for the purpose of making an investigation and a report regarding the situation in the durable-goods industry. That committee made its report as of May 14, 1934. Here are some of the things it stated:

Business cannot make long-range plans without assurance that our monetary policies will not be subject to sudden and arbitrary changes. Such changes destroy confidence and work against economic recovery. * * * A stabilized dollar is needed in order that business may again plan for the future.

Here is another one of its conclusions:

Government can do no one thing as important as to encourage a wide-spread public confidence by exhibiting its own firm faith in recovery and by refusing to countenance measures that are inconsistent with our existing economic system.

And here is another of its conclusions:

Measures for coercive Government control of industry are inconsistent with American principles, and such measures can have no other effect than to kill confidence and indefinitely delay recovery.

In another statement issued by this committee, under date of April 12, 1934, and addressed to the N. R. A. code authorities and code committees, it pointed out that in the durable-goods industries, directly and indirectly, there were then 5,000,000 unemployed, and that the first requirement "for even partial recovery in these industries" is "the restoration of confidence in the Government's future policies."

In that same statement the committee said:

The conclusion is clear that we are gradually enforcing the nationalization of productive wealth. Increasing amounts of Government money in productive enterprises must inevitably result in an increasing degree of direction, regulation control, and operation by Federal agencies.

The new-deal administration has continually appointed commissions to investigate and advise, but up to the present moment it has never followed that advice.

Industry testifies the failure of the so-called "recovery program" is due to the fact it has destroyed confidence among those who would employ 4,000,000 men now idle, that it has destroyed this confidence by giving support to measures that are inconsistent with our existing economic system, and that these elements are foreign and obnoxious to the American individual.

Perhaps the most damaging feature of the N. R. A. has been its creation of monopolies, which have operated to drive the small business man and small manufacturer out of business. Instead of "fostering fair competition" it has not only fostered but compelled unfair competition, whereby the big fellow was permitted to eat the little fellow up. The last report of income-tax returns substantiates this statement. It showed that during the year ending June 30, last, 11 months of which the N. I. R. A. was operative, the number of individuals having incomes in excess of \$1,000,000 more than doubled, while the number of individuals with incomes between \$5,000 and \$25,000, obviously embracing the small business man and manufacturer, declined over 101,000.

During the first year of the National Industrial Recovery Act, General Johnson upon two occasions made the statement in the course of public speeches that if the small manufacturer or small business man could not operate profitably under the codes, they would have to go out of business. Only a few days ago—early in March of this year—in the course of his testimony before the Senate Finance Committee investigating the operations of the National Industrial Recovery Administration, Mr. Clay Williams, chairman of the executive board of that Administration, frankly stated that if the National Industrial Recovery Act was to be effective, it would undoubtedly drive out of existence the small business and the small industry.

In view of these two facts, there can be no successful challenge of the assertion that this major policy of the new deal has operated to the economic death of hundreds of small business and industrial concerns, bankrupted their owners, and driven their employees onto the streets into the ranks of the idle and, most likely, into the bread lines and on the public relief rolls.

Title II of the National Industrial Recovery Act provided for the Public Works Administration and made a specific appropriation of \$3,300,000,000 to carry on its work.

President Roosevelt, in asking for this set-up in a special message to Congress May 17, 1933, stated:

A careful survey convinces me that approximately \$3,300,000,000 can be invested in useful and necessary public construction and at the same time put the largest possible number of people to work.

At the time the President signed the National Recovery Act, June 16, 1933, he predicted that by the 1st of October that year 1,000,000 men would have been given jobs because of the Public Works projects. October 1, 1933, found less than one-fourth of that number at work on P. W. A. projects.

By November 1933 the President realized that the "careful" survey, to which he referred in his special message to

Congress in May had evidently not been as careful as he had indicated. On November 15 he made a public admission of the failure of the P. W. A. in the following language:

We might as well be perfectly frank. It has been exceedingly difficult honestly to allot the entire sum of \$3,300,000,000 to worthwhile projects.

That was the occasion of the launching of the C. W. A., a step taken in order to distract public attention from the fact that both the N. R. A. and P. W. A. had failed to make more than a mere dent in the ranks of the unemployed.

The C. W. A. embodied none of the virtues and magnified all of the shortcomings of the P. W. A. It was a makeshift at the best. It was a cesspool of political graft and favoritism, by the public admission of its own Director. It not only failed to prime the pump of economic recovery, but, in the words of President Roosevelt himself in his last annual message to Congress, January 4, 1935, its program of furnishing "a few hours of weekly work cutting grass, raking leaves, or picking papers out in the public parks" destroyed the self-respect, the self-reliance, the courage, and the determination of those who were on its rolls. Outraged public opinion, voiced in practically every State of the Union, compelled the administration to abandon that agency, after it had expended over \$800,000,000 of the taxpayers' money in less than 5 months.

As for the P. W. A., it has been the greatest failure of any permanent agency set up by the new deal. It is impossible to tell how many men have been given work at any given time under its agency, because the Public Works Administration has studiously avoided making any statement of a specific and definite character as to the number of men furnished employment on the projects financed by it.

Instead of being what President Roosevelt promised "a bridge by which people can pass from relief status over to normal self-support", the P. W. A. in reality has constituted the greatest existing obstacle to industrial recovery. It has, under the laws of Delaware, set up a series of corporations, financed with Government funds, for the sole and express purpose of invading practically every field of private enterprise as competitor to legitimate and honestly conducted industry and business. Nothing has exercised such a malign influence against the revival of industrial activity and the placing of idle men upon the pay rolls of private industry as these activities.

Moreover, despite the high assurances of the President when this emergency agency was initiated that in its allocations of public funds there would not be the "smell of the 'pork barrel'", no agency in the Government has been so influenced by political motives and allocated and disbursed public funds from so partisan a standpoint, without regard to the value or need of the projects financed, as has the P. W. A.

Despite this and in the face of the President's candid admission that it was exceedingly difficult "honestly" to find worth-while projects upon which to spend \$3,000,000,000, it is now proposed to continue the Public Works program and finance it by an additional appropriation of \$4,000,000,000, made in a lump sum, without any restrictions as to the manner of its expenditure.

A "managed currency" or a "commodity dollar" is the third major experiment of the new-deal recovery program. The objective of the policy is to raise the general price level to the level of 1926.

The announcement of this policy, contained in President Roosevelt's cable message to the London Conference, July 3, came as a surprise and a shock to the United States and to the world.

In his fireside talk of October 22, 1933, the President stated "managed currency" was to be a fixed policy of this administration until the restoration of the price level of 1926. He stated the administration would not attempt any stabilization or permanent revaluation of the dollar until after the restoration of the price level of 1926.

In his last annual Budget message, January 7 this year, the President shows how far short of accomplishment has fallen his "managed currency" policy. In that message

he stated that the price level at the close of the last fiscal year stood at 74.8 percent of its 1926 average, as compared with 66.3 percent on June 30, 1933, when the "commodity dollar" policy was announced.

Eighteen months of tinkering with the value of the dollar in order to restore the 1926 commodity price level has resulted in an increase of 8 points in that level, with 25 points yet to go.

The fourth major policy of the new-deal recovery program, as announced early in his administration by the President, was rigid public economy, honest balancing of the Budget by reducing Federal expenditures to a point where the income of the Government would be sufficient to cover all expenditures of the Government.

ROOSEVELT'S PRINCIPAL CAMPAIGN PLEDGE REPUDIATED AND THE POLICY OF PUBLIC ECONOMY ABANDONED BY THE NEW DEAL

In his Pittsburgh, Pa., speech of October 19, 1932, as well as in numerous other campaign speeches, Governor Roosevelt stated the most important issue of the campaign was that of public economy. In a special message to Congress, March 10, 1933, the day after it was convened in special session, President Roosevelt emphatically stated that the then existing deficit of \$5,000,000,000, which had been accumulated over a period of 4 years, had been the largest contributing factor to the collapse of the banking structure of the Nation, the stagnation of the economic life of our people, and industrial depression and unemployment. He asserted it was a threat to the credit of the United States Government, which, in turn, threatened credit of all private business and the security of all investments, such as savings and insurance policies. He asserted national recovery depended upon ending the practice of creating deficits and the borrowing of more money in order to meet the expenditures of the Government.

The President pledged himself, his administration, and the Democratic Congress to a program of rigid economy and a reversal of what he styled the "loose fiscal policy" of creating Federal deficits and continued Government borrowings.

The pledge was broken almost with its making. That session of Congress appropriated more money than any other peace-time Congress in the history of the United States up to that time. (Note: The present session of Congress already has broken all previous records, and administration bills calling for billions more are yet to be passed.) It did this at the President's request, often in bills written in the executive offices of the Government and sent to Congress with the mandate that they be passed as written, without change.

Nevertheless, the President in his first annual Budget message, January 1934, while admitting the Federal expenditures were beyond all precedent except in period of war, asserted that the Government had come to the turn in the road and from then on there would be a diminution of expenditures, so that by the fiscal year ending June 30, 1936, there would be a balanced Budget.

That session of Congress broke the record of the previous session in the matter of appropriations. All told, both sessions of that Congress made specific appropriations in the aggregate sum of \$22,000,000,000 to cover definite expenditures authorized by the Congress. In addition, it placed at the disposal of the Roosevelt administration Government credit in excess of \$7,700,000,000, to be drawn on by the Home Owners' Loan Corporation, the Farm Mortgage Corporation, the Federal Housing Administration, the Reconstruction Finance Corporation, and other Government agencies.

In his Budget message sent to Congress January 7 this year the President abandoned all pretense of economy, asked for greater appropriations than he asked a year ago, gave up all hope of fixing any date as to when the Budget may be balanced, and contented himself with the statement that the strain upon the Government credit by reason of the unprecedented expenditures of the new deal during the last 18 months had not yet reached the breaking point. This was a fine assurance for the American people.

Just when will the breaking point be reached? The experience of every nation which has during any period in-

dulged in riotous expenditures and costly experiments, violated the practices of public economy, and flouted the fundamental fact that a nation, no more than an individual, can continually spend more than it earns and remain solvent warns us that we are within sight of the breaking point of our national credit.

The failure of our national credit now would mean greater disaster than at any other time in our history due to the fact that the policies of the new deal have compelled our banks to finance the Government. Over 50 percent of the so-called "assets" of our national banks consist of Government securities. If those securities, due to the riotous expenditure of this administration, become questionable, if their marketable value should decline as much as 10 to 15 points, it would mean bankruptcy for our national banking system, with the incredible loss of their deposits and savings to the American people.

Nothing is to be gained by concealing the facts. In the 2 years of the new deal the interest-bearing public debt of this Nation has been increased over \$9,500,000,000. Of that amount \$7,384,732,000 is evidenced by loans made directly by the United States Treasury, while \$3,345,509,250 is evidenced by bonds issued by the Farm Mortgage Corporation and the Home Owners' Loan Corporation, the payment of the principal of which is guaranteed by the Government, which, at the same time, is now meeting the interest. This figure is carried in the United States Treasury statement of March 30, 1935, under the caption "Liabilities—obligations guaranteed by the United States"—Farm Mortgage Corporation—\$1,089,410,100; H. O. L. C., \$2,256,099,150.

The report of the United States Treasury as of March 30, 1935, shows that for the first 9 months of the current fiscal year our public debt charges, consisting of increased interest and sinking-fund allocation, was \$207,244,370 greater than it was for the corresponding period of the last fiscal year.

The routine expenditures of the Government, classified in the United States Treasury statement as "general expenditures", were on March 30 last \$461,254,299 in excess of the routine operating expenses of the Government for a like period in the previous fiscal year. At this rate—and it is safe to say it will be increased between now and June 30—even the ordinary or routine operating expenses of the Government this fiscal year will be over \$600,000,000 greater than last year.

On February 28, 1933, there were upon the pay rolls of the Federal Government 563,487 civilian employees, classified and unclassified. This does not include any of the enlisted men and commissioned or noncommissioned officers of the military and naval service. February 28, 1935, after 2 years of the new deal, there were upon the pay rolls of the Federal Government 680,546 civilian employees, an increase of 117,059, or over 20 percent. This shows how the present administration is economizing.

The bulk of this increase is accounted for by the creation of over 60 different alphabetical set-ups, to carry out the experiments of the new deal. In every instance where Congress authorized the establishment of emergency set-ups, it was specifically stated that all employees in those set-ups might be selected without regard to the rules of Civil Service. In other words, the increase of over 100,000 individuals on the Federal pay rolls represents the amount of political patronage in that field which has been created by the new deal. The increase in the annual Federal pay roll alone, by reason of this increase in Democratic patronage, amounts to about \$250,000,000 a year.

Since June 1, 1933, the new deal has expended \$6,500,000,000 for emergency purposes to finance its so-called "recovery program."

It has, within that period, accumulated a deficit of \$6,300,721,000. It has pushed our public debt above the \$30,000,000,000 mark. It has obtained an additional \$5,000,000,000 for emergency purposes, which will be added to the deficit, making it over \$11,000,000,000, and will eventually be added to the interest-bearing public debt, making it in excess of \$36,000,000,000.

The new deal, from July 1, 1933, up to the present minute, has been expending \$2 for every \$1 it collected.

Yet, with all of this vast expenditure of money, it has not brought recovery. It has not relieved unemployment. It has not decreased the number of individuals on public relief. It has not increased our foreign trade. It has not reduced the mortgage indebtedness of our agricultural classes. It has not raised the wages of our industrial employees. In fact, at this very time, after 2 years of uninterrupted rule in which the President has had his own way about every thing and has been permitted to indulge in every experiment that occurred to him, expending on public relief the incredible amount of \$58 a second, \$3,400 every minute, \$208,000 every hour, or \$5,000,000 a day, the administration admits that even this incredible sum is insufficient to meet the relief needs and has asked for \$5,000,000,000 more.

Briefly, then, the net result of the new deal, after 2 years, is an increase of \$9,000,000,000 in our public debt, over \$200,000,000 in debt charges every year, over \$6,000,000,000 in our deficit, all of which must be added either in the immediate future to the burdens of our taxpayers, either directly or indirectly in the form of increased costs of living, or in national bankruptcy.

There has been an increase of over 60 Federal agencies, all of them clothed with dictatorial and extraordinary power, all of them exempt from the provisions of civil service, which has added 117,000 individuals to the Federal pay roll at an increase of \$250,000,000 a year in the Federal pay roll.

In addition, the new deal has driven hundreds of small, honest business and industrial concerns into bankruptcy and their employees into the ranks of the idle. It has decreased the number of wage earners in private industry. It has lost our foreign markets, and it has increased by at least 6,000,000 the number of individuals who have become objects of public charity and depend upon some form of public relief for their food, clothing, and shelter.

These are some more stark facts showing the results of the new-deal experiments for the last 2 years, and I hope you will give them the thought and consideration to which their importance entitles them. [Applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. ARNOLD].

Mr. ARNOLD. Mr. Chairman, I did not take the floor at this time to answer the very carefully prepared and well-read statistical speech of my good friend from New York, but before saying what I had intended to say in connection with the bill before us I want to spend a few moments, in a general way, on the speech of the gentleman from New York [Mr. SNELL].

I presume, coming from the source it does, this is the opening shot in the 1936 campaign. I listened with a great deal of interest to the speech. I thought perhaps somewhere the gentleman from New York would give us some constructive suggestions about the evils he says are being perpetrated and perpetuated upon the American people by the present administration, but not a single, solitary constructive suggestion was made by the gentleman in his labored speech.

Now, what is the situation? Let us see for just a moment. When the gentleman's party was in power, during the last 2 years of that administration, the Government in its ordinary expenses was going in the red at the rate of \$2,000,000,000 a year, and they were meeting this deficiency by issuing bonds to take care of it. Business was on a downward spiral; bankruptcies mounting daily. The Government was going in the red day after day, and inevitable calamity was in the offing. The banks throughout the country were failing, hundreds already had closed their doors, and failures were spreading like wildfire. In a very short time, had it not been for the strenuous and aggressive action of the present Chief Executive of the United States, within a short time there would not have been a bank open in this country, and chaos and demoralization would have been the result, not only in business but in government itself. We were going headlong over the

precipice. Resolute action was taken by the gentleman who now occupies the White House. His courageous action averted a general catastrophe. He came in at a time, perhaps, the most trying in peace times in the Nation's history. This old ship of state of ours was righted, he brought it out of its nose dive, business was started on the upgrade, the financial integrity of the Government itself was saved, and a calamity was averted. [Applause.]

Now, you would think that the distinguished gentleman from New York, representing his party, as he does, in this House, would have given us some constructive suggestions, but nothing but criticism is to be found in his speech from beginning to end, so far as I was able to get it.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. ARNOLD. I yield to the gentleman from New York.

Mr. SNELL. I gave you credit as long as you followed an economic program and say that things in this country were better, but when you put the N. R. A. into effect, then things began to go the other way; and I also said in my statement that if you had followed the original program of industry and economy in Budget expenditures, you would have come out a great deal better than you have. I think it is constructive when you tell the administration the things it has done that ought not to have been done that have caused us all this trouble.

Mr. ARNOLD. And that suggestion of the gentleman brings us right back to the program that was pursued under the Hoover administration, the do-nothing policy, which brought us to the brink of destruction.

Mr. SNELL. Mr. Chairman, will the gentleman yield further?

Mr. ARNOLD. I yield.

Mr. SNELL. Your own President said that the reason we were in that trouble was on account of the \$5,000,000,000 deficit in the past 4 years and also stated that the loose fiscal policies of the last administration had caused the trouble. If we were in trouble with a \$5,000,000,000 deficit, how much more trouble are we in with a deficit of \$9,000,000,000 in 2 years? If the gentleman would answer that I would be pleased to have him do it.

Mr. ARNOLD. Let me say to the gentleman that we cannot follow the same policies that were followed and put this Government in the hole at the rate of \$2,000,000,000 a year under the Hoover administration, with the purpose of bringing our people out on the highway of prosperity and preserving the financial stability to the Federal Government.

Mr. SNELL. But you are following something worse when you go \$5,000,000,000 in the hole per year.

Mr. ARNOLD. May I say to the gentleman that so far as the ordinary expenses of Government are concerned this administration has balanced the Budget.

Mr. SNELL. Mr. Chairman, will the gentleman yield there?

Mr. ARNOLD. In just a moment.

Of course, the gentleman's party brought us into such an unfortunate condition in this country that it did become necessary to provide certain recovery and relief measures which cost money and these recovery and relief measures, of course, are costing a lot of money. May I say to my good friend from New York that these recovery and relief measures which have added to the charge on the Government Treasury were necessitated by conditions for which the Democratic Party is in no way responsible. These measures have preserved the financial stability of this Government of ours, and in the end will preserve the financial stability of the industrial interests of this country.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield to my colleague from Illinois.

Mr. PARSONS. And the gentleman also knows that the gentleman from New York [Mr. SNELL] voted for most of those measures.

Mr. SNELL. Oh, no; do not put that in the Record. The gentleman from New York did not vote for them and please take that out of the Record.

Mr. ARNOLD. May I say that if the gentleman from New York did not vote for most of them, a great many of those on his side did vote for them because of their merits and did not follow his leadership on that score. I do not know how the gentleman from New York voted on those matters and I am not making such charges, the gentleman understands.

Mr. SNELL. But please put in the Record the fact that the gentleman from New York did not vote for a majority of them and does not intend to do so in the future.

Mr. ARNOLD. I do not know how the gentleman voted on those matters. I did not inject that matter into my discussion.

Mr. SNELL. I appreciate that, but I wanted the Record to be clear about it.

Mr. MORITZ. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. MORITZ. The distinguished gentleman from New York, the leader of the minority, spoke about so many commissions. Did he forget how President Hoover had the foolish and wasteful Wickersham Commission established that cost one-half million dollars and did no good at all?

Mr. SNELL. Will the gentleman yield there?

Mr. ARNOLD. In just a moment. I am not yielding for all this discussion, and may I say that the memory of the gentleman from New York on these matters is rather short, indeed; but it was not my purpose when I took the floor, as I stated in the beginning, to answer the labored and thoughtful and statistical address of our good friend from New York.

But, preceding what I wanted to say, I wished to drop a few suggestions in answer to the gentleman from New York. May I say to my good friend from New York, and to those who represent his party in this House, that if you expect to get any place in the 1936 campaign you will have to change your policy; you will have to go to the American people and tell them what you would have done under these circumstances. [Applause.] You cannot get by by going to the American people on a program of criticism alone. That will not save you.

Mr. COLDEN. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. COLDEN. Is it not a fact that the large deficit in the Hoover administration was due to the great expenses of the Government—largely not on a program of recovery?

Mr. ARNOLD. It was the ordinary expenses of the Government, not a recovery program, which put us \$2,000,000,000 in the red under the Hoover administration.

Mr. McCORMACK. Will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. McCORMACK. I want to say that under the last administration we fought and tried to have it exercise influences for relief of suffering and distress. The difference between the last administration and the present administration is that this administration has been devoted to the welfare of the people as a whole and not to some vested interests.

Mr. ARNOLD. The gentleman is right about it. I presume the gentleman from New York would have made no effort to relieve distress and suffering throughout the country. This administration has undertaken to put into operation these things to relieve distress and suffering of all the people throughout the country.

Mr. SNELL. The gentleman is very unfair in making any such statement, when he says we never did anything for relief. Mr. Hoover made more definite recommendations along those lines but the Democratic-controlled Congress threw every one of them out of the window; they would not let him have a single one. Furthermore, the relief program, the home owners' bill and the R. F. C.—the three best parts of your program—every one of them were suggested originally by Herbert Hoover. [Applause.]

Mr. ARNOLD. Did the gentleman from New York in his prepared speech say anything whatever in regard to the relief program that he now commends?

Mr. SNELL. I was not discussing the relief situation, I was discussing the result of the N. R. A., and the figures I gave were all taken from President Roosevelt's speeches and the men representing the administration.

Mr. ARNOLD. The gentleman was discussing other features, and in not a single instance did he refer to the unfortunate plight of the American people and offer any suggestion for their relief. Gentlemen, I did not rise to make a political speech or to answer my good friend from New York. What I wanted to do was to say a little about one provision in this bill, and with your permission I will now do so.

It has occurred to me that one of the things that could be of great assistance to the Members of the House in our multitudinous duties would be to have some agency here in the Government that would make a short analysis and study of public bills and resolutions that are introduced in the House and are reported from the committees and have that information available to each and every Member of the House and the Senate. I am very glad to know that the Committee on Appropriations is carrying in this bill \$10,000 to enable the legislative reference bureau of the Library of Congress to put some men at work who are especially skilled and equipped for that kind of work, to make an analysis of these public bills when introduced and in greater detail when reported from the committees.

Constituents write us inquiring about certain bills. We have to send to the document room to get the bills and spend probably an hour or two hours in studying it to get the substance of it before we can answer the letter. If these bills are taken up and a very short analysis or digest furnished us when they are introduced—and it is not necessary that they should go into details—and we are told in an informative way the substance of the bills, it would save the Members of Congress an enormous amount of work and time that could be better spent on our legislative duties on bills up for consideration on the floor of the House.

The legislative counsel was suggested to do this work and the Subcommittee on Appropriations decided that the best place would be in the legislative reference bureau of the Library of Congress. They have skilled employees there engaged in similar work in making a digest of all the laws of the various legislatures throughout the Nation. No additional legislation is necessary, but an increase of appropriation is necessary to enable them to employ some additional help to carry this on, and I cannot conceive of anything that would be more beneficial to the Members of the House and the Members of the Senate than to have laid down on our desks probably once a week a printed summary or digest of the various bills that have been introduced in the House. My idea is to have a digest of the public bills and resolutions introduced, showing by whom introduced, the date they are introduced, and the committee to which they have been referred. When a committee reports a bill out the legislative reference bureau will go into greater detail in an informative way and make a digest of the bill so that we, as Members of Congress, will have the whole matter before us.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. BOYLAN. I might say to the gentleman that in the State of New York we have published for the benefit of the legislature a publication known as the "Legislative Index." This index covers the suggestions of the gentleman. It gives the number of the bills in numerical sequence, the name of the introducer, the date introduced, the title, and in a paragraph something about the bill. If we had something similar to that here it would be very helpful.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes more to the gentleman.

Mr. ARNOLD. That is true. I think probably in most of the States they have similar services. They also have in my State. There are something like 9,000 or 10,000 bills introduced in each Congress. Probably a third of those bills are public bills and resolutions. Of course, we are not inter-

ested particularly in an analysis of private bills. What we want are those public bills that affect us all alike, and affect the country generally. There will be something like 3,000 public bills and resolutions that will have to be digested. This is more or less of an experiment. I cannot conceive of anything that would be more advantageous to us and a greater time saver and give us a better insight into pending bills than some plan of this kind.

Many of our constituents expect us to know when a bill is introduced in the House just what that bill is. They learn of these bills through their trade journals and through their newspapers and write us about them. With the enormous number of bills that are introduced it is, of course, absolutely impossible for Members of Congress to be informed or to take their time personally to read those bills and analyze them. If we could have some central agency to do this work for us in an informative way it will add very materially to our efficiency and will be a great time saver.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. BLANTON. It would be fine if we could absolutely depend on the accuracy of the syllabus, but I have received many letters from my constituents, for instance, condemning the holding-company bill. Then when I would send them a copy of the bill, together with the President's message on it, they would write me back and tell me that they had had a very erroneous impression of the bill when they first wrote me. Much would depend upon the accuracy of the syllabus furnished with each bill.

Mr. ARNOLD. The gentleman knows that one cannot depend on the accuracy of a syllabus or digest; it is not intended to be absolutely accurate; one cannot depend upon the syllabus of an opinion in the reported cases, but it does give general information about the substance of the case. When there have been hearings on a bill a study can be made of the hearings; and if the bill has been considered by a committee and reported out favorably, a further study made of the report.

One of the most difficult things, it seems to me, in starting now is the vast number of bills already introduced. The appropriation will not become available until the 1st of July. I presume by that time Congress will have adjourned. The next session of Congress will be the second session of the Seventy-fourth Congress, with all the bills introduced this session still pending. I do not know how far those who would be charged with the duty of making the digests can get during the summer months in making an analysis of the bills that have already been introduced. Many of the bills, of course, are duplicates. For instance, different Members will introduce identical bills, and in a great many cases the same bill will be introduced both in the Senate and in the House. It is not necessary to make a separate analysis of the duplicate bills; reference can be made to the similar bill which was digested. When a bill is reported out by a committee, the legislative reference bureau of the Library of Congress should go into greater details and perhaps analyze the bill by sections or by titles, so that we can have fuller and more accurate information than we have of the bill as it was first digested.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. BLANTON. Until a bill is reported, it does not become very important or dangerous. Would it not be better, in order not to waste time, that no digest be made until the bill has been reported by a committee?

Mr. ARNOLD. I do not think so for the reason that, as I stated a moment ago, our constituents frequently are advised of these bills through their trade journals and their newspapers, will write to us and want to know what the bill contains. At the present time we have to come over here to the document room, get a copy of the bill and study it ourselves before we can reply. I think it would prove to be a valuable time saver to have a short summary made of these public bills and resolutions as they are introduced. Then we can begin to see how it will work and can change

and revise the plan as the Membership of the House may wish.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. I yield.

Mr. LUDLOW. I think the gentleman from Illinois has made a very valuable suggestion, one that would prove especially valuable in the case of those measures in which there is wide-spread national interest. I am wondering if the gentleman has investigated the possibility of extending this service to individuals and chambers of commerce who may be interested in pending legislation and who would be willing to pay for this digest service if we made it available in a form whereby it could be furnished for a consideration to people who want the information and who are willing to pay for it?

Mr. ARNOLD. That matter was suggested. Some think it will be a very valuable source of information to the public generally, and if a proper charge is made for this service that is furnished to private individuals, private concerns, and chambers of commerce it will be more than self-sustaining. I know there are private agencies here in Washington whose sole duty it is to keep tab on legislation of a certain kind and report to their subscribers. Some of these agencies charge as high as \$150 to \$200 a year for a service of this kind.

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I would like to address my first remarks to the Chairman of the Subcommittee on Appropriations, the gentleman from Indiana [Mr. LUDLOW]. On page 5 of the report the statement is made in the last paragraph:

A decrease of \$43,000 is reflected in the amounts granted to the Committee on Revision of the Laws due to a special nonrecurring appropriation for revision of the United States Code and temporary personnel in connection with the work of the committee.

May I ask the gentleman from Indiana [Mr. LUDLOW] if he can give the House some information as to the amount of money that has already been expended in the revision of the Code up to this time?

Mr. LUDLOW. I may say to the gentleman that my attention was diverted when he first asked his question, and I did not catch all of it.

Mr. RICH. I call the attention of the gentleman to the decrease of \$43,000 as reflected in the amount asked for in previous years for the revision of the United States Code. I would like to know from the gentleman what the total amount of the expenditures by the Congress has been up to this time for the revision of the United States Code?

Mr. LUDLOW. I do not have that information before me, but I have sent for it and will furnish it to the gentleman later.

Mr. RICH. Will the gentleman secure this information and give it to me so that I may present it as a part of the record?

Mr. LUDLOW. I will have it in a few minutes.

Mr. RICH. Mr. Chairman, I call the Members' attention to the fact that we are going to soon consider H. R. 7347, presented by the gentleman from New York [Mr. O'CONNOR], for the publication of the new House Code. Section 4 of this bill reads as follows:

SEC. 4. That such sum as may be deemed adequate is hereby authorized to be appropriated to provide reimbursement for expenses incurred and to make payment for services rendered in connection with the publication of the precedents.

Mr. Chairman, I have tried quite diligently to find out from the House Committee on Printing what the cost of printing of that code is going to be, and I have learned the amount so far as the Printing Office is concerned. Then I have endeavored to find out what the amount will be in reference to the act authorizing a revision of these codes, but no one seems to be able to give me the figure or no one seems to know anything definitely in reference to this cost. I am told the amount will have to be determined later by the Speaker of the House and the majority and minority leaders. I have gone to them and asked if they know what the

amount would be, and they told me they did not care to assume the responsibility for determining what amount of money shall be paid for this work.

Mr. Chairman, I am not here to try to delve into anybody's business, but I cannot give my approval to the authorization of a sum of money to be paid out by this Congress for the printing of any document unless I know something about the cost, because, as a matter of business, when a man authorizes a certain thing to be transacted he ought to know about what it is going to cost. I have always tried to inculcate that thought in my business, and I believe it is my duty to inculcate the same thought in the work in which I am interested here so far as this Congress is concerned.

Mr. BLANTON. Will the gentleman yield?

Mr. RICH. I yield to my friend the gentleman from Texas.

Mr. BLANTON. I may say to my friend the distinguished gentleman from Pennsylvania that the rules and precedents of the House, as he knows, are to the Congressman just what the saw and hammer are to a carpenter. They are his working tools. Without them we could not proceed here at all.

I consider our good friend and colleague the gentleman from Missouri [Mr. CANNON] one of the most valuable and able men of this House. He has been here in this Chamber altogether about 23 years in and about the business of the House. The complete publication of Hinds' Precedents brought up to date in a number of big volumes is his important life work. It is absolutely invaluable, and you could not put a sum of money on it 20 times what it costs that would be too high to pay for this completed work if we could not get it otherwise. It is a tremendously important and valuable work. The minority Member reads it every day. The gentleman from Missouri [Mr. CANNON] is one of the finest parliamentarians in the United States.

Mr. RICH. Will the gentleman get me some more time?

Mr. BLANTON. I will give the gentleman some of mine, but I am sure so distinguished a gentleman as is the gentleman from Pennsylvania [Mr. RICH] can always get all the time he wants. The gentleman from Pennsylvania is an important, influential member of the Printing Committee, and I hope he will do everything he can to push the completion of the printing of this great work by our good friend, the gentleman from Missouri. He will find the minority leader, the majority leader, the Speaker, and every other parliamentarian of this House will back him to the limit, no matter what it may cost, to complete the printing of this very valuable work.

Mr. RICH. I may say to the gentleman from Texas, for whom I have the highest regard, and who is always trying to keep down Government expenses, until it comes to an administration measure and then he votes for \$5,000,000,000, that he goes in for those great big sums, but outside of that he is one of the most valuable men we have in Congress.

Mr. BLANTON. I thank the gentleman. I voted for such a measure because it was our President's program to meet the terrible emergency existing and to get us out of a depression that is unprecedented.

Mr. RICH. If the gentleman will get me some more time I will show him that some of the promises heretofore made by President Roosevelt and the Democratic Party platform have never been fulfilled. However, we are getting off the subject.

Mr. Chairman, I do not question at all the value of the gentleman from Missouri [Mr. CANNON] and his work in revising these laws, but I would like to know what it is going to cost to complete the job. They say, in the appropriation bill, that the work is completed, but we do not have the total sum involved, and it is for this reason that I brought up the subject. So far as the work is concerned, I believe it is a very valuable work, and I think the gentleman from Missouri [Mr. CANNON] has done this country and this House a great deal of good, but the point is: What is it going to cost? Where will we get the money? Where will we get the money this Congress is spending?

Mr. BLANTON. It is going to cost about \$80,000. If it cost 15 times that sum, as an economist of this House, I would vote for it without blinking an eyelid, because it would be well worth the money.

Mr. LUDLOW. Will the gentleman yield?

Mr. RICH. I yield to the gentleman from Indiana.

Mr. LUDLOW. There have been five annual appropriations under statutes for supplements to this code. These have been in the amount of \$45,500 and in addition to that for the current fiscal year, there was an appropriation of \$37,000 to revise the code. Therefore, the total is about \$82,500.

Mr. RICH. Do I understand then the \$82,500 is the sum total involved for the work in bringing these volumes up to the point where it is now ready for the Printer?

Mr. LUDLOW. That is my understanding. That is the total cost of getting it ready up to date.

Mr. RICH. If that is the case, the 4th section of the bill to which I have just referred can be eliminated, and there will be no further use for a clause of that kind in the bill?

Mr. LUDLOW. This is not a completed matter. As time goes on supplemental appropriations will be necessary to bring the work up to date.

Mr. BLANTON. This is the work of bringing up to date Hinds' Precedents, the rules by which this House is governed.

Mr. RICH. I appreciate that, but as I told the distinguished gentleman a moment ago, I want to know what the cost is going to be. The chairman of the committee has stated the cost will be \$82,500. I would like to know whether that will end the cost so far as gathering the data together is concerned and bring the work up to the point of printing the precedents.

Mr. BLANTON. I said the cost would be about \$80,000 in round figures. Of course, it may cost a little more, because these precedents have to be added to continually, but this will be an up-to-date revision when it comes from the printing presses.

Mr. RICH. I shall now continue with some other things that are of great interest to the House of Representatives and to the country at large at this particular time and I am going to refer to some of the promises made by the President of the United States, Mr. Roosevelt, and also to the fact that the promises made by Mr. Roosevelt and the performances are entirely different. The promises made by Mr. Roosevelt have not been carried out and the performances are going to be to the detriment of the American people and not for their welfare.

In referring to his personal appearance before the national convention in 1932 to receive formal notification of his selection as the Democratic Presidential candidate, as being unprecedented and unusual, Mr. Roosevelt said:

But these are unprecedented times.

He said further:

Let it be symbolic that in so doing I broke traditions. Let it be from now on the task of our party to break foolish traditions. We will break foolish traditions and leave it to the Republican leadership, far more skilled in that art, to break promises.

He stated further:

Let us now and here highly resolve to resume the country's interrupted march along the path of real progress, of real justice, of real equality for all of our citizens, great and small.

The President said:

I have many things on which I want to make my position clear at the earliest possible moment in this campaign. That admirable document, the platform which you have adopted, is clear. I accept it 100 percent.

Let us examine the Democratic platform of 1932 briefly. I quote from that platform:

The only hope for improving present conditions, restoring employment, affording permanent relief to the people, and bringing the Nation back to the proud position of domestic happiness and of financial, industrial, agricultural, and commercial leadership in the world lies in a drastic change in economic governmental policies.

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, con-

solidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government.

Never in the history of this country have we experienced such ruthless expenditure by the Federal Government as we have witnessed during the past 2 years. Instead of abolishing bureaus he has set up more organizations and bureaus than any five Presidents in the history of this country, and that he did in 2 years' time. Has his promise been carried out? No! No! No!

The platform further states:

We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on principle of ability to pay.

Now, I would like to say to the Membership of the House that if there was ever a promise made to the American people that has been broken, this is it. Instead of balancing the Budget, he has opened the gap between expenditures and income more than any President ever thought of doing. He is sinking us into the greatest debt we ever dreamed of, and is he helping the country? You will find out, and it will not be long until you do, that his policy of spending is wrong. It is extravagant, it is unbusinesslike, and it is not in accordance with and for the best interest of our country. Our children, who have to pay this debt of extravagance, will rise up to damn the President and this Congress.

You will all recall when the President appointed Mr. Douglas as Director of the Budget. Mr. Douglas is a man for whom we all have respect and honor, a man who tried his level best every day and every hour of the day to balance the Federal Budget, but when he saw the heads of the various departments of this Government ruthlessly expending the funds of this country, he had no heart to go ahead and try to balance the Budget. He had in mind the promises made by the President of the United States that he would do that very thing. He knew the President was not living up to his promises, and I do not believe there was any cause for the resigning of Director of the Budget Douglas except the fact the President would not carry out the promises he had made to the American people.

I quote further from the President's address:

We advocate a sound currency to be preserved at all hazards.

You men know what the President of the United States is doing and has done in the past year so far as sound currency is concerned, but neither you nor I nor the American people know what he is going to do. You have given him the power to determine what sound currency shall be. [Applause in the gallery.]

The CHAIRMAN. The Chair wishes to admonish those in the galleries that there must be no applause from the galleries, and no evidence of approval or disapproval of anything stated on the floor.

Mr. RICH. They want sound money.

We advocate a competitive tariff for revenue with a fact-finding Tariff Commission free from Executive interference.

The Members of Congress know that there is not going to be any interference of any kind with the President in trying to fix up his reciprocal-trade agreements. When we had a request here from the minority side a few days ago asking Congress to request the Tariff Commission and the President of the United States to give us a list of all commodities wherein the tariff would be reduced—

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman 15 additional minutes.

Mr. RICH. When we asked for this information, the majority side of the House said, "We do not want to know anything about that." The way they stated this to the minority was by not permitting the passage of a resolution asking for such information.

Now, the fact of the matter is we are receiving so many imports into this country that the American manufacturers and the American laborers are being put out of business. This is entirely due to the fact that we are importing so many commodities into this country manufactured by cheap

labor that competition by our people with foreigners is impossible. Therefore the American laborer is being put out of work, the American manufacturer is being bankrupt, and the industries of Japan, China, Germany, Austria, France, and other countries are reaping the benefits that our people should receive. Why does not the President do as he promised?

Mr. HOEPEL. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. HOEPEL. I am quite in accord with the gentleman, but is it not true that the depression is being continued on account of the great importation of goods that are coming in from Japan under the tariff walls.

Mr. RICH. I think the gentleman is right, and the only way we can today, or in the near future, help American business is to regulate or build up a tariff wall higher and higher—American markets for Americans. I want to say to the membership of the Democratic Party that nothing is going to do the labor of this country more good than to have a higher tariff wall that will prohibit the importation of products which we manufacture into this country.

Mr. BOYLAN. Will the gentleman yield?

Mr. RICH. No; I cannot yield at this time. I want to give you some more promises made by the President and the Democratic Party that have not been fulfilled.

The President of the United States says further in his speech:

Just one word or two on taxes, the taxes that all of us pay toward the cost of government of all kinds.

Well, I know something of taxes. For 3 long years I have been going up and down the country preaching that government—Federal and State and local—costs too much. I shall not stop that preaching. As an immediate program of action we must abolish useless offices. We must eliminate actual functions of government—functions, in fact, that are not definitely essential to the continuance of government. We must merge, we must consolidate, subdivisions of government, and, like the private citizen, give up luxuries which we can no longer afford.

By our example at Washington itself we shall have the opportunity of pointing the way of economy to local government, for let us remember well that out of every tax dollar in the average State in this Nation 40 cents enters the Treasury at Washington, D. C., 10 or 12 cents only go to the State capitals, and 48 cents out of every dollar are consumed by the cost of local government in counties and cities and towns.

I propose to you, my friends, and through you, that government of all kinds, big and little, be made solvent and that the example be set by the President of the United States and his Cabinet.

If there was ever a statement in all the history of this country that was a bigger bugaboo or a bigger hullabaloo than that, I would like to know what it is. If in all the history of this country any man ever made a promise to the American people and then betrayed the American people, that statement is it. He is not doing what he said he would do. He is doing just the opposite. We have lost confidence in his statements and in his promises.

Now, I do not have any grudge or any pique against Mr. Roosevelt personally, but I do condemn the things that Mr. Roosevelt is doing after the promises he made to the American people.

He promised that he would consolidate the offices of Government, and yet never in the history of the country have we branched out more in establishing offices. Never in the history of the country have we established more bureaus. Never in the history of the country have we put more people on the Government pay roll than we are doing right now.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. RICH. Yes.

Mr. BLANTON. Has the gentleman any farmers in his district?

Mr. RICH. Yes; I have farmers in my district in Pennsylvania.

Mr. BLANTON. If the gentleman will go to the farmers' national meeting at Constitution Hall tomorrow morning at 10 o'clock, he will find that the farmers of the United States do not agree with him. They meet tomorrow in Washington to thank the President for all he has done for them.

Mr. RICH. In my district we have the most intelligent and common-sense farmers in the country. But the farmers of my district are not getting the free money that farmers

in other parts of the country are getting. Why? I suppose because I am a Republican and they do not want any money to go into my district. And yet if there are any farmers who need consideration they are the farmers in my district. But the administration will not give consideration to farmers of Pennsylvania, who pay more Federal taxes than the farmers in the Southern States where they are practically turning over the Federal Treasury to them, and why that is I cannot understand. It is not right that we should give it all to the farmers of the South and let the farmers of the North go by without giving them any money at all. That is unjustifiable. Our Pennsylvania farmers are human, they are Americans. They believe in supporting the Constitution—not tearing it down by passing unconstitutional laws such as the Democratic Party have enacted into law the past 2 years. The Supreme Court is our only salvation against this administration. May it long live. That is what I condemn in this administration. It is class legislation that they are advocating, and when the President of the United States gets up and makes these grand speeches and says how we are going to help the forgotten man, how we are going to do those things that will make life more abundant, there are only two people in the United States who have anything on President Roosevelt in the general statements that he makes and which he knows he cannot fulfill. The first one I give credit to is Senator HUEY LONG in the promises he is making now to the people of this country. He has a great line of talk, and some of the things I agree with, as for instance when he says that a man who goes out of life should not leave an inheritance of more than \$5,000,000. I think there is merit in that suggestion, and we could regulate that if we would properly adjust our inheritance taxes. Then he says that the income of a man should be regulated so that the more he makes the more he pays. In this I agree. His other promises I do not think would tend to any good. They are all Huey. Then there is another man who is making promises today, and that is Father Coughlin. Father Coughlin is now trying to beat Senator Long and President Roosevelt, and I think he is going to do a good job. When we get through with these three men and the promises they are making, either one of two things will happen. Either we are going to wreck the country or we will see the millenium. [Applause and laughter.]

Mr. BOYLAN. Mr. Chairman, will the gentleman yield?

Mr. RICH. Yes.

Mr. BOYLAN. The gentleman knows that his party did wreck the country under the leadership of President Hoover; and, furthermore, I think if the gentleman is representing the farmers in Pennsylvania he is recreant in his duty if he is not looking after them. Is the gentleman asleep?

Mr. RICH. I want to say that the farmers of my district are the best people in this country, and if you had a few farmers like that to deal with in New York instead of a lot of people there who are trying to get the Government to take care of them you would not be trying to wreck this country as you are doing. Pennsylvania people believe in supporting the country, not wrecking it. In the 124 years of mostly Republican administration we have built this country up to be the greatest country on the face of the earth. Most of it came through Republican administrations. In that time we spent up to the present administration \$24,000,000,000, and in the last 3 years of President Roosevelt's administration he is asking for an expenditure of \$24,000,000,000. Contrast that ruthless expenditure. It is appalling. It is astounding.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. Will the gentleman yield?

Mr. RICH. Oh, I cannot yield to everyone. I can answer only one at a time.

Mr. McFARLANE. I am asking the gentleman to yield to me.

Mr. RICH. I am answering the gentleman's colleague from New York [Mr. BOYLAN], and I have not finished yet. I say to you that from George Washington's administration to the end of President Taft's administration, most of it

being Republican administrations, the cost of government was \$24,000,000,000.

Mr. BOYLAN. Why stop at Mr. Taft's administration? What about Mr. Hoover's administration?

Mr. RICH. During that time we spent \$24,000,000,000, and with President Roosevelt asking for five and six billion dollars in 1934 you can see what kind of a record he will make. He has all of the other Presidents beaten. They are only pikers alongside of what he is trying to do in wrecking this country by creating an unprecedented debt to be paid by our children's children.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. RICH. Yes.

Mr. ARNOLD. Referring to this building up process of the Republican Party, is the gentleman especially referring to the last 2 years of the Hoover administration?

Mr. RICH. If the Democratic Party, since I came into the Congress, when Mr. Hoover was President, had given him one-tenth of 1 percent of the cooperation that the Congress has given President Roosevelt since he has come into office, we would never be where we are now, we would never have reached this point. Think of the damnable things that were said about President Hoover and about his administration, when we needed to put our shoulders to the wheel to help this country to get back into the condition where our industries would keep men employed. We would have accomplished that if Mr. Hoover had had just a little bit of cooperation from the Democratic House of Representatives, and of all the mean, contemptible, damnable things that were said about Herbert Hoover and his administration, they were said on the Democratic side of the House and by Democratic Members of the House.

Mr. BLOOM. Mr. Chairman, the gentleman must remember that there was a Republican on his side of the aisle who said worse things about Herbert Hoover than were ever said on the floor of the House.

Mr. BLANTON. That must have been Mr. Will Wood, of Indiana, because he once criticized Mr. Hoover severely.

Mr. RICH. Who was that gentleman?

Mr. BLOOM. Mr. McFadden. He tried to impeach President Hoover several times.

Mr. RICH. O Mr. McFadden, poor fellow, he did not know what he was doing. Between Mr. Hoover and my former colleague Mr. McFadden, I place my faith in Mr. Hoover.

Mr. BLANTON. And my friend has not forgotten that the great Indianan, Mr. Will Wood, former Republican Chairman of the Committee on Appropriations, and one of the big Republican leaders here in his day, once said that Herbert Hoover was one of the most extravagant pieces of furniture with which this Government was ever afflicted.

Mr. RICH. I had the very greatest respect for Will Wood, and I doubt very much whether he made the statement the way the gentleman from Texas reports it.

Mr. BLANTON. It is in the CONGRESSIONAL RECORD in practically the identical language I have mentioned.

Mr. RICH. Not that I doubt the gentleman's word, however. If Will Wood considered Herbert Hoover such a spender, what would Will Wood say if he knew how President Roosevelt is spending money? Will Wood would turn over in his grave. And do not forget that.

Mr. BLANTON. Just one more question: Is it not a fact—because my friend always is truthful—is it not a fact that during the 4 years of Hoover's administration a deficit of \$4,000,000,000 was created that did not do the American people one single bit of good?

Mr. RICH. No; not quite in that way. He was trying to help the people of this country through laws you fellows tried to block. You would not come to his assistance; and I condemn the Democratic Party for the way it antagonized Herbert Hoover when he was President. President Roosevelt is spending in 2 years twice as much, and you watch the results. It will be just too bad, and do not you forget it; and my colleague from Texas knows it full well.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, does the gentleman from Pennsylvania desire more time?

Mr. RICH. Yes; I would like 5 additional minutes.

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. BLOOM. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. BLOOM. I just want to ask the gentleman this question: Does the gentleman take the Republican point of view from Washington's time or when the Republican Party was organized?

Mr. RICH. The gentleman from New York [Mr. BLOOM] was chairman of a committee of Congress which published a History of George Washington, a very valuable work, and from it I have learned things about Washington I never knew before. It is probably one of the best and most complete histories of the life of Washington that has ever been published. I congratulate the gentleman from New York on it.

Mr. BLOOM. I thank the gentleman.

Mr. RICH. Throughout 8 long years George Washington guided the destinies of this country through the War of the Revolution. At the end of this war he sent an itemized report to Congress of his total expenses. They amounted in the aggregate to \$76,902. It is due to the efforts of Washington and the other great men in the early life of our history as a Republic that we established this Government as we did. When we think of that comparatively insignificant sum of money—\$76,902—and the tremendous things that were accomplished through its expenditure, can we help asking ourselves what Washington would think if he could know what Roosevelt is spending in 3 years? He would think we were most extravagant, a country wrecker and not a country builder.

Mr. BLOOM. Mr. Chairman, if the gentleman will yield further I would ask him this question: When was the Republican Party organized; and why did he go back to George Washington's time?

Mr. RICH. I am trying to bring home to the Membership of this Congress that throughout the years from the beginning of Washington's term as President to the end of Taft's administration the total cost of government was \$24,000,000,000; yet Roosevelt, in 3 years wants to spend \$24,000,000,000; and our national deficit right now is \$31,000,000,000. I ask my friend from New York to think of this. The public debt at the present time is the greatest it has ever been in the history of this Nation. How is it going to be paid? Where will you get the money? Is it to be paid with these "baloney" dollars they talk about issuing? Roosevelt promised sound money. If he does not stick to sound money as he promised he will wreck the country.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Texas.

Mr. McFARLANE. The gentleman mentioned the total expenditures of the Government from its founding to the end of Taft's administration. Let us consider in connection with the Republican regime the gentleman speaks about, the legislation for which the Republican Party is responsible which has brought about the situation in the country where 4 percent of the people own more than 80 percent of the wealth. It was brought about through special-privilege legislation. Legislation enacted by the Republican Party is responsible for the present condition of the country.

Mr. RICH. I have heard statements similar to that just made by the gentleman from Texas made on this floor half a dozen times, that 4 percent of the people own 80 percent of the wealth. The gentleman is conservative, for many Congressmen have stated on the floor that 3 percent of the people own 95 percent of the wealth.

I wish gentlemen who talk thus would present facts and figures to support their conclusions. I wish some Member who makes such statements would come prepared with his figures to support them, and I shall try to get them printed in the RECORD, for I do not believe such statements.

Mr. McFARLANE. I shall be very glad to present them in my own time.

Mr. RICH. I may say to the gentleman from Texas that I doubt the accuracy of his statement. I believe he is misinformed. I have heard similar statements made on the floor of the House a number of times, as I said before. Several times I have tried to find authority for such statements but have not been able to find it. I do not believe it; I do not believe those statements.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. ARNOLD. The gentleman said a few moments ago that Congress did not support Mr. Hoover. I wish the gentleman would tell us what constructive measures Mr. Hoover recommended that Congress did not support him on.

Mr. RICH. We established the Federal Reserve bank in the administration of Woodrow Wilson.

Mr. ARNOLD. I am speaking about constructive legislation recommended by Mr. Hoover.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. RICH. Mr. Chairman, a lot of the Democrats want to hear some of these things about the administration, and I think they ought to be enlightened, because perhaps they will change their tactics. Whenever an administration measure comes in here and it is stated that it is an administration measure, you are like a bunch of sheep, you just come along, walk up to the ballot box, place your ballot there, and answer "aye." That happens every time it is an administration measure. All these unconstitutional laws, all these measures you do not believe in yourself.

Mr. ARNOLD. I am still waiting for an answer to my inquiry.

Mr. RICH. When the Federal Reserve System was established it was supposed to be a Democratic measure. During the administration of President Hoover the Federal Reserve System was in operation. Previous to 1929 it was stated that the Federal Reserve would keep us from going into bankruptcy; it would prevent bank failures. I want to say to the Democratic administration, if the Democratic Party claim they established the Federal Reserve System, they did a real good job.

Mr. ARNOLD. Will the gentleman please be specific and answer the question?

Mr. RICH. I will tell the gentleman. I think the Democratic Party did a great job if they claim credit for the establishment of the Federal Reserve System, but I want to say also right here that it was not the fault of the Federal Reserve banks that we had the depression which we have just gone through, as well as the bank failures. It was the fault of the human element in those banks. That was the trouble. If those who had charge of the Federal Reserve banks had given credit to the banks of this country, as the law was interpreted to mean and as they were supposed to do, we would have had a lot of banks stay open that did not stay open, and the Federal Reserve banks would have been a greater national benefit in time of emergency.

Mr. BLOOM. Did they not have too much credit?

Mr. ARNOLD. Will the gentleman please answer my question?

Mr. RICH. What is the gentleman's question?

Mr. ARNOLD. The gentleman said a while ago that the Congress did not support Mr. Hoover, and I asked the gentleman specifically to tell us the constructive measures that Mr. Hoover sent down here to meet the exigencies that then existed which this Congress did not go along with him on?

Mr. RICH. I may say to my colleague the gentleman from Illinois if he will look up the record he will find what they are.

Mr. ARNOLD. I am asking the gentleman to be specific.

Mr. RICH. I have only been given 5 minutes, and I cannot tell the gentleman in less than an hour all of the things Mr. Hoover sent to Congress to be enacted into law which

Congress rejected. Mr. Hoover did his part, but the Democratic House of Representatives was his and the country's greatest hindrance to real, sound, fundamental, constitutional laws. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, our good friend the distinguished gentleman from Pennsylvania [Mr. RICH] is at his worst when he is attacking the President of the United States. I fear that some of the new Members who have not yet gotten well acquainted with him may get a wrong impression of him. That is merely an eruption of pent up Republican partisanship in him, because he is one of the Republican leaders over there and he feels that it is his duty to stand up and make a partisan fight, and hence must attack a Democratic President.

There are no just grounds upon which he can attack the Democratic administration, so he must become partisan and make a personal attack on the President.

At heart and personally you will find him a delightful gentleman, an able and distinguished scholar, and much beyond the average legislator. You will find him an upstanding Republican leader either here or at home.

He was born and reared in Pennsylvania, among Republicans, so he does not know any other kind of politics. He is a good scout for all of that.

But, Mr. Chairman, I want to remind him that such unworthy attacks as he has just made on this floor is what is inciting vicious attacks by infamous scoundrels, such as came to our offices this morning through the United States mail. Such speeches as the gentleman has just made incite these vicious attacks. Here is an attack that came this morning through the United States mail from Clarence B. Thorne, 434 East Thirty-ninth Street, New York City. This moral pervert ought to be in the penitentiary. This is a vicious, unwarranted attack on the President of the United States without cause and without reason. And, Mr. Chairman, he does not stop with the President. He attacks the gentleman who just spoke, as well as every other Member of this Seventy-fourth Congress.

Let me read you his estimate of the 435 Members of the House, and the 96 Senators. This Clarence B. Thorne says:

The Seventy-fourth Congress, therefore—all of it—for even to be a "progressive" or a "maverick", or even a constructively charitable Greenway is not a mitigation of the crime—are guilty as hell of the same treason, the same murder, the same shameless theft which humanity suffers at its befouled and palsied hands.

That is the kind of vicious attacks from degenerates the gentleman incites when he makes speeches as he did just now. My good friend, an upstanding Republican from Pennsylvania, ought not to do it, and it ought to stop.

Our great President has tremendous burdens upon his shoulders just now. Problems of state hang heavily about him. He needs encouragement. He needs us to help to hold up his hands. There should be no idle, unjust criticism. There should be no heckling. We should all strive daily to lighten his burdens rather than make them heavier.

Mr. Chairman, I want to say that there is not a Republican in this House who can answer the question that was asked a few minutes ago by the gentleman from Illinois [Mr. ARNOLD] of the gentleman from Pennsylvania. There was not a single constructive measure that Herbert Hoover sent here during his 4 years that Congress did not pass, and passed with Democratic votes. We Democrats helped to pass every constructive measure he sent here when he asked Congress for it, if the measure was in the interest of this Nation. So it is futile to get up here and use generalities in attempt to make it appear that President Hoover did not have Democratic support for every constructive measure he ever proposed.

Mr. RICH. Will the gentleman yield?

Mr. BLANTON. Certainly, I yield for the gentleman to tell me one constructive measure that Herbert Hoover ever sent here that we Democrats did not support?

Mr. RICH. I want to say to the gentleman from Texas—

Mr. BLANTON. What was the measure?

Mr. RICH. I did not interrupt to give the gentleman that information. I want to give the gentleman the promises—

Mr. BLANTON. What was the measure?

Mr. RICH. I want to ask the gentleman about the promises and the performances of the present President.

Mr. BLANTON. What was the measure? There was no constructive measure that Herbert Hoover ever sent here that we Democrats did not support and help to pass. You cannot get away from that proposition.

Mr. PARSONS. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Illinois.

Mr. PARSONS. The creation of the R. F. C. was passed by a Democratic House in the Seventy-third Congress as well as the foreign-debts moratorium. Did not the House Democrats cooperate on both of those?

Mr. BLANTON. The Democrats cooperated right down the line in helping President Hoover to put his entire program through. But his program petered out. It failed. He did not have the right kind of a program.

Mr. HOEPEL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I am sorry I have not the time. I have some other matters I want to discuss, and my time is limited.

The farmers are with President Roosevelt. When I came to Congress back in 1917, Hale County, Tex., with Plainview as its county seat, was in my district, which had 59 counties in it. It was 556 miles east and west and 400 miles north and south. Here is a letter I got from one of my former constituents, Mr. C. H. Day:

HALE COUNTY FARM ASSOCIATION,
Plainview, Tex., May 1, 1935.

Hon. THOMAS L. BLANTON, M. C.,
Washington, D. C.

DEAR MR. BLANTON: Honoring the administration for its services to agriculture, May 14 and 15, we are expecting 1,500 to 2,000 actual average farmers of the Nation to assemble in Washington for the purpose of expressing our appreciation as recipients for the relief accorded us during the depression and offering our assistance and sober council for a future program based on sound logical reason. As chairman of the national arrangements committee, for this event, the preliminaries were worked out by the executive committees of each of the States in Washington the week of April 22.

Since returning home the farmers of these States have been actively engaged in holding meetings electing their delegates to attend this assembly, in arranging special trains and financing the trip. From Texas we will have two or more special trains. All special trains are intended to arrive in Washington early the morning of May 14.

This is a personal invitation to you to attend the set program which is now being arranged for arrival in the Capital. We have requested the Department of Agriculture to obtain, if possible, the large auditorium in the Labor Building for the program. The arrangements committee will be in Washington May 10 to complete the details and we shall greatly appreciate your cooperation and assistance in order that this program may be carried out in the spirit for which it is intended.

Yours very truly,

C. H. DAY,
Chairman Arrangements Committee.

Thus you see the farmers are with the President of the United States. The farmers appreciate him. The farmers say that he, with the help of Congress, has been their savior and their deliverer in this great time of need.

Mr. Chairman, I ask unanimous consent to extend my remarks and to include some excerpts therein.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Now, Mr. Chairman, I want to discuss an entirely different matter—the persistent and continual misrepresentation accorded me by certain newspapers in Washington.

HERALD AND POST CANNOT TELL THE TRUTH

Mr. Chairman, last Friday I stopped a resolution from passing which the gentleman from New York [Mr. DICKSTEIN] was attempting to put over in a hurry. I quote from Friday's RECORD my position on the matter:

Mr. BLANTON. Mr. Speaker, reserving the right to object, this would be all right if the resolution provides safeguards for their return.

Mr. DICKSTEIN. It does.

Mr. BLANTON. Are there proper safeguards in the resolution to insure the prompt return of all of them after this jamboree?

Mr. DICKSTEIN. This is under the regulations of both the Department of State and the Department of Labor.

Mr. BLANTON. But I want to know that their prompt return is assured. How many could come in under the resolution?

Mr. DICKSTEIN. Each country is going to send a Boy Scout group.

Mr. BLANTON. A "group" could mean a great many. Are they limited as to the number of Boy Scouts they may send?

Mr. DICKSTEIN. There is no limitation at all.

Mr. BLANTON. There should be a proper limitation. Mr. Speaker, before we agree to this request, we would like to hear the resolution read.

The Clerk read as follows:

"Resolved, etc., That alien participants, officials, and other accredited members of delegations to the National Boy Scout Jamboree, to be held in the United States in 1935, and members of the immediate families of the foregoing, all of whom are non-immigrants—"

Mr. BLANTON (interrupting the reading of the joint resolution). That is far enough. Under that language a hundred thousand could come over. I object, Mr. Speaker, if they are going to bring their families in here. If, beside the Boy Scout participants, foreign "officials", and foreign "members of delegations", and foreign "members of the immediate families of the foregoing" may all come across our borders, many of them will stay here, and we already have at least 6,500,000 aliens here from foreign countries holding American jobs away from starving Americans now on relief. It is all right for the Boy Scouts to come in when their prompt return is definitely assured, but the families do not have to participate in the national games, but a possible army of officials and delegations are not necessary.

Mr. RANKIN. Does the gentleman consider this an insidious move to bring in some immigrants?

Mr. BLANTON. I am a little suspicious about it, because there have been so many notorious anarchists brought in. I have lost confidence in our Bureau. When Emma Goldman, who was the former notorious anarchist pal of that notorious anarchist Alexander Berkman, can be permitted to come in, I have not much confidence in regulations our present careless Immigration Bureau will prescribe for our protection.

Mr. DICKSTEIN. Will the gentleman withhold his objection so that I may make a statement?

Mr. BLANTON. No; I am going to object. Mr. Speaker, this should not come up here until we can look into it a little closer and properly safeguard it. The word "officials" and also the words "and other accredited members of delegations" and also the words "and members of the immediate families of the foregoing", all being in addition to the Boy Scouts themselves, are entirely too all-embracing, and under such language a whole army of additional foreigners could come in the United States from Italy, Greece, Japan, Russia, the Philippines, Germany, France, England, and from every other country scattered over the entire world. And the worst of it all is that there are no safeguarding provisions that I deem satisfactory to assure their prompt return out of this country after this so-called "jamboree" is over.

We are already in what I consider too much of a foreign jamboree. We have over 6,500,000 aliens in the United States who have been taking American jobs that belong to Americans. If all of these aliens in the United States have no jobs, they are on relief. If we could deport them and get them out of this country, and keep them out, there would be plenty of American jobs for Americans.

This is one matter that I have made up my mind definitely to watch, and no more bills with my consent are to be passed here that will admit any more aliens into the United States.

The time has come when the Members of this Congress who think more of American citizens, walking the streets without jobs, with their wives and little children starving, than they do of foreigners from foreign countries to make a determined, uncompromising fight to stop other aliens from coming across our borders and to deport the millions of aliens who are now here unlawfully. I am one who is pledged to make such a fight. This is one issue upon which I will not compromise. This is a fight to the finish. Therefore, Mr. Speaker, I object to the resolution.

The above will show that I did not mention any person named "Brinkman", and that I did not criticize in any way the foreign Boy Scouts, and that I did not in any way compare them to Emma Goldman.

WASHINGTON HERALD'S MISREPRESENTATIONS

Yet the Washington Herald Saturday morning, in large black-face type, printed the following untrue headline: "BLANTON fears alien Scouts", and in a succeeding untrue headline, also in large type, asserted: "Halts resolution to admit boys into United States." And then the Herald stated: "DICKSTEIN launched an attack on the Texan off the floor." And the Herald quoted me as saying, "I am suspicious when Alexander Brinkman can come in."

I halted the resolution because it would admit alien "officials", and because it would admit alien "members of delegations", and because it would admit alien "members of the immediate families of the foregoing", all without proper safeguards for the prompt return after the jamboree.

WASHINGTON POST'S MISREPRESENTATIONS

Then the Washington Post had to print its usual and customary perversion of facts. In its issue Saturday morning, in large black-face type, it printed the following untrue headlines: "BLANTON suspicious—Balks bill to aid Scouts stage jamboree." I did not object to aiding the Boy Scouts stage their jamboree, but what I did object to was an attempt to bring in a horde of foreigners into the United States along with them, which our able colleague from Mississippi well described as "an insidious move to bring in some immigrants."

If the gentleman from New York criticized or attacked me, I did not know anything about it. He did it behind my back and did not let me hear him. Yet the Washington Post had to carry the following erroneous statement in an attempt to reflect upon my action, that was taken to protect our unemployed Americans, who have had their jobs taken away from them by aliens illegally in the United States, to wit:

DICKSTEIN warmly criticized the Texan off the floor, and declared he will bring his resolution before the Immigration Committee Monday and ask passage under suspension of rules. He explained that 35,000 Scouts will come to Washington in August.

CALLS ACTION UNPARDONABLE

"The gentleman from Texas, Mr. BLANTON, who claims to be a 100-percenter", DICKSTEIN declared, "in my opinion has, by his conduct in objecting to this resolution, brought criticism upon the Congress of the United States."

"The gentleman from Texas compared the American Boy Scouts and the Boy Scouts of the world who are to participate in this great event to Emma Goldman and others, which I think is unpardonable."

When the Washington Post made the above criticism it knew that it was untrue, because it had a reporter in the gallery when the matter occurred in the House.

PROMPTLY FURNISHED NEWSPAPERS PROPER CORRECTION

After learning of these erroneous press statements, on Saturday morning, May 11, 1935, I promptly furnished the following correction to the Washington newspapers, the Associated Press, and the International News Service, to wit:

PROTECTING UNEMPLOYED AMERICANS FROM IMMIGRANT ALIENS

Relative to press reports this morning regarding my stopping a resolution permitting alien Boy Scouts to enter free and without restriction as to number, I distinctly stated that I did not object to the Boy Scouts coming, with proper provisions in the resolution to insure their prompt return after the jamboree.

What I objected to was the provisions in the resolution that in addition to giving this privilege to the alien Boy Scout participants themselves, it provided for alien officials, and alien members of delegations, and alien members of the immediate families of all of the foregoing, under which at least 100,000 foreigners might come into the United States.

And there were no proper safeguards in the resolution to assure Congress that this horde of aliens would be forced to return promptly after the jamboree. I did not in any way compare "alien Boy Scouts" with Emma Goldman or Alexander Berkman, but said that when our Immigration Bureau allowed Emma Goldman, a notorious anarchist, who was the dangerous pal of the notorious anarchist, Alexander Berkman, to come here at this dangerous period, after our Government had spent a tremendous sum to deport them following the World War, I did not want to leave the matter wholly in the hands of such bureau.

THOMAS L. BLANTON.

DID NOT HAVE THE DECENCY TO CORRECT

Neither the Washington Herald nor the Washington Post had the decency to print my statement, or to correct the false and erroneous impression they had given their readers by printing their deliberate misstatements.

WILL CALL THEIR HAND IN THE FUTURE

I intend to call attention through this RECORD hereafter to every lie any of these Washington newspapers publish about me, and to publish the facts that they attempt to distort, misquote, and misrepresent. They cannot get away with it. They hurt and injure only themselves, because their readers are learning that they cannot depend on what they see in Hearst's Herald and Times or the Washington Post. When they treat me decently, I will show them every consideration.

THE PEOPLE ARE NOT ASLEEP

The following is a fair sample of the communications I have received from different parts of the United States:

CINCINNATI, OHIO, May 13, 1935.

Congressman THOMAS L. BLANTON,
Washington, D. C.:

Do not surrender your position on foreign Boy Scout relatives. You are right. More power to you.

JAMES L. WILMETH,
Secretary Junior Order of Mechanics.

Within the past 2 months I have received letters and telegrams from every State in the Union strongly commending my fight to cause aliens to be deported from the United States and to stop all immigration for 10 years.

TODAY'S IMMIGRATION COMMITTEE HEARING

As soon as the hearing began today on the hereinbefore-mentioned resolution (H. J. Res. 285), I appeared before the committee and insisted that this resolution should be properly amended.

As House Joint Resolution 285 was introduced by Chairman DICKSTEIN, in stipulating what persons should be exempt from the payment of the \$8 tax, and exempted from the fees prescribed by law to be collected in connection with executing an application for a visa and visasing the passport or other travel document, used the following broad and all-inclusive language, to wit:

That alien participants, officials, and other accredited members of delegations to the National Boy Scout Jamboree to be held in the United States in 1935, and members of the immediate families of the foregoing.

I insisted that the resolution show clearly that the "alien participants" were to be alien Boy Scout participants, and that the word "executives" should be used, and that the reference to "delegations" should be pinned to the Boy Scouts themselves and their executives, and that members of their families should be omitted and left at home. I was glad to note that the chairman of the committee was not present. I feel gratified that the committee did properly amend the resolution, and reported it with safeguarding amendments. So, after all, good was accomplished by my stopping the resolution last Friday, for which Chairman DICKSTEIN, behind my back, criticized me in his statement given to the press. And the national representative of the Boy Scouts was present at said committee hearing and informed me that he quite agreed with the position taken by me.

Mr. BOYLAN. Will the gentleman yield?

Mr. BLANTON. I am sorry, I cannot yield until I get through with this subject.

Mr. BOYLAN. I always yield to the gentleman.

Mr. BLANTON. I am going to yield when I get through, if I have the time.

How many of you feel very kindly about having alien Boy Scouts coming over here to this country from countries that have denied their sacred obligations which they owe us—debts of honor? A picture was shown here the other day that made my blood boil. It was the Chancellor of Great Britain sitting in front of his table with what he called "a balanced budget" and the statement that Great Britain had balanced her budget. It was an infamous lie. That English budget is not balanced. There is a debt of honor she owes this country, amounting to several billion dollars, and that budget will never be balanced until proper provision is made for its payment.

I want the alien Boy Scouts from England and France and all the other countries who have refused to pay their honest debts they owe us to go back home and tell their nationals that they will be without honor until proper provision is made to settle such debts.

Every American in the United States made great sacrifices in enabling our Government to save the civilization of Europe, and they—England, France, Italy, and Russia—owe their present existence to us, for if we had not gone to their rescue Germany would have subjugated them.

Mr. Chairman, I realize that I am looking at this from a different angle from the viewpoint of the gentleman from New York [Mr. DICKSTEIN], who on this floor not long ago

said that in his district, where many of the people in it are of foreign origin, "there is not a single family that has a relative abroad." He had brought them all over here. My colleague from Texas [Mr. DIES] is about the best posted man in this House on immigration. He served on that committee for several years until he was promoted to the Committee on Rules. He will tell you that from the check-up that he has made, and the check-up that I have made, there are at least 3,500,000 aliens in the United States today who are here unlawfully, and he will tell you that there are about 6,500,000 who are here lawfully, who have not yet taken out their citizenship papers. You could not make them fight for that flag if war were declared. They would claim their exemption, or dodge the draft as Bergdoll did. They would not fight for that flag in case of war. The 3,500,000 are here unlawfully, just like Bruno Hauptmann is here. Nobody knew anything about him.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes additional to the gentleman from Texas.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I am sorry, I have not the time. If you take these 3,500,000 unlawful aliens out of the United States and take out the 6,500,000 here lawfully who have not taken out their citizenship papers but who are holding jobs or are on relief, you could guarantee a job for every American who is unemployed; and you would take Americans off the relief rolls.

I am for America for Americans just now. This is not Russia; this is not Czechoslovakia; this is not Italy; this is not Greece; this is not Germany; this is not France; this is not England. This is America.

I have on the Clerk's desk a petition that will take a bill out of the committee, pass it, and make it become a law, that will stop immigration for 10 years. Let us assimilate the aliens we have before we take on new ones. [Applause.] Eighteen Members have signed it; it takes 218. Why do you not sign it? Now, do not go home when Congress adjourns and say that it is not your fault that these aliens come in here, because it is. You can stop it if you go up there and sign that petition. With 218 signatures the House can take it up and pass it before Congress adjourns and we will stop these aliens coming here. The gentleman from New York, the chairman of that committee, already has put my bill in his dead house, as he calls it, and he put it in his dead house last year and will keep it there next year and will not let it pass. But we can pass it, if you will sign my petition to discharge his committee, under our discharge rule, and he cannot stop us. If you want to keep the alien out, and if your constituents want you to, go up and sign that petition and we will pass the bill; we will keep America for Americans.

Now, I want to get to one other subject and then I am done. I have sent every Member of this House and every Member of the Senate, at my own expense, a report on Garnett today. I did it as a public service. It is absolutely nothing to me personally in the world; it does not benefit me at all in any way. I have sent you a copy of a record disclosing a most diabolical newspaper plot to ruin some high public officials; one a man whom your President appointed as United States attorney for the District of Columbia. I want you to read every page of that record and you will see the President's commission of appointment. I want you to read an endorsement by 1,100 members of the Bar Association of Washington, showing that he is a splendid lawyer and an outstanding citizen. I want you to read an endorsement by 80 members of the Barristers' Club here, a group of young lawyers in Washington. I want you to read a list of statements from various Washington citizens, clubs, organized citizens' associations, and other groups.

Do you know the motive for their plot? Four years ago the Hearst Herald libeled a Methodist preacher over in Virginia, and the Methodist preacher employed to defend him the man who afterward was appointed United States at-

torney for the District of Columbia. Garnett brought that suit over in Alexandria, Va. Hearst had eight high-powered lawyers against him. He had Wilton J. Lambert, one of the greatest lawyers in the United States, as one of his counsel, and seven others. First they pleaded jurisdiction and Garnett beat them. Then they pleaded privilege—that Hearst had a right to libel a Methodist preacher whenever he got ready because he was publishing a newspaper.

Garnett was pitted against these high-powered lawyers, but he beat them on that plea also. Then the case was set down for trial before a jury. Hearst was beaten and did not want to leave it to a jury, so he settled the case and paid the Methodist preacher \$2,500.

Hearst's Herald and Times determined then they were going to get Garnett, and they have been after him ever since. I want you to read that record I have sent you. It is nothing to me personally, but I hate injustice anywhere I find it. I would defend any other public official here if I thought he was being persecuted. John, I think they are persecuting you, boy, and I am for you; I think they have been after you unjustly. I believe they have been trying to get your goat. They love to get Congressmen's goats.

Mr. HOEPEL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. HOEPEL. I would like to say that those who are doing this were my Democratic opponents in 1932 and 1934.

Mr. BLANTON. Oh, no. I have been here long enough to know conditions in Washington.

I just wanted the Members to know these facts. Every judge in Washington is for Garnett. Nine justices of the Supreme Court of the District left their bench and sent a committee to the Attorney General's office in Garnett's behalf. The 1,180 lawyers of Washington, and all of the judges of the various District of Columbia courts here, are for him.

The said newspapers determined to ruin Garnett, but they cannot do it. When they get through, the United States attorney will stand higher and stronger here in Washington than he did before Hearst started this attack.

I shall show you from the Herald and from the Post some of the methods they have used. Here is an article from the Washington Herald of Thursday, May 9, 1935, the headlines of which state: "House resents Garnett's hits at crime probe." When has the House resented it? That is absolutely false. The House has taken no action.

Then they try to quote the Speaker as though he were taking sides, the greatest Speaker who has ever presided over the House of Representatives. You will find that JOE BYRNS never authorized either one of these newspapers to make that statement. Here is the Post for Thursday, May 9: "BYRNS votes crime group his support." That is absolutely false.

The Speaker did not do that; that is a misrepresentation. The Speaker had never seen that report, does not know anything about it. He is the last man in the world who would prejudice a case. When he gets that report, when he finds out what these 1,180 lawyers say about Garnett, when he finds out what every judge in Washington says about him, when he finds out what the Attorney General says about him, when he finds out what the President of the United States said about him, when he finds out what Garnett's neighbors and friends in Washington say about him, that will be the end of it. [Applause.]

Mr. Chairman, in conclusion let me state that I have in my office a huge stack of letters from the leading citizens of Washington, written me in behalf of United States Attorney Leslie C. Garnett, and in behalf of Maj. Ernest W. Brown, Superintendent of the Metropolitan Police, and in behalf of Inspector Albert J. Headley, stating that they enjoy the confidence of their neighbors and associates, and that they deem this attack on them an outrage, without excuse or justification.

I have sent you only a fair cross section of these letters, as there were too many to think of publishing more than just enough to show the import of all of them. Some are from citizens who have known Inspector Headley during the

entire 39 years he has faithfully, honestly, and loyally served this District.

With such records as these three faithful officials have builded up throughout the years of their lives, it is going to require more than this spleen and malice and hatred to destroy any of them. They cannot be destroyed by malice. Hearst's plot has failed. The Post's plot has failed. They are still highly respected. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman from Texas [Mr. JONES] such time as he may desire.

Mr. JONES. Mr. Chairman, I want to read to the Members of the House an invitation from the farmer:

To the Speaker and to the Members of the House of Representatives, Seventy-fourth Congress of the United States:

On behalf of several thousand farmers from 25 or more States, assembling in Washington Tuesday, May 14, to express to this Congress and to the Agricultural Adjustment Administration the appreciation of the great majority of American farmers for the present adjustment programs which have saved agriculture from ruin, we extend to every Member of this honorable body a cordial invitation to attend the farmer meeting to be held in Constitution Hall, Tuesday, May 14, from 10 a. m. to 12 m.

This meeting is not one of protest or demand but of endorsement of a farm program which is really an effective contribution in the farmers' long struggle for economic justice. Opponents of the program have not only spoken loudly in their own interests but have also professed to speak for farmers. To indicate to the leaders of this Nation the real voice of agriculture, farmers from all over America have journeyed here to emphasize their approval of these programs, to express their confidence in the leadership of the Agricultural Adjustment Administration, and to voice their conviction that the best interests of the Nation call for continuation and strengthening of these adjustment programs.

It is in this spirit that the farmers invite you to attend their meeting, that you may personally receive their commendation.

Respectfully,

C. H. DAY, Texas,
J. F. TOMPKINS, Arkansas,
D. E. SCOTT, North Carolina,
EARL DEAN, Iowa,

National Committee on Arrangements.

Mr. Chairman, I understand there will probably be 2,000 or more farmers from all over the country representing different parts of the country, as well as different commodities that are affected. They are meeting in Constitution Hall tomorrow morning to tell the story of what those who are affected by the farm program think and how they feel. We have heard from many people here who have assumed to speak for the farmers, both in and out of Congress. It should be interesting to the Members of this House to hear some spokesmen who are really tillers of the soil. It would be interesting to hear their story simply told as they will tell it to you. I therefore urge every Member of the House who is in position to do so to go down to Constitution Hall in the morning and hear these American farmers, who represent different commodities in different sections of the country. Inasmuch as practically every section of the country is represented, every Member should go down and hear directly from these farmers and not what someone says who assumes to speak for them.

Mr. PATMAN. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Texas.

Mr. PATMAN. In addition to the A. A. A. benefits the gentleman, as Chairman of the Committee on Agriculture, knows more than any other Member of the House of the savings in connection with the reduction of interest rates on farms and farm homes. I wonder if the gentleman would tell the Members about how much the farmers are saving annually on the reduction of interest on their farms as compared with, say, the year 1932?

Mr. JONES. It is impossible to state the exact amount. They are saving, through the activities of the Farm Credit Administration, about \$75,000,000 per year. Practically all other lending agencies and institutions have reduced their interest rates, which cover about three times as much in mortgages. In addition they have saved hundreds of thousands of farm homes from foreclosure. Of course, as compared to the rates of a few years ago the savings run into hundreds of millions.

Mr. PATMAN. If the reduction of 3½ percent goes through, which the gentleman recommended and secured the passage of a bill a few days ago, the farmers will save

a couple hundred million dollars in all, including other saving, over 1932?

Mr. JONES. If the terms are met by the other institutions; yes.

Mr. HAINES. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Pennsylvania.

Mr. HAINES. I was very much interested in the gentleman's broadcast the other day. I heard just a portion of it. I rise to inquire if the gentleman will have it inserted in the RECORD. I think it was a great statement, and I would like to read all of the gentleman's address.

Mr. JONES. I thank the gentleman. I will either insert it in the RECORD or cover the same subject a little later in the House.

Mr. MICHENER. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Michigan.

Mr. MICHENER. Does this group represent organized farmers or independent farmers?

Mr. JONES. I am not authorized to say whom they represent. I understand it is just a sort of grass-roots movement, consisting of a lot of farmers. Someone made the suggestion and it spread like a prairie fire and people from different sections of the country thought they would like to come here and let the administration and the Members know how they felt. At least, they are people who are directly interested, and I would rather have their story, whomever they represent, because they are actual farmers, than to listen to some organized group who have always said if we did anything for these farmers that we wrecked the farmer anyway. This story comes direct from those who till the soil, and I would like to hear the story. Would not the gentleman?

Mr. MICHENER. This is just my notion about it: I cannot conceive of a movement growing as this movement did, just like Topsy grew, so to speak, from nowhere, unless there was back of it some organization somewhere, and I am sure there is. I want to know who that organization is.

Mr. JONES. The main motive behind the movement, I think is the fact that during a period of 2 or 3 years the farm prices had been ground down below a living level. Through the operations of the farming program recently nearly a billion dollars in benefits has been given to the farmers all over this country. In addition to that the prices of farm products have been more than doubled. I think that is motive enough. Does not the gentleman think so, too?

Mr. MICHENER. Answering the gentleman's question, I would say yes, but I am not talking about motive. I am just asking who is back of the movement?

Mr. JONES. I am not authorized to speak for them. I rose simply to extend their invitation to the Members of Congress in a simple way and had not intended to comment further. I do not know. I have not investigated. I have been told that they talked about the matter and then communicated with the actual farmers in other sections of the country and got together. They raised the necessary funds to send the representatives here because they were aware of the fact that propaganda was being carried on all over the country against the farm program. They wanted to say what this has meant to them, and they want to get their side of the story presented to the American Congress and before the American people.

Mr. MICHENER. The gentleman answered the question when he stated he did not know.

Mr. JONES. I do not know, but I do know they will speak as farmers and for farmers.

Mr. MICHENER. That is all there is to the matter then.

Mr. JONES. But I do know that many others have come here representing their own interests, and these people have a perfect right to come here under any circumstance. The right of petition is a sacred right. It is sacred to the farmers as well as to anyone else.

Mr. HOEPEL. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from California.

Mr. HOEPEL. Is it true that legislation will shortly be reported to the House providing that 30 percent of the tariff

revenues shall be turned over as a subsidy of some kind to the farmers?

Mr. JONES. No; that is not true. There will be a bill reported which will undertake to restore to the farmers a sum equal to the portion of the tariff that has been taken away from them for the past 50 years, but that is not a subsidy—that is restitution.

Mr. HOEPPEL. In reference to this later petition, may I ask the gentleman if he has ever contemplated and visualized the large letter of thanks and gratitude which this Congress would receive from the veterans of America if we would give to them the bonus payment which is justly due them?

Mr. JONES. I would rather not mix this program with that program. The gentleman knows how I feel in reference to the bonus matter. This is simply an invitation on behalf of some 2,000 farmers from more than 25 different States in the Union, producing a great variety of crops affected by the farm program, who want to tell us what they think about it, and I think we owe them the courtesy of attending.

Mr. DONDERO. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Michigan.

Mr. DONDERO. Can the gentleman inform the House how many farmers have been aided throughout the Nation by this program?

Mr. JONES. It is very difficult to give the exact number that have been aided.

Mr. DONDERO. Just roughly.

Mr. JONES. There are more than a million cotton farmers, more than a million wheat farmers, and, I understand, more than a million corn-hog farmers who have been aided. There are about 3,000,000 who have received benefit payments, some of them on more than one commodity. In addition, several hundred thousand have benefited from marketing agreements.

Mr. DONDERO. I thought, perhaps, the gentleman had the figures in the aggregate.

Mr. JONES. I do not have the number exactly, but they have all been helped directly or indirectly. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, the gentleman from Texas [Mr. BLANTON], who just concluded, took the gentleman from Pennsylvania [Mr. RICH] rather severely to task because the gentleman from Pennsylvania [Mr. RICH] on the floor here ventured to criticize some of the policies of the majority party; but before the gentleman from Texas [Mr. BLANTON] finished he stated, as I recall, that this was the proper place for criticism.

By what stretch of the imagination the gentleman from Texas can charge the gentleman from Pennsylvania with inciting a letter of the kind that the gentleman from Texas now has in his files, I cannot understand, because there is no connection between the reasoning of the two, if there be any reasoning in the letter which the gentleman has.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Just for a question.

Mr. BLANTON. All attacks on the President right now incite others to make attacks; not high-class gentlemen like our friend from Pennsylvania [Mr. RICH], but they incite the vicious to make the kind of vicious attacks that only the vicious can make.

Mr. HOFFMAN. Then must everyone keep still and say nothing, utter no words of criticism or no words of disagreement? Must gentlemen over on the other side, in the Senate, remain silent if they disagree, because if they say anything by way of criticism, someone, somewhere, crazy, idiotic, may gather encouragement and make a violent and unjustifiable attack?

Mr. BLANTON. I disagree sometime with the President. I am going to vote to override him on the bonus and I voted against him on prohibition. But I do not attack him. I believe in him. I am helping him all I can.

Mr. HOFFMAN. I did not yield for a speech.

Mr. BLANTON. But I think that no one should attack him in a way that would bring about vicious attacks from

moral degenerates like the moral pervert in New York, whose letter I read. I never attack him when I disagree with him.

Mr. HOFFMAN. No; you are loyal to the President. The Members on this side are loyal to the President. Time and again here in open session many of you, not the Member just speaking, but others, have stated that you rode into office on his coat tails; that you were for him 100 percent; that whatever he wanted you were willing to give him; and yet when it comes to this question of a bonus, which he no doubt honestly and conscientiously believes he should veto, what do you do? You postpone the vote over in the Senate to give Father Coughlin a chance to whip him into line. You turn loose over there in the Senate a gentleman who, in almost the vilest language a man can use, portrays him as guilty of the most disreputable actions, and charges him with improper and dishonorable motives, and all without foundation in fact; and you do it to intimidate that President to whom you claim loyalty and whom you say you support 100 percent. You support him 100 percent all down the line except when it is on something that may interfere with your political future, and then you follow your own judgment. Let him do the same.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I will yield for a question.

Mr. BLANTON. I was here 15 years before the President became President and I was pledged for 12 years to my constituents on the bonus question before he ever became President.

Mr. HOFFMAN. No one finds any fault with that, and I intend to vote to override his veto, but I was elected on a platform that pledged my vote for the bonus. My point is this: Vote as you like, vote as you believe, but why hold the bill up over there to give opportunity for all this pressure to be brought upon him? Why try to intimidate him? Why try to force his hand? Why send out an appeal to the people of the country to write him, to wire him? Why ask their support to coerce him?

If he believes, as his utterances would indicate, that he should not sign the measure providing for the bonus, let him follow that course. That is his prerogative. Why insult him by intimating that a veto will cost him political support? Surely you do not believe for one moment that such a thought would be given consideration by him. If you do, you have less confidence in his sincerity of purpose than has any Republican.

My thought is this—regardless of whether he attempts to impose his will upon us, let us treat him as fairly as we wish to be treated; let us set an example; let us leave him free to act. We all know what will happen, so why not send the measure over from the Senate? Let the President perform his duty. The House will then override that veto and let the measure go to the Senate, where each Senator can assume the responsibility which none will attempt to evade.

Mr. BLANTON. I am more against all that "hokey" over there than is the gentleman.

Mr. HOFFMAN. Not with me you are not. I have noticed this about the gentleman from Texas, and I know of no one for whom I have greater admiration. I have learned many things since coming here in January, listening to the instruction which the gentleman has given from the floor, and this is one thing I have noticed—that he assumes this attitude always—the old, old attitude expressed hundreds of years ago—by the verse: "God, I thank Thee that I am not as other men are, * * * or even as this publican." You recognize from whence came that thought?

So when you criticize the gentleman from Pennsylvania, ask yourself this: Is there anyone in this House who exercises his right to criticize more than the gentleman from Texas; if so, I know not who it is? Hardly a day passes that the gentleman from Texas does not here rise and take the newspapers to task and lambaste them up one side and down the other because of some political comment printed therein. Whether he does it so they will again criticize him the next day or whether he still has hopes of converting

them, I know not. It must be one or the other and if it be the latter, it is a forlorn hope.

Mr. BLANTON. The gentleman from Pennsylvania [Mr. RICH] will tell the gentleman that he and I are the best of friends, and that I have the highest regard for him.

Mr. RICH. If the gentleman will permit, that is one statement on which I agree with the gentleman 100 percent, but the statement made by President Roosevelt and the promises in the Democratic platform he is not carrying out, but the gentleman from Texas and I agree on many things and I admire the gentleman greatly.

Mr. HOFFMAN. That is to say, brother Members, they both agree that the country cannot get along without their services. [Laughter.]

The gentleman from Illinois [Mr. ARNOLD] said that the Republicans never offered any constructive criticism. A peculiar thing is noticeable, and that is that every time we do offer any criticism of that kind, you always say, "What did Hoover do?"

By way of illustration, note this: When my mother caught me with jam on my face and I offered the excuse that sister took the jam jar off the shelf, it never worked. That excuse got me nothing but the deserved "whaling."

If, in my youthful days, I was guilty of sucking eggs, does that furnish any excuse for your sheep stealing? If Hoover did something that was not right, does that give you a reason for your misdeeds? If, under Hoover's administration, there was a deficit of three or four billion, does that furnish you an alibi for a deficit of thirty or forty billion which you will pile up before you have finished with your orgy of spending? If some Republican was guilty of a misdeed in the past, is that a justification for a systematized, organized raiding of the public Treasury and the wholesale purchasing of votes by the expenditure of public moneys for a multitude of purposes? Can you justify your deliberate, continuous course of conduct in piling up a debt so great that the mind of man cannot comprehend the total by referring to errors of judgment, if there were such, made by a preceding administration? Yet that is the answer you always make when driven into a position where the unsoundness of your program is apparent.

If we go back into the records of history, if we take out our dirty linen and wash it in public, as they say, what party was it that once nearly wrecked the Nation because that party honestly believed that State rights were superior to Federal rights?

What are you doing now? You turn square about and say that the Federal Government shall do everything, have all the power, take all the power away from the States, grasp, hold, and exercise all of the powers of self-government reserved by the States for themselves.

That course, followed to its ultimate conclusion, means this and nothing less: That in the end we have not the United States of America, but we have a supreme Federal Government, and at the top a dictator or a small group, which will be our master.

Let us quit calling each other names and forget about things gone by. Give us on this side the credit for trying, not for being—that, for you, might be impossible—for trying to be as honest and conscientious as you gentlemen on your side believe yourselves to be.

Cannot you conceive that somebody on this side has a home, that someone on this side has property, that we want to do something for the good of all, that every time we open our mouths on this side it is not for abuse?

A great weekly, which for many months could see only good, only perfection, in the President's program, was finally driven, on November 3, 1934, in an editorial in Collier's Weekly headed "Too Many Democrats", to write—and let me quote:

Unquestionably, however, there are too many new-deal Democrats and Republicans in the Seventy-third Congress. The country and the administration would be better served by a more even distribution of liberals and conservatives on Capitol Hill.

The Congress elected 2 years ago was overwhelmingly Democratic. On every important measure, except payments to veterans and the St. Lawrence waterway, the administration was able to muster irresistible majorities.

In the past two sessions little real debate has been heard. On most matters Congress sought merely to learn what Mr. Roosevelt wanted. A word from the White House was sufficient to marshal the votes and to determine the law.

This is a burden and a responsibility too heavy to be borne by any man, however gifted and public spirited. Congress, under our form of government, must be capable of thought as well as of action. A rubber-stamp Congress, writing obediently every suggestion or preference of the White House into the law, is a poor Congress.

There is great danger that the excessive majorities of the present Congress will be foolishly increased at the November election. The congressional campaigns have been sorry affairs. Too many candidates of both parties have been appealing to what may be fairly called the mendicant vote. With utter lack of responsibility candidates are seeking to buy votes with larger and less scrupulous distribution of Federal funds.

This is politics of the basest sort. Of course, the hungry must be fed and sheltered and clothed, but candidates who can think of nothing better than reaching deeper into the public till are poor servants even of those they promise to relieve.

No better service could be rendered the country or the administration than the election of more Senators and Representatives able to say "no" as well as "yes" and to act in the national interest regardless of all lesser considerations.

And at the November election the people did elect a few more Republicans, Michigan taking the lead and pointing the way toward prosperity by electing Republicans to replace Democrats.

And so, when we had a bill up here and you Jeffersonian Democrats needed a few votes to put into it a sound, a conservative proposition, you came across the aisle, and helpful as we always are, we gave them to you. Strange as it may seem, I found myself voting with my friend BLANTON. Of course, I would not say that he was voting with the Republicans.

So give us credit for that little help and for other instances where we came to your rescue and saved your legislation from those on your own side who would have rendered it unworkable.

Again, on December 15, Collier's Weekly, in another editorial headed "Still More Democrats", made these statements referring to the election returns:

This is a flattering testimonial of public favor, but it renders even more difficult the already heart-breaking responsibilities which rest upon the Chief Executive. Mr. Roosevelt in the next Congress will have to be not only the leader of his own party but also the only effectual opposition to the silliness and extravagance of the "crackpots" among the lawmakers.

In his private moments the President might well wish to trade a little of his popularity for a brace of durable opposition debaters in Congress.

The Democrats seemed to be permanently discarded. Governor James Cox, of Ohio, then John W. Davis, West Virginian and New York lawyer, and, finally, Alfred E. Smith, the popular Al Smith, of the New York streets, all entered the lists and all were vanquished.

So we shall have a Congress filled with men who want to make a spectacular showing of their zeal for the new deal. Various harebrained proposals are inevitable.

The minority, small as it is, attempts on every occasion to give the President all possible aid on every sound, constructive, progressive measure, but it refuses to be stamped by the old battle cries which influenced the last Congress, and it is not yet ready to surrender the liberties, the rights, granted by the Constitution.

Too Many Democrats and Still More Democrats. The first editorial had over it a cartoon with the Democratic mule drawing the Republican elephant suspended in the traces between the mule and the singletree. The second had the mule running away with Uncle Sam and dragging the elephant on the end of a string.

True, we have been dragged, but we are still unsubdued, for we realize that in the end the common sense of the voters will prevail. Yes; there are still too many Democrats, not only for us but too many for some of you over on that side, for you will find the bitterest criticism of the President and his policies coming from your own untamed Members.

Coming back to what the gentleman from Illinois [Mr. ARNOLD] said about us, that we never offer any constructive criticism; is that true? Is it not possible that once in a while we think of something and give utterance to something that might be helpful? What about it? We have said time and time again, and so have others, that we think this vast

expenditure of public money should be stopped. We think and have suggested that you follow the statement of the President when he was a candidate and try to balance the Budget. If it be suggested that you plug the hole in a sinking ship to save it, is that constructive criticism?

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes; for a question, but not for a speech.

Mr. BLANTON. I refer the gentleman to his Republican colleague from New York [Mr. TABER], whom Democrats have followed many times on his constructive fights he has made here. He has led us. I do not hesitate to say that I have followed him many times. He has made some wonderful fights here. When you Republicans make constructive fights, we Democrats are with you. It is only when you try to tear down that we do not follow you.

Mr. HOFFMAN. That is all beside this point, and is just what the gentleman always does when a Member is speaking. The gentleman wants to talk about something else. My argument was this, that we Republicans who are here today do occasionally—I say occasionally, so get that please—once in a great while have a constructive thought which we try to utter.

We also suggested that you live within your income? Is that constructive or is it not? Surely you must admit that it is. Then there is another idea we have had in our minds and tried to give utterance to, and that is that our Government should be honest, that when it makes a promise it should stand by it. Is that constructive? We think that it should stop deceiving the people and that it ought not to do again as it did when this administration first went into power. Within 3 months, I think it was, the administration issued written promises to pay in gold dollars \$600,000,000. Then when June rolled around, or about that time, the Government repudiated those promises. How in the wide, wide world can you expect anyone, any man with money, any man with property, to risk it in business, retail, manufacturing, or any other kind of business, when he does not know what you are going to do, when he does not know whether you are going to abide by your written word, whether you adopted the Kaiser's thought—"an agreement is just a scrap of paper."

If those things are not constructive, then I do not know what constructive criticism could possibly be.

Another thing we suggested once or twice, and that is that you have this Government one of law, so that someone would know what it is all about. We all remember how a certain case in the Supreme Court went through the Federal district court and through the circuit court of appeals and finally up here to the Supreme Court, only to have that Court discover that there was no law under which the injunction which had been issued could be granted. A Federal action and a Federal prohibition under and for the violation of a Federal law which did not exist. What an absurdity. Why not have our people governed by laws written on paper, so that every man might read and know?

There is another thing you always ask, and that is, When did Republicans try to relieve suffering humanity? Read your history. There never was an occasion to grant wholesale Federal relief by the spending of one taxpayer's money for benefit of another until some good Democrat conceived the idea of using public funds for political advantage. Coming down here from a little country town, hardly out of it before, I only knew that in our town those in want were always taken care of; none was permitted to suffer; and that was true of the county and the State, taken care of by our own people; and it remained for the Federal Government to give relief to almost everyone who wanted it, to coax onto the relief rolls some who were only too glad to quit their work and accept Federal aid. It remained for the Federal Government to compete with the farmer in the hiring of labor, offering relief greater than the farmer could pay for work.

Continually you talk about Mr. Hoover. Was it not Mr. Hoover who during the World War and after administered relief, gave out clothing, fed hundreds of thousands of people

in the old country and all without a hint of waste or the taint of scandal?

Compare what he did there, if you wish to make a comparison, with the manner of the administration of your relief funds. True, he only furnished food, clothing, medical supplies, the necessities of life, and you furnish dancing lessons, teach bridge playing, and some other of the higher things of life, but these things you add to the necessities with the money you take from the taxpayer who is working, trying to support and maintain himself.

For months, whenever a Republican ventured to disagree with any of the so-called "new-deal legislation", he has been accused of lacking in human sympathy, honesty, and of being a tool of "the big business interests, the international bankers, Wall Street."

The truth of his contention that the so-called "new deal" was not a new deal, lifting us out of the depression, that much of it was a waste of public money, is now admitted by many prominent Democrats.

The announced purpose of the new deal was a more abundant life for the underprivileged, and, incidentally, happiness, prosperity, and security for all. With this purpose everyone is in accord, and there is nothing new about it, for it is only the same thought which moved the framers of the Declaration of Independence, Washington and the statesmen of his day.

The difference between that day and this lies not in the objectives sought but in the method of accomplishment. Our forefathers believed in attaining their object by industry, thrift, and a regard for the rights of others. The "new dealers", the "share-the-wealth" exponents, and similar groups seek to accomplish their purpose by taking from those who have and giving to those who have less, regardless of merit and often of necessity, and this so far they have sought to accomplish by means of excessive taxation and by the granting of special privileges and allotments of public funds to special classes.

That their course cannot continue indefinitely has been pointed out not only by Republicans during the last 2 years but by many Democrats, such as ex-Gov. Al Smith, former Governor Ritchie, Bainbridge Colby, Wilson's Secretary of State; Newton Baker, his Secretary of War; and Senator Glass of Virginia.

More recently other prominent Democrats, including Governor Talmadge of Georgia, Governor Curley of Massachusetts, Senator Byrd of Virginia, Senator Tydings of Maryland have sought to advise the President, to save their party and the Government from its folly.

All of these last-named gentlemen have everything to lose, nothing to gain, by their disagreement with the President; hence, their criticism may be viewed as being made with reluctance, only given because they see and realize the danger.

Senator BYRD recently pointed out that approximately 40 percent of the total income of the American people during the last year was paid to various governments in some form of taxation, this as compared to 8 percent paid in 1913. He added that the "administration's squandering of billions of dollars" amounts to nothing short of a mortgage upon all the people's properties and that the only money the United States Government can spend on its recovery programs must necessarily be derived from direct taxation.

Secretary Wallace has admitted that the A. A. A. was a "political expediency." Senator BYRD pointed out that Secretary Wallace now seeks to gain control over all the farmers of America, and impose upon them a licensing system. He added:

Imagine a farmer who grows a perishable crop waiting for the unwinding of redtape at Washington, thousands of miles away, before he can ship a product that will spoil in a few hours.

Senator TYDINGS said:

We cannot go on running the Government on "hot air", on money pulled down from the heavens, which the taxpayers will have to pay back.

A billion dollars is treated just the same as if it were a hundred thousand, and as if we can spend and borrow our way out of the depression. There is not a man who believes in his heart we can do that. There are dozens of Senators who echo "I agree with you" in their heart of hearts. Perhaps their party loyalty is a little stronger than mine.

Referring to the Democratic platform, he made these observations:

That was the platform upon which we were all elected. It promised a revival of world trade. It promised a balanced Budget. It promised to pay as we went. I have not seen any election since which has altered the promises which we made in that platform.

Unless we about-face and walk back toward sanity, we will rue the day and realize that silence was not the part of friendship, the part of patriotism, or the way to assist in getting out of the depression.

Of the many promises contained in that platform, promises used to secure the election of the present Democratic majority, well might he have asked, "How many have we kept?" And the answer would have been, would it not, "None"?

Always, in the House of Representatives, when a Republican opposes an administration measure, he is charged with being merely a destructive critic and asked what he or the Republican Party has to offer.

Conceding that the Republican Party has its faults, it has, nevertheless, offered something in the place of the so-called "new-deal legislation." Republicans suggest, as did the Democrats when they sought office, a balancing of the Budget, as Senator TYDINGS says, "a paying as you go", a keeping of promises, the ceasing of interference with the small business man, the abandonment of the attempt to regulate nature and the production of foodstuffs, a conservation of the surplus of food, rather than its destruction.

Read this—part of an address delivered by Franklin D. Roosevelt on March 2, 1930:

The doctrine of regulation and legislation by "master minds", in whose judgment and will all the people may gladly and quietly acquiesce, has been too glaringly apparent at Washington during these last 10 years.

Were it possible to find "master minds" so unselfish, so willing to decide unhesitatingly against their own personal interests or private prejudices, men almost godlike in their ability to hold the scales of justice with an even hand—such a government might be to the interests of the country.

But there are none such on our political horizon and we cannot expect a complete reversal of all the teachings of history.

Yet, no sooner was he elected than, ignoring those who made the Democratic Party, those who had labored in the campaigns and won the victory which placed him in his office, the President began to call around him those who were known successively as the "professors", the "brain trusters", the "master minds"; and now, as the "brain stormers", listening to, guided by them; ignoring the men of experience, those with records of performance, of accomplishment, of deeds.

And now read this, from page 541 of the book by Tgwel, one of Roosevelt's "master minds":

For many years the technical task of devising plans for regulating our complex economic interests was too difficult to attempt. But today we know that this is no longer true, for Russia has shown that planning is practicable.

What do you think of it, you folks of the Fourth Congressional District? One of the men in charge, one of the "master minds" using Russia as his yardstick, as his pattern? And this is Democratic doctrine.

From the Washington Herald of May 11, 1935, the paper of William Randolph Hearst, the President's personal friend and political sponsor, we quote this:

Russia, groveling in degradation, terrorized, oppressed, starved, and dead to even the hope or aspiration for freedom.

This Tugwell speaks of the difficulty in attaining the "experimental habit of mind." He explains it as due to "the unreasoning, almost hysterical, attachment of certain Americans to the Constitution."

It is such disloyalty, of which we so often get glimpses in the "new dealers", which accounts for the changed public attitude toward the new deal itself.

Thoughtful Americans are fed up with these overcapitalized fakers.

Let us have done with the antics of the "brain stormers!" Let us have done with their parrot speeches and dunce-born proposals! Let us get down to tacks!

Release the constructive, positive forces in which American life is so rich, Mr. President. They are tugging for outlet.

There are plenty of men who could genuinely assist you and not lead you into the bog.

Call them around you! They will bring confidence to your side. Cease fighting your country's strength. Encourage it—don't discourage it. Release its saving and abundant energies.

Let the United States function! Let it operate!

If you have the independence and insight to do this, your troubles will quickly lessen—and so will those of your loyal and much-enduring fellow countrymen.

The above quotations are not my statements; they were made by the President's friend, seeking to rescue him, to set his feet on the right road, the road to real, honest prosperity and security.

Yet, in spite of all this good advice, the steam roller goes on and every week sees the House of Representatives pass in some form or other new legislation increasing the power of the "brain stormers", giving them more of your money to waste, to spend.

And the end is not yet. We now learn that \$4,000,000,000, a sum so vast that your mind cannot grasp the meaning, is to be turned over to one man and by him parceled out to his advisers for expenditure.

Mr. LUDLOW. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman, it is always a pleasure to work with and cooperate with my distinguished colleague and friend from Indiana, Hon. LOUIS LUDLOW, Chairman of the Subcommittee on Appropriations, reporting this bill making appropriations for the legislative branches of the Government for the fiscal year ending June 30, 1936, and for other purposes. This appropriation bill provides funds for the various and sundry activities of the Congress of the United States consisting of the House of Representatives and the Senate. The gentleman from Indiana is always honest and conscientious in his activities and I am pleased to state that invariably he is on the liberal or progressive side of all legislation.

I first became acquainted somewhat intimately with the gentleman from Indiana in 1924. That was the year of that historic Democratic National Convention that lasted for 3 weeks in the city of New York. That was the year that the Democratic party engaged for 3 weeks in a knock-down, drag-out fight over candidates and issues. That was the year that I served as a delegate to that convention, was secretary of the Ohio delegation, and acting as reading clerk on several occasions in that convention I called the roll of States on the one hundred and third, or final ballot, that resulted in the nomination for President of Hon. John W. Davis, of New York and Wall Street. That is not to say, however, that I consider that as redounding to the credit of myself or to the credit of the gentleman from Indiana. The gentleman from Indiana [Mr. LUDLOW] was not a delegate to the convention as I was. He was a well-known and prominent newspaper correspondent for leading Ohio newspapers. He was at that time, as I recall it, writing for the Columbus Dispatch, Columbus, Ohio. In that convention way back in 1924, I was fighting for the farmer, the laboring man, and the small business man. The gentleman from Indiana was found then as now and always battling for the human rights of the common people as against the property rights of the aristocratic and overprivileged few.

Mr. Chairman, I was interested in what the gentleman from Michigan [Mr. HOFFMAN] just said. I was interested to learn that he comes from a small town. So do I. I was interested to have the observation that he just made about Herbert Hoover as a relief administrator during the war.

No one, in my humble judgment, has any right to criticize at this time any of Mr. Hoover's administration of relief during the war. He did a splendid job of it, but at the same time, through his authority over food matters, he was one of the few men down here at Washington who was responsible for the price of the farmer's wheat being fixed at \$2.20 a bushel when it would have gone to \$5 or possibly \$10 per bushel had that act of Congress been made a minimum price

rather than a maximum price, as was intended by Congress and as was intended by President Woodrow Wilson. By that act of Mr. Hoover and his associates in the Food Administration the wheat farmers of America were robbed of billions of dollars.

Mr. Hoover's administration of relief to millions of American needy was a far different story, my friends. You will recall that under Mr. Hoover's administration, as under Roosevelt's, one of the burning, vital issues was the bonus. Under Mr. Hoover's administration the veterans of this country, the veterans of the World War, instead of receiving any sympathetic consideration from the Congress, the President, or from anybody else, were evicted from the Capital of this Nation at the point of bayonets, at the end of guns by the United States Army, ordered out and into action by Herbert C. Hoover, then President of the United States.

You will recall that when preceding Congresses were considering the appropriation of huge sums of money for the feeding of the people of this country, that Mr. Hoover was unalterable in his opposition to those measures. He was quite willing, my friends, to appropriate hundreds of thousands of dollars for the feeding of the livestock of the farmers in distressed areas; he was quite willing to do that. He was quite willing to appropriate money for the relief of the farmer's hogs, his bulls, his horses, and his jackasses, but he was unalterably opposed to the use of money for the filling of human stomachs or the clothing of naked human bodies.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. O'CONNOR. This morning the minority leader gave great credit to ex-President Hoover for initiating the R. F. C. If the gentleman remembers, the R. F. C. in the first instance was authorized only to lend to railroads, banks, insurance companies, and mortgage companies. That is the extent to which the Hoover administration went in lending money to business, industry, or any other source of production.

Mr. TRUAX. The gentleman is quite right. I am not, of course, fully in accord with the policies of the R. F. C. during the present administration; and as a protest, though not with any hope that my vote might change the policy of the R. F. C. or the use to which the billions of dollars already disbursed by that agency have been put, I voted against the so-called "administration banking bill", and I would vote the same way again, Mr. Chairman, because I am one of those who believe if ever we are to call a halt to the nefarious practices of the banker racketeers of this country, if ever we are to restore our constitutional prerogative of coining and issuing money and regulating its value, we certainly cannot accomplish it by continually voting for every banking bill that goes through here designed solely and purely for the bankers of the country and not for the poor people who deposit and lose their money in the banks.

Some Member asked: "Why do you always rise and ask what Hoover did?" The reason the question is asked so often, Mr. Chairman, is because it is a question that is quite unanswerable. No one ever has been able to answer that question; no one ever will be able to answer that question. What did Hoover do for the common people of the country? It is unanswerable; there is no answer to it.

Mr. Chairman, we have heard from the gentleman from Pennsylvania, who is a friend of mine, about the farmers of his district. He said that they are a fine lot of farmers, and I know he is right. He said that the farmers of his district never have received any money from the Government. I am glad to hear that, but I would like the gentleman from Pennsylvania to answer this—I am sorry he is not here—I would ask him what the farmers of his district received for their commodities during the administration of Mr. Hoover.

Mr. RICH. Mr. Chairman, was the gentleman from Ohio referring to me as the gentleman from Pennsylvania?

Mr. TRUAX. Yes; I was. I ask the gentleman from Pennsylvania what his farmers received for hogs during the last year of Hoover?

Mr. RICH. I may state to the gentleman—

Mr. TRUAX. I want a direct answer.

Mr. RICH. I will answer the gentleman. I will say to the gentleman from Ohio that during the administration of Mr. Hoover and during past administrations—

Mr. TRUAX. No; during Hoover's last year. What was the price of hogs?

Mr. RICH. We were always taught to increase our crops, to increase our cotton; but during the Democratic administration we are taught to destroy our hogs and to destroy our cotton.

Mr. TRUAX. Why does not the gentleman from Pennsylvania answer my question?

Mr. RICH. Never during a Republican administration were we taught to destroy; that was considered wrong in principle.

Mr. TRUAX. The gentleman refuses to answer. I ask the gentleman from Pennsylvania what was the price of cattle during the last year of Hoover?

Mr. RICH. The result of the policies of the present administration is that we are unable to get commodities today.

Mr. TRUAX. The gentleman has not answered me yet.

I will give the gentleman the information, since he declines to answer. The farmers in Pennsylvania, the gentleman's State, and in the State of Ohio, my State, were getting some 2½ cents a pound for hogs. They were getting from 2½ to 4 cents a pound for fat steers. They were getting from 10 to 20 cents a bushel for corn. They were getting around 10 cents a bushel for oats. That was under Hoover.

What are they getting now? I find by looking over the market reports of yesterday that fat cattle in Cleveland, Ohio, brought from 11½ to 13 cents per pound; hogs brought an average of \$9.35 per 100. That is without the processing tax of \$2.25. Mr. Chairman, this makes a total of \$11.60 a hundred for hogs. This is under the Roosevelt administration. Corn sold on the Chicago Board of Trade yesterday for 90 cents a bushel. Oats sold on the Chicago Board of Trade yesterday for 48 cents a bushel, and every other farm commodity in this great country of ours has shown similar advances under the administration of Franklin D. Roosevelt.

Mr. Chairman, I am not one in this Chamber who will plead guilty to the charge of the gentlemen on the other side of the aisle who say that all we Democrats rode in on the coattails of Roosevelt. I refuse to be placed in that class. I refuse to say that I as a Representative at large from the State of Ohio came in on the coattails of Franklin D. Roosevelt, and I cite the statistics of the 1932 election to prove my assertion. Mr. Roosevelt carried the State of Ohio by a majority of about 74,000 votes. It should have been much larger, I admit, but because of certain deals that were made in Ohio by certain Democratic politicians in which they traded the Democratic candidate for Governor for the Democratic candidate for President of the United States, the candidate for President of the United States suffered severely. While the Democratic candidate for Governor of the State of Ohio in 1932 received a majority of over 200,000, Mr. Roosevelt had a majority of only 74,000. It was my good fortune to have a majority over my opponent of nearly 100,000 votes, to be exact about 97,000. The same thing occurred again in 1934. My majority not only stood where it was in 1932, but increased in that year to about 157,000.

Mr. EKWALL. Will the gentleman yield?

Mr. TRUAX. I yield to the gentleman from Oregon.

Mr. EKWALL. Did the gentleman go back to Ohio during the sessions?

Mr. TRUAX. During the session?

Mr. EKWALL. Yes; or did he stay here all that time?

Mr. TRUAX. I did not go home very often. I think it is my job to stay here and work.

Mr. EKWALL. That is why the gentleman had a greater majority, probably.

Mr. TRUAX. I thank the gentleman for his observation.

Mr. O'CONNOR. Will the gentleman yield?

Mr. TRUAX. I yield to the gentleman from New York.

Mr. O'CONNOR. What does the gentleman predict for 1936? It should be 250,000.

Mr. EKWALL. It should be, but it will not.

Mr. TRUAX. Does the gentleman mean my majority or the majority of the President?

Mr. O'CONNOR. I mean the gentleman's plurality.

Mr. TRUAX. I would prefer to take that up a little later.

Mr. Chairman, I have not been one of those who go blindly along at all times upon any and all measures presented here simply because the President tells me that I ought to go along that way. I am in the same class as my friend from Texas [Mr. BLANTON]. I was one who voted for the soldiers' bonus. I was one who voted to override the President's veto on veterans' pension legislation. I, like my friend the gentlemen from Texas, had certain commitments of a previous nature that I felt bound in duty and in honor to observe. There also had existed in me for a great many years a feeling of cooperation for the fellow who is down and out, the man who really needs our help, the man who is without a job, the man who has lost his business, the man who has lost his home, the man who has lost his farm, and for those more than 4,000,000 heroic young men who went across the Atlantic to fight the battles of our country. Mr. Chairman, some would have us believe that those men went over there to fight the battle to make the world safe for democracy. It turned out to be a question of fighting that battle to make Wall Street safe for plutocracy. I was one of those who believed it to be his duty, regardless of what the President of the United States thought, and regardless of what the head of the Democratic Party might think, to go along with those whom I felt I should support, and for whom I expect to do all I can to see that they get a square deal in this country.

Mr. Chairman, mention has been made of the bankers. I have been accused at various times of saying some mean things about the bankers of this country. I somewhat resent that charge. It is true that I have said some things that might have sounded to others like being mean, but at the same time the statements that I have made have been the truth. One of the meanest statements I have ever made about the bankers of this country is when I said that after Mr. Roosevelt came into office he found it necessary to close up all the banks in this country and sort out the goats from the sheep in order to cut out the racketeer bankers so that they would be prevented from stealing all of the taxpayers' money. I also said that after Mr. Hoover stepped out of the President's office many banks found it necessary to adopt a new policy. That policy was this: From now on, from the time Mr. Roosevelt was inaugurated President, the new policy was to be that burglar alarms were to be placed on the inside instead of on the outside of the banks, as formerly.

Mr. Chairman, I want to discuss for a moment a subject that is uppermost in every clear-thinking, liberal progressive in this great Congress. I refer to the so-called "bonus issue." The House of Representatives passed the Patman bill by a large majority, and this is not the first time the same bill has been passed by the House of Representatives by a large majority.

It is an old issue, an issue that is well understood by a great majority of the Members of this House, an issue that is now understood well by a great majority of all the American people. They know, today, Mr. Chairman, as many of us who are friends of this bill have known for some time, that the real issue at stake in the proposed acceptance of the Patman bill or what might turn out to be the veto of the Patman bill, that the issue which worries the people who have been accustomed to a Government of the rich, by the rich, and for the rich, the issue that they oppose, is the right of the Congress of the United States and the right of the Government of the United States to take away this unconstitutional and illegal privilege of the bankers of this country. This right they have stolen and usurped of issuing currency and drawing interest thereon. This is the real issue that is at stake.

This great mass of American people is composed of 80,000,000 persons and you could repeat after General Johnson,

when he said there are 80,000,000 cry babies. He is opposed to the Patman bill and that is what he called 80,000,000 people who are sorely in distress. These people want the Patman bill enacted into law. They do not want a bankers' bill, they do not want a Vinson bill, they do not want a Harrison bill—

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. RANDOLPH. Will the gentleman state to the House what, in his opinion, will be the effect upon President Roosevelt in his campaign for reelection next year if he vetoes the so-called "bonus legislation"?

Mr. TRUAX. Now, my friend from West Virginia knows that he should not ask me that question. Let him answer it himself.

Mr. RANDOLPH. I will withdraw the question. I simply wanted to ask the gentleman, but I will withdraw it.

Mr. TRUAX. I will say this, Mr. Chairman. I am not one of those who is ready to believe, at this time, that the President will veto the Patman bonus bill. I am unwilling to believe that. I think he may have received bad advice at certain times—

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman from Ohio 10 additional minutes.

Mr. LAMBERTSON. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. LAMBERTSON. If the President vetoes the bill, which we expect him to do, how is he going to be consistent in the gentleman's mind with what he said about driving the money changers out of the temple?

Mr. TRUAX. If the gentleman will read my remarks, I think of last Friday, on the banking bill, he will find that question fully covered.

You understand that I do not favor the so-called "Eccles bill." I voted against it, and the gentleman knows, as other Members know, that I would not vote against a bill that would be for the benefit of all the people and not for the benefit of a few selfish, greedy bankers.

Mr. RANDOLPH. I want to join the gentleman from Ohio in the hope that the President will not veto the bonus legislation.

Mr. TRUAX. I say to the gentleman it is high time for each and every Member of the Congress of the United States to assert his own prerogative, to stand up here and vote the way he thinks he should vote and the way he should vote for the best interests of the people back home, regardless of what somebody tells him is the way he ought to vote or ought not to vote, and that is exactly what I propose to do, Mr. Chairman.

The President of the United States has his own responsibility to the people. I have mine. I am doing a good job if I take care of my own responsibilities in the manner which my judgment dictates they should be discharged.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. BLANTON. And the executive department is a separate and distinct department from the legislative branch of the Government. The President has his duties to perform and we have no right to tell him what he shall do. We have our duties to perform and he has no right to tell us what we shall do. And neither we nor the President has any right to tell the Supreme Court what it shall do, as all three are separate, distinct branches of the Government.

Mr. TRUAX. The gentleman from Texas is right. We have no more right to tell him what he should do than we have a right to tell the United States Supreme Court what they should or should not do. We have just heard mentioned on the floor of the House, by the gentleman from New York [Mr. O'CONNOR], and others, the tremendous power that is vested oftentimes in one member of the Supreme Court of the United States. They make decisions that do not suit me and do not suit my constituents. I fear they may make a decision possibly today or tomorrow or

quite soon that will not suit me on the Frazier-Lemke farm bankruptcy bill, but I shall vote for the merits of that bill, for the justness involved in that measure as long as I am able to utter a sound, and it matters not to me what the Supreme Court may say about that measure or about other measures; it matters not to me what the President of the United States, whether he be a Democrat or a Republican, may say about the bonus bill, I still have my convictions and shall exercise them in the manner in which I think they should be exercised.

As I said a while ago, I think the President of the United States now has had much bad advice on veterans' measures. I am like our old friend Will Rogers, the humorist, "All I know is what I read in the newspapers", and I read in the newspapers a few days ago that the President called into conference several men to consider and weigh the possibilities involved in a possible veto, which is just what the gentlemen present have asked in their questions. I cannot answer for the President. I only know what I read in the newspapers. I read that the President held a conference with Gen. Frank T. Hines, and I think everybody here will agree that Gen. Frank T. Hines is not just what you would call a real, honest friend of war veterans.

I think that legislation that has been brought in on the floor of this House, legislation that has been enacted into law by this House of Representatives and by the other branch at the other end of the Capitol—I think the legislation was unsound, unjust, and yet it had the approval and support of Mr. Hines.

Last week, as a member of the Committee on Pensions, we heard the testimony of General Hines on the pending bill to restore the pensions of Spanish War veterans.

I want to say that it was the first time I ever met General Hines. I was of the same opinion held by many Members of the House, that General Hines had horns on him, cloven feet, and was hard-boiled. Yet in fairness I want to say for the general that he is a mild-mannered, soft-spoken gentleman who would not impress you as being a swashbuckler or a leader of soldiers, but rather as a soft-spoken minister, and bald-headed at that. [Laughter.]

Now, the theory, which you can see is deeply imbedded in his philosophy, is this: Patriotism cannot be bought, nor can the soldier measure his services to the country in dollars and cents. He believes that the disabled war veteran, disabled in line of duty, should be taken care of. He believes that the man who served his country in its hour of need and was shocked or disabled because of sickness or an epidemic or pestilence should be amply taken care of, but in the general's opinion this man must prove his own service-connected disability. I am not in accord at all with General's Hines' theory or logic. War profiteers always measure their loyalty, patriotism, and services by the dollar mark. World War veterans ask only for what is justly due them, immediate payment of the bonus with the Government's own new currency.

Our friend from Pennsylvania [Mr. STACK], a member of the committee, after listening to General Hines' testimony, looked up in that quiet way of his and said, "Well, General, I take it after hearing your testimony, that if you can be sure that there will be nothing taken away from the Spanish War veterans under this bill you favor the bill?" General Hines said, "Not quite."

I think General Hines has been one of the closest advisers, not only of this President but President Hoover, President Coolidge, and President Harding, and naturally that position, that inherited position has its influence with those with whom he comes in contact.

Now, something has been said about Mr. Douglas, the former Budget Director. That was gone into by the gentleman from Pennsylvania [Mr. RICH]. He said, if I recollect the words, that "Douglas has a heart, the same as the rest of us." That may be true, but if he has it is a banker's heart, my friends. [Laughter.]

There is another gentleman to whom I would refer. He is a friend of mine, and I call him a good friend of mine, our former colleague, Hon. Charles West, of Ohio, now the contact man for the President. The newspapers stated that

he was in conference with the President, with General Hines, and some others. Although I do not in any way attempt to disparage the work of Mr. West, or his talent and ability, yet back in Ohio Charley had never been known exactly as a friend of the veteran. He voted against the soldiers' bonus. He voted for the Economy Act.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. LUDLOW. Mr. Chairman, I yield 5 additional minutes to the gentleman from Ohio.

Mr. TRUAX. Mr. West, to my best recollection, has always voted against the war veterans, so naturally he cannot be expected to be favorably influenced to favorable consideration of the Patman bill by its known and active enemies. I am in hope, Mr. Chairman, that after the conference of yesterday, reported by the press, our great President will rededicate himself to some of these finer motives, to the finest motives of our citizenship, namely, just consideration of the claims of the soldier.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. BLANTON. General Hines is an executive officer who has to administer the law as he finds it.

Mr. TRUAX. That is correct.

Mr. BLANTON. And doing that, from the gentleman's knowledge of him, is it not a fact that he is a man who is high class and a perfect gentleman, honest as he can be, and fair and just to every soldier in the United States under the law as he finds it? That is my experience with him and my opinion of him.

Mr. TRUAX. I would say to the gentleman from Texas that there is considerable thought among Members who present a lot of veteran claims that there is unfairness and discrimination and endless delay in some cases.

Mr. BLANTON. I think he is one of the fairest and most just administrators of the law that I have ever known. It is not his fault when the facts of a case do not come within the provisions of the law. He is forced under his oath to track the law, even if we do not like it.

Mr. TRUAX. Yes; but I would say to the gentleman that General Hines administers in favor of the Government, which says it proposes to save all the money that it can, and he does not administer in favor of the veteran who, in my judgment, is entitled to decent consideration by his Government.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. MARCANTONIO. Is it not a fact that whenever there is a doubt, despite the fact that he tried to be fair about it, that doubt is resolved in favor of the Government and against the veteran?

Mr. BLANTON. No; that is not true. I know of many cases where he resolved the doubt in favor of the veteran and against the Government. When his general counsel turned down Mrs. Roger Fenlaw, of Ranger, Tex., on her deceased husband's \$10,000 insurance, and would not sign the papers allowing it, General Hines overruled him and forced payment of it, and Comptroller General McCarl upheld General Hines, and Mrs. Roger Fenlaw received her \$10,000 insurance.

Mr. TRUAX. Oh, we expect an occasional exception to the rule. Mr. Chairman, Saturday night there was a debate over the air between the Honorable WRIGHT PATMAN, the author of the Patman bill, and a Mr. Hobart, head of the American Veterans' Association. The funny thing about it is that they could not get a man in this whole Congress who was willing to take the negative side of this debate, and they had to go to New York, and they found this fellow Hobart, who represents, I am told, one-fifth of 1 percent of all the veterans of this country, the American Veterans' Association. This fellow Hobart had some nasty things to say about men prominent in the public eye—and I was not one of them—because of what they had to say about this bill. He referred to Father Charles E. Coughlin as the "rabble-rousing priest." I would say to Mr. Hobart that if you get

this Patman bill vetoed, and that veto is sustained, and if you get the Frazier-Lemke Farm Bankruptcy Act held unconstitutional by the Supreme Court of the United States, if you get a few negative actions of that kind on bills for the benefit of all the people, you will not have "rabble rousers", but you will have a horde of revolutionary hell-raisers that will let you know there is going to be something going on in this great country of ours.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. TRUAX. Mr. Chairman, the line of demarcation between the 3 percent who own 95 percent of the wealth, and the others who own the rest of the wealth is very marked. Someone said this afternoon, give us the figures to prove that 3 percent of the people own 95 percent of the wealth. I can give you some figures. In 1934 less than one-half of 1 percent of the people of this country paid any income tax. Now, can you figure that out? In a country of 125,000,000 people, less than 1½ percent of the population earn a net income if single of \$1,000 a year, or if married a net income of \$2,500 a year.

You are startled when you hear that thousands of people in this country ardently support Senator Huey P. Long. Do you wonder? Do you wonder that millions of people have signed up in his share-the-wealth clubs? Do you wonder that these people who constitute the 98½ percent who did not even make enough money to pay income taxes—you may call it fallacious, you may call it captious—but do you wonder that every time Father Coughlin sends his stirring voice over the ether millions of people listen in to hear what he has to say, not only this "rabble" that Mr. Hobart speaks of, not only the millions who have lost their homes, their farms, and their businesses, but millions more who today are hanging on by the skin of their teeth, expecting the loss of all they have ever gained in this world. Do you wonder they will listen to Huey Long? Do you wonder that they will listen to Father Coughlin? Even if Huey Long and Father Coughlin were out of the picture, these people still would be there; the sentiment is there; you cannot suppress it by belittling Father Coughlin or Huey Long; you have got to do something.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. GREEN. From the demonstration of approval that the farmers of the Nation are bringing to Washington this week, would it not indicate that at least the farmers of the Nation are faring far better than they have in many, many years? So I am wondering whether that will not have the effect of stilling any troubled waters which may exist in the country.

Mr. TRUAX. The gentleman is partly right and partly wrong. As for the farmer who has been able to refinance his farm under the acts passed by this Congress and signed by the President; yes. Farm prices, as I mentioned a while ago, are from 4 to 5 times greater than they were 3 or 4 years ago; but let me remind the gentleman that when this administration came into office the farm-mortgage indebtedness amounted to \$12,000,000,000. We have refinanced only about \$3,000,000,000 of it, about one-quarter of it, 25 percent, and the farmer who has been foreclosed, the farmer who is threatened with foreclosure, the farmer who will be foreclosed if the Supreme Court declares this farm bankruptcy bill unconstitutional, is no better off than he was 5 years ago. [Applause.]

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. EKWALL].

Mr. EKWALL. Mr. Chairman, I am a little concerned when I hear the Democratic brethren taking us to task on the Republican side because we dare to criticize the President of the United States. Since when has it become lese majesty to criticize the President if it is honest and fair? I have never heretofore taken the floor and for one minute criticized the President of the United States; but it has not been

because I did not think he might not be entitled to some criticism or that I did not, as a Member of the House, have the right to criticize him.

The gentleman from Texas belabors us on the Republican side because we have the temerity to raise our voices at times against the President. The President is just the same as we are, just the same as every other man or woman in the vast army of Government employees; he is also just an employee; but I think he is a good man. As a matter of fact, I have always admired the President in many ways. When I was elected to Congress I told the folks out in my district that I would go along with the President as far as I reasonably could, but that if I disagreed with him I would retain my American right to do so and tell him about it. There is nothing un-American about that and nothing wrong. I have heard many Democratic Members criticize the President. The gentleman from Ohio just now said that he hoped the President would get back to rededicating himself to the noble principles he espoused when elected. I agree with the gentleman from Ohio. I, too, hope he does, because he had many fine, high-sounding principles. I do not say that he is not trying to bring about those reforms he promised, but I think he is going about some of them in a rather bunglesome manner. I believe he has made some mistakes and some failures, the same as any human being might.

I do not say that any of us are infallible. Neither do I concede that, so far as legislative brains are concerned, they are all on the Democratic side. You on your side have made mistakes and we on our side have made mistakes, and I think we are wasting a lot of valuable time when we try to intimate there is something wrong in criticism. That is partly what we are here for, and it seems to me that so long as the criticism is honest criticism there should be no odium attached to it.

My genial friend from Texas criticizes the newspapers. I think they are kidding him; they are constantly kidding him, and he is taking it seriously. [Laughter.] There is not one of us who does not like to get his name in the newspapers. I think Members like it; it gets their names before their constituents. I think the gentleman from Texas wants to have his controversy with the newspapers printed as often as possible.

I do not blame him, because it reads well when it gets down to Texas. That is good politics.

The gentleman from Texas [Mr. BLANTON] also makes the statement that our getting up here and criticizing the President brings in a flood of critical letters. The gentleman has not seen anything in the form of caustic letters, and if he will come over to my office I will show him some letters that are letters. They have come to me on every conceivable subject, not because of speeches made here but because the American people think it is their right, and I think it is their right, to communicate to their Congressmen and Senators what they think. Sometimes these people get a little too caustic, but we Members get a little caustic over here, too. I do not blame people for writing me. They may write me all the letters they desire, and, may I say, they become rather personal, too. When they do, I consign the letters to the waste-paper basket. If they write in like ladies and gentlemen, I endeavor to answer them the same way, but I do not always answer letters that are highly critical and those letters that have no good purpose.

The gentleman from Texas [Mr. BLANTON] spoke a good deal about the foreigners that we have in this country. I could not quite tell from his talk whether he was belittling all foreigners or just some foreigners. He spoke of the other gentleman from Texas [Mr. DIES], for whom I have a great deal of respect, as being the greatest authority on immigration in this body. I think possibly the gentleman from Texas [Mr. DIES] does know a great deal about that subject. I read with a great deal of interest his article appearing in the Saturday Evening Post several weeks ago on the subject and received a good deal of valuable information from it. However, I want to say there are a lot of foreigners in this country who are good people. My father and mother were

born in Sweden. They were born over there in the old country. I have some brothers and sisters who were born over there and some who were born in this country, and I want to say that there never was a better man ever lived than my father nor a better woman ever lived than my mother. They were at one time foreigners. My father at an early opportunity took out citizenship papers and became a citizen. He came to this country to give his children better opportunities, and I am mighty glad that he did so. I agree with the gentleman from Texas [Mr. DRES] when he says that foreigners who are in this country illegally ought to be deported. I agree with that thought absolutely, and I think that is the class that the gentleman from Texas [Mr. BLANTON] must have had reference to. I do not believe the gentleman means to speak disparagingly of people simply because they are foreigners. There are lots of people in this country who have not had the opportunity of taking out their citizenship papers. I believe those people ought to be given a reasonable opportunity to become citizens. If it had not been for the foreigners, you know, we would not have had much of a country over here. It would still be inhabited by the aborigines. At some time or other all of our people were foreigners.

Mr. Chairman, I come back to the question of criticism of the President. The Democrats themselves criticize the President when they disagree with his stand on the bonus question. I also criticize the President on that position because I am for the payment of the bonus. I am for the cash payment of the adjusted-service certificates, and I expect to vote to override a Presidential veto, if there is one, when opportunity arises. I also criticize the President for the ruthless way he treated the Spanish-American War veterans of this country. It is a crying shame that these veterans, most of whom were over 60 years of age, many out of work, depending in many cases absolutely on the far too small pittance they were then getting from the Government before the economy act went into effect, should have been deprived even of most of that small payment. Many of these men have gone to their graves feeling bitter because the Government took away the inadequate pittance they were receiving. Mr. Chairman, I am for restoration at the earliest possible moment of all the benefits the Spanish War veterans were receiving prior to the time the President, by Executive order, reduced the payments to practically nothing. I am going to vote for complete restoration of such payments, if the opportunity presents itself.

Mr. Chairman, the gentleman from Ohio [Mr. TRUAX] stated that he is in hopes we will get back to our constitutional prerogatives. It was my understanding that the Constitution had been practically abandoned during the past year or two, and that the only way you could get close enough to the Constitution to realize there was one left was to go over to the Congressional Library and see the original one under glass.

The gentleman from Ohio [Mr. TRUAX] also criticized former President Hoover. Unquestionably, former President Hoover made mistakes, and probably a lot of them, but at the same time he cannot be said to be a man without ability and without brains. He came into the Presidency at a time when any man would have had a difficult time as President. Possibly he did not do some things that Mr. Roosevelt would have done, possibly he did not do some things that Mr. Wilson would have done, but nevertheless I give President Hoover credit for doing whatever he did honestly and intelligently as he saw it. The fact he did not succeed better was at least partly due to the peculiar times over which no one had full control and would probably have happened to any other President at that particular time, be he Democrat or Republican.

Mr. Chairman, the gentleman from Ohio further stated that President Hoover kept the farmers from getting more than \$2.20 a bushel for wheat during the war. He said they should have received \$5 or \$10. If they had obtained \$5 or \$10, who would have paid the bill? Why, the Amer-

ican people would have paid the bill. And permit me to say that \$2.20 is a pretty good price anyway at any time.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. EKWALL. Mr. Chairman, the gentleman tells us we are getting only 90 cents a bushel for wheat. If the Democratic times presently existing are so good and the principles of the Democratic Party are so beneficial, why are not the farmers getting \$2.20 now? I will tell you one reason why they are not getting it. It is because of the great amount of wheat imported into this country under the system existing at the present time. This ought to be a warning to some of the Members to start them to thinking how we can remedy the situation and keep some of this wheat from coming in from the outside to the detriment of our farmers. I am for the farmer.

Mr. TRUAX. Will the gentleman yield?

Mr. EKWALL. I yield to the gentleman from Ohio.

Mr. TRUAX. Can the gentleman tell us the total number of bushels of wheat produced annually in this country as compared with the number of bushels imported?

Mr. EKWALL. No; I cannot tell the gentleman that. Obviously I could not state that off-hand and the gentleman knows it.

Mr. TRUAX. That information would have a distinct bearing upon the statement the gentleman just made.

Mr. EKWALL. Certainly.

Mr. TRUAX. As a matter of fact, the imports are negligible in comparison with the amount produced here.

Mr. EKWALL. It may be negligible but I do not think so; nevertheless the gentleman knew when he asked me that question I could not answer it because nobody right off can tell you how many bushels of wheat are grown here and how many are imported, but I am informed a considerable quantity is imported.

Mr. TRUAX. I can tell the gentleman that.

Mr. EKWALL. Certainly, but I have not the wisdom of the gentleman from Ohio.

Mr. TRUAX. It is not a matter of wisdom.

Mr. EKWALL. No; it goes beyond wisdom—it enters the realm of the psychic, and then the gentleman has raised so many hogs in Ohio he has probably bought a lot of wheat and knows a lot about the price of it.

Mr. TRUAX. We do not buy it for that purpose except when it is cheap as it was when Hoover was in office, when it was about 10 or 20 cents a bushel.

Mr. EKWALL. Then you did not buy it when it was \$2.20 a bushel?

Mr. TRUAX. No; and we sold our hogs then for 16 or 18 cents a pound.

Mr. EKWALL. Then the gentleman tells us the reason the President did not get more votes in Ohio was because they did a lot of horse trading among the Democrats there. It seems to me this would be a good time for the Democrats to do a little more horse trading and get back some of the money that was lent during the Wilson administration to the European governments and also do a little horse trading to bring us back to prosperity. Apparently, the boys were having a little shell game down in Ohio during the last election and that is the reason President Roosevelt did not get more votes down there. I think something ought to be done about that.

Mr. TRUAX. Of course, that has all been fixed up now and everything will be all right at the next election.

Mr. EKWALL. The gentleman also states that if certain things do not take place here we are going to have a revolution. Well, if we are going to have a revolution, let us have it. I have heard about the coming of this revolution for a long time. I think we are all honestly trying to do the best job we can, but if there is going to be a revolution in this country we might just as well have it and get it over with and then start in all over again or give the country back to the Indians if they will take it.

On this question of criticism let us forget the idea that it is wrong and un-American to criticize the President or criticize anyone else in public office or out of public office. The President is getting \$75,000 a year for his job, and I think he is trying to do the best job he can under the circumstances, but he is a public servant, nothing more and nothing less. There is no halo around the head of a man who is President of the United States. There is likewise no halo around a man who is on the Supreme Court or in any other public position. He is in office because he wants to be. Nobody is forced into public office and he does not have to stay there against his will. So whenever we get up on either side and honestly criticize or make suggestions, let it not be charged that we are doing this in a partisan manner or for political purposes.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. EKWALL. I yield.

Mr. BLANTON. But from the highest to the lowest there is a respect that should be shown for any public officer who is doing the very best he can.

Mr. EKWALL. Oh, yes; I agree with the gentleman from Texas. We are not disagreeing on that point at all. I think that a person in public office ought to be respected according to the way in which he is doing his duty in that office. If a person is doing the best he can he ought to have the respect and the help of the people of this country. If he is doing something wrong or unconscionable then he ought to be criticized, and when I criticize the President in a nonpartisan manner I do not do it with the idea of harming him in any way or trying to restrict him in anything he is trying to do. It is done with the idea of trying to be a little helpful.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. EKWALL. I yield.

Mr. DUNN of Pennsylvania. Getting off the subject of criticism, I would like to know if the gentleman can tell me how in the world we are going to get back to prosperity when in practically every industrial or manufacturing establishment today, as well as in every municipal government, State government, and Federal Government, jobs will not be given to men or women who have attained the age of 40.

Mr. EKWALL. That is one of the big problems we have got to work out, because it is certainly unjust to discriminate against people on account of their age when it comes to giving them employment. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I have been informed that the rules governing the Committee of the Whole House on the state of the Union are elastic enough in discussing a bill of this character so that I may be permitted within certain limits to present a subject entirely different to that under consideration. If it were not for the fact that this is a very important matter to call to the attention of the House I would not keep you away at this late hour to tell the story that I want to tell you.

In this depression I have always had the view that we wanted to save property and save human life. You may differ in some degree as to the method to be employed, but everyone should agree that until we get out of this situation we should spend our time and energy for the purpose of conserving human lives and property. For that reason many States of the Union have moratorium laws to prevent the foreclosure and unconscionable taking of property. Many States, like my own State of North Dakota, have moratoria against the taking of personal property of farmers, city dwellers, and business men.

Instead of spending our time in criticizing the Democratic administration for what it is responsible for we should be working on anything that might conserve human lives and property.

I want to call your attention to a situation that has arisen in the State of New Mexico, and which needs action by this Congress, because there is no Federal set-up that will relieve these people.

The very day that the banks closed in the United States and admitted their failure to operate the financial system of the country a band of people from Louisiana purchased 3,500 acres of land from the Merchants Bank Building Co., an auxiliary of the First National Bank of St. Paul. That bank is a part of the chain-bank system that I have already presented to this Congress. They purchased the property for \$65,000. They paid \$30,000 as a part payment. Now all these payments have been made since 1933. In 1933 they paid \$15,000. In 1934 they paid an additional sum of \$14,800.

There is now due on the contract, but not in default, \$35,000 on an investment of \$65,000.

On these 3,500 acres they established a colony now consisting of 47 members, under the name of the Llano Cooperative Colony.

In this colony these people purchased \$24,000 worth of personal property that the First National Bank of St. Paul or the building company never had any interest in whatever.

They now claim there is \$1,500 now due on that contract and they are going to take all of the property at once. On the 27th day of December this bank in St. Paul sent a bunch of cow hands to the colony settlement intending to round up all their cattle and horses and stating they would bring school busses there to transport these people back to the State of Louisiana, telling them they had canceled their contracts and were taking all the property because they were in default.

I want to show you about the most cold-blooded thing that anyone can do, and that is the reason I call these matters to the attention of the Congress, because there must be some way through some Federal set-up which we can make, if we have not it already in existence, to prevent a situation like this from bringing the misery and distress that this contemplated action will do. These people called the sheriff on the 27th day of December and told him the bank had come there to wipe them clean. The sheriff came out and prevented any further losses; but on the 4th of January they went into a district court in the State of New Mexico under a \$3,000 bond and attached all of the property, the land, and the livestock, and the food supplies of this colony, and they now have the food supplies locked up, and they are attempting to drive these people, 47 of them, off the land and put them on relief by the cancelation of a contract under principles that are unethical and unconscionable.

Here is a notice their lawyers served down there. Having their food supplies locked up he notified them that he would feed the women and children out of their own food, but would not feed the men. The women and children declined to accept any food unless the men were also fed. I shall read just what he said so that the House will know the situation. Let us not complain so much about the relief already given and the way it has been given, but spend our energies on the conditions that confront us where relief is now necessary. He says:

I have arranged with Lou Miller to use the kitchen in the house and to furnish food for the women and children, but no one else in the colony can have any food.

At the present time their seed is locked up, their livestock is in the possession of the sheriff under a bond of \$3,000, and all their machinery is locked up, and those people are absolutely at the mercy of this bank, who wants now to take this \$65,000 worth of property, which has increased to a value of \$143,960, because these people still owe \$35,000. I say to you that there ought to be some organization in this Government to remedy such a situation. The Federal land bank say they cannot give relief; the R. F. C. say they cannot grant relief. There ought to be some organization by which these people could be protected against the ruthless action of this bank. This convinces me further that if you want to leave the future of the people of this country solely to the business interests of the country and withdraw the Government's protection, which the people have, you will get some more examples of this kind, where banks will destroy

people and property because, perchance, they can make some money.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Yes.

Mr. BOILEAU. Has the gentleman tried to determine whether or not the provisions of the \$4,880,000,000 appropriation bill are broad enough to enable the President to give relief in a matter of this kind? My recollection is that it is broad enough or was so when it left the House, and I believe the provisions are still in the bill as it left the House.

Mr. BURDICK. I have tried that from several angles. I am informed the set-up has not been completed, and that the different departments are at a loss to know what money they will have and what authority they will have. I bring this to the attention of my colleagues in Congress because there will be more of this. Through their influence in Congress and through the power they have to introduce resolutions and bills, it is my hope that these people, 47 of them, may not be wiped off the face of the earth and sent back to Louisiana as charges of this Government.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Yes.

Mr. DUNN of Pennsylvania. Why does not the gentleman prepare a resolution and present it before we adjourn tonight? I would be willing to support such a resolution.

Mr. BURDICK. I am calling this especially to the attention of my good Democratic colleagues. I would rather have the resolution come from that side of the House.

Mr. TRUAX. I would like to call the gentleman's attention to the fact that right now and for 2 years there has been pending a bill I introduced which would stop all foreclosures on real estate merely by amending the national bankruptcy law. In those cases where taxes and interest have been kept up or where there is a payment on account of the principal of the mortgage, it would grant a 5-year moratorium. Congress has the power to enact that bill into law.

Mr. BURDICK. I thank the gentleman from Ohio. I will gladly support your bill. The gentleman from New Mexico [Mr. DEMPSEY] is very much interested in this matter and has told me that the facts are substantially as I have recited them to you, and as they are included in this speech.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein the two documents I read.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Chairman, I yield back the balance of my time.

The following notices were delivered to the colonists by W. R. Warner, agent of the Merchant's Bank Building Co.:

GILA, N. MEX., April 19, 1935.

(Memorandum for George Clark.)

Hereafter all supplies held under attachment shall be kept under lock and key and none issued for food or other purposes except for feed for livestock. The object for this being that grain, meat, poultry supplies, etc., have already been depleted to an extent that the amount due under attachment has been so reduced as to leave our interests unprotected. The dairy of 20 cows will be available to the colony until further action is decided upon.

W. R. WARNER, Trustee.

GILA, N. MEX., April 20, 1935.

(Memorandum for Mr. Moore.)

I have arranged with Lou Mahler to establish a kitchen in his house and to furnish food therein for the women and children of the colony.

What food is not available on the premises will be supplied by purchase by Mr. Wooley.

No food will be supplied for the remainder of the colony.

Mahler will be in charge of the dairy under direction of George Clark. Mr. Clark will be in direct charge of affairs during my absence.

W. R. WARNER, Trustee.

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 8021, the legislative appropriation bill, 1936, had come to no resolution thereon.

SEWARD, ALASKA

Mr. GREEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3808) to authorize the incorporated town of Seward, Alaska, to undertake certain municipal public works, including the construction of an electric generating station and electric distribution systems, and for such purposes to issue bonds in any sum not exceeding \$118,000, with Senate amendments and concur in the Senate amendments.

The Clerk read the title of the bill.

Mr. GREEN. Mr. Speaker, I ask unanimous consent that the Senate amendment be not read, but be printed in the RECORD at this point.

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman tell us what the Senate amendment provides?

Mr. GREEN. Yes. This is a bill authorizing the town of Seward, Alaska, to issue bonds to the extent of \$118,000 for the purchase of a city-owned light and power plant. The Senate has amended the bill in such a way as to authorize the town to purchase, should it so desire, an existing plant in the town at not to exceed \$75,000. This is done with a view of not having the Government competing in business with the local electric plant.

Mr. SNELL. The gentleman believes in that policy, does he? The gentleman need not answer the question unless he desires.

Mr. GREEN. I think we could get along very well without too much government in business.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Senate amendments follow:

Strike out all after the enacting clause and insert:

"That the incorporated town of Seward, Territory of Alaska, is hereby authorized and empowered (a) by contract or contracts, or by its own agents and employees, or otherwise than by contract, to construct a municipal electric system, together with all parts thereof and appurtenances thereto necessary or convenient for the generation, production, transmission, and distribution of electric energy, and to acquire by gift, purchase, or the exercise of the power of eminent domain, lands, easements, or rights in land or water rights in connection therewith; (b) to operate and maintain said system for its own use and benefit and for the use and benefit of public and private consumers or users within and without the territorial boundaries of said town; (c) to issue its bonds to finance in whole or in part the cost of the construction of said system; (d) to prescribe and collect rates, fees, or charges for the services, facilities, and commodities furnished by said system; (e) to pledge to the punctual payment of said bonds and interest thereon all or any part of the gross or net revenues of said system (including improvements, betterments, or extensions thereto thereafter constructed or acquired); (f) to enter into contract with the United States of America or any Federal agency created or continued by or pursuant to the Emergency Relief Appropriation Act of 1935; and (g) to subscribe to and comply with all rules and regulations prescribed or continued by the President of the United States of America pursuant to the Emergency Relief Appropriation Act of 1935. The common council of said town in determining the cost of the construction of said system may include all costs and estimated costs of the issuance of said bonds, all engineering, inspection, fiscal and legal expenses, and interest which it is estimated will accrue during the construction period and for 6 months thereafter on money borrowed or which it is estimated will be borrowed pursuant to this act.

"Sec. 2. The construction of said system may be authorized under this act, and bonds may be authorized to be issued under this act by resolution or resolutions of the common council of said town. Said bonds shall bear interest at such rate or rates not exceeding 6 percent per annum, payable semiannually, may be in one or more series, may bear such date or dates, may mature at such time or times not exceeding 40 years from their respective dates, may be payable in such medium of payment, at such place or places, may carry such registration privileges, may be subject to such terms of redemption, with or without premium, may be executed in such manner, may be in such form, either coupon or registered, may contain such terms, covenants, and conditions, and may be declared or become due before the maturity date thereof, as such resolution or subsequent resolutions may provide. Said

bonds shall be sold for not less than par and may be sold at either public or private sale. Pending the preparation of the definitive bonds, interim receipts or certificates in such form and with such provisions as the common council of said town may determine, may be issued to the purchaser or purchasers of bonds sold pursuant to this act. Said bonds and interim receipts or certificates shall be negotiable for all purposes. Said bonds bearing the signatures of officers in office on the date of the signing thereof shall be valid and binding obligations, notwithstanding that before the delivery thereof and payment therefor any or all the persons whose signatures appear thereon shall have ceased to be officers of the town.

"Sec. 3. Any resolution or resolutions authorizing the issuance of bonds under this act may contain covenants as to (a) the purpose or purposes to which the proceeds of sale of said bonds may be applied and the use and disposition thereof, (b) the use and disposition of the revenue of said system, including the creation and maintenance of reserves, (c) the transfer from the general funds of the town to the account or accounts of said system a sum or sums of money for furnishing such town or any of its departments, boards, or agencies with the services, facilities, and commodities of said system, (d) the issuance of other or additional bonds payable from the revenue of said system, (e) the operation and maintenance of said system, (f) the insurance to be carried thereon and the use and disposition of insurance moneys, (g) books of account and the inspection and audit thereof, and (h) the terms and conditions upon which the holders of said bonds or any proportion of them or any trustee thereof shall be entitled to the appointment of a receiver by the District Court for the Territory of Alaska, which court shall have jurisdiction in such proceedings, and which receiver may enter and take possession of said system, operate and maintain the same, prescribe rates, fees, or charges, and collect, receive, and apply all revenue thereafter arising therefrom in the same manner as the town itself might do. The provisions of this act and any such resolution or resolutions shall be a contract with the holder or holders of said bonds, and the duties of the town and of its common council and officers under this act and any such resolution or resolutions shall be enforceable by any bondholder, by mandamus or other appropriate suit, action, or proceeding in any court of competent jurisdiction.

"Sec. 4. The common council of said town shall prescribe and collect reasonable rates, fees, or charges for the services, facilities, and commodities of said system, and shall revise such rates, fees, or charges from time to time whenever necessary so that said system shall be and always remain self-supporting. The rates, fees, or charges prescribed shall be such as will produce revenue at least sufficient (a) to pay when due all bonds and interest thereon, for the payment of which such revenue is or shall have been pledged, charged, or otherwise encumbered, including reserves therefor, and (b) to provide for all expenses of operation and maintenance of said system, including reserves therefor.

"Sec. 5. No holder of any bond issued under this act shall have the right to compel the levy of a tax by said town to pay the principal of or interest on such bonds. All bonds issued under this act shall be payable solely from the revenues pledged to the payment thereof and shall contain a recital to that effect. Such bonds may be issued notwithstanding any debt or other limitation or restriction prescribed by any other law.

"Sec. 6. This act shall become effective 30 days after its passage: *Provided, however*, That none of the powers herein granted to the said town of Seward, Alaska, shall be exercised by said town in the event that the Seward Light & Power Co., a corporation, shall, within 1 week after a copy of this act is served on said Seward Light & Power Co., offer in writing to sell and convey to the said town of Seward all right, title, and interest in and to its electric generating plant or plants, electric distributing system, pipe lines, and water rights now owned by it and used and employed in supplying electric energy to the inhabitants of said town, said offer of sale to be for the sum of \$75,000, and to guarantee that delivery of said title, free from encumbrance and debt of any kind, shall be made to said town upon payment of said sum, anytime within 6 months from date of said written offer to sell: *Provided further*, That said offer and agreement to convey title must be delivered by said Seward Light & Power Co., to the town clerk of said town of Seward, Alaska, within the time specified above. Service of copy of this act on the Seward Light & Power Co. shall be made by delivery thereof to its president, S. M. Graff, or any other officer of the corporation: *And provided further*, That in the event the said Seward Light & Power Co. offers to sell and convey its properties as provided for in this section, the said town is authorized to purchase such properties and to issue bonds for such purpose in an amount not to exceed \$75,000, such bonds to be issued in the manner provided for in this act."

Amend the title so as to read: "An act concerning the incorporated town of Seward, Territory of Alaska."

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

THE A. A. A. AMENDMENTS

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a radio

address delivered by my colleague the gentleman from Kansas [Mr. HOPE] over the radio last night.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address over the Columbia Broadcasting System Sunday, May 12, from 9:45 to 10 p. m., eastern standard time, by Representative CLIFFORD HOPE, Republican, of Kansas, on The A. A. A. Amendments. He spoke from Washington as the "Congressional Opinion" speaker in the Columbia series of that name.

The Agricultural Adjustment Act became a law exactly 2 years ago today. The program has been well administered, has passed the trial stage, and has proven its value. In its original form, however, the act was not broad enough to give effective relief to producers of all agricultural commodities. Likewise, even as to the commodities which it has been possible to include in the program, experience has demonstrated the need for greater flexibility and has pointed out defects which can be remedied only by legislative action. This has resulted in the introduction in both Houses of Congress of bills which have been popularly known as the "A. A. A. amendments", which bills have been favorably reported by the Committee on Agriculture in both the House and Senate.

The bills as reported in the two Houses are considerably different, and it is my purpose this evening to discuss only the revised House bill. This latest bill, a revision of H. R. 7713, has not yet been formally reported, but the committee has approved it and the report will be made shortly.

It is impossible in the brief time at my disposal to go into a detailed discussion of this legislation. I do, however, want to call attention to the most important points which are covered. Before doing that, however, permit me to call attention to the very thorough consideration and discussion which this legislation has received. I do not recall in my more than 8 years on the Agricultural Committee of the House that any measure has been more thoroughly and adequately discussed or has received more careful consideration in the committee than has this one. Extended hearings were held and ample opportunity to be heard given both the proponents and opponents to the legislation. Since the hearings the committee has spent several weeks in perfecting the bill. Numerous changes in the original draft have been made to meet objections on the part of those who might be affected by the legislation, and it is felt that all legitimate objects have been met.

I believe I can point out the purpose and objectives of the bill best by discussing them under four or five different heads. The first of these comprises those sections of the bill which have the very important effect of changing the policy of the original act from one of restricted production to what might be called "adjusted production" of agricultural commodities. When the original act was passed there were immense surpluses of many agricultural products. As to those particular products the problem was to dispose of the surpluses and adjust production to consumptive demand. I do not believe any person who has made a study of the agricultural situation questions the soundness of that policy as a temporary measure. Now, however, we are faced with a different situation. The restriction program to some extent, and the drought to a much greater extent, have removed our agricultural surpluses. That does not mean, however, that the problem has been solved, because under existing conditions if farmers should plant and harvest a normal crop upon the average acreage in cultivation for the years from 1926 to 1932, we would be faced with a new surplus problem unless we find it possible to vastly expand our export markets. In other words, a normal crop of cotton, wheat, or corn upon predepression acreage would produce more than we can consume and export under existing conditions. However, having now achieved something like a balance in most lines of agricultural production, we are in a position where it seems advisable to set up whatever machinery may be necessary to enable us to not only contract but expand production if conditions make that possible. Another year of drought in this country might make it advisable to expand crop acreage. Small world crops of commodities like wheat and cotton might open up an export demand which would justify a return to normal acreage and production of these commodities.

The features of this bill, which carry out the ideas above outlined, include amendments by which the power given the Secretary of Agriculture to provide for a reduction in the acreage or the production for market of any agricultural commodity is changed to provide for the adjustment of acreage and production. Thus, under the new language, it is possible for the Secretary to not only make benefit payments to farmers for reducing production, but, if desirable, for increasing production as well. In harmony with this thought, the original act is also amended so that proceeds from processing taxes may be used in making payments for the expansion of domestic or foreign markets and for the removal of agricultural surpluses, as well as for making production adjustments. In addition a new provision authorizes the appropriation each year of an amount equal to 30 percent of the import duties collected during the preceding year to be used for encouraging the exportation of agricultural commodities, the purchase or leasing of submarginal agricultural and grazing land, and the making of

payments in connection with acreage or production adjustments of basic agricultural commodities. It will thus be seen that this new legislation not only makes the original act more flexible by providing for adjustment rather than reduction in acreage and production but also sets up the machinery by which it is hoped that we can increase agricultural exports. Of course, merely setting up this machinery offers no assurance that there will actually be increased exports. These provisions will make it easier to export when markets are found and are significant as indicating a change in policy on the part of Congress and a desire to get away from a purely restrictive program.

In addition to those matters which have just been mentioned, relating to the different use of processing taxes and funds collected therefrom, it should be noted that provision is also made in this legislation for payment of benefits in commodities rather than in cash. Such a proposal is entirely optional with the individual farmer. If he feels it to his advantage to accept payment in kind, then it is his privilege to do so. How extensive this policy may be followed is not known, but it adds an element of flexibility to the act which cannot but be helpful.

Another important provision is that which provides that in determining parity prices there shall be taken into consideration the difference in interest payments per acre of farm indebtedness and tax payments per acre on farm real estate as compared with such payments during the base period from 1909 to 1914. Provision is also made whereby in fixing the rate of processing tax the Secretary is authorized to increase the rate to make up for the amount of tax loss on account of the exemptions or refunds allowed when the purchased article is used by a State institution or for charitable or welfare purposes. These provisions will furnish a fairer base for determining parity and will result in increased benefit payments to producers.

Another important provision just included in the bill gives the President power, under certain conditions, to impose quotas or compensating taxes on imports where the effect of such importations is to prevent the price of any agricultural commodity from reaching parity. It is not known to what extent this section may be invoked but it furnishes the machinery whereby we can control importations and thus prevent their having an adverse effect upon farm prices.

Another important feature of the bill is that which gives greater and increased recognition to cooperative organizations. Under this provision the Secretary is authorized to utilize cooperative associations of producers in connection with the payments for the expansion of domestic or foreign markets and is directed to "accord such recognition and encouragement to producer-owned and producer-controlled cooperative associations as will be in harmony with the policy toward cooperative associations set forth in existing acts of Congress as will tend to promote efficient methods of marketing and distribution."

This brings us to the most controversial feature of the pending bill, namely, those provisions relating to licensing. In this connection I think I should point out that the licensing provisions have been changed considerably since their introduction, and while certain objections might well have been made in the beginning, these objections are no longer tenable. Notwithstanding this, some opponents of the legislation are still discussing it as if the original provisions were retained and are busily engaged in stirring up opposition to provisions which have not been approved by the Committee on Agriculture and which will not be included in the bill.

I wish there was time to discuss the licensing features of this bill in some detail. I would like to do this not only to point out what these provisions include but what they do not include. The idea of licenses is nothing new. The present Agricultural Adjustment Act makes provision for them, both independently and in connection with marketing agreements. We have numerous other Federal and State laws imposing licenses and other forms of regulation in connection with many lines of business. The changes made in the new bill in some cases limit and in others expand the licensing power of the Secretary of Agriculture. These provisions have been drawn with a view to making these powers more effective in helping the producer. They strengthen the law in the respect which actual experience has shown it to be weak. Under these provisions, when producers working through the Agricultural Adjustment Act are unable to make fair marketing arrangements with processors and distributors, the Secretary, as a last resort, is given the power to impose licenses, fixing the terms upon which they can do business. This power, however, is limited to licenses affecting only a small number of commodities, to wit, milk and its products, tobacco, sugarcane and sugar beets, fruits, vegetables, wool, and mohair. Even as to these commodities the powers may never be used; certainly not if processors and distributors are willing to work with producers in bringing about fair marketing agreements.

These licensing powers will be most effective in dealing with problems arising out of the distribution of milk, fruits, and vegetables. In the course of various congressional hearings involving the matter, I have been impressed with the tremendous problems confronting milk producers. Even where they are well organized they have found it most difficult to secure better than starvation prices for their product. On the other hand, distributors and dealers have, in most cases, been prosperous. Even during the worst of the depression their margins were maintained. The Federal Trade Commission has recently made a report on its investigation of the milk situation in the Connecticut and Philadelphia areas. This report shows that in the Connecticut area, from 1922 to date, the price per quart paid to the producer has

ranged from 4 to 10 cents and the price to the consumer from 10 to 17 cents.

During the same time, however, the range in the dealers' margin has only been from 6 to 7 cents, except for March 1933, when it was 5½ cents. In the Philadelphia area the dealers' margin since 1922 has ranged from 5.39 to 6.25 cents per quart, while the price paid the producer has ranged from 3.06 to 8.82 cents and the price to the consumer from 9 to 15 cents per quart. In other words, while dealers' margins and profits remained stationary and stable, producers' prices fluctuated more than 100 percent. It is my information that the conditions prevailing in these two areas are typical of those existing in all of the large milksheds of the country.

Why isn't the producer entitled to the same price stability as the distributor? Why shouldn't the price which the farmer receives be based upon what is fair and reasonable rather than upon what the distributor is willing to pay him; or if it is necessary to have lower prices during periods of depression, why should not the burden be borne more nearly equally by producers and distributors. Why shouldn't the farmer have as much to say about what his price shall be as the man to whom he sells his product? These plans for marketing agreements and licenses will offer producers an opportunity which they have never before had to deal fairly and on even terms with the distributors of their products.

The opposition to the licensing feature of this legislation is being led by distributors and processors of farm products. They have the effrontery to assume to speak for the farmers of this country and object to this type of legislation because they say it will regiment the farmer and fix the prices at which he must sell his product. They possibly know something about regimentation, because, as a matter of fact, this group has been regimenting the farmer and fixing his prices for these many years. They now seem reluctant to give up that privilege and to permit the farmer to have something to say about it himself.

In spite of all the misinformation which has been circulated, no farmer need have any fear of this legislation. It specifically provides that no farmer as such shall be licensed. Also there is a specific provision that no license shall be imposed upon any retailer excepting in the case of milk. This is a farmer's bill. It will be administered by those who are in sympathy with the farmer and whose only object is to furnish protection to him in dealing with those who, through superior organization, have in the past been able to take advantage of him.

The purpose of the Agricultural Adjustment Act and these amendments is to set up the machinery whereby the producer can put himself in a position to deal on even terms with those who distribute and process what he has to sell. In the case of some commodities the farmer's price can be increased by the use of the processing tax. In the case of other commodities it is necessary to use licensing and marketing agreements. The opposition to either of these plans and to the Agricultural Adjustment Act generally comes from those who are unwilling to pay the farmer a fair price for his product. It comes from those who want to be in a position where they can oppress the producer and gouge the consumer as they see fit and without interference.

The matter of fair prices to agricultural producers is of interest to everyone because unless the farmers of this country receive their fair share of the national income there is a lack of balance in our national economy which makes it impossible to have stable and prosperous business conditions. The success of the farm program in increasing the income of farmers has already resulted in an increase in prosperity for those who manufacture articles which farmers buy. Anything which brings the farmer nearer to receiving his share of the national income is a step toward restoring industrial prosperity. The attack on these amendments is an attack upon the entire farm program, and if they are defeated those who are fighting them will attempt to destroy the remainder of the program. It is not a political question but an economic one. I decry the attempt to inject politics into farm relief. I am a Republican, but I will support every sound program to bring equality to agriculture, no matter by whom presented.

The farm program of today has been made possible because farmers have stood behind it individually and through their organizations. Now that it is under attack it is more important than ever that they continue to give it their support and backing through their local, State, and national organizations, through the Agricultural Adjustment Administration, and in Congress.

THE AGRICULTURAL CREDIT ACT OF 1935 AND INTEREST REDUCTION RELIEF FOR FARMERS

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. STEFAN. Mr. Speaker, on last Friday, Members of this House passed H. R. 5440, with the Wheeler amendment, which provides somewhat lower interest rate for farmers. I wish to compliment the Chairman and members of the House Committee on Agriculture for making it possible for this amendment to go into the bill, because it will give a signal to the debt-burdened farmer that Members of this Congress realize his plight and are taking steps in the direction wherein lies alleviation of his present distress. This bill gives the farmer a rate of 3½-percent interest for the

first year, and then steps that interest up to 4 percent, and after that restores the rate to 4½ percent, and is, therefore, a temporary makeshift.

The farmers in my State—Nebraska—and especially the farmers in my district—the Third Nebraska District—are anxious to take their responsibility as American citizens in this time of depression. They are anxious and willing to join hands with the administration in any movement which will ultimately result in a victory over the present hard times. These farmers have come to the time in their lives that they no longer can dig out of the ground sufficient produce to balance their budgets because of burdensome debts. These farmers have come to the point in their lives that the question of borrowing more is obnoxious and spells further gloom. They have too many debts now, and they are anxious and willing to pay what is due to the many waiting creditors who also are in the same financial conditions as these farmers.

For many years many of these farmers have been unable to purchase the innumerable things they need. Repairs, lumber, paint, harness, machinery, and items too numerous to mention are needed on the Nebraska farms today. Farmers are anxious to buy. Their stocks of these needed things are depleted. But they are unable to buy because they have no money with which to buy, because they have debt burdens that are too heavy.

Therefore the passage of the Wheeler amendment in H. R. 5440 comes as a ray of sunshine to these farmers. It comes as a ray of hope that eventually Congress will recognize the true conditions of our Nation and that the solution of our greatest problem is not how the farmer shall borrow more money, but how shall the farmer be helped with lower rates of interest so that he may pay back what he already owes.

This condition, according to my belief, is Nation-wide. The Nation's banks are filled with idle money and yet the national income is decreasing and the interest burden is increasing.

Statements have been made on the floor of this House that the farmer is better off today than he has been for some years, because the prices of the things he raises have increased. Yet other statements have been made to the effect that the farmer today is \$799,000,000 more in debt than he was in 1933.

This shows plainly that the borrowing of the farmer has been on the increase and his income has decreased to such a point that he no longer can afford to borrow, but must be helped to pay.

The recent upturn in agricultural prices had its inception in the shortage of farm crops due to drought. Before that, and for many years, the farmer has been handicapped. He has been continually paying more for the things he buys than he received for the things he raised. The farmer's dollar for years was worth less than the dollar other people had. He has been working with depreciated money and, for that reason, I introduced a bill in this House asking that the President name a commission to study the farmers' plight, in order that the farm dollar would have equality permanently with other people's money. That bill is being held up in the committee and I hope that I can have a hearing upon it in the near future. In the meantime, I have been bringing this matter to the attention of various Congressmen and I find that like other bills which are not administration bills, it is not being given the consideration to which it is entitled.

But the present plea has to do with other remedies that are only partially contained in the bill which we just passed—that of lower interest rates. The entire Nation would benefit by a general reduction in interest rates, and it seems to me that the ideas contained in the Frazier-Lemke refinancing bill would solve our problem.

The Rules Committee has this bill and we are told that this committee will not give us a rule under which the bill can come before this body for consideration.

The House Committee on Agriculture should be complimented in reporting this bill out, and we are given to

understand that many members of that committee are in favor of the measure.

More than 20 State legislatures have endorsed this bill, and in my district I am positive that 90 percent of the farmers and many business and professional men are in favor of it. That sentiment appears to be true in all parts of the country, and I feel that when such a measure is demanded by so many of our citizens it becomes the duty of this Congress to let the bill come out on the floor for consideration and debate.

Knowing the difficulty of the problem with which those favoring this bill would be confronted in getting it up for consideration, and, anticipating the wall which would be built around it by the administration, a petition was placed on the Clerk's desk, asking that the Rules Committee be discharged and the bill be brought up for consideration. There are 150 signatures on that petition. To get the bill out will require 218 signatures, and those favoring this bill are asking Members of the House to sign the petition. I speak to you as the first signer of that petition.

Signing this petition will not necessarily bind any Member to vote for the bill. There are those who have signed the petition feeling that such a measure should be given to the House for solution and not be allowed to die through the gag rule of a political machine. They feel that the country needs lower interest rates to come out of this depression. They feel that the bill should be given into the hands of the Representatives of the people for solution. Some of these Congressmen who have signed the petition may feel that the interest rates called for in the bill are too low, but they believe those questions of a controversial matter can be ironed out in debate when the bill comes on the floor for consideration. With these few words of explanation I appeal to Members of the House to sign the petition and let us bring this lower interest rate bill up for consideration, obedient to the pleas of our people.

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 254. Joint resolution providing for an investigation by the United States Public Health Service of the plumbing and sanitary systems in Federal Government buildings.

ADJOURNMENT

Mr. LUDLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.) the House adjourned until tomorrow, Tuesday, May 14, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE DISTRICT OF COLUMBIA

(Tuesday, May 14, 10 a. m.)

Subcommittee on Fiscal Affairs will resume rent hearings in the caucus room, 362 old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

334. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Commerce for the fiscal year 1935, amounting to \$40,000 (H. Doc. No. 183); to the Committee on Appropriations and ordered to be printed.

335. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year ending June 30, 1935, for the War Department, for subsistence of the Army, amounting to \$1,800,000 (H. Doc. No. 184); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, .

Mr. DOUGHTON: Committee on Ways and Means. H. R. 7980. A bill to protect the revenue of the United States and provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs-enforcement areas, and for other purposes; without amendment (Rept. No. 868). Referred to the Committee of the Whole House on the state of the Union.

Mr. LUDLOW: Committee on Appropriations. H. R. 8021. A bill making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes; without amendment (Rept. No. 869). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTE HILL: Committee on Irrigation and Reclamation. S. 1077. An act to further extend the time in which the States of Washington, Idaho, Oregon, Montana, and Wyoming may enter into a compact or agreement respecting the disposition and apportionment of the waters of the Columbia River and its tributaries; without amendment (Rept. No. 870). Referred to the House Calendar.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 89. A bill to provide for the creation of the Saratoga National Historical Park in the State of New York, and for other purposes; without amendment (Rept. No. 872). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTE HILL: Committee on the Public Lands. H. R. 3061. A bill to authorize the adjustment of the boundaries of the Chelan National Forest in the State of Washington; with amendment (Rept. No. 873). Referred to the Committee of the Whole House on the state of the Union.

Mr. STUBBS: Committee on the Public Lands. H. R. 4024. A bill to amend an act of Congress approved June 13, 1933 (48 Stat. 139), entitled "An act to extend the mining laws of the United States to the Death Valley Monument in California"; without amendment (Rept. No. 874). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. H. R. 5058. A bill to convey certain lands to Clackamas County, Oreg., for public-park purposes; with amendment (Rept. No. 875). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTE HILL: Committee on the Public Lands. H. R. 5282. A bill to extend the provisions of the Forest Exchange Act to lands adjacent to the Mount Baker National Forest, in the State of Washington; with amendment (Rept. No. 876). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREEVER: Committee on the Public Lands. H. R. 5530. A bill to amend an act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, and 226), as amended; with amendment (Rept. No. 877). Referred to the Committee of the Whole House on the state of the Union.

Mr. DE ROUEN: Committee on the Public Lands. H. R. 6373. A bill to provide for the establishment of the Big Bend National Park in the State of Texas and for other purposes; without amendment (Rept. No. 878). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 7930. A bill to eliminate certain lands from the Craters of the Moon National Monument, Idaho; without amendment (Rept. No. 879). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 7931. A bill to establish the San Juan National Monument, Puerto Rico, and for other purposes; without

amendment (Rept. No. 880). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 7938. A bill to authorize the transfer of the Otter Cliffs Radio Station on Mount Desert Island, in the State of Maine, as an addition to the Acadia National Park, and for other purposes; without amendment (Rept. No. 881). Referred to the Committee of the Whole House on the state of the Union.

Mr. PATMAN: Committee on the District of Columbia. H. R. 7447. A bill to amend an act to provide for a Union Railroad Station in the District of Columbia, and for other purposes; with amendment (Rept. No. 882). Referred to the Committee of the Whole House on the state of the Union.

Mr. MERRITT of New York: Committee on Military Affairs. H. R. 6437. A bill to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California"; without amendment (Rept. No. 883). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH of West Virginia: Committee on Mines and Mining. H. R. 1986. A bill providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska; with amendment (Rept. No. 884). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 4015. A bill authorizing the establishment of a filing and indexing service for useful Government publications; with amendment (Rept. No. 885). Referred to the Committee of the Whole House on the state of the Union.

Mr. KLEBERG: Committee on Agriculture. H. R. 7982. A bill to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes; without amendment (Rept. No. 886). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KNUTE HILL: Committee on the Public Lands. H. R. 800. A bill for the relief of Emanuel Wallin; with amendment (Rept. No. 871). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LUDLOW: A bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes; to the Committee on Appropriations.

By Mr. COLLINS: A bill (H. R. 8022) authorizing the Secretary of War to lend tents and camp equipment for the use of the Grand Encampment of the Independent Order of Odd Fellows, to be held in Anaheim, Calif., in October 1935; to the Committee on Military Affairs.

By Mr. HILL of Alabama: A bill (H. R. 8023) to provide for the acquisition of additional land at the military reservation at Maxwell Field, Ala.; to the Committee on Military Affairs.

By Mr. KING: A bill (H. R. 8024) to authorize the Secretary of War to dispose of material no longer needed by the Army; to the Committee on Military Affairs.

By Mr. GAMBRILL: A bill (H. R. 8025) authorizing the George Washington Memorial Bridge Public Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Potomac River at or near Dahlgren, Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. FLANNAGAN: A bill (H. R. 8026) to establish and promote the use of standards of classification for tobacco, to

provide and maintain an official tobacco-inspection service, and for other purposes; to the Committee on Agriculture.

By Mr. SOMERS of New York: A bill (H. R. 8027) to fix standards for till baskets, climax baskets, round-stave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on this subject, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. DONDERO: Joint resolution (H. J. Res. 286) to authorize the naturalization of certain aliens residing in the United States prior to February 19, 1923, and now married to native-born citizens of the United States; to the Committee on Immigration and Naturalization.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii, regarding an additional Delegate to Congress; to the Committee on the Territories.

Also, memorial of the Legislature of the State of Wisconsin, regarding an adequate protective tariff on butter; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, regarding the elimination of profit in the manufacture of munitions of war; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of Illinois, regarding General Pulaski's Memorial Day; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Nebraska, regarding an investigation of the sugar-beet industry; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYERS: A bill (H. R. 8028) for the relief of the Great Northern Railway Co.; to the Committee on Claims.

Also, a bill (H. R. 8029) to authorize the issuance of a patent in fee to Erle E. Howe, Crow allottee no. 1555; to the Committee on Patents.

By Mr. CARLSON: A bill (H. R. 8030) to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, in the State of Kansas, with a view to the control of their floods; to the Committee on Flood Control.

By Mr. CARMICHAEL: A bill (H. R. 8031) for the relief of Susan Lawrence Davis; to the Committee on the District of Columbia.

By Mr. CARTWRIGHT: A bill (H. R. 8032) for the relief of the Ward Funeral Home; to the Committee on Indian Affairs.

Also, a bill (H. R. 8033) for the relief of Tina Filmore; to the Committee on Claims.

By Mr. DIES: A bill (H. R. 8034) for the relief of Mae Poulard; to the Committee on Claims.

By Mr. GRAY of Indiana: A bill (H. R. 8035) for the relief of Richard A. Templin; to the Committee on Military Affairs.

By Mr. HOUSTON: A bill (H. R. 8036) granting a pension to Sarah Graves; to the Committee on Pensions.

By Mr. KENNEDY of Maryland (by request): A bill (H. R. 8037) for the relief of Sudden & Christenson, Inc., John A. Hooper, Earl T. Kruse, Edward Kruse, Gilbert Loken, and G. W. McNear, Inc., or their successors in interest; to the Committee on Claims.

Also (by request), a bill (H. R. 8038) for the relief of Edward C. Paxton; to the Committee on Claims.

By Mr. LUCKEY: A bill (H. R. 8039) for the relief of John B. Meisinger and Nannie B. Meisinger; to the Committee on Claims.

By Mr. McANDREWS: A bill (H. R. 8040) for the relief of Etta Nateesky; to the Committee on Claims.

By Mr. McKEOUGH: A bill (H. R. 8041) for the relief of Mildred Moore; to the Committee on Claims.

By Mr. MASSINGALE: A bill (H. R. 8042) for the relief of Christian H. Gladback; to the Committee on Claims.

Also, a bill (H. R. 8043) authorizing Benjamin Branche Talley, first lieutenant, Corps of Engineers, United States Army, to accept the decoration of the Medal of Merit tendered to him by the Government of Nicaragua; to the Committee on Foreign Affairs.

By Mr. PALMISANO: A bill (H. R. 8044) granting a pension to Emma Wagner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8045) for the relief of James Famble; to the Committee on Claims.

By Mr. PARKS: A bill (H. R. 8046) to provide compensation for James Martin Wells for injuries received in citizens' military training camp; to the Committee on Military Affairs.

By Mr. SCHNEIDER: A bill (H. R. 8047) granting an increase of pension to Clara Rabe; to the Committee on Invalid Pensions.

By Mr. VINSON of Kentucky: A bill (H. R. 8048) for the relief of J. W. Akers; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8407. By Mr. DRISCOLL: Petition of the mayor and members of the Council of the City of Farrell, Pa., signed by Hon. Joseph A. Franek and Lloyd S. Newton, city clerk, advocating construction of a dam on the Shenango River above the borough of Sharpsville, Pa., for flood control and other purposes; to the Committee on Flood Control.

8408. By Mr. GOODWIN: Petition of the Columbia County Farm Bureau Association, Hudson, N. Y., opposing the enactment of the Wheeler-Eastman Motor Carrier Act of 1935; to the Committee on Interstate and Foreign Commerce.

8409. Also, petition of the Board of Supervisors, Columbia County, N. Y., opposing Senate bill 1807 and House bill 5585, relating to amendments to the Agricultural Adjustment Act; to the Committee on Agriculture.

8410. Also, petition of the Columbia County Farm Bureau Association, Hudson, N. Y., urging support of House bill 7160, relating to agricultural extension work; to the Committee on Agriculture.

8411. By Mr. HIGGINS of Massachusetts: Resolution of the General Court of Massachusetts, earnestly and respectfully requesting the National Recovery Administration to grant speedy relief to the leather boot and shoe industry of this Commonwealth, and respectfully submitting that vertical differential in wages is preferable to the existing geographical population and sex differentials, that higher minimum wage scale based on the skill of the shoe workers is preferable to the present minima sanctioned by the National Recovery Administration, and that uniform wages for all shoe factories throughout the Nation seem wise; to the Committee on Ways and Means.

8412. Also, resolution of the General Court of Massachusetts, that the President of the United States be, and hereby is, requested to exercise the powers which he possesses under the National Industrial Recovery Act to the end that the cotton-textile industry throughout our country may proceed under conditions of economic equality, and that the readily apparent burdens which are now laid upon the cotton-textile industry in Massachusetts may be removed, and that Massachusetts manufacturers and Massachusetts operatives may be assured that no discrimination is practiced against them; to the Committee on Ways and Means.

8413. By Mr. HOEPEL: Petition of the Arizona State Chamber of Commerce, endorsed by the Los Angeles (Calif.) Chamber of Commerce, urging a continuation of the tax on foreign copper; to the Committee on Ways and Means.

8414. By Mr. HULL: Memorial of the Wisconsin State Legislature, memorializing the Congress of the United States

and the President to adequately increase the protective tariff on butter; to the Committee on Ways and Means.

8415. Also, petition of 26 members of the Wheaton Local, Farmers Equity Union, requesting the immediate enactment of the Frazier-Lemke farm refinancing bill (H. R. 2066); to the Committee on Rules.

8416. By Mr. JOHNSON of Texas: Petition of Thomas Quinn Beesley, executive director National Council of Business Mail Users, Inc., 111 West Washington Street, Chicago, Ill., favoring House bill 2798, restoring 2-cent postage on first-class mail; to the Committee on Ways and Means.

8417. Also, petition of T. H. McGregor, of Austin, Tex., favoring House bill 3263, by Mr. PETTENGILL; to the Committee on Interstate and Foreign Commerce.

8418. Also, resolutions passed in executive session by the members of the Ellis County (Tex.) Agricultural Association, commending the administration's agricultural program; to the Committee on Agriculture.

8419. Also, petition of R. H. Smith, chairman, and W. J. Smith, assistant chairman, Brotherhood of Maintenance of Way Employees, of Corsicana, Tex., favoring House bill 3617; to the Committee on Interstate and Foreign Commerce.

8420. By Mr. KING: Petition of the Hawaiian Legislature, requesting Congress to amend the Hawaiian Organic Act to provide for an additional Delegate to Congress from this Territory to be elected for a term of 2 years and in the same manner as the present Delegate; to the Committee on the Territories.

8421. By Mr. KRAMER: Petition of McFarland American Legion Post, No. 9, La Junta, Colo., to the Congress of the United States, requesting immediate passage of national legislation whereby any alien within the United States shall be deported who has committed a felony or a misdemeanor; to the Committee on Immigration and Naturalization.

8422. By Mr. LAMBERTSON: Petition signed by F. O. Kelley and a number of other citizens of northeast Kansas, providing for regulation of interstate highway transportation; to the Committee on Interstate and Foreign Commerce.

8423. Also, petition signed by the citizens of Topeka, Kans., urging support of the so-called "Wagner Labor Disputes Act"; to the Committee on Labor.

8424. By Mr. LAMNECK: Resolution adopted by Franklin Post, No. 1, American Legion of Ohio, at its regular meeting held April 26, 1935; to the Committee on Immigration and Naturalization.

8425. By Mr. MAPES: Petition of Fred C. Correll and others of Grand Haven, Mich., recommending the passage of the Wagner labor-relations bill; to the Committee on Labor.

8426. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging legislation to remove private profits from war and from the manufacture of munitions in preparedness for war; to the Committee on Military Affairs.

8427. By Mr. PARKS: Petition concerning agriculture; to the Committee on Agriculture.

8428. By Mr. PFELFER: Petition of the industry and business committee for National Recovery Act extension, New York City, concerning continuation of the National Recovery Act; to the Committee on Appropriations.

8429. Also, petition of the Retail Drug Code Authority for Greater New York, concerning continuation of the National Recovery Act; to the Committee on Appropriations.

8430. By Mrs. ROGERS of Massachusetts: Petition of the General Court of Massachusetts, commending the President of the United States for his courage in urging Congress to take the profits out of war, and requesting that the President and Congress take the profits out of the manufacture of munitions by way of preparedness for war; to the Committee on Military Affairs.

8431. By Mr. RUDD: Petition of Peter J. Geis, Jr., chairman public relations committee, Holy Name Society, District Committee, Twenty-fourth District, Brooklyn Diocesan Union, Brooklyn, N. Y., and 547 citizens, concerning the

religious persecution in Mexico; to the Committee on Foreign Affairs.

8432. By Mr. SCHNEIDER: Memorial of the Wisconsin Legislature, calling attention to the unusual increase in importations of dairy products, and asking that a 21-cent per pound tariff be placed on imported butter to protect the American dairy industry; to the Committee on Ways and Means.

8433. By Mr. SMITH of Connecticut: Resolution of the Fidelity Council of Waterbury, Conn., of the Sons and Daughters of Liberty, urging Congress to favorably consider the passage of House bill 5921, signed by Lina E. Dutton, recording secretary; to the Committee on Immigration and Naturalization.

8434. By Mr. TRUAX: Petition of Ray M. Van Sickle, Sunbury, Ohio, and 20 additional farmers of Delaware County, urging support of House bill 7160, amendments to the Agricultural Adjustment Act; to the Committee on Agriculture.

8435. Also, petition of the Cincinnati Express Lodge, 2045, Brotherhood of Railway Clerks, Cincinnati, Ohio, by their recording secretary, Albert Crane, urging support of House Joint Resolution 219, to extend the effective period of the Emergency Railroad Transportation Act, 1933, for a period of 1 year; to the Committee on Interstate and Foreign Commerce.

8436. Also, petition of Sunshine 4-H Club, Columbus, Ohio, by their adviser, Flora Sachs, urging support of House bill 7160; to the Committee on Agriculture.

8437. Also, petition of the Joint Action Committee of the Unemployed in Seneca County, Ohio, by Secretary N. A. Siebenaller and Secretary Harold Henry, of Tiffin, Ohio, demanding adequate rent relief for all, adjustment of all grievances in 24 hours, adequate medical attention, suitable homes for all families to be evicted, surplus foods be given and no discrimination be shown, adequate clothing, adequate fuel, forced labor be excluded, 30 hours per week and the rate of pay to be no less than 65 cents per hour for common labor, 80 cents per hour for semiskilled labor, and the union rate per hour for all skilled labor; to the Committee on Ways and Means.

8438. Also, petition of the Vegetable Growers' Association of America, by their secretary, H. D. Brown, Worthington, Ohio, requesting support of Senate bill 2228 and House bill 7160 in order that their educational advantages will again be equal to or better than those provided in any other country; to the Committee on Agriculture.

8439. By Mr. WITHROW: Memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States and the President to adequately increase the protective tariff on butter; to the Committee on Ways and Means.

8440. By the SPEAKER: Petition of the United Mine Workers of America, Local Union No. 5806; to the Committee on Labor.

8441. Also, petition of the National Association of Furniture Manufacturers, Inc.; to the Committee on Ways and Means.

8442. Also, petition of the Scandinavian May Festival, Portland, Oreg.; to the Committee on Labor.

8443. Also, petition of the borough of Wharton, N. J.; to the Committee on the Judiciary.

8444. Also, petition of the Green River Union Pacific Employees Booster League, urging the repeal of the fourth section of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

8445. Also, petition of the municipal government of Arevalo, Iloilo, P. I., regarding the passage of the Tydings-McDuffie law and the signing of the Constitution of the Philippine Islands; to the Committee on Insular Affairs.

8446. Also, petition of the municipal government of Dingle, Iloilo, P. I., expressing their thanks to all who have labored for Philippine independence; to the Committee on Insular Affairs.

SENATE

TUESDAY, MAY 14, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, May 13, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Radcliffe
Ashurst	Costigan	Lewis	Robinson
Austin	Couzens	Logan	Russell
Bachman	Dickinson	Loneragan	Schall
Bailey	Dieterich	Long	Schwellenbach
Bankhead	Donahey	McAdoo	Sheppard
Barbour	Duffy	McCarran	Shipstead
Barkley	Fletcher	McGill	Steiwer
Bilbo	Frazier	McKellar	Thomas, Okla.
Black	George	McNary	Thomas, Utah
Bone	Gerry	Maloney	Townsend
Borah	Gibson	Metcalf	Trammell
Brown	Glass	Minton	Truman
Bulkeley	Gore	Moore	Tydings
Bulow	Guffey	Murphy	Vandenberg
Burke	Hale	Murray	Van Nuys
Byrd	Harrison	Neely	Wagner
Capper	Hastings	Norris	Walsh
Carey	Hatch	Nye	Wheeler
Clark	Hayden	O'Mahoney	White
Connally	Johnson	Pittman	
Coolidge	Keyes	Pope	

Mr. LEWIS. I announce that the junior Senator from South Carolina [Mr. BYRNES], the Senator from Utah [Mr. KING], and the senior Senator from South Carolina [Mr. SMITH] are unavoidably detained; that the Senator from North Carolina [Mr. REYNOLDS] is absent on an official mission to the Virgin Islands; that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Oklahoma [Mr. GORE] are absent on official business; and that the Senator from Louisiana [Mr. OVERTON] is absent because of illness.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from South Dakota [Mr. NORBECK] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

POSTMASTER GENERAL FARLEY

The VICE PRESIDENT. Under the unanimous-consent agreement the Chair lays before the Senate the resolution S. Res. 74.

The Senate resumed the consideration of Senate Resolution 74, which has been reported adversely by the Committee on Post Offices and Post Roads, as follows:

Whereas it has been reported that James A. Farley, acting as Postmaster General and in various other capacities for the United States Government, has conducted a private business for the selling of materials to persons engaged in doing public construction work for the United States Government, and that in some instances concerns buying materials from the said concern in which the said James A. Farley is interested have received contracts through as many as three low bidders being disqualified; and

Whereas it is further alleged that the said concerns favoring the firm of the said James A. Farley with business have been able to secure changes in specifications netting them large sums in profits after the award of contracts, and it being alleged that such changes are deliberately made for the purpose of allowing large profits and avoiding competition; and

Whereas it is further publicly known that the said James A. Farley has used the Printing Office and facilities of the United States Government for the purpose of gratifying personal whims and caprices of personal and political friends, even to the printing of stamps never to be used; and

Whereas it has been further charged that the said James A. Farley is implicated in a wire service leading into the gambling houses in the United States from the race tracks, and is using the functions which he supervises for the Government to pursue said businesses for profit to himself and to his friends; and

Whereas it is further alleged that without pay or compensation for the same the said James A. Farley has commandeered for his personal use facilities of public-service corporations borrowing money from the United States Government; and

Whereas it has been charged that the said James A. Farley, on the eve of a loan being granted to a railroad in West Virginia, telephoned the leading factor of that concern that it was to his interest to take a certain political position affecting the election of a United States Senator; and

Whereas there are general and specific charges of misconduct, irregularity, dishonesty, and other activity on the part of the said James A. Farley, it is due to the people of the United States, the Government of the United States, and the said James A. Farley that a reasonable and fair disclosure be made of said matters: Now, therefore, be it

Resolved, That the Senate of the United States does hereby order an investigation into the public and official conduct of the said James A. Farley and all matters conducted by him affecting the business of the United States and the expenditure of funds of the United States, and that the said committee be composed of 3 Members of the United States Senate, not more than 2 of whom shall be members of the same political party, to be selected by the Vice President of the United States and to be approved by the said Senate; and that said committee shall have all authority necessary and proper to procure evidence, summon witnesses, to hear testimony, and compel the production of books, records, accounts, statistics, employ experts, and do any and all such other things as may be necessary to carry out the purpose of said investigation; and be it further

Resolved, That any reports of investigations and data secured by the Department of the Interior, particularly through Louis Glavis and those associated with him, on the affairs in which said James A. Farley has participated for the Government of the United States, be forthwith furnished to the United States Senate to be, after proper perusal by Members of the said United States Senate, referred to the said committee to be provided for herein.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Louisiana [Mr. LONG] to the resolution.

Mr. LONG. Mr. President, I call the attention of the Chair to the fact that I am beginning to talk at exactly 12½ minutes past 11 o'clock.

The VICE PRESIDENT. The clerk will properly keep the time under the unanimous-consent agreement. One-half of the time is to be controlled by the Senator from Louisiana and one-half by the Senator from Tennessee [Mr. MCKELLAR].

Mr. LONG. Mr. President, yesterday afternoon the Senators from Tennessee [Mr. MCKELLAR], North Carolina [Mr. BAILEY], and Texas [Mr. CONNALLY] were very apprehensive as to the genuineness of an affidavit which I offered. I not only have present in one of the galleries of the Senate the party who made the affidavit but likewise another lady who volunteered last night to give another affidavit. I ask Senators to listen to me read another affidavit which not only proves the first affidavit, in part, but gives a lot more information that is quite startling to anybody except someone who wants to whitewash Jim Farley.

Here is an affidavit taken before Mr. Charles F. Pace, financial clerk of the United States Senate:

My name is Miss Lottie Koch. I live at 616 Seventy-third Street, Brooklyn, N. Y. I make this statement, to be verified as an affidavit, of my own free will and accord, and without the promise of reward. I came this morning of my own free will to Washington, D. C., to the office of United States Senator HUXY P. LONG, where I gave him the following knowledge, which I now restate as my affidavit:

I was an employee of the firm of James Stewart & Co., Inc., from May 27, 1918, until November 29, 1934, in the capacity as file clerk. While there I knew Mrs. Helen Humphreys, who was a confidential attaché and telephone operator in the office of the concern. Along about June or July 1934 it was reported that Federal investigators were coming to look into the files of James Stewart & Co. There was great excitement in the office. I was called by Mr. A. M. Stewart and instructed to bring to him any letters in the files from Mr. Jim Farley. I went into the private file of Mr. Watts and got two letters from Mr. Farley and carried them to Mr. A. M. Stewart and handed them to him in the presence of his secretary, Mr. Robert Kob, and Mr. M. E. Kalette. These two letters were as follows:

One was a letter from Mr. Farley to Watts relative to some Mother's Day stamps. Mr. Watts had written Mr. Farley asking for a special sheet of the Mother's Day stamps and Mr. Farley had written Mr. Watts back that the issue was in great demand and that he would send him some of the stamps if he could get them.

The other letter from Mr. Farley was signed "Jim", and contained a short paragraph reading as follows:

"The matter is in abeyance. Contract is yours. (Signed) 'Jim.'"

Deponent knows that this letter pertains to the Vesey Street post office.

Along about this time Major Stevens, the Washington representative of James Stewart & Co., was in the office in connection

with the Federal investigators, and was very busy running from one part of the office to another to tell them what this file or the other file might contain, and whether it should be supplied or not. In due course the company began to remove from its files certain papers, particularly including the files pertaining to the granite work on the courthouse building, and in course of such work began as though it were installing a new filing system, and over a period of several months, in which said James Stewart & Co. was removing files from the cabinets, and at the same time installing a new system. Finally, on November 29, 1934, deponent was discharged, and the only statement ever given to her was by her successor, who told her that "Your memory is too good."

Deponent started in with the said company working for \$20 per week and rose to a salary of \$190 per month, which, after the general offices had taken two cuts in salary, was reduced to \$150 per month. No complaint was ever made against her services until the trouble came up over the Federal investigation, and when that arose, one of the vice presidents, Mr. Lohmann, who handled none of the Government work, but who was a vice president of the company, protested that deponent had never failed to be able to secure anything from the files that was needed, but as soon as the courthouse work had been completed, and the work of removing certain papers out of the files pertaining to the same and to other work, deponent was dismissed.

Deponent can state that Mrs. Helen Humphreys was so close in the confidence of the Stewarts that she was invited to their most intimate affairs, including their funerals and their weddings, and drew a salary, she thinks, of about \$63 a week.

Deponent would be pleased to appear before any committee to give this testimony under oath.

(Signed) LOTTIE KOCH.

UNITED STATES OF AMERICA,

District of Columbia, City of Washington:

Before me, the undersigned authority, personally came and appeared Miss Lottie Koch, as introduced to me by United States Senator HUEY P. LONG, who, being by me first duly and legally sworn, says the allegations and facts of the above and foregoing statement are true and correct.

LOTTIE KOCH.

Sworn to and subscribed before me this 14th day of May 1935.
[SEAL] CHARLES F. PACE,

Notary Public, District of Columbia.

My commission expires February 12, 1936.

As I have stated, this affidavit was sworn to before Mr. Charles F. Pace, financial clerk of the United States Senate, whose office adjoins the Senate Chamber. Attached to that affidavit is a statement by Mrs. Helen Humphreys, reading as follows:

STATEMENT BY MRS. HELEN HUMPHREYS

In the presence of the witnesses attesting hereto, I wish to reiterate all contained in the copy of the affidavit filed in the United States Senate, which I read in the papers, and express my desire to testify under oath concerning the same, and to point out the places where an investigation will show the particulars of record, such as files, books, and accounts of the Government, and particularly records of insurance companies, and the books and vouchers showing to whom were paid the premiums, as mentioned in my previous affidavit.

(Signed) MRS. HELEN HUMPHREYS.

Witness:

Attest:

E. J. HICKEY.

HUEY P. LONG.

That statement is witnessed by Mr. E. J. Hickey, one of the employees in the office of the Secretary of the Senate, and also witnessed by myself.

I send the original affidavit to the desk.

Mr. President, let us go a little further. Let us go further, when we are talking about whitewashing old Jim, before this alabaster coat is put on this man who says he will not allow himself to be investigated and who, according to these reliable, responsible, and truthful witnesses, not only rifled the files of the Government but rifled the files of Stewart & Co. Before Senators get ready to whitewash him, we had better see what the Government itself says about this gang of brigands and thieves.

I have a new compilation of which any Senator may have a copy. If any Senator reads this compilation, he will not hesitate a moment to agree that the investigation ought to occur. The Senator from North Carolina [Mr. BAILEY] said he had read all in this file. I had not read it until this morning, but after I read it I wondered how the Senator from North Carolina could ever rise on the floor of the Senate again and tell the Senate that he is the son of a preacher, after I found this in the files that he did not see. [Laughter.] Here it is. If Senators will take these things and read them, they will find that all this file is complete incrimina-

tion of the deepest dye by Ickes' employees, Wharton Green and Glavis, these investigators. There never was a deeper dyed conspiracy of such a criminal aspect laid to an organization in the history of the world than is laid to this crowd represented right here in this file. Let me read a line or two of it. Here is one of the letters from Wharton Green to Glavis, on page 14 of the compilation. I merely call attention to the underscored lines in the letter. There is plenty more of this, and much of it is of this kind:

The close contact between Stewart's organization and the Procurement Division is to my mind indicated by the fact that Stewart knew from Washington that this courthouse investigation, which he stopped, as he stated, "because of orders from Washington", would also be resumed for the same reason.

Notice that. This is the same Wharton Green making his report to Glavis. I said there was no question about the officers and the men in charge of this work and this office down here being in close contact with the Stewart outfit and being a part of them; that they knew more about it than was known here, and when the investigators went there they had orders from Washington not to allow them to see the files which this very Department had sent them there to get.

This is the very Department, as will be shown by these letters, which sent these investigators to the Stewart offices in New York City for the purpose of getting the papers showing this diabolical swindle and fraud, and when they got there the Department gave orders not to allow the investigators to go into those files which were not at that time destroyed.

Whitewash them? Send them to the United States Senate. Like Frederick the Great, who said he would have somebody in Heidelberg explain why he took Vienna, Mr. Farley will have somebody in the United States Senate explain why they swindled the Government out of \$500,000 and rifled the files and put in a new filing system later. He will have somebody in the United States Senate to explain this thing. Do not worry about that! Go ahead and exonerate him and you will hear more from the country when you do.

Listen to this:

In other words, there exists now and has for a long time a constant contact and complete understanding between Watts, Stewart's New York representative; Stevens, Stewart's Washington representative; Reynolds, of the Procurement Division; and Roberts, formerly of the same division.

We may not be able to secure proof there were irregularities in connection with the award of contracts or subcontracts on either the courthouse or post-office annex, but the circumstances that those connected with same appear greatly concerned is indicative of something.

Then what did they do? When they went into it, what did they say? Here is what they said, just before they locked the gate and said, "Don't come back here." Look over here to this letter on page 17:

Referring to mine of the 19th instant—

This is from the same man—

I am informed that the principal change from the contract drawings and specifications, which has been made by the Treasury Department since the award of the contract to James Stewart & Co., of New York City, was the substitution of Vermont marble for the marble specified—

I want the Missouri Senators to listen to this—

(said to have been known under the trade name of "St. Genevieve" (?)), and that for this change James Stewart & Co. allowed the Government but \$140,000, whereas the actual difference in cost was about \$550,000.

Listen to that, Senators! I told you \$387,000, according to my figures yesterday afternoon. Here are the figures out of the file of the Secretary of the Interior which say that the difference was around \$410,000; and any man who will take a lead pencil and a piece of paper and subtract one from the other is bound to come to the conclusion that that fraud was perpetrated. Here are these letters, one letter after the other, every one of which certifies to the fact that they locked the door up there and would not allow these men to go in and see what had occurred.

That is not half the story. This is about the toughest, crookedest, rottenest, most open, most corrupt fraud that

has ever been put on paper. There never has been a fraud like this in a court. There never has been a case so openly crooked and alleged to be and certified to be so rotten and so crooked and so corrupt in the history of this Government. There never has been crookedness, rottener, lower-down stealing ever put in the nostrils of the people to have a defense made. Do not worry about it; there will be a defense made in the United States Senate.

What did they do? Here is what they did: They sent these men to New York—you have the letter before you—and they did not get old man Cass Gilbert to sign this thing to permit the change, but they got it done down here in the Treasury Department. The architect was afraid to do it. The architect made an affidavit—I have it there for you—that he had nothing whatever to do with changing those prices and nothing to do with fixing the value. On the contrary, they came down here to a man whose appointment was given by Farley—2 of them, 3 of them—and they made that change between the 15th day of June and the 26th day of June 1933; and when the investigators went up to get the papers, what did they say? They said:

We are not going to allow you to go into this thing any further. It is already killed. Mr. Cass Gilbert died of a broken heart after he found out what had been put over on him, and we are not going to allow you to go any further into it.

They actually claimed—and you have it before you; it is there, in the papers I have had stenciled for you this morning—they actually claimed that this fraud on the Government of \$410,000 to \$500,000 had broken old man Cass Gilbert's heart when he found out that the Farley organization had put it over on him, and he did not know anything about it; and when Glavis' men went up to New York to get documents out of the files of James C. Stewart & Co., and they were calling in the women and taking out the papers out of the file, and they were rifling the filing cabinet of what was contained in it because the Federal investigators were on the way, what happened? According to these papers that I have submitted for you to read, if you care to read them, when they got up to New York to see Stewart & Co., the investigators walked into the door of Stewart & Co., and who was there? The officers of Stewart & Co.? No; four officers of the United States Treasury Department were sitting in the private office of Mr. Watts. The investigators walked in to examine the files of Stewart & Co., and these four men, all of whom owed their jobs to James A. Farley, were seated in the private office of Mr. Watts. The investigators walked in and said, "Why, gentlemen, we are surprised to see the Treasury Department representatives here in this office that we have come to investigate." That is all in the papers before you there. The Treasury Department men said, "We are up here to see that you do not go too far. You are not only investigating Stewart", they said; "you are investigating the Government, and we are going to demand of you that you give us the names of these damnable scoundrels who have defamed the names of these Government people before we allow you to proceed any further."

"Why", the investigators said, "gentlemen, that is not under us. That was all thrashed out at Washington, D. C., between the Treasury Department and the Department of the Interior, before we ever came here. That has all been arranged. We have only our duty to perform, to come here to go through these files, to investigate." The Treasury Department men said, "We are not going to have anything like that"; and this Mr. Watts, the vice president of James Stewart & Co., who was made vice president at a salary of \$25,000 a year, according to the evidence I have submitted here, for no reason on earth except for the fact that he had an inside contact with James A. Farley—this man was there, protected by four officers of the Treasury Department, who defied Glavis' organization from the other Government department to go into the files of James C. Stewart & Co.; and in the meantime they continued to rifle the files, and to install a new filing system, until eventually they fired the old filing clerk; and then, the next thing, what happened?

The Treasury Department said that if there was going to be any investigation of this matter, they did not think Mr.

Glavis ought to be so much in it, and that they ought to be allowed to do it themselves; whereupon Mr. Glavis and his assistants reported that in view of the position taken, there was no need for them to go any further. "Here are the facts. They are there", they said. "There is an absolute understanding; there is a contract; there is a working organization between them. There is no need to go any further, and therefore let nothing be done about it", because the Treasury Department officers would not allow them to go any further in the investigation of this rampant swindle that was going on at the time.

Mr. President, I desire to save a little time for someone else. I have a little more proof here.

The Senator from Tennessee [Mr. McKellar], when I began to read him the list of 30 or 40 witnesses here yesterday afternoon, none of whom he summoned, sought to explain that he was not expected to summon anybody. Here is his own resolution from the Post Offices and Post Roads Committee. He never got an appropriation from the United States Senate to summon a witness or to pay for taking the testimony of a witness until May 1, 1935. He knew they were not summoning any witnesses before that committee. He did not summon any witnesses; but, as prejudiced as the mind of the Senator from Tennessee appears to me to be, he does not want to hear the facts. He could not see them when they were there. He would not see them; but they will not face the music. Go ahead; try to whitewash this thing, Mr. President.

According to my understanding, I have occupied 20 minutes of my time. I should like to reserve a little time to see just what can be done under these disclosures which no one can dispute unless he defies the Government that made its own investigation.

Mr. McKellar. Mr. President, this resolution was introduced by the Senator from Louisiana [Mr. Long] on February 11, 1935. It contains six charges, all based on hearsay.

The first one is:

It has been reported that—

The second one:

It is further alleged that—

The third:

It is further publicly known that—

The fourth:

It has been further charged that—

The fifth:

It is further alleged that—

And the sixth:

It has been charged that—

What are these charges, Mr. President? All of them are made on hearsay, none on knowledge. As the Senator from North Carolina [Mr. Bailey] so accurately and so ably pointed out in his forceful and wonderful speech of yesterday, the facts as to each one of these six charges were all gone into.

The first charge was that certain concerns in New York had been buying materials from the firm of James A. Farley and that such concerns had contracts with the Government. Later on, the Senator charged that wrongdoing was committed by Mr. Farley in connection with the construction of a Federal post-office building in New York.

At that point the Senator from Louisiana offered a resolution, which was unanimously adopted, as I recall, asking for the files of papers in reference to those two contracts as existing in the Department of the Interior and in the Treasury Department.

The request for the papers was granted by the Senate, the resolution was adopted by the Senate, and the papers were furnished by the Department. The papers went before the committee, but instead of doing what the Senator from Louisiana declared they would do, namely, prove his charges in connection with those contracts, they absolutely disproved those charges.

Mr. LONG. Mr. President, will the Senator yield?

Mr. McKELLAR. No; I cannot yield. I refuse to yield. The papers absolutely disproved the charges, and the Senator, notwithstanding that fact, while he had the papers before him, and has had them ever since the report of the committee, stated yesterday that those papers had been rifled. The papers themselves show that there is not a word of truth in that statement. On the contrary, the only paper that even his friend Glavis—

Mr. LONG. Mr. President—

Mr. McKELLAR. I decline to yield.

Mr. LONG. A point of order.

The VICE PRESIDENT. The Senator declines to yield.

Mr. LONG. A point of order.

The VICE PRESIDENT. The Senator will state it. What is the point of order?

Mr. LONG. He says my "friend Glavis." I do not know Glavis, never saw him in my life.

The VICE PRESIDENT. The Senator does not state a point of order.

Mr. McKELLAR. I decline to yield.

The VICE PRESIDENT. The Senator from Tennessee has declined to be interrupted.

Mr. McKELLAR. And I ask that these interruptions not be taken out of my time but that they be taken out of the time of the Senator from Louisiana.

There was a statement by Glavis that some letter was not in the record. When the papers were examined by the Department and sent to the committee, it was found that that supposedly missing letter was in the files and had never been out of the files.

I mention these matters to show that the Senator has made speech after speech in this body and is still harping on the charge of dishonesty on the part of Mr. Farley as to these two contracts, when the papers which he produced, which he laid before the Committee on Post Offices and Post Roads, show beyond the peradventure of a doubt that every statement he made about it—and which he has continued to make about it—is without the slightest foundation in fact insofar as Mr. Farley is concerned.

The Senator from North Carolina [Mr. BAILEY] pointed that out in the evidence and cited the evidence, but I feel it to be my duty, inasmuch as the Senator from Louisiana continues to harp on those cases, to tell the Senate exactly what the record which the Senator from Louisiana produced shows, that is, that there is not a word of truth in his statements concerning James A. Farley's connection with those contracts.

While I am on the subject of those contracts I may say that the Senator brings in a belated paper, or a copy of one, two paragraphs of which he referred to, and I am going to read those paragraphs. The first one starts:

The close contact between Stewart's organization and the Procurement Division.

Mr. President, the Procurement Division is in the Department of the Treasury. The Senator seems to think it is in the Post Office Department. It is not in that Department at all.

The close contact between Stewart's organization and the Procurement Division is to my mind indicated by the fact that Stewart knew from Washington that this courthouse investigation, which he stopped, as he stated "because of orders from Washington", would also be resumed for the same reason. In both cases Stewart had the information here before we did. In other words there exists now, and has for a long time, a constant contact and complete understanding between Watts, Stewart's New York representative; Stevens, Stewart's Washington representative; Reynolds, of the Procurement Division; and Roberts, formerly of the same division.

We may not be able to secure proof there were irregularities in connection with the award of contracts or subcontracts on either the courthouse or post-office annex, but the circumstances that those connected with same appear greatly concerned is indicative of something.

(Signed) WHARTON GREEN.

There is not the slightest connection established with Mr. Farley; oh, no. Mr. Farley's name does not appear in it. It is with the Procurement Division, with officers in the Treasury Department named, some of whom are no longer

there. Yet this is lugged in here in order to exploit the personal and political malice and spleen of the Senator from Louisiana against James A. Farley, whom he cannot control.

I digress here long enough to say, Mr. President, that it makes no difference who it is; it may be Jim Farley, it may be a Senator on this floor, it may be a Cabinet officer, it may be a humble citizen anywhere, if he does not agree with the Senator from Louisiana he is a scoundrel, he is a thief, he is a boodler; he is everything that is dishonest and corrupt if he simply disagrees with the Senator from Louisiana. He stops at no one.

Senators heard the statement, I may say the horribly untrue statement, made by the Senator from Louisiana against our great President only last week. His speech is to be found in the RECORD of last Friday, May 10, in which he denounced the President of the United States as a corruptionist, and called him every vile and inconceivable name, and implied all villainess and corruption and dishonesty to the President of the United States. He does not stop at anybody. The President does not agree with him, the President does not let him control him, and therefore the President is dishonest.

The Senator from Arkansas [Mr. ROBINSON], as honest and as fine a man as ever lived in this country, a great statesman, a great leader, one of the greatest leaders we have ever had in this body, is denounced by the Senator from Louisiana on occasions when the Senator from Arkansas does not agree with him. It may be that the Senator from Arkansas has done nothing to him, yet he denounces him when he does not agree with him.

He denounces Mr. Farley. He declared that the Interior Department had the evidence which would prove the scandalous charges he had been making, and when the record was produced and the evidence was not what he wanted, he denounced Mr. Ickes and everybody in that Department except Glavis.

Next he abuses the Post Office Committee, and he does not stop at that. The committee tried to make an honest investigation of this matter. We were not controlled by the Senator from Louisiana, and because we did not agree with him in the charges made by him and proved by the record to be untrue, he denounces the members of our committee.

He denounces my friend, the Senator from North Carolina [Mr. BAILEY], one of the purest and best men, and one of the best Senators who ever sat in this body. He denounces him simply because the Senator from North Carolina did not and does not agree with him—that is all. All anyone has to do if he wants to be denounced is to differ on any subject with the Senator from Louisiana. If any Senator wants to be denounced on the floor of the Senate all he has to do is to differ with the Senator from Louisiana and he will promptly be denounced.

Mr. President, to be perfectly frank, I am getting exceedingly tired of such denunciations on the part of the Senator from Louisiana. It ought not to be done here in the Senate of the United States.

He denounced me the other day and said I had attacked him. I never attacked him voluntarily in my life. Everything I have said concerning the Senator from Louisiana has been said when he invited the attack by some statement of his which was not in accord with the facts, and a man who will not defend himself should not be in this body. One does not deserve a place in this body if he is not willing to protect himself.

I proceed. Those two charges were absolutely disproven. Then came the next one—and let me refer briefly to what the others were.

First, that Mr. Farley had established a wire service leading into the gambling houses in the United States from the race tracks. That was absolutely disproved.

The Senator from Louisiana alleged that Mr. Farley commandeered for his personal use certain utilities. That was absolutely disproved.

He charged that he attempted dishonestly to influence the election of a United States Senator in West Virginia. That was absolutely disproved. What were the facts? It was

charged that Mr. Farley told a railroad company that unless they would support his candidate for Senator in West Virginia a loan of \$25,000,000 would not be granted. Mr. Jones told the committee the facts, and the statement of the facts appears here in writing. Jesse Jones, Chairman of the R. F. C., testified that instead of lending the money to the railroad company the R. F. C. had collected about half of its debt. Its debt had been \$25,000,000. They collected \$12,000,000 of it; and he said that Mr. Farley had never mentioned the matter to him one way or the other. In other words, the Senator made that charge with the same zeal and emphasis and the same abuse, in the same horrible language customarily used by the Senator from Louisiana in making charges, like certain belated charges he is now making, to which I will come in a moment. I insert here a copy of Mr. Jones' statement:

RECONSTRUCTION FINANCE CORPORATION,
Washington, March 7, 1935.

HON. KENNETH MCKELLAR,
Senate Committee on Post Offices and Post Roads,
United States Senate, Washington, D. C.

DEAR SENATOR MCKELLAR: In reply to your letter of March 6, enclosing copy of Senator LONG's letter to the Senate Committee on Post Offices and Post Roads of the same date, in which you ask for information this morning concerning the reference by Senator LONG to a loan of \$52,000,000 to the Baltimore & Ohio Railroad, beg to advise that we made no loan of \$52,000,000 to this road.

The Baltimore & Ohio Railroad owed our Corporation a note of \$25,500,000, due August 10, 1934, this loan having been made 2 years prior. To meet this note and to provide the road with other funds that it needed, the Baltimore & Ohio offered, through its bankers, a \$50,000,000, 5-year secured note issue. The loan was certified by the Interstate Commerce Commission, and our Corporation estimated the value of the security behind the \$50,000,000 loan to be approximately \$90,000,000.

We agreed to lend the road any part of the unsold portion. The net result of the transaction was that the bankers sold all but \$13,490,000 of the \$50,000,000 issue and the Corporation received a cash payment on its \$25,500,000 loan of \$12,144,900, and notes of the new \$50,000,000 issue in the amount of \$13,355,100.

In the opinion of every member of our Board the loan was well secured, and neither Mr. Farley nor anyone else ever spoke to me or to any other member of our Board about this loan, except officials of the Baltimore & Ohio Railroad and the bankers who handled the issue.

Very sincerely yours,

JESSE JONES, Chairman.

The Senator from North Carolina [Mr. BAILEY] has gone over the proof in this hearing and has done it well, and I cannot see how any Member of the Senate, whether Democrat or Republican, can vote for the pending resolution after hearing the facts as stated by the Senator from North Carolina. Later on in the Senate the Senator from Louisiana made additional charges, one about a Kansas City convict, I believe, who had committed some crime, and that Farley had helped him. Yet we have the Attorney General's statement before our committee that he had never heard of Farley in the matter; never had consulted with him; that he had had nothing in the world to do with him. And so on with all the charges. I attach the Attorney General's statement:

No action taken by the Department of Justice in any of these matters was at the instance or suggestion of Mr. Farley. No appointment or designation of any attorney or agent to handle any phase thereof was suggested by him, nor was any official removed or caused to resign at his request.

Then yesterday, when the resolution came up in the Senate itself, what happened? Did the Senator from Louisiana rely on the charges theretofore made? Oh, no. He abandoned those charges. He scarcely referred to them. He knew the evidence was in and knew that no Senator would vote to sustain any such charges on the facts presented to the committee. He knew that. He knew those charges were absolutely without any evidence to support them, and what did he do? He abandoned them and then filed an affidavit. Senators heard the affidavit. It was a very adroitly worded affidavit, which could be regarded in almost any sense.

I was interested in the debate which ensued yesterday as to whether the lady who made the affidavit could be punished for perjury if the statements she made were not true. The learned Senator from Alabama [Mr. BLACK], one of the ablest lawyers in this body and one of its best Senators, thought that she might be punished for perjury.

After a careful examination of that affidavit—we have not obtained the original as yet; have never been able to see the original; the copy of that affidavit, which the Senator says is a true copy, and we take his word for it, is the only one we have seen—after a careful examination of it, I do not believe that anyone could be prosecuted for perjury on account of any statement made in that affidavit. It is too vague and indefinite. It has to do with overhearing a conversation over the telephone. The lady does not even claim that she knew the voice of Mr. Farley, and yet she was a telephone operator, a telephone operator who listened in to this conversation. Whether she is still with the company or not now I do not know. The newspapers say that she is a discharged employee.

Then, after the debate on that subject yesterday, the Senator from Louisiana, knowing there was nothing in that affidavit, undertakes to get another one with which to prop up his case, and he brings in the affidavit of Miss Lottie Koch, another discharged employee of James Stewart & Co. Take everything that Miss Koch says and there is nothing in it. Nothing in the world in it! She says that Mr. Watts had written Mr. Farley. There were two letters. She says:

One was a letter from Mr. Farley to Watts relative to some Mother's Day stamps. Mr. Watts had written Mr. Farley asking for a special sheet of the Mother's Day stamps and Mr. Farley had written Mr. Watts back that the issue was in great demand and that he would send him some of the stamps if he could get them.

Is there anything criminal about that? Is there anything wrong about that?

What the other letter contained we do not know, because there is only one short excerpt taken from it. She says with reference to that:

The other letter from Mr. Farley was signed "Jim", and contained a short paragraph reading as follows:

"The matter is in abeyance. Contract is yours."

(Signed) "JIM."

Whatever else may be in the letter we do not know. All we know about that letter is that:

The matter is in abeyance. Contract is yours.

There is no telling what that was. Mr. Farley was not issuing any contracts. Mr. Farley was not the head of the contracting part of the Government. It does not implicate Mr. Farley in the slightest degree. We would have to see the letter and go into the matter to determine if there was anything wrong in it.

But, Mr. President, is it possible that after hearing all the proof, after hearing these charges—10 in number—taking those which were originally filed and those which were afterward filed in speeches—all of which were considered by the committee—taking them all, suppose we have all of them, and knowing that there was no proof to sustain any of them, we are next confronted—

Mr. SCHALL. Mr. President—

Mr. MCKELLAR. I decline to yield.

The PRESIDENT pro tempore. The Senator from Tennessee declines to yield to the Senator from Minnesota.

Mr. MCKELLAR. We were next confronted with two charges brought in here yesterday after the case is closed, after the hearings have been had, after the Senator from Louisiana was invited time and again to bring his witnesses and to tell what they would testify; and when he declined to do it—

Mr. LONG rose.

Mr. MCKELLAR. I decline to yield. I am not going to have the Senator taking up my time.

After he declined to do it, and had to be written to twice by the committee in order to get him even to undertake to do something, he came on the Senate floor and stated what he had. He did not come to the committee. He produced no names to the committee. He never has. But he came here before the Senate and made a speech in which he replied to my last letter, but a reply to that letter never was received by me nor by the committee, and every member of the committee knows that what I have said about it is the absolute fact.

Mr. President, are we now to pass on these belated affidavits? Everyone knows that after the discussion yesterday if the Senate had voted it would have voted against this resolution, even with the affidavit which was produced yesterday. The Senator from Louisiana knew it perfectly well. So he hies himself out in order to try to save this resolution by getting in an additional affidavit. I read a part of that affidavit to the Senate. The Senator from Louisiana has read it all. Take every word of it as true and there will be found in it no ground for changing any Senator's vote on the pending resolution.

Mr. President, as my time is limited, I reserve the remainder of my time.

The PRESIDENT pro tempore. The Senator from Louisiana has 15 minutes more.

Mr. O'MAHONEY. Mr. President—

Mr. LONG. Mr. President, I desire it understood that the Senator from Wyoming is not speaking in my time.

The PRESIDENT pro tempore. The Senator from Louisiana has control of his portion of the time.

Mr. LONG. I do not want to control it. I just want it understood that the Senator from Wyoming is speaking in the time of the Senator from Tennessee.

Mr. McKELLAR. Oh, no, Mr. President.

Mr. LONG. Then I decline to give the Senator any time.

The PRESIDENT pro tempore. No one may speak in the time of the Senator from Louisiana.

Mr. McKELLAR. Mr. President, inasmuch as the Senator from Louisiana is going to speak again, I feel I ought to take some more time at this moment to refer to another matter which I have overlooked, so as to give the Senator from Louisiana an opportunity to reply.

Yesterday afternoon, after the Senator from Idaho [Mr. BORAH] had made a remarkably forceful speech, as he always does on any subject to which he addresses himself, the Senator from Louisiana offered an amendment, and I desire to read that amendment at this time:

To enable the Congress to secure such information as may be necessary for the consideration and enactment of legislation.

In other words, the Senator at this late hour undertakes to meet the objection raised by the Senator from Idaho, which I believe is a good objection. But what are the facts? What did the Senator from Louisiana have to do in order to put in that amendment? He certainly had to pocket his pride, and he certainly had to deny what he had said before on the same subject, because previously he made speeches about this matter, and he told in those speeches why this resolution was presented. I read from his speech of February 12. By the way, he has changed his mind about the President, as well as Mr. Farley, since that time. I read:

Mr. LONG. No; I will not agree to that. I think I know Mr. Roosevelt is a pretty good politician—and I mean that as a compliment, for a man who is a good politician will, just because he is a politician, learn that it is good to be honest in politics if he means to stay there very long.

A left-handed compliment.

I think Mr. Roosevelt is pretty good in other lines, too; but the Bible says: "Abstain from all appearance of evil", and when the committee is called to investigate Farley it is going to be "Katy, bar the door"; he is a "gone goslin"; he is going to quit; he will "fly the coop"; there will be no more to it; that will be already finished when Mr. Farley is ordered to be investigated by the Senate.

What does that show? Does that show the purpose of this resolution to afford a background for legislation? That statement shows his venom, spleen, hatred, and malice toward James A. Farley, whom the Senator could not control.

Just as I said in the beginning, any man whom the Senator from Louisiana cannot control, any man whom the "Kingfish" cannot make smaller fish out of, any man with whom he cannot have his way, he immediately denounces. The Senate offers him a forum, and he denounces him here on the floor. The denouncement in this case showed real spirit and feeling of the Senator from Louisiana; it showed his real reason for submitting this resolution. It was not for the purpose of providing a background for legislation, but it was for

the purpose of venting spleen against James A. Farley, a man whom he could not control.

But that is not all. On the 21st the Senator from Louisiana again showed exactly the purpose of this resolution. I read:

Of course, I should not object to him having the right until he is kicked out of the Cabinet, and he is going out just as sure as 2 and 2 make 4—

The Senator from Louisiana is talking about mathematics again, let me say to the Senator from Arkansas, his kind of mathematics—

And he is going out just as sure as 2 and 2 make 4. He is on the way out. He is just as surely on his way out as that we have a Pennsylvania Avenue here in Washington.

Again showing the purpose of the resolution. Legislation! Of course no legislation was in view back of it. He does not desire any legislation. The Senate has heard him speak time and again since this controversy began. His desire is to incriminate, if he can, to abuse, to traduce, to destroy the good character of the man whose only offense was that he did not agree with the Senator from Louisiana and would not be controlled by him.

Mr. President, I reserve the remainder of my time.

Mr. LONG and Mr. O'MAHONEY addressed the Chair.

The PRESIDENT pro tempore. The Senator from Louisiana.

Mr. LONG. Mr. President, the Senator from Tennessee, unfortunately for him and for many of his friends, has become not only a painter but a very poor painter. In other words, he is the sorriest exhibition of a whitewasher that I have ever seen. [Laughter.] I do not believe I have ever before seen one just get right up in front of a proposition and fall down and bellow like somebody was trying to do something to him and he was afraid he would not. All that can be made out of the answer of the Senator from Tennessee is that when he reached the things for which there is no explanation and about which there cannot be any dispute he engaged in a tirade of vilification and indicated that his feelings were hurt because, as he said, away back yonder somebody said something about a lot of people. I do not suppose I have talked about my colleagues any worse than they have talked about me, and I do not suppose some of my colleagues feel any worse toward me, maybe, than I may feel toward them, and that may be a justification to them; but what has that got to do with this case? Why not come down and face the music?

The Senator from Tennessee attacks Glavis.

Mr. McKELLAR. Mr. President, I was just wondering if the Senator considers it an attack on Mr. Glavis because I called him "a friend of the Senator from Louisiana"? I was wondering if that was what the Senator objected to?

Mr. LONG. That is the only way the Senator from Tennessee meant it. The fact that Glavis was a friend of mine was a terrible thing; that is the connection in which the Senator from Tennessee used it.

Mr. McKELLAR. I will not answer as to that.

Mr. LONG. If the Senator can figure it any other way, very well.

Mr. McKELLAR. The Senator may draw his own conclusions.

Mr. LONG. I do not know Glavis. He is an employee in the Interior Department. It was Glavis, I understand, who once helped to unseat a whole Presidential government in connection with the Pinchot-Ballinger case. Well, we do not need Glavis to unseat this one; there is enough besides Glavis to do it; but just by a queer stroke of fate you fall down here and do not make any answer—and there will be none made, because there cannot be any made—to the charge that there was substituted, instead of 60,000 cubic feet of marble, 46,000 cubic feet, and instead of \$12.50 marble, \$4 marble, the testimony showing clearly by the oath of two witnesses that Mr. Farley was manipulating it, the testimony showing by Glavis' report that there was that contact, and testimony is ready to be produced to show every bit of it. Nonetheless, no denial is made on this floor but that \$410,000

of the money of the people of the United States was filched as clearly from the Department of the Treasury, through this Farley negotiation, as if he had robbed a bank in daylight or in nighttime. Does the Senator from Tennessee make any answer to that? No. He makes no answer.

Does the Senator from Tennessee make any answer to the fact that through their negotiations up there and Farley's manipulations they rifled the files of the letters and rifled the files of some of the contracts, or does he make the slightest contradiction of the fact that, according to Mr. Glavis' report, they would not allow them to go in there and examine the files after they had been sent there? Strange as it may seem, every one of those particular men whom I have inquired about is known to have been a mere puppet, placed in the Treasury Department by James A. Farley, who controls the dispensation of all patronage and practically the dispensation of work.

Why not have some answer from the Senator from Tennessee instead of a common ordinary bellow? Why not have some answer? Mr. President, I recall that in my old days on the farm, when you would finally get a dog to where he was afraid to go out and tackle something, the only thing he would do would be to just lie down, right in the hot open sun, and bellow. While we were hunting wild hogs which were a little bit dangerous, I have seen dogs, when they would get on the scent of the hogs, lie down and bellow, and the closer to the scent they would get the louder the dogs would yelp, and the surer they were to turn around, stand still, and refuse to move a single inch.

Mr. McKELLAR. I am wondering if it was the same dog the Senator from North Carolina [Mr. BAILEY] was talking about yesterday.

Mr. LONG. The Senator from Tennessee is standing here baying at the moon when there is not even a moon to look at, but he refuses to face the fact that \$410,000—and he cannot deny it—was taken out of the Treasury of the United States Government.

What else? I read from another one of the letters from Green to Glavis:

James Stewart & Co., of New York City, are the general contractors for the above, and in the course of an investigation of this firm, which we are now conducting of the post-office annex (ser. N. Y. 089-P. W.), we are given to understand that James Stewart & Co. will realize over a half million dollars by irregularities in connection with changes which are being made from the contract plans and specifications.

Get that! The Senator from Tennessee says that proves that it is all right; he actually says that it proves that water runs uphill. Here is a document that was filed by the office of Mr. Ickes, and the Senator from Tennessee says that it proves that everything was all pure, white, and holy:

These changes, we are told, involve principally marble and bronze work. We are further advised that a running fight has been under way from the start of the work between the architect, Cass Gilbert, and the contractor, James Stewart & Co., but that the contractor, through his political connections in New York and Washington, has been able to get away with almost anything.

That is from the file, but, lo and behold! when you go and look to see how they got away with this change in the marble, which was supposed to come out of Missouri, the contract which said the specification could not be changed except by and with the consent of the supervising architect went for naught, because they came down to Washington, D. C., and got an appointee of Farley in the Treasury Department to give them the O. K. to make the change that put \$410,000 in their pockets.

That does not mean anything; you are going to whitewash it, are you? But I will be at the next washing. Go ahead and whitewash him, but I will be at the next washing.

Here is a little bit more of the substance of this investigation as it went along:

On account of increasing talk in the trade of the above and other questionable transactions in connection with this project was the direct cause of the very recent death of the architect for the project, Mr. Cass Gilbert.

Mr. BLACK. Mr. President, will the Senator read the remainder of that paragraph? He did not start at the beginning.

Mr. LONG. It says, "It is rumored."

Mr. BLACK. Yes; I did not hear that.

Mr. LONG. I was making the reading as short as I could on account of the brevity of time. I have everything in the document here. The Senator will find further that Cass Gilbert never approved the change in the marble work. If I do not start at the heading of some paragraph, the Senators will understand that I am conserving my time as much as I can.

In a conference today with Mr. J. S. Stewart and H. D. Watts (of James Stewart & Co.) in their office in New York City, Special Agent Bruce and I requested permission to examine the company's records and file appertaining to the construction of the New York Federal courthouse and were advised by them that their Mr. Forris D. Stevens (Washington representative) had discussed the matter with Mr. Reynolds, of the Procurement Division, Treasury Department, a few days ago, and Mr. Reynolds advised Mr. Stevens that it was the desire of Admiral Peoples—

Another Farley henchman—

that the investigation of the record should be commenced in the Treasury Department of Washington, and that therefore the Stewart Co., in deference to Admiral Peoples' wishes, denied us access to the company's records at this point.

Now mark you, Mr. President, they sent them to Stewart & Co. to investigate the records of Stewart & Co., and when they got to the records of Stewart & Co. up there they were met by four officers and agents of the Treasury Department, every one of whom was an appointee designated by James A. Farley. When they got up there and these four men faced them, they said, "Halt. We are not going to let you go into these files. We have decided you will have to turn around and go back to Washington, D. C., and investigate the Treasury Department first." They came back to Washington, and then the Treasury Department advised them they could go back to New York and investigate. They went back to New York to investigate and were told then, "You cannot investigate because you have not given the names of the people who made the complaints."

Their trip up there gives the Senator from Tennessee something to bellow about—not something to talk about, but something to bellow about. That is all he has done since the investigation has been under way. He said they had all the evidence before the committee. They never had one line of competent testimony before the committee. The Committee on Post Offices and Post Roads up until this date has never called one witness. Did the Senator hear what I said?

Mr. McKELLAR. Yes; I heard, but we had the testimony of the Senator from Louisiana who undertook to testify. I do not know whether or not he counts himself a witness.

Mr. LONG. That is not so at all. I did not undertake to testify. I merely went before the committee as a Member of the United States Senate and told what I wanted to do and what I expected to prove. There has never been one witness subpoenaed. There has never been one witness who was allowed to testify. There has never been one single witness up to this good day who has testified before the committee. Notwithstanding the fact that it was told what I told it, this committee was not expected to summon a witness. That was not the purpose of it. No one ever thought they were going to do it. But now the Senator from Tennessee [Mr. McKELLAR], the Senator from North Carolina [Mr. BAILEY], and the Senator from Wyoming [Mr. O'MAHONEY] come here with this fictitious kind of argument that they heard evidence, when the fact is they never heard any evidence from one solitary witness. Right now the Senator from Tennessee is not willing to have his own committee hear any evidence.

I challenge the Senator from Tennessee! He will not hear Glavis. I challenge him now! He will not hear Mrs. Humphreys. I challenge him now! He will not hear Green. I challenge him now! He will not hear the woman whose affi-

davit I filed this morning. I challenge him now! Never has that committee been authorized to hear witnesses under oath until the 1st day of May, but even that committee, with all the prejudice that has been shown to come from the chairman of it and some of the members of it, does not dare to open the doors and hear testimony—not in executive session! Oh, no. I would not want to risk anybody in executive session.

I challenge the Senator from Tennessee! He does not dare hear a line of testimony. That committee never have summoned a single witness. They have never taken a line of testimony. What they have undertaken to do is to hush this thing up, to save the Democratic Party—to save the Democratic Party! Yes, they will save the Democratic Party; but about one more salvation like this and the Democratic Party is through. One more salvation like this and the party is finished.

I hardly suppose the Senator from Tennessee wants any other kind of motion to put himself on record, does he? The Senator from Tennessee has no objection to a roll call on this question has he?

Mr. McKELLAR. Indeed, no. I want a roll call.

Mr. LONG. Mr. President, I ask that when we vote on this question we have a roll call. The Senator from Tennessee has so expressed his desire.

The PRESIDENT pro tempore. Is the request for the yeas and nays seconded? Apparently a sufficient number of Senators have raised their hands. The yeas and nays are ordered.

Mr. LONG. I have only about 5 minutes left under the ruling of the Chair—perhaps less than that.

The PRESIDENT pro tempore. The Senator has 3½ minutes left.

Mr. LONG. That is a good compromise.

Mr. President, I have only this to say in conclusion: I have never yet heard a denial of what the Senator from North Carolina [Mr. BAILEY] said when he asked, "What about that transaction between Knox and Farley and Eastus, the United States attorney?" The Senator from North Carolina said it was a crooked transaction—that one of them ought to be run out of the United States attorney's office, and yet the two of them were imposed on Farley.

Oh, no; do not investigate Farley! We come with the report of Glavis and Green, and it shows that they had permitted this kind of robbery and swindle. What does the Senator from Tennessee say? He said the Treasury Department is crooked and Glavis is a friend of HUEY P. LONG, but Farley is all right. Then we come here with two women who had been confidential employees, who make the affidavits which they have given, who give the names of the insurance companies whose books can be subpoenaed and examined, who give the names of Government files and the files of James A. Stewart & Co. which can be subpoenaed and examined; and what does the Senator from Tennessee say? "Oh, no, no, no! Halt! No sworn testimony! No investigation of any kind. The only kind of evidence I need is a written statement that comes from Mr. Farley or some henchman of Farley."

That is the evidence. The Senator from Tennessee could not pass a law examination today like he did when he was a young man. Today he has it in mind that evidence is a written statement filed by somebody in favor of whom he desires to decide. That would be his definition of evidence today—some unsworn, ex parte statement by some person under investigation in defense of the man in whose favor he wishes to render a decision. That is the only evidence that constitutes proof, according to the Senator from Tennessee.

Mr. President, that is the case before the Senate. The case will not down. Senators may think this will be the last of it, but it is not even the beginning of it. You can no more squelch these facts than you can make the lightning stop coming when there is a cause in the elements to bring the lightning. You can no more make this man a pure man than you can make a rotten egg edible. Mr. President, all the scientists in the world have tried to

make pure that which was impure, but they have never yet found the chemical that could be put in a rotten egg to make it either taste or smell right. The Senator from Tennessee does not have and cannot obtain the chemical properties, nor can anybody else, which can infuse honor into a confessedly crooked, rotten situation that is undertaking through political control today to keep itself from investigation and which dares not have the facts come to light.

Mr. McKELLAR obtained the floor.

The PRESIDENT pro tempore. The Senator from Tennessee has 9 minutes.

Mr. McKELLAR. Mr. President, in conclusion, I merely wish to call the attention of the Senate to one of the numerous and the last misstatements, I believe, of the Senator from Louisiana. He said that I said that employees of the Treasury Department were crooked. I made no such statement. The RECORD will show I made no such statement.

Again, he said I will not answer about the \$500,000 which he said Farley stole. Again, speaking of the same amount, he said I will not answer about the \$410,000 which he said Farley stole. There is absolutely no evidence on this charge. I call upon any Republican or Democratic member of the committee to say whether there is a line of evidence on that subject in the record. It was not offered before the committee. It is not there, and the Senator from Louisiana knew it was not there when he made the statement.

The Senator from Louisiana again begins to abuse me. He is adding me to some very distinguished company—first of all Mr. Farley. Then he follows with his diatribes against the Democratic Party. He denounces the party which sent him to this body. He is at war with it just as he is at war with everyone else who does not do his bidding. He is at war with his own party. He is at war with his own President. He is at war with the members of the Cabinet who will not do his bidding. And now, because the Committee on Post Offices and Post Roads does not do his bidding, he is at war with the Committee on Post Offices and Post Roads and singles me out as its chairman to vilify and abuse me.

He talks about my "bellowing." I do talk loud, but I do not talk as loud as does the Senator from Louisiana! I think there is no other Senator in this Chamber who can talk as loud as he talks. Certainly no one can talk as vehemently; certainly no one can talk without regard to the facts as does the Senator from Louisiana. I think he is a leader in many things. He is a past grand master as a leader of abuse. In that respect there is nobody who is equal to him in this body. I doubt if there ever was any Senator in this body who could abuse others as can the Senator from Louisiana, with or without cause. Cause is wholly immaterial. It makes no difference. The Senator abuses Mr. Farley because he cannot use him. He abuses the President because he cannot use him. He abuses the Democratic Party because he cannot control it. I say that if we ever have such leadership as the Senator from Louisiana in the Democratic Party, no longer will I be a member of that party.

Mr. LONG. Thank you.

Mr. McKELLAR. I desire to say another thing: I do not state it as a fact, but in my humble judgment the Senator from Louisiana will never lead the Democratic Party. He may in some way boss the people down in his own State, as he seems to do, but he is not going to boss the people of the United States, and he is not going to boss the Members of the Senate.

Another matter: In his diatribe against Mr. Farley, the Senator from Louisiana tries to establish a connection between the statements he has read and Mr. Farley by saying that Mr. Farley appointed all the employees. Here are some of the employees to whom reference is made:

One is Mr. Reynolds, who is a civil-service employee of the Treasury Department. To my certain knowledge Mr. Reynolds has been in the Treasury Department some 15 or 20 years.

Another one is Admiral Peoples. To my certain knowledge he has been in one department or the other—either the Navy Department or the Treasury Department—for something like 25 years, during my entire service here. Admiral Peoples was here when I came here. He is one of the finest men God ever made, as honest as the day is long, and as competent and efficient a man as we have in the Government service; yet, because Admiral Peoples does not do the bidding of the "Kingfish" of Louisiana, the "Kingfish" of Louisiana denounces him as a crook and a scoundrel in a place where Admiral Peoples has no opportunity to defend himself.

I say that none of these men were appointees of Farley. The only one who may have been is no longer with the Department, and this paper says he is no longer with the Department.

So, Mr. President, in the last charges that were made, just like all the rest, the Senator from Louisiana is absolutely oblivious to the facts, drawing on his imagination for statements to support what he is temporarily trying to do—working for the first page in the newspapers, trying to advertise himself as some kind of candidate for the Presidency, undertaking to denounce and traduce and vilify, and even going so far as to do it dishonestly in some cases, as he has toward the President of the United States, and as he has toward James A. Farley, and as he has toward me—to carry out his ambition to be President of the United States. A great many things have happened to the United States since our Government was established, but nothing that would be so unspeakable as to have at the head of this Nation a man who has the venom and the hatred and the malice toward everyone who disagrees with him that the Senator from Louisiana has.

Mr. President, the Senator from Louisiana has done himself the gravest injustice by making these charges. He has done a grave injustice to his fellows in the Senate, members of the Post Office Committee, men who—aside from the chairman of the committee—are a thousand times better, fairer men than the Senator from Louisiana. He denounces them as lending themselves to a crooked deal to whitewash a Cabinet officer. It just is not so.

The Republican members of the committee were open and aboveboard about the matter. They were fair and frank about it. They gave their views. They said there was no evidence to support the charges. The Republican members—all of them except the Senator from Minnesota [Mr. SCHALL] and the Senator from North Dakota [Mr. FRAZIER], who were not there—filed their statements, which are absolutely in accordance with the facts.

Mr. SCHALL. Mr. President—

Mr. McKELLAR. The other members of the committee, the Democratic members, filed their honest views about the matter.

Mr. SCHALL. Mr. President, I heard the testimony.

Mr. McKELLAR. I decline to yield.

Mr. SCHALL. I heard the testimony. Why describe me like that?

Mr. McKELLAR. If the Senator heard the testimony, I did not.

Mr. SCHALL. I did not hear the testimony, but I heard the statement of the Senator from Louisiana [Mr. LONG], who said he would produce thus-and-so testimony.

Mr. McKELLAR. I decline to yield, Mr. President.

The PRESIDENT pro tempore. The Senator from Tennessee has the floor.

Mr. McKELLAR. Mr. President, with that statement—that the committee has acted honestly and has brought in a report in accordance with the facts—I urge every Senator who believes in honesty and truth, and who is opposed to the exhibition of malice and hatred that has been given by the Senator from Louisiana, to vote down the resolution.

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Pope
Ashurst	Copeland	Lewis	Radcliffe
Austin	Costigan	Logan	Robinson
Bachman	Couzens	Loranger	Russell
Bailey	Dickinson	Long	Schall
Bankhead	Dieterich	McAdoo	Schwellenbach
Barbour	Donahey	McCarran	Sheppard
Barkley	Duffy	McGill	Shipstead
Bilbo	Fletcher	McKellar	Stelwer
Black	Frazier	McNary	Thomas, Okla.
Bone	George	Maloney	Thomas, Utah
Borah	Gerry	Metcalf	Townsend
Brown	Gibson	Minton	Trammell
Bulkeley	Guffey	Moore	Truman
Bulow	Hale	Murphy	Tydings
Burke	Harrison	Murray	Vandenberg
Byrd	Hastings	Neely	Van Nuys
Capper	Hatch	Norris	Wagner
Carey	Hayden	Nye	Walsh
Clark	Johnson	O'Mahoney	Wheeler
Connally	Keyes	Pittman	White

Mr. LEWIS. Mr. President, I rise to announce the absence of the junior Senator from South Carolina [Mr. BYRNES], the senior Senator from Utah [Mr. KING], and the senior Senator from South Carolina [Mr. SMITH], who are unavoidably detained on official business.

I also desire to announce the absence of the junior Senator from North Carolina [Mr. REYNOLDS], who is on an official mission to the Virgin Islands.

The VICE PRESIDENT. Eighty-four Senators having answered to their names, there is a quorum present.

Mr. McKELLAR. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McKELLAR. Will not the Chair state how the vote arises?

The VICE PRESIDENT. The question pending before the Senate is the amendment offered by the Senator from Louisiana [Mr. LONG] to the pending resolution, which will be stated.

The CHIEF CLERK. On page 3, in line 13, it is proposed, after the word "investigation", to insert the words "to enable the Congress to secure such information as may be necessary for the consideration and enactment of legislation."

Mr. McKELLAR. There is no objection to that, as I understand.

The VICE PRESIDENT. The Chair will ascertain. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. The question now is on the resolution as amended.

Mr. McKELLAR. Will the Chair state how the question arises?

The VICE PRESIDENT. The question is, Shall the resolution, as amended, authorizing an investigation of the Postmaster General, be adopted?

Mr. McKELLAR. Those who are opposed to the investigation will vote in the negative?

The VICE PRESIDENT. Those who are in favor of the investigation of the Postmaster General will vote "yea" and those who are opposed will vote "nay."

Mr. NORRIS. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NORRIS. I wish the Chair would state whether or not there will be a separate vote on the preamble. The adoption of the resolution would not mean the adoption of the preamble.

The VICE PRESIDENT. If the resolution shall be adopted, then there will be a separate vote on the preamble.

The question is on agreeing to the resolution, as amended. On that question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LOGAN (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS]. I transfer that pair to the junior Senator from North Carolina [Mr. REYNOLDS] and vote "nay."

Mr. NYE (when his name was called). Upon this question I have a pair with the Senator from South Carolina [Mr. BYRNES], who is absent. If I were permitted to vote, I should vote "yea." If the Senator from South Carolina were present, I understand he would vote "nay."

Mr. WHEELER (when his name was called). On this vote I have a pair with the senior Senator from Utah [Mr. KING]. If he were present, he would vote "nay." If I were permitted to vote, I should vote "yea."

The roll call was concluded.

Mr. LONG (after having voted in the affirmative). I desire to change my vote from "yea" to "nay."

Mr. AUSTIN. The Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

The Senator from South Dakota [Mr. NORBECK] is necessarily absent.

Mr. LEWIS. I rise to announce that the Senator from Arkansas [Mrs. CARAWAY] and the Senator from Oklahoma [Mr. GORE] are absent on departmental business.

I wish to announce also that the Senator from Louisiana [Mr. OVERTON] is absent on account of illness.

I desire to announce that the Senator from Virginia [Mr. GLASS] is absent in attendance on an important meeting of the Committee on Banking and Currency. If present he would vote "nay" on this question.

I also announce that the Senator from Utah [Mr. KING], the senior Senator from South Carolina [Mr. SMITH], and the junior Senator from South Carolina [Mr. BYRNES] are unavoidably detained, and that the Senator from North Carolina [Mr. REYNOLDS] is absent on an official mission to the Virgin Islands.

The result was announced—yeas 20, nays 62, as follows:

YEAS—20

Austin	Dickinson	Keyes	Schall
Barbour	Frazier	La Follette	Steinwer
Capper	Gibson	McNary	Townsend
Carey	Hale	Metcalf	Vandenberg
Couzens	Hastings	Norris	White

NAYS—62

Adams	Connally	Logan	Radcliffe
Ashurst	Coolidge	Louderman	Robinson
Bachman	Copeland	Long	Russell
Bailey	Costigan	Maloney	Schwellenbach
Bankhead	Dieterich	McAdoo	Sheppard
Barkley	Donahay	McCarran	Shipstead
Bilbo	Duffy	McGill	Thomas, Okla.
Black	Fletcher	McKellar	Thomas, Utah
Bone	George	Minton	Trammell
Borah	Gerry	Moore	Truman
Brown	Guffey	Murphy	Tydings
Bulkeley	Harrison	Murray	Van Nuys
Bulow	Hatch	Neely	Wagner
Burke	Hayden	O'Mahoney	Walsh
Byrd	Johnson	Pittman	
Clark	Lewis	Pope	

NOT VOTING—12

Byrnes	Glass	Norbeck	Reynolds
Caraway	Gore	Nye	Smith
Davis	King	Overtton	Wheeler

So the resolution was rejected.

Mr. ROBINSON. I move to reconsider the vote by which the resolution was not agreed to.

Mr. McKELLAR. I move to lay that motion on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Tennessee [Mr. McKELLAR] to lay on the table the motion of the Senator from Arkansas [Mr. ROBINSON].

Mr. LONG. I ask for the yeas and nays.

The yeas and nays were not ordered.

The motion to lay on the table the motion to reconsider was agreed to.

AFTER THE VOTE ON THE FARLEY RESOLUTION DECLINED INVESTIGATION

Mr. LONG. Mr. President, I wish to have the RECORD show that, undertaking to give the Senate a night or two in which it could calmly study the evidence which I presented here this morning and yesterday, I made the customary change of my vote, from yea to nay, in order that I might later have the right to move for a reconsideration of the vote by which the resolution was defeated. The ordinary practice is that the person who sponsored the resolution, whether victorious or not, is usually given an opportunity to make that kind of a motion with respect to that kind of a resolution.

However, I have no quarrel that the contrary is the will of the majority, because I have availed myself of that in

some other instances, and therefore cannot complain of the use against me of instruments which I have used against my adversaries on other occasions. However, I wish to say that I am sorry that the vote took on almost what appears to be a party color. All the Republicans excepting one were in favor of investigation. All the Democrats excepting two were opposed to an investigation. I will restate what I have just said, Mr. President. I am sorry that this vote showed a party line-up with only two Democrats voting in favor of investigating the Postmaster General and all the Republicans excepting one voting in favor of an investigation. I make that correction. There were two on each side. They are exceptions which prove the rule.

Mr. BARKLEY. The Senator from Minnesota [Mr. SHIPSTEAD] is on the other side of the aisle but he also voted "nay."

Mr. LONG. I did not hear the vote. He is not on either side, is he? He is a Farmer-Laborite.

Mr. BARKLEY. The Senator knows as well as I do what party the Senator from Minnesota is connected with.

Mr. LONG. No; Mr. President, I do not know what party he is connected with. I was nominated for President on that party ticket and the Senator refused to recognize me as his candidate, and I did not accept the nomination last year.

Mr. President, the Democratic Party when I came to Congress was just about in the same position that it takes today, only it was a minority party. When I came to this body I was soon at odds with the leadership of the Democratic Party at that time. I was not immediately when I came here; that is, I did not know I was, but I had not been in this body for 10 days or not more than a month before I found out that the Democratic Party, as then led, was one of suicide and destruction. I would not follow the Democratic leadership, and my reasons for supporting the present occupant of the White House was that he saw fit to send me a message by word of mouth and in writing to commend me for my stand against the leadership of the Democratic Party according to my expressions that I had made for several days.

Mr. President, he is now the occupant of the White House. He is, with some exceptions—not many—going along the patterned line of the old Democratic national leadership when I first came to this body. He has enshrined himself in a Cabinet at least partly composed, if the records assembled and presented by another one of his departments can be trusted—composed of corruptive persons or practices tied in sins of politics never countenanced by this civilized country. The party, under the banner of Farley, blackened by the crime of sabotage, if the report of the Interior Department can be accepted—his control over and manipulation of those sent upon missions to relieve distress, his control, so exercised as to barter justice into injustice and the truth into an open falsehood against respectable practices in operations and conduct of government, cannot survive in a party if the party survives.

I have never conceived it to be a part of my political life to defend the corruption of an organization with which I was affiliated. I have not hesitated to oust, when within my power, from whatever political faction with which I was associated, those whose practices I found to be such as lent themselves to corruption and to spoliation and against public good. I am following the same practice in the case of Mr. Farley. He cannot remain in the Cabinet, I do not think, very long. If the regard that the Senator from Tennessee had for the President should prove to be well founded, on truth—and I am only too sorry that I cannot reciprocate that admiration for the President—I wish that I could, but my mind and heart cannot surrender and merge what is there and what came there without any blame on my part—but if the President be one-half so pure in motive or one-fourth so pure in motive as some of those who have voted against this resolution allege him to be, then the influence and shadow of Farley and the practices mentioned in these pages here by Mr. Glavis and Mr. Green and by others sent upon these missions to develop facts, must fade

out. Farley must either go or the shadow of respect must remove itself from the President as well as from the balance of this administration.

I have heard it said on the floor of the Senate—I had no time to reply—that I have a private quarrel, or perhaps a public quarrel, with Farley and with Roosevelt. I have. I have a private quarrel with Roosevelt and with Farley. I have a public quarrel and a private quarrel and a political quarrel and a personal quarrel, because I do not separate the lines of politics from either my personal or professional lines. Mr. President, when I do not like a man personally I do not like him politically; when I do not like a man politically I do not like him legally. Somehow or other the Lord failed to endow me with the refining instinct of differentiation between one whose political practices I would condemn and one whose personal practices I might like.

The word "duplicity" and the word "diplomacy" come from the same Greek root. I do not know whether Senators know that or not. There is an old saying, "The Greeks had a word for it." The same Greek word is the mother word of "duplicity" and of "diplomacy." I do not know that we have to go back to the Greeks to justify that. I learned that fact when I drank water out of the branch in Winn Parish. I find no means by which one who, in a true sense, can become a diplomat whose characteristics do not become duplicitous as a result of it.

I cannot smile on the conduct of one in public which in private I condemn. I do not have to violate the rules of the Senate. I can fail to speak when, were I to speak the truth, I would infringe upon the rules prescribed for the conduct of a Senator; and I shall not speak when speech would mean talk under the rules of the Senate by which I would have to misrepresent what I conceived to be the truth and the facts about the matter.

Mr. President, Farley has apparently been exonerated; that is how the press will carry the news that the Democratic Members have exonerated one of their own; that the Democratic Party has expressed renewed faith in Farley. He will be introduced at another banquet or two, but not many. They will carry him there with a boiled shirt and a cut-away coat and a bow tie, but the odor will be there as if it were not attempted to be covered up. They may stand the smell of this patronage, but they will not be able to stand the odoriferous presence of Farley. He will swish around with that scissor-tail coat at a few more banquets given by those seeking patronage; he will receive a few more gracious lines, when suddenly some day or some night, following those diplomatic brolls which come in the lives of those intrusted with steering the Ship of State, it will be found that Mr. Farley can no longer sacrifice himself for the welfare of the people, but will retire—to what? Do you say he will retire to run the Democratic Party's next campaign? Oh, no. We have finished that much of him. No; they will not dare put Jim Farley at the head of the next Democratic campaign. You may have covered up the grave, but you have not buried the corpse very deep. If you bring him out, we will bury him next time the right way; we will bury him face down, so that every time he scratches he will go nearer home instead of coming back. [Laughter.]

IMPORTS OF AGRICULTURAL PRODUCTS—RAW COTTON

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, in further response to Senate Resolution 111 (submitted by Mr. VANDENBERG, and calling for certain information regarding imports of agricultural products, and cotton and wheat production and consumption), transmitting tables showing the exports of raw cotton by leading producing countries and imports of raw cotton by leading consuming countries for the entire period 1904 to 1934, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate letters and papers in the nature of petitions from sundry citizens of the United States, praying for the prompt enactment of the

so-called "Patman bonus bill", which were ordered to lie on the table.

Mr. COOLIDGE presented a resolution adopted by the Thirty-seventh General Court, National Society, Daughters of Founders and Patriots of America, favoring the enactment of legislation increasing the strength of the Army, the National Guard, the Reserve Corps, and so forth, as recommended by the Secretary of War and the Chief of Staff of the Army, which was referred to the Committee on Military Affairs.

Mr. WALSH presented the petition of Alston Post, No. 669, Veterans of Foreign Wars, of Alston, Mass., praying for the enactment of House bill 6193, prohibiting the importation into the United States of American flags and emblems manufactured in foreign countries, which was referred to the Committee on Finance.

He also presented a resolution adopted by Aerie No. 617, Fraternal Order of Eagles, of Brockton, Mass., favoring the passage of old-age-pension legislation, which was referred to the Committee on Finance.

He also presented the petitions of the Central Labor Union and Local Union No. 57, International Association of Bridge, Structural and Ornamental Iron Workers, both of Worcester, Mass., praying for the enactment of legislation providing for a graduated tax on cigarettes, which were referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Pittsfield, Mass., remonstrating against the enactment of pending legislation providing for the regulation of public-utility holding companies, which was referred to the Committee on Interstate Commerce.

He also presented petitions of Merrick Lodge, No. 563, Brotherhood of Locomotive Firemen and Enginemen, of Springfield; White City Lodge, No. 243, of Worcester, and Granite Lodge, No. 1517, of West Springfield, both of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, all in the State of Massachusetts, praying for the enactment of legislation extending the effective date of the National Emergency Transportation Act of 1933, which were referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a memorial from the Boston Flower Exchange, of Boston, Mass., remonstrating against the enactment of the so-called "Wagner labor-disputes bill" and the "Black 30-hour work week bill", which was ordered to lie on the table.

He also presented a paper in the nature of a petition from members of the New England Region, Common Brick Branch, Structural Clay Products Industry, Worcester, Mass., praying for the extension of the National Industrial Recovery Act, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by Branch 213, Workmen's Sick and Death Benefit Fund, of Mamaroneck, N. Y., favoring the passage of unemployment, social-insurance, and old-age pension legislation, which was referred to the Committee on Finance.

He also presented a resolution adopted by New Syracuse Aerie No. 053, Fraternal Order of Eagles, of Syracuse, N. Y., favoring the enactment of legislation providing for old-age pensions, which was referred to the Committee on Finance.

He also presented a resolution adopted by the New York Chapter No. 3 of the American Veterans' association, Inc., of New York City, favoring an investigation of the American Legion, or other patriotic organizations, of veterans' activities in violation of their charters, which was referred to the Committee on Finance.

He also presented petitions of sundry citizens of Canton and Potsdam, in the State of New York, praying for the enactment of legislation to take the profits out of war, which were referred to the Committee on Military Affairs.

He also presented a petition of sundry citizens of the State of New York praying the enactment of legislation providing for the issuance of a commemorative stamp in honor of Commodore John Barry, which was referred to the Committee on Post Offices and Post Roads.

He also presented resolutions adopted by the German-American Conference of Greater New York and John T. Hoffmann Unit, No. 25, of the Steuben Society of America, of Yonkers, in the State of New York, favoring an amendment to the Constitution providing for a referendum on the declaration of war, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by the New York Board of Trade, Inc., of New York City, opposing the enactment of legislation adversely affecting railroads, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Lehigh & Hudson River Railway Veterans' Association, of Warwick, N. Y., favoring the placing of busses, trucks, waterways, pipe lines, and airplanes under regulation by the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

He also presented resolutions adopted by Acirema Council, No. 15, of Syracuse, and Manor Council, No. 112, of Woodhaven, both of the Sons and Daughters of Liberty, in the State of New York, remonstrating against the enactment of legislation tending to weaken the present alien deportation law, which were referred to the Committee on Immigration.

He also presented a resolution adopted at Nyack, N. Y., by the Rockland County Peace Association urging the cancellation of the military mobilization announced for northern New York, that naval maneuvers in the North Pacific be not used as an instrument of diplomatic pressure, that the Hull doctrine of nonintervention in Latin America be extended, that legislation be passed to prevent profiteering in war, and remonstrating against a large naval building program, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted at Saranac Lake, N. Y., by the Presbytery of Champlain of the Presbyterian Church favoring placing Japanese immigration on a quota basis, urging the cancellation of maneuvers of the naval fleet in the Pacific Ocean, or that they be kept in waters adjacent to our own coast line, reduction of naval, land, and air armaments, and remonstrating against recognition by this Government of Manchukuo, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the National Public Housing Conference, of New York City, favoring the passage of legislation providing for low-rental housing, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Vegetable Growers Association of America, urging restoration of curtailments in studies in vegetable-crop production and in economics and other related subjects and relief of agricultural extension service workers from matters of regulation at the expense of service, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted at Oneonta, N. Y., by representatives of the Otsego County (N. Y.) Clearing House Association favoring the enactment of legislation covering an assessment of one-sixteenth of 1 percent on bank deposits to cover Federal deposit insurance, and remonstrating against proposed changes in the Federal Reserve System, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Dairymen's League Cooperative Association, Inc., of Auburn, N. Y., urging the enactment of legislation to provide for a managed currency and the restoration of the price level, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the board of supervisors of Columbia County, N. Y., favoring the enactment of legislation placing all agricultural commodities under the Agricultural Adjustment Administration, which was ordered to lie on the table.

He also presented a resolution adopted by the board of directors of the Sheffield Producers Cooperative Association, Inc., in the States of New York, New Jersey, Pennsylvania, and Vermont, remonstrating against the passage of said legislation placing all agricultural commodities under the

Agricultural Adjustment Administration, which was ordered to lie on the table.

He also presented resolutions adopted by Fairfield Grange, No. 569, of Herkimer County, subdistrict no. 12-B of the Dairymen's League Cooperative Association, Inc., of Auburn, and Kayahoorra Local, Dairymen's League Cooperative Association, Inc., of Herkimer County, all in the State of New York, remonstrating against the enactment of legislation placing the regulation of motor-vehicle transportation on the highways under the Interstate Commerce Commission, which were ordered to lie on the table.

He also presented a resolution adopted by the Industry and Business Committee for National Recovery Administration Extension, of New York City, favoring the enactment of legislation extending the N. R. A. for 2 years, which was ordered to lie on the table.

CORDAGE ALLOWANCES

Mr. COPELAND. Mr. President, certain of my constituents are displeased with the action of the Senate in the allocation of the cordage allowance. I ask that the letter which I present, together with the brief or statement attached, may be printed in the RECORD and referred to the Committee on Territories and Insular Affairs.

There being no objection, the letter and the accompanying paper were referred to the Committee on Territories and Insular Affairs and ordered to be printed in the RECORD, as follows:

JOHNSON-PICKETT ROPE CO.,
Baltimore, May 13, 1935.

Senator ROYAL COPELAND,

Senate Office Building, Washington, D. C.

DEAR SENATOR COPELAND: When Mr. Bailey and I left with you a memorandum in the anteroom of the Senate Chamber last Thursday, I am afraid we were entirely too scant in our explanation of just what it was and why we would like to have it inserted in the CONGRESSIONAL RECORD.

The memorandum is, as its contents disclose, the minutes of a meeting called by the Acting Governor General of the Philippine Islands of the cordage manufacturers of the islands, to get their views on the proper allowance of cordage which should be allowed entry into the United States from the islands, duty free, and the proper method of allocating the allowance among the various manufacturers.

There has been a good deal of discussion in the committees of Congress as to just what the manufacturers of cordage in the Philippines want, and we submit that their recorded ideas, as set forth in the minutes of this meeting, are the best evidence of what they want.

The vote of a majority of the manufacturers sustains the position of the Johnson-Pickett Co., who are the principals for your constituents in New York, the United Fiber Co., represented by Mr. Bailey.

The Senate bill relating to this subject has passed the Senate and is on the Consent Calendar before the House, and will probably be reached next Monday. If you could have the memorandum of the minutes which we submitted to you inserted in the RECORD before that date it would be highly desirable and could be referred to by the House members of the Insular Affairs Committee, who expect to say a few words in behalf of an allocation of the cordage allowance in proportion to spindle capacity, or in other words, in proportion to the production capacity of the various mills.

I am taking the liberty of sending you herewith another copy of the minutes of the meeting in the event the original left with you the other day may have been misplaced.

Thanking you again for your many courtesies to our representatives and friends who have been to see you about this matter, we are,

Very truly yours,

THE JOHNSON-PICKETT ROPE CO.,
By HUBERT L. GWYNNE, Attorney.

SPECIAL CORDAGE COMMITTEE—AIDE MEMOIRE

Meeting of special cordage committee called by Governor General Hayden at Malacanan, Manila, March 22, 1935, 11 a. m.:

1. At the request of Governor General Hayden, at 9 a. m. the undersigned telephoned the Honorable Eulogio Rodriguez, secretary of agriculture and commerce, informing him of the Governor General's desire that he, together with the Honorable Jose Yulo, secretary of justice, Mr. Garchitorena, and representatives of the cordage industry should meet at 11:30 a. m. for the purpose of drafting a reply in protest to United States Senate bill 2209, as reported in radiogram received, no. 131, Cox to Hayden, dispatched from Washington, March 21, received at Manila March 22, 1935, reading as follows:

"HAYDEN, Manila.

"For the Acting Governor General: The bureau has been advised that Senate bill 2209, entitled 'A bill to protect American labor and to preserve an essential American industry' has been referred

to the Committee on Territories and Insular Affairs and a hearing will be held thereon March 25. This bill provides:

"That, effective January 1, 1935, the total amount of all yarns, twines, cords, cordage, rope, and cable, tarred or untarred, wholly or in part of manila (abaca) or other hard fiber, which may be shipped into the United States from the Philippines, shall not exceed 5,000,000 pounds in any calendar year. Except as provided herein, nothing in this act shall be construed to modify or repeal the provisions of any existing law.

"Sec. 2. The Secretary of the Treasury shall promulgate such rules and regulations as may be necessary to enforce the provisions hereof, and this act shall be enforced as part of the customs law."

"It is requested that the view of the Philippine government on this bill be transmitted by radio in order that they may be available for the hearing on March 25.

"Cox."

2. Secretary Rodriguez called the committee to session in the cabinet room, Malacanang, at 12 noon, and invited the undersigned to act as secretary of the committee.

3. Present were: Hon. Eulogio Rodriguez, secretary of agriculture and commerce; Hon. Jose Yulo, secretary of justice; Mr. E. D. Hester, economic adviser to the Governor General; Mr. Cornelio Balmaceda, director of commerce; Mr. Mariano Garchitorena, manager fiber inspection service; Mr. V. C. Bartolome, of the fiber inspection service; Mr. John T. Pickett, of the Johnson-Pickett Rope Co.; Mr. Juan Elizalde, of Elizalde & Co.; Mr. H. P. Strickler, of the Manila Cordage Co.; Mr. Alfonso Sy Cip, of the General Manufacturing Co.; Mr. Perfecto Feliciano and Mr. Juan Feliciano, of Juan Feliciano & Sisters.

4. Radiogram received, no. 131, as quoted in paragraph 1 above, was read by all members.

5. Secretary Yulo announced the legal opinion that the bill was not technically an infringement of the Tydings-McDuffie Act, that it could run parallel with the Tydings-McDuffie Act, and that it would work to modify the status quo of cordage exports to the United States under the Tydings-McDuffie Act so that instead of the Philippines being allowed to export to the United States 3,000,000 of cordage duty free plus an unlimited quantity dutiable, the Philippines with the enactment of United States Senate bill 2009 would be allowed to ship 3,000,000 pounds of cordage duty free and only 2,000,000 pounds dutiable.

6. Mr. Cornelio Balmaceda, Director of Commerce, presented statistical data in reference to the Philippine cordage industry and trade.

7. After considerable discussion and at the suggestion of the chairman that motions for action be entertained, Mr. John T. Pickett, of the Johnson-Pickett Rope Co., presented the following motion:

"That until effectivity of the Tydings-McDuffie restriction, Philippine exports of all manufacturers of hard fiber to the United States and its possessions be limited to 9,000,000 pounds annually, all free entry, to be allocated according to the spindle capacity of each and every cordage mill in the Philippine Islands as per bureau of public works records of 1934 filed with the city engineer of Manila and with similar authorities in the provinces."

In discussion, Messrs. Juan Elizalde, of Elizalde and Co., and H. P. Strickler, of the Manila Cordage Co., presented strong arguments to the effect that it was useless to ask the American cordage interests to specifically approve 9,000,000 pounds for the current year and furthermore, that if allocation should be undertaken prior to the effectivity of the Tydings-McDuffie Act, such allocation should be made on the same basis as that provided for in the Tydings-McDuffie Act.

The chairman recognized a division of subject matter in Mr. Pickett's motion: (a) Limitation of quantity to 9,000,000 pounds; (b) allocation according to spindle capacity.

The chairman polled the representatives of the cordage industry in respect to limitation to 9,000,000 for the current year with the following results:

Mr. John T. Pickett, of the Johnson-Pickett Rope Co.....	Yes
Mr. Alfonso Sy Cip, of the General Manufacturing Co.....	Yes
Messrs. Perfecto Feliciano and Juan Feliciano, of Juan Feliciano & Sisters.....	Yes
Mr. Juan Elizalde, of Elizalde & Co.....	No
Mr. H. P. Strickler, of the Manila Cordage Co.....	No

The chairman announced that the majority opinion of the cordage industry was in favor of limitation of the current year or from date until effectivity of the Tydings-McDuffie Act to 9,000,000 pounds.

The chairman polled the representatives of the cordage industry on the point of allocation according to spindle capacity with the following results:

Mr. John T. Pickett, of the Johnson-Pickett Rope Co.....	Yes
Mr. Alfonso Sy Cip, of the General Manufacturing Co.....	Yes
Messrs. Perfecto Feliciano and Juan Feliciano, of Juan Feliciano & Sisters.....	Yes
Mr. Juan Elizalde, of Elizalde & Co.....	No
Mr. H. P. Strickler, of the Manila Cordage Co.....	No

The chairman announced that the majority of the industry approved allocation according to spindle capacity.

8. After further discussion, the chairman recognized the minority opinion of Mr. Elizalde, of Elizalde & Co., and Mr. H. P. Strickler, of the Manila Cordage Co., as in favor of moving forward the date of effectivity of the cordage provisions of the Tydings-McDuffie Act of April 1, 1935, it being understood that this action would include both the quantity limitation and

method of allocation of the cordage provisions of the Tydings-McDuffie Act.

9. Secretary Yulo suggested that with the limitation to 9,000,000 pounds allocation for the current year would probably be unnecessary. To this Mr. John T. Pickett replied that inasmuch as allocation for 10 years would very likely be based on the export records of 1935, allocation according to the spindle capacity should be adopted in order to assure the small factories of the Philippines an opportunity to export cordage to the United States during the life of the Tydings-McDuffie Act.

10. Mr. E. D. Hester advised that in his opinion the protest should center not upon the presentation of a substitute for United States Senate bill 2209 but upon the grounds first, that the bill was a further incursion of the treaty-similar character of the economic provisions of the Tydings-McDuffie Act, and second, that it discriminated against the Philippine Islands in favor of foreign countries inasmuch as the quantity of dutiable cordage exported from the Philippines to the United States would be limited to 2,000,000, whereas the quantity of cordage exported to the United States from foreign countries would not be subject to any limitation whatsoever.

11. The chairman summarized the situation in respect to Philippine cordage and the work of the committee, thanking the gentlemen for their attendance and for the frankness with which they had considered the problem.

12. The chairman adjourned the committee at 12:40 p. m., sine die.

E. D. HESTER,

Secretary, Economic Adviser.

THE PROFITS OF WAR

Mr. WALSH. Mr. President, I present and ask to have printed in full in the RECORD and appropriately referred resolutions adopted by the General Court of Massachusetts, commending the President of the United States for his courage in urging Congress to take the profits out of war, and requesting that the President and Congress eliminate the profits from the manufacture of munitions by way of preparedness for war.

The resolutions were referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

Resolutions commending the President of the United States for his courage in urging Congress to take the profits out of war, and requesting that the President and Congress take the profits out of the manufacture of munitions by way of preparedness for war

Whereas the President of the United States has courageously recommended legislation looking to the taking of private profits out of war; and

Whereas private profits in war munitions may be an incentive to warfare and prevent the continuance of peace on earth and good will to men: Therefore be it

Resolved, That the General Court of Massachusetts hereby commends the President of the United States for his courage and leadership above mentioned, and earnestly and respectfully requests the President and Congress to further the cause of removing private profits from war and from the manufacture of munitions by way of preparedness for war; and be it further

Resolved, That copies of these resolutions be transmitted forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officers of both branches of Congress, and to the Representatives in Congress from this Commonwealth.

STATUE OF GEN. ROBERT E. LEE IN ARLINGTON CEMETERY

Mr. WALSH presented a letter from Miss Susan G. Macomber, chairman of the legislative committee of the Woman's Relief Corps, auxiliary to the Grand Army of the Republic, Boston, Mass., with an accompanying paper embodying a resolution, which were referred to the Committee on the Library and ordered to be printed in the RECORD, as follows:

WOMAN'S RELIEF CORPS.

Allston, Mass., May 8, 1935.

Hon. DAVID I. WALSH,

Member of Congress, Washington, D. C.

MY DEAR SENATOR: Through the fifty-sixth annual convention of the Department of Massachusetts Woman's Relief Corps, auxiliary to the Grand Army of the Republic, I have been instructed to send you the following resolution adopted by the convention on April 10 and to request that it be spread upon the pages of the CONGRESSIONAL RECORD.

"The Department of Massachusetts Woman's Relief Corps, numbering over 8,000 loyal women, unanimously adopted this resolution, and respectfully beg that you do not vote favorably upon this bill, if and when it comes before the Senate for enactment.

"We believe it unseemly that a statue of any man, or men, who fought with rebel forces with the object of overthrowing this Government, should be recognized in this manner, regardless whether it is Robert E. Lee, or any other traitor, and particularly as the place—Arlington National Cemetery—where it is proposed to erect this statue of Robert E. Lee on a prancing horse, is

hallowed by the remains of the gallant men whose eyes are forever closed in eternal sleep, who wore the loyal blue of the Union Army on 1861-65.

"Through the daily press the public has recently been informed of the fact that the deserter and traitor Grover Cleveland Bergdoll expects to again enjoy the benefits of this country and its freedom. The man for whom this bill (H. J. Res. 232) asks that a statue be erected, ranks the same as Grover Cleveland Bergdoll in the eyes of all clear-minded patriotic people who have not fallen under the spell of southern influence. Would the World War men want to think that 50 years hence a statue would be raised to the deserter Bergdoll? I doubt it much. No more do we to the deserter Lee, and if it is done, the standard of patriotism will be lowered to the ground."

This bill (H. J. Res. 232) sponsored by Representative HAMILTON FISH, Jr., is now in the Committee on the Library and will no doubt shortly be brought before the Senate. We beg that you do not vote favorably upon it.

Very truly yours,

(Miss) SUSAN G. MACOMBER,
Chairman Legislative Committee.

WOMAN'S RELIEF CORPS,
Boston, Mass., April 10, 1935.

GENTLEMEN: The Department of Massachusetts Woman's Relief Corps, auxiliary to the Grand Army of the Republic, at this the fifty-sixth annual convention, held at Hotel Statler, Boston, Mass., April 10, 1935, unanimously passed the following resolution, copies of which have been sent to Representative HAMILTON FISH, Jr., of New York, who entered House Joint Resolution 232, to which this refers, and to the Senators and Representatives in Congress from this State.

"Whereas Representative FISH has introduced into Congress House Joint Resolution 232, authorizing the erection of an equestrian statue of Robert E. Lee, in Arlington National Cemetery; and

"Whereas Representative FISH has called for an expression of public opinion on this joint resolution; and

"Whereas Robert E. Lee fought for 4 years to destroy this Nation; and

"Whereas communism and inimical forces are today seeking the same ends that Robert E. Lee did, namely, our national destruction; and

"Whereas it would be against the public good to recognize thus the principle of national destruction as exemplified in the conduct of Lee and would encourage communism (whom Representative FISH professes to abhor and oppose) to emulate Lee; and would be unseemly for our Government to honor one whom the Great Emancipator named as a traitor: Therefore, we, the Woman's Relief Corps of the Department of Massachusetts.

"Resolve, That we are opposed to the erection of this statue to Lee in Arlington Cemetery; and we direct that copies of this resolution be sent to the Committee on the Library to whom the joint resolution was referred, and also to Representative FISH, and to our Senators and Representatives in Congress, directing that this resolution be spread upon the pages of the CONGRESSIONAL RECORD."

Therefore, gentlemen, we ask that you do not vote favorably House Joint Resolution 232.

(Miss) SUSAN GLOVER MACOMBER,
Chairman Legislative Committee.
BELLE MORTON,
President 1934-35.

OLD-AGE PENSIONS—FRATERNAL ORDER OF EAGLES

Mr. WAGNER. Mr. President, I have before me a resolution adopted by the Syracuse Aerie of the Fraternal Order of Eagles relating to old-age pensions in the United States and Canada. This organization is one of the best known and most benevolent of the fraternal organizations of the country. The organization is really the pioneer in the movement to provide old-age pensions. Its activities and sponsorship of this movement has been responsible for the enactment in many States of old-age-pension laws, for which I take this occasion to commend the organization most heartily.

I ask unanimous consent that the resolution may be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas in August 1921 a thousand delegates to the Grand Aerie of the Fraternal Order of Eagles, representing 500,000 men, by unanimous vote committed our fraternity to the sponsorship of old-age pensions in the United States and Canada; and

Whereas at that time not a county, not a State in the United States, and not a Province in Canada was paying pensions; and

Whereas the Eagles have spent during the succeeding 14 years more than \$500,000 in an educational campaign involving nationwide distribution of magazine articles, newspaper publicity, and pamphlets prepared by the publicity department of the order; and

Whereas Eagles have spoken in behalf of the pension plan, used motion pictures to arouse interest, and, in some States, conducted and financed surveys to show to legislatures the need of pensions; and

Whereas the first successful old-age-pension bill passed in the United States was prepared by a national officer of our order, introduced by him in the Montana Legislature, of which he was a member, passed through the efforts of Eagles, and signed by Gov. Joseph M. Dixon, who was an Eagle; and

Whereas almost without exception every subsequent old-age-pension bill that has become law was prepared by Eagles, introduced in State legislatures by members of our order, aided by the Federation of Labor and other interested organizations and altruistic individuals; and

Whereas more than a score of Governors who have signed old-age-pension bills have highly commended the Fraternal Order of Eagles, among the Governors being President Roosevelt, who stated publicly soon after signing the New York State bill: "Most of the credit for showing the need of old-age-pension legislation is due—and will be given—to the Fraternal Order of Eagles"; and

Whereas the President of the United States recognized our fraternity—and ours only—in appointing Past Grand Worthy President George Nordlin to the Advisory Council on Economic Security; and

Whereas ours was the only fraternity to be honored by a Presidential invitation to the conference on economic security when Past Grand Worthy Conductor Lester Loble, as "the author of the first old-age-pension law in this country", was asked to be one of the four discussion leaders at a round table on old-age pensions: Now, therefore, be it

Resolved, That Syracuse Aerie, No. 053, of the Fraternal Order of Eagles, proud of our order's work for old-age pensions, earnestly urges our Senators and Congressmen to support that part of the social-security bill (S. 1130 and H. R. 4142) which provides for Federal monetary assistance to the States paying old-age pensions. Such action on the part of our national legislators will earn the lasting gratitude of the members of this aerie.

REPORTS OF COMMITTEES

Mr. AUSTIN, from the Committee on Military Affairs, to which was referred the bill (S. 165) for the relief of Robert McFarland, reported it without amendment and submitted a report (No. 618) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which was referred the bill (S. 245) for the relief of Charles Wilson, reported it with an amendment and submitted a report (No. 619) thereon.

He also, from the Committee on Mines and Mining, to which was referred the bill (S. 2536) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, reported it without amendment.

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 2533) for the relief of the rightful heirs Tiwastewin or Anna, reported it with amendments and submitted a report (No. 620) thereon.

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating or marketing securities in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, reported it without amendment and submitted a report (No. 621) thereon.

SURVEY OF INDIAN CONDITIONS (S. REPT. NO. 622)

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, submitted a partial report, relative to the removal of O. K. Chandler, superintendent and special disbursing agent, Quapaw Agency, Miami, Okla., pursuant to Senate Resolution 79, Seventieth Congress, and subsequent resolutions, on a survey of conditions among the Indians of the United States.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MINTON:

A bill (S. 2813) granting an increase of pension to Michael Burger (with accompanying papers);

A bill (S. 2814) granting an increase of pension to Alfred McClellan (with accompanying papers); and

A bill (S. 2815) granting an increase of pension to John M. Williams (with accompanying papers); to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 2816) for the relief of Meyer Morris; to the Committee on Claims.

By Mr. GEORGE:

A bill (S. 2817) for the relief of Walter F. Boyle; to the Committee on Foreign Relations.

By Mr. WHITE:

A bill (S. 2818) for the relief of Blanche L. Gray; to the Committee on Foreign Relations.

By Mr. COPELAND:

A bill (S. 2819) granting an increase of pension to Lillian P. Dowdney; to the Committee on Pensions.

A bill (S. 2820) to amend the Public Works Appropriation Act of 1935 making available not to exceed \$1,000,000 for the alteration of carriages of 3,200 75-mm guns now in storage; to the Committee on Military Affairs.

By Mr. McKELLAR:

A bill (S. 2821) for the relief of Rhoda Settles; and

A bill (S. 2822) for the relief of Cal Settles; to the Committee on Claims.

By Mr. GORE:

A bill (S. 2823) for the relief of Lillie, or Johanna Small Rib; to the Committee on Claims.

By Mr. MOORE and Mr. BARBOUR:

A bill (S. 2824) for the relief of Newark Concrete Pipe Co.; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 2825) to provide for the establishment of a National Planning Board and the organization and functions thereof; to the Committee on Commerce.

By Mr. WHITE:

A joint resolution (S. J. Res. 129) for the designation of a street or avenue in the Mall to be known as "Maine Avenue"; to the Committee on the District of Columbia.

AMENDMENT OF THE TAYLOR GRAZING ACT

Mr. ASHURST and Mr. HAYDEN, jointly, submitted an amendment intended to be proposed by them to the bill (S. 2539) to amend sections 1, 8, and 15 of, and to add section 17 to, the act of June 28, 1934 (48 Stat. 1269), commonly known as the "Taylor Grazing Act", which was referred to the Committee on Public Lands and Surveys and ordered to be printed.

THE AMERICAN MERCHANT MARINE—AMENDMENTS

Mr. BLACK. Mr. President, I submit four amendments intended to be proposed by me to the bill (S. 2582) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes.

The VICE PRESIDENT. Without objection, the amendments will be received, referred to the Committee on Commerce, and printed.

Mr. BLACK. I desire to state that the amendments provide a limitation on profits for shipbuilders accepting a subsidy, and also a minimum wage for the personnel on the ships, and provide for certain duties to be performed by the Interstate Commerce Commission.

FUNERAL EXPENSES OF THE LATE SENATOR CUTTING

Mr. HATCH submitted the following resolution (S. Res. 137), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of Hon. Bronson Cutting, late a Senator from the State of New Mexico, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

MERCHANT-MARINE POLICY AND SHIPPING SUBSIDIES (S. DOC. NO. 60)

Mr. COPELAND. Mr. President, in a few days there will be before the Senate a shipping bill. The Department of Commerce, at the request of the Commerce Committee of the Senate, has prepared, through Mr. J. E. Saugstad, a

description of the merchant-marine policy and shipping and shipbuilding subsidies. I ask unanimous consent that the paper may be printed as a Senate document.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3808) concerning the incorporated town of Seward, Territory of Alaska.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 3808. An act concerning the incorporated town of Seward, Territory of Alaska; and

H. R. 6718. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes.

FARM CREDIT ACT OF 1935

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes.

Mr. FLETCHER. I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. FLETCHER, Mr. WAGNER, Mr. BARKLEY, Mr. BYRNES, Mr. CAREY, and Mr. COUZENS conferees on the part of the Senate.

DEATHS OF FORMER SENATOR COHEN AND PLEASANT A. STOVALL

Mr. GEORGE. Mr. President, there passed away last night in the city of Atlanta, Ga., John S. Cohen, formerly a Member of the Senate.

Senator Cohen, or Major Cohen, as he has been known since the days of the Spanish-American War, was a well-known figure in the South—indeed, in the country. He was a great publisher, essentially a journalist in his likes and in his tastes, and for a long time was prominently identified with journalism and the politics of the Southeast, especially in his native State of Georgia.

As vice chairman of the Democratic National Executive Committee he displayed the rare judgment which characterized him in all his activities in life.

He was one of the early friends of the President of the United States, and he gave to the President of the United States unfailing and unfaltering support and loyalty.

I had the great pleasure of serving in this body during the short period of his service here, and our relations were always the most intimate and the most cordial. Indeed, I learned to know him, both in and out of public life, as a man of fine judgment, of superior loyalty, a friend of everything worth while in the life of his State, the life of his section, the life of his country.

I wish simply to pay this brief tribute to the memory of this sturdy, intelligent, loyal, progressive, patriotic citizen of my State, not only a devoted friend of his party but an unfaltering and devoted friend of the head of his party, the present President of the United States.

Mr. President, there also passed away last night in the city of Savannah, Ga., another distinguished citizen of Georgia. He likewise was a journalist and publicist, and through a long life had been identified with journalism in Georgia and the Southeast. I refer to Hon. Pleasant A. Stovall, Minister to Switzerland under the administration of President Woodrow Wilson, a gentleman of kindly characteristics, of gentle character, high culture, a real leader of

everything worthy in the affairs of his city and of the State, and a great citizen of the United States.

The State has sustained a great loss in the passing of Mr. Stovall and in the passing of Major Cohen, formerly a Member of the Senate of the United States.

Mr. RUSSELL. Mr. President, the State of Georgia, which I have the honor to represent in part in this body, on yesterday suffered the loss of two of her most distinguished sons.

Hon. John S. Cohen, a former Member of this body, and Hon. Pleasant A. Stovall, a former Minister to Switzerland, both passed to their reward.

Former Senator Cohen was personally known to most of the Members of this body. For many years he was an outstanding figure in the life of his people. He was an able and fearless journalist and for almost 20 years directed the policies of one of the outstanding daily papers of the Southeast as its editor. Whether serving in a public capacity or as a private citizen, his entire career was marked by unselfish and patriotic devotion to the public welfare. Few men have been privileged to make such a definite imprint upon the course of events of the times in which he moved. He neither craved nor sought to hold public office but did not shirk the call of duty to assume the responsibilities of great public trust under the most trying circumstances. As the editor of the Atlanta Journal and in positions of leadership, both public and private, the people of Georgia had confidence in him and in his integrity. His wise advice and counsel was sought and welcomed in the highest councils of the Nation. As one who was privileged to know him intimately and to enjoy the blessing of his personal friendship, I feel a deep personal loss in his passing. Thousands of personal friends in every walk of life who loved him for his many sterling qualities will mourn him long.

Mr. Stovall was also a distinguished journalist and for many years published another great daily paper in my State. He served as United States Minister to Switzerland prior to our entry into the World War. As a representative of this great Republic during our period of neutrality he handled with signal distinction many perplexing problems of an international nature, both on behalf of his own country and other neutrals and in many affairs affecting the belligerent powers. His sweet character attracted all who knew him and his life was spent in the service of others.

The State of Georgia and the Nation can ill afford to lose men of the stature of these men in these trying times.

ADDRESS BY SECRETARY MORGENTHAU ON THE PROBLEM OF STABILIZATION

Mr. FLETCHER. Mr. President, on Monday evening last, Hon. Henry Morgenthau, Jr., Secretary of the Treasury, delivered over the radio a very timely and interesting address on the monetary policy of the Government and the problem of stabilization. During the course of his address, among other things, he said:

As the nations went off gold, the value of their currencies in international exchange dropped sharply and our customers found it difficult to get dollars with which to pay for American products. They could trade with each other to some extent, but they bought from us what they could not do without. The physical volume of world export trade dropped about one-fourth from 1929 to 1932, but our exports dropped almost one-half in the same period.

During 1932 England increased her share of the world trade by 16 percent over the previous year, and Japan, by 29 percent. To say that we merely shared in world-wide misfortune is not entirely accurate, because our share included an additional penalty for remaining on the old gold standard.

While total world export trade declined, those countries which promptly went off gold increased their share of what remained.

Some of the countries became alarmed because they could see the bottoms of their gold bins. They and others exerted pressure to have foreign credits called home. Sometimes these credits responded by going in the other direction just as fast as they could travel. Gold was stampeding from country to country, always leaving the place where it was needed and rarely doing its new hosts any good.

Further on he said:

You have heard the argument that we should stabilize by declaring that we will not change the present gold content of the dollar. Some even go so far as to say that the other nations

would certainly follow, if we took the lead. If we launched out alone on such a course, it would put us right back where we were in 1932, and offer a tempting invitation for the others not to follow, but again to take advantage of our disadvantage.

Mr. President, without quoting further from the able address of the Secretary of the Treasury, I ask unanimous consent that in its entirety it be printed in the RECORD at this point, and that the accompanying table headed "Sales Data", be printed following the address.

There being no objection the address and the accompanying table were ordered to be printed in the RECORD, as follows:

[From the New York Times of May 14, 1935]

TEXT OF MORGENTHAU'S ADDRESS ON THE PROBLEM OF STABILIZATION
THE AMERICAN DOLLAR

It is my purpose tonight to state a few simple facts which, I hope, will contribute to a clearer understanding of the monetary policy of the United States. I shall not enter into complicated discussion of the theory of money. I shall merely tell you what was done * * * why * * * and the effect.

In order to examine the record in logical sequence, it is necessary to review briefly the background of our present problems. Foreign trade has, from the beginning, been an important factor in the business of the American people. During the 18 years immediately preceding the outbreak of the World War we exported \$31,000,000,000 worth of merchandise, almost all of which was paid for with goods and services that we received.

The net gold movement to us was relatively small, amounting to \$174,000,000. Foreigners invested in the United States, during those 18 years, \$2,000,000,000. Americans invested abroad \$1,000,000,000. At the outbreak of the World War the American people owed the world \$3,000,000,000 more than foreigners owed us. That was what the ledger showed on July 1, 1914.

With the beginning of the World War a tremendous change took place. From July of 1914 to the end of 1922 we exported \$47,000,000,000 worth of merchandise. Much of this was paid for with goods, services, and gold, but there remained due us a balance of \$19,000,000,000, for which we took mostly promises to pay.

OUR INVESTMENTS ABROAD TWO-THIRDS IN DEFAULT

Now note the contrast. In the previous 18-year period, with our country one of the world's attractive fields for capital investment, we drew in about \$1,000,000,000 net from abroad, but when we became a creditor nation the net outflow of capital reached \$19,000,000,000 in the 8 years between the beginning of the World War and the end of 1922.

Nor did we stop there. We continued to export more than we imported, thus accumulating an additional two and a half billions of dollars of net foreign investment by the end of 1929.

If we deduct from the grand total of our loans and investments abroad all of the loans and credits that foreigners have here and then examine the status of our net foreign investment we find that an amount equal to two-thirds of it is today in partial or complete default.

There you have the background, from an American point of view, when in 1931 things headed toward a crisis all over the world. Credit and currency difficulties which had been spreading throughout Europe came to a head in the spring of that year. On September 21, 1931, Great Britain suspended gold payments. Norway, Sweden, and Denmark followed within a week. Japan acted in December. Other nations either went off gold or took equivalent action to control their foreign exchange.

As the nations went off gold the value of their currencies in international exchange dropped sharply, and our customers found it difficult to get dollars with which to pay for American products. They could trade with each other to some extent, but they bought from us only what they could not do without. The physical volume of world export trade dropped about one-fourth from 1929 to 1932, but our exports dropped almost one-half in the same period.

RETENTION OF GOLD BASIS HELD "ECONOMIC SUICIDE"

During 1932 England increased her share of the world trade by 16 percent over the previous year, and Japan by 29 percent. To say that we merely shared in world-wide misfortune is not entirely accurate, because our share included an additional penalty for remaining on the old gold standard.

While total world export trade declined, those countries which promptly went off gold increased their share of what remained.

Some of the countries became alarmed because they could see the bottoms of their gold bins. They and others exerted pressure to have foreign credits called home. Sometimes these credits responded by going in the other direction just as fast as they could travel. Gold was stampeding from country to country, always leaving the place where it was needed, and rarely doing its new hosts any good.

In January of 1932 gold began to leave the United States in alarming amounts. This was fair notice to all concerned that our turn was next. The panic was knocking at our door, but nothing effective was done to avert it. Europeans knew that we could not maintain our currency at the old gold level without a further ruinous deflation of our prices, trade, and industrial activity.

Facing that crisis, the previous administration stubbornly refused to take action, evidently under the impression that that was a proud achievement, when it was obviously economic suicide.

Foreigners had left here more than a billion dollars to enjoy our high interest rates and prospects of quick profits. Seeing what was happening, they judged that it was high time to take this money home. They did so, and the panic was on. We could not offer them their defaulted paper when they called for their money. We could not even offer them their paper that was not in default.

We had let them have the money on long-term loans, and they had short-term loans here. Our long-term paper was not due, while their short-term loans could be collected and their stocks sold. They could demand gold for every dollar due, and that is what they did. Thus it happened that in the first 6 months of 1932 we witnessed the incredible spectacle of gold going out of the world's greatest creditor nation on every ship—nearly all of it to nations that were in our debt. Still nothing effective was done to avert the disaster.

Stupendous as the gold movement was, we could not ship fast enough to meet the demand, and speculators took advantage of the situation to sell the dollar. They were not all foreigners, either. However, the citizenship of these snipers is not important, since their dominant trait is an utter lack of patriotism or loyalty to any nation. They would sell civilization itself short if they could, and, for all they knew at that time, they might have been doing so.

GOLD LOSS WAS A FACTOR IN BANK PANIC OF 1933

Our loss of gold, added to the calamity of declining trade, falling commodity prices, and widespread unemployment, caused bewilderment and then panic. The disaster swept over our country with the fury of a hurricane. Within a few months our financial structure was in a state of collapse. In the month of February 1933 and up to the time President Roosevelt took office about half a billion dollars in gold and nearly \$2,000,000,000 in currency were withdrawn from our banks.

They were closing, not individually, but by whole States at a time. That was the situation when this administration came into office. On taking his oath, Mr. Roosevelt assumed both the duties of President and receiver for a concern—the richest on earth, but on that tragic day face to face with insolvency.

We were headed for disaster unless the run on the banks could be stopped and our gold reserves reassembled. Both objectives were promptly achieved. The President's proclamation closed the banks, ending the run, and the gold was ordered into the custody of Uncle Sam under penalties. Those two acts met the domestic emergency. An embargo on gold exports was declared, and that ended the outward flow. This effectively took us off the old gold standard and the dollar began to adjust itself to the realities of the world situation.

In going off gold we were not the first; we were the thirty-first. The operation was completed in January of 1934, when the dollar was revalued and set at 59.06 percent of its former gold content. Since that time we have enjoyed the soundest currency in the world. It is, in fact, so sound that we find gold flowing back into this country to take refuge in our dollar; not to pay balances but to find safety. Some of the same sharpshooters who personally conducted the flight of gold from this country during 1932 and the first 2 months of 1933 are now bringing it back.

FOREIGN-TRADE INCREASE TRACED TO NEW DOLLAR

But let us return to the record and see what our new dollar did for our foreign trade. I shall take all three of the commonly used yardsticks and apply them:

First. Measured in physical volume, the United States increased its export trade during 1934 as compared with both 1932 and 1933.

Second. Measured in dollar value, the United States increased its foreign trade in 1934 as compared with 1932 and 1933.

And, finally, measured by percentage share in the physical volume of total world trade, we again show an increase over both 1932 and 1933.

This is the more remarkable because the volume of our agricultural exports was declining.

In 1934 we shipped one-third less cotton than in 1932, but we got 7 percent more money for it.

We also got a higher price for our wheat, but the drought can account for most of the increase.

Our wheat exports have also been affected by quotas and embargoes. Some of our former customers prefer, for reasons of national policy, to grow their own wheat, regardless of price.

Because of these unusual factors, I cannot trace with accuracy and fairness the full effect of our monetary policy upon agricultural exports.

A better test is offered by manufactured goods.

The physical volume of all our finished manufactures exported in 1934 increased 37 percent compared with 1932; semimanufactures increased 47 percent in the same period.

To be concrete, let us take a specific article, such as the automobile. In 1930 we exported 238,000 cars. In 1932, with our country one of the very few remaining on the old gold standard, we exported 65,000 cars. In 1933, under the Roosevelt monetary program, our exports shot up to 107,000 cars. Last year they more than doubled; they came right back to where they had been in 1930.

During the disastrous period of declining sales, the world still wanted American automobiles, but it could not get the dollars to pay for them. Nothing startling developed in the way of foreign competition; our dollar prices had not gone up; and quality remained just as good, or improved.

We simply had an interim during which we could not sell because the dollar was too high in relation to other world currencies;

this administration lowered the gold content of the dollar and the foreign market is being restored to our automobile manufacturers with such rapidity that the benefits are already Nation-wide.

AUTO EXPORTS ARE CITED AS EVIDENCE OF BENEFIT

Some people have been telling you that there simply could not be any benefit in restoring trade by bringing our money into reasonable relation with the other moneys of the world. I decided to get the answer to that question from the manufacturers themselves. They ought to know best. I asked the executive heads of 29 large representative firms whose products are a cross-section of our industry to tell me:

First, whether they are getting any more foreign trade.

Second, whether employment in their plants has increased.

Then I examined their published reports to find out whether they were making any profits. Here are the combined answers.

To the first question . . . whether they are getting any more foreign trade . . . they answer, "Yes." In 1934, which was the first full year under the Roosevelt monetary program, their export sales were 59 percent greater than in 1932.

To the second question . . . whether the number of their employees has increased . . . they also answer, "Yes." Two hundred and four thousand more men and women were working in their plants during 1934 than in 1932, an increase of 34 percent.

To the third question . . . whether they are making any money . . . the answer is again, "Yes." Their combined loss in 1932 was \$121,000,000; their combined profits for 1934 were in excess of \$128,000,000. These figures include their losses and earnings on domestic sales also. Domestic sales followed substantially the same course as their foreign sales. When foreign sales hit rock bottom so did domestic sales; and when foreign sales recovered under the Roosevelt monetary program, domestic sales recovered with them. So there you have the testimony of the best qualified witnesses.

Under the monetary policy of this administration, they lifted themselves out of a deficit in excess of \$100,000,000 to earnings in excess of \$100,000,000; and employment increased by more than 200,000.

CONTINUATION OF RISE IN TRADE IS INDICATED

There are many indications that world trade will continue to increase. Our monetary policy in relation to foreign trade is not intended to capture business, but merely to protect our normal share. So far from engaging in a competitive devaluation race with the other nations, we hold out to them a currency of such steadiness that the normal tendency may very well be for the rest of the world to move gradually toward practical exchange stabilization. If that can be achieved, the final step should come easily and almost of its own accord. Unless somebody rocks the boat that would be the natural course.

In estimating the future of our foreign trade in relation to our monetary policy, we may as well face the question whether we wish to sell abroad vast quantities of goods that the buyers cannot pay for unless we lend them the money. Of course, if we want more paper there are plenty of international bankers to arrange the details. We felt rich on such paper during the roaring twenties. Now we know better.

In place of paper, under the operation of our new monetary policy, we have been receiving large shipments of gold and silver. Some of it came to settle trade balances and some represents capital seeking refuge in our sound currency. Various economists will tell you that this policy is likely to end our foreign trade; that first we strip the world of gold and then our foreign trade dies. But we are not stripping the world of gold.

We have more gold than ever before, but the world supply of monetary gold is also increasing rapidly. Production now proceeds at the rate of about \$1,000,000,000 annually, and will continue to increase. The great nations are restoring their reserves. Meanwhile, percentages of the totals held by the various nations show no alarming changes.

UNITED STATES HAS 38.8 PERCENT OF ALL MONETARY GOLD

We had 41.7 percent of all the monetary gold in 1922, and now we have 38.8 percent. France had 8.4 percent in 1922 and now she has 24.8. Great Britain lost gold heavily before she suspended gold payments in 1931, but since then has increased her share from 5.2 percent to 7.2 percent.

With increasing gold production, and hundreds of millions of dollars worth of the yellow metal being brought out of hiding, surely some of it can be used to pay balances. We are also endeavoring to restore silver to greater usefulness as a monetary metal. It is the money of a large part of the world's population.

Objection to our course is sometimes based upon the assertion that we would bring vast quantities of the world's gold and silver here, only to be locked up in the United States Treasury . . . the phrase commonly used is that the gold and silver thus become sterile. At least, however, it goes to swell our monetary reserves.

Loans in default are not very good backing for currency; indeed, they might, without undue asperity, be described as also sterile. If we must choose between the two, this administration elects payments of international balances in monetary metals.

You have heard the argument that we should stabilize by declaring that we will not change the present gold content of the dollar. Some even go so far as to say that other nations would certainly follow, if we took the lead. If we launched out alone on such a course, it would put us right back where we were in 1932, and offer a tempting invitation for the others not to follow but again to take advantage of our disadvantage.

We realize the importance of world prosperity, and will evade no opportunity to assist in that direction * * * except the ever-present opportunity to donate prosperity at our own expense.

In conclusion, I should like to summarize this statement by saying:

First. You have an absolutely sound dollar.

Second. The monetary policy of this administration rescued us from chaos; held the fort through the most trying period of our recovery program, and is now the spearhead as we advance steadily toward our goal.

Third. Of the great trading nations that revalued their currencies, we were the last, until quite recently, when Belgium joined us.

The world should know that when it is ready to seek foreign exchange stabilization, Washington will not be an obstacle. Our position was that of an innocent bystander who suffered untold loss in a fight that he did not start, and from which he could not escape. Why should we be singled out and admonished that the moral duty to restore order is primarily ours? Before we make any commitments we must be sure that we will not lose what we have just regained.

We are not unwilling to stabilize. However, if the great trading nations elect to continue under the present absence of rules we are no longer at a disadvantage. We revalued our currency no more than was necessary and we can go either way. Our hands are untied.

SALES DATA CITED BY MORGENTHAU

WASHINGTON, May 13.—The Treasury made public tonight the following data, referred to in Secretary Morgenthau's address:

Domestic sales, export sales, profits, and employment, 1931-34.
Summary of reports from 29 companies

SECTION A

Year	Value of domestic sales	Percent of 1931	Value of export sales	Percent of 1931	Total sales
1931.....	\$3,475,000,000	100.0	\$264,000,000	100.0	\$3,739,000,000
1932.....	2,380,000,000	68.5	181,000,000	68.6	2,561,000,000
1933.....	2,571,000,000	74.0	209,000,000	79.2	2,780,000,000
1934.....	3,220,000,000	92.7	287,000,000	108.7	3,507,000,000

SECTION B

Year	Total sales, percent of 1931	Percent export to total	Published profits ¹	Number employees as of Dec. 31	Percent of 1931
1931.....	100.0	7.1	\$77,400,000	677,000	100.0
1932.....	68.5	7.1	121,000,000	592,000	87.4
1933.....	74.4	7.5	39,100,000	732,000	108.1
1934.....	93.8	8.2	128,100,000	796,000	117.6

¹ Profits before dividends.
Deficit.

Reports from the following companies are included in this tabulation:

Allied Chemical & Dye Corporation, Allis-Chalmers Manufacturing Co., American Rolling Mill Co., Anaconda Copper Mining Co., Armour & Co., Bethlehem Steel Corporation, Burroughs Adding Machine Co., Cannon Mills Co., Chrysler Corporation, General Electric Co., Ingersoll-Rand Co., International Business Machines Corporation, International Harvester Co., Johns-Manville Corporation, National Cash Register Co., National Supply Co. of Delaware, Pepperell Manufacturing Co., Remington Rand, Inc., Sherwin-Williams Co., Socony-Vacuum Oil Co., Standard Oil Co. of California, Sterling Products, Inc., Swift & Co., Texas Gulf Sulphur Co., Underwood-Elliott-Fisher Corporation, United States Rubber Co., United States Steel Corporation, Westinghouse Electric & Manufacturing Co., Youngstown Sheet & Tube Co.

POLICY OF CONGRESS RELATIVE TO MONETARY STABILIZATION

Mr. THOMAS of Oklahoma. Mr. President, last night the Secretary of the Treasury, Mr. Morgenthau, addressed the people of the United States over two national broadcasting systems on the subject of the American dollar. In this address some very important suggestions and statements were made, and I desire very briefly to call attention to just one or two of them.

The first suggestion to which I call attention reads as follows:

The monetary policy of this administration rescued us from chaos; held the fort through the most trying period of our recovery program, and is now the spearhead as we advance steadily toward our goal.

At another point Mr. Morgenthau said the following:

You have heard the argument that we should stabilize by declaring that we will not change the present gold content of the dollar. Some even go so far as to say that the other nations would certainly follow, if we took the lead.

At still another point Mr. Morgenthau said:

The world should know that when it is ready to seek foreign exchange stabilization, Washington will not be an obstacle.

One other line I quote:

We are not unwilling to stabilize.

Mr. President, there are some difficulties in the matter of stabilization of the American dollar. Before we can stabilize the dollar I think we must first adjust the dollar, and I believe that no one now is of the opinion that the present value of the dollar is at that point where the dollar should be stabilized.

The other nations find themselves in the same difficulty in which the United States finds itself. I think that today or yesterday the former president of the World Bank at Basle, Switzerland, made the statement that before we could have any prosperity throughout the world, world currencies must be stabilized. I agree with that opinion, and I agree with the contention made by Mr. Morgenthau. But the press seemed to construe Mr. Morgenthau's statement to mean that while we are ready for stabilization, we are not ready to take the lead.

I call attention to a news story in the Journal of Commerce of this date. I find, in addition to the speech made by Mr. Morgenthau, some statements under the heading "Highlights of Address by Secretary Morgenthau", and I desire to call attention to just one sentence, as follows:

The United States is ready to stabilize its currency as soon as foreign nations are ready, but will not take the initiative.

I do not gather that interpretation from the address of Mr. Morgenthau. Other newspapers seem to think that we are ready to stabilize provided some other nation will take the lead. I should like to have someone state what nation is able to take the lead. There is only one other nation which might do so, and that is Great Britain. Great Britain has practically no silver and very little gold, and it occurs to me that a nation to take the lead in the stabilization of currencies should have a liberal supply of gold and a liberal supply of silver if it expects to use gold and silver as a basis for the stabilization of the currency of its own country and the currencies of the world.

Mr. President, because we have such a large amount of gold, practically \$9,000,000,000 worth, and there is only about \$20,000,000,000 in the world that can be used for money, which makes the American volume of gold nine-twentieths of all the monetary gold in the world, we are able at least to suggest stabilization to the gold-bloc countries. Because we have a billion ounces of silver, and the ability to acquire any amount of silver that is for sale, all of it, if necessary, we are in position to suggest stabilization to the silver-using countries of the world.

Mr. President, in order that this matter may have the attention to which it is entitled, I desire at this time to submit, with the permission of the Senate, a Senate concurrent resolution. I ask that the concurrent resolution be printed in the RECORD in full and referred to the Committee on Banking and Currency.

The concurrent resolution (S. Con. Res. 15) submitted by Mr. THOMAS of Oklahoma was referred to the Committee on Banking and Currency, as follows:

Whereas the paramount question in the United States, as in all nations, is the coinage, issuance, regulation of the value and control of money and credit; and

Whereas under section 8 of article I of the Constitution, the Congress has original and exclusive jurisdiction over the coinage of money and the regulation of the value thereof; and

Whereas the Congress has heretofore delegated permissive powers to the President, under certain conditions and limitations, to issue money and to regulate the value of such money; and

Whereas the money of the United States should be coined, issued, and regulated in value to serve the best interests of our people and with relation to the other currencies of the world; and

Whereas world currencies should and must be stabilized; and

Whereas the nations of the world are looking to the United States to initiate steps for concerted action leading to the stabilization of world currencies; and

Whereas the United States can and should take the lead in this necessary movement; and

Whereas the adjustment and regulation of the value of the several units of currencies of the several nations are the domestic problems of such several nations; and

Whereas in order to stabilize currencies which circulate in international exchange it will be necessary to adopt some form of monetary metal, either gold or silver, or both, at some fixed ratio, in order to definitely and positively support and back such currencies: Therefore be it

Resolved by the Senate (the House of Representatives concurring). That the President be, and he is hereby, authorized and requested to suggest to the responsible authorities of the nations of the world the advisability of preparing for early concerted action looking toward the stabilization of the currencies of such several nations; be it

Resolved further, That since some one-half of the people of the world use silver as money; since the other half of the people formerly used gold as money and as the basis for the issuance of currency; since most of the nations of the world today are on a commodity or managed-currency basis; and since the United States has adopted a policy of using both gold and silver as money and the basis for the issuance of currency, the President is hereby authorized and requested to suggest to the several nations of the world the advisability of considering the use of both gold and silver at an agreed and fixed ratio as a form of specie to be secured and held as the basis of the currencies of the several respective nations; be it further

Resolved, That the President, acting as the agent of the Congress, be, and he is hereby, authorized and requested to take immediate steps looking toward the adjustment and regulation of the value of the dollar so as to have such dollar serve the best interests of our people and consequently promote our domestic economy; and that in the regulation and adjustment of the value of such dollar the President is authorized and requested to take into full account and give proper consideration to the following:

(a) The amount of the annual total tax bill of our several units of government.

(b) The amount of the annual total public and private interest items.

(c) The amount of the consolidated or massed debts, public and private, owed by the several units of government, corporations, and the people jointly and severally; be it further

Resolved, That when the United States, acting through the Congress and its agent or agents, has satisfactorily adjusted and regulated the value of the dollar, the President be, and he is hereby, authorized and requested to arrange for and call a world conference on monetary policies and the stabilization of world monetary units.

Mr. McCARRAN. Mr. President, I desire to address to the Senator from Oklahoma one or two questions which are along the line of the discussion and pertinent to the assertions made by the Senator from Oklahoma.

I wonder whether the Senator from Oklahoma realizes that by reason of a policy which is now pursued by our Treasury Department we are placing the control of our currency, and especially the control of our silver, in the hands of those who control the British market for silver. I refer especially to the provision whereby we are taxing our American dollars in silver and exempting the British dollars in silver.

Mr. THOMAS of Oklahoma. Mr. President, it is because of a fear that the country might take the interpretation given to Mr. Morgenthau's speech by the public press as an admission that the United States would not become interested in the stabilization of currencies until some other nation took the lead that I have submitted the concurrent resolution. The purpose of the resolution is to set forth the steps which the nations must take and the steps which this Government must take preliminary to stabilization.

We are not ready for stabilization. No country is ready for stabilization. My resolution suggests the steps we must take and the steps other nations must take preliminary to even discussing stabilization. It is because of the fear that another country, a very substantial country, which now has the control of the silver market of the world, is seeking to secure the control of the gold market of the world, to the advantage of that country and to the possible disadvantage of the United States, that I have injected myself to the extent of offering the concurrent resolution.

COLUMBIA BROADCASTING SYSTEM PROGRAM POLICIES

Mr. WHEELER. Mr. President, I hold in my hand a pamphlet containing the new program policies which have just been announced by the Columbia Broadcasting System, which are very gratifying to me as Chairman of the Interstate Commerce Committee. I also have in my hand a statement issued by Mr. Prall, Chairman of the Federal Communications Commission, in connection with the new Co-

lumbia Broadcasting System policy. I ask that both the state of Commissioner Prall and the pamphlet containing the new policies be inserted in the RECORD as part of my remarks.

There being no objection, the letter and pamphlet were ordered to be printed in the RECORD, as follows:

STATEMENT OF ANNING S. PRALL, CHAIRMAN OF THE FEDERAL COMMUNICATIONS COMMISSION IN CONNECTION WITH THE NEW COLUMBIA BROADCASTING SYSTEM PROGRAM POLICIES

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C., May 14, 1935.

This new pronouncement of policy by the Columbia Broadcasting System is gratifying not merely because it is one of the most forward-looking steps ever undertaken in the great American radio industry but also because it is the considered undertaking of a network serving more than 100 stations from coast to coast.

Such an example of wise leadership can hardly fail to exert a profound influence on American broadcasting generally. The net effect of such a marked raising of broadcasting standards can only be to enhance further radio's unique influence on our modern ways of living and thinking, and to increase at the same time the interest of the listener and the value of the broadcast service to him.

NEW POLICIES—A STATEMENT TO THE PUBLIC, TO ADVERTISERS, AND TO ADVERTISING AGENCIES, MAY 15, 1935—THE COLUMBIA BROADCASTING SYSTEM

As radio broadcasting expands its audience and augments its influence, there devolves upon the broadcaster and the program sponsor an ever-greater responsibility.

Similarly, as radio continues to become a more intimate force in the lives of people, they tend to be more sensitive to broadcasting they like and to broadcasting they do not like. It is incumbent upon the broadcaster constantly to examine general policy so as to assure steady progress in building and holding radio's audience. Such watchfulness serves the interests of the audience, of the advertiser, and of the broadcasting companies alike.

The Columbia Broadcasting System has given particular consideration to recent trends in two general types of commercial program: Those which are designed for children, and those involving unpleasant discussions of bodily functions, bodily symptoms, or other matters which similarly infringe on good taste. In addition, as a result of expressed public interest, careful study has been given to the amount of time that should be used by sponsors for their advertising messages.

CHILDREN'S PROGRAMS

Wide variations in viewpoint exist among parents as to programs which they regard as suitable for their children to hear, and similar differences exist between parents and children. The same divergence of opinion is frequently found among authorities.

Commercial sponsors of broadcasts addressed to children are devoting great effort and much money to creating programs that merit the approval both of child and parent. It is also true that there have been instances of poor judgment and careless execution. To eliminate such faults would be gratifying to all those who feel a deep responsibility for the rearing and education of impressionable youth.

The Columbia Broadcasting System has no thought of setting itself up as an arbiter of what is proper for children to hear; but it does have an editorial responsibility to the community, in the interpretation of public wish and sentiment, which cannot be waived.

In accordance with this responsibility we list some specific themes and dramatic treatments which are not to be permitted in broadcasts for children.

The exalting, as modern heroes, of gangsters, criminals, and racketeers will not be allowed.

Disrespect for either parental or other proper authority must not be glorified or encouraged.

Cruelty, greed, and selfishness must not be presented as worthy motivations.

Programs that arouse harmful nervous reactions in the child must not be presented.

Conceit, smugness, or an unwarranted sense of superiority over others less fortunate may not be presented as laudable.

Recklessness and abandon must not be falsely identified with a healthy spirit of adventure.

Unfair exploitation of others for personal gain must not be made praiseworthy.

Dishonesty and deceit are not to be made appealing or attractive to the child.

We realize that distinctions in aesthetic values and feeling which may be wholly obvious between two given treatments of dramatic material cannot always be easily specified in words. Thus, for instance, it is not easy to capture in definition the fine distinctions between the pure fantasy which comprises some of the world's greatest literature for children, and the fantastic distortion of realities which is unsuitable for a youthful audience. Nonetheless, the differences between these forms of entertainment become rather obvious when the two are compared side by side.

A program for children of elementary school age should offer entertainment of a moral character in the widest social sense. It

should not obtain its entertainment value at the cost of distorting ethical and social relationships in a manner prejudicial to sound character development and emotional welfare.

In general, it is worth noting that the literature for children which continues to find their favor through many generations offers heroes worthy of the child's ready impulse to hero worship, and of his imitative urge to pattern himself after the hero model. Such literature, whether created 100 years ago or written today, succeeds in inspiring the child to socially useful and laudable ideals such as generosity, industry, kindness, and respect for authority; it opens doors into wide worlds that may be reality or fantasy, but are in neither event ugly or repellent in aspect; it serves, in effect, as a useful adjunct to that education which the growing and impressionable child is absorbing during every moment of its waking day.

It is our hope and purpose to stimulate the creation of a better standard in children's programs than has yet been achieved.

To be of assistance in reaching this goal, Columbia is engaging the services of an eminent child psychologist who will have the benefit of an advisory board of qualified members, with the special purpose of pointing the way toward programs designed to meet the approval of parents, children, and educators alike. Columbia hopes thus to be equipped to appreciate and apply the parent's practical point of view no less than to reflect studied scientific judgment. The name of this consulting authority, and the membership of this committee, will be announced soon; and the new policy becomes completely effective July 30.

ADVERTISING WHICH DISCUSSES INTERNAL BODILY FUNCTIONS, SYMPTOMS, ETC.

The Columbia Broadcasting System has concluded, after serious consideration, to permit no broadcasting for any product which describes graphically or repellently any internal bodily functions, symptomatic results of internal disturbances, or matters which are generally not considered acceptable topics in social groups.

This policy will specifically exclude from the Columbia network not only all advertising of laxatives as such, but the advertising of any laxative properties in any other product. It will further exclude the discussion of depilatories, deodorants, and other broadcasting which, by its nature presents questions of good taste in connection with radio listening.

As to new business, this policy becomes effective immediately, May 15, 1935. As to existing business, it becomes effective as rapidly as present commitments with clients expire. The last of these expires in March 1936. Meanwhile, the advertising continuities for any such product are to be so worded as to conform strictly with a specific standard of new requirements.

Many programs containing such advertising in the past have offered entertainment of great merit, judged by the strictest standards.

On the other hand, many people prefer not to hear such advertising over the radio, regardless of the excellence of the program. The reason for this viewpoint is obvious: Radio broadcasting is heard by mixed and assorted groups of all kinds, in the home, in restaurants, and in public meeting places. In certain groups a listener may find it distasteful to hear a discussion of some subject which under other circumstances he finds wholly fitting and proper.

Similarly, we realize that the personal and often intimate quality of the human voice, radio's medium of presenting its sponsor's messages, forbids discussing subjects on the air in a manner which might be wholly acceptable when read in type.

COMMERCIAL ANNOUNCEMENTS

In the last several years advertisers and agencies have themselves been responsible, in many instances, for the discovery that brief and skillful handling of the commercial announcement—rather than obviously excessive and insistent sales talk—creates effective response and universal commendation and good will.

The Columbia Broadcasting System recognizes, with many advertisers and with the public, the desirability of avoiding advertising announcements that are too lengthy or too frequent.

As a result, numerous advertisers have condensed their sales announcements to a marked extent, to their own satisfaction and the demonstrated approval of the listening audience.

With the interest of the audience and of the great majority of advertisers in mind, the Columbia Broadcasting System considers it desirable, at this time, to set the following maximum allowances for commercial announcements, effective July 30, 1935:

EVENING PROGRAMS

A maximum of 10 percent of the total broadcasting period may be devoted to the sponsor's commercial announcements, including contests and offers, on programs broadcast after 6 p. m. This applies to all full-hour programs, three-quarter hour programs, and half-hour programs. A single exception to the 10-percent ratio will be made on quarter-hour programs, on which an additional allowance not to exceed 40 seconds will be made in recognition of the fact that the short program necessarily requires as much time as the longer one for routine identification announcements.

The following table shows, in minutes and seconds, the maximum amount of commercial talk which will be permitted, under these limits, on programs of various lengths broadcast after 6 p. m.:

Full-hour programs: All commercial announcements not to total more than 6 minutes.

Three-quarter hour programs: All commercial announcements not to total more than 4 minutes 30 seconds.

Half-hour programs: All commercial announcements not to total more than 3 minutes.

Quarter-hour programs: All commercial announcements not to total more than 2 minutes 10 seconds.

Unpleasantly rapid delivery of the sales message to effect a crowding of excessive material into the period allowed for the commercial announcement will not be permitted.

DAYTIME PROGRAMS

The Columbia Broadcasting System has decided on a lesser curtailment of the amount of advertising in daytime programs for a number of reasons. Programs broadcast during the morning and afternoon hours serve vast numbers of women as a medium of useful information. Many of these programs are educative in both cultural and practical fields. Many of them offer valuable help in solving household economic problems, discussion of which requires more detailed statement of the sponsor's service or product. To deprive the daytime listener of such discussion would subtract from the broad usefulness of radiobroadcasting.

Sponsored programs in the daytime will accordingly be allowed a maximum of 15 percent of the total broadcast period for commercial announcements, with an additional 40 seconds on the quarter-hour program.

PUBLIC ACCEPTANCE

We are satisfied that the best thought of many leading advertisers as well as of the broadcasting industry is reflected in these policies. They set higher standards than broadcasting has attempted before.

We have adopted them after years of experience and careful consideration of every aspect of the problems involved. For these new policies we ask the full cooperation of the public, the advertiser, and the broadcasting industry.

BASIC ADVERTISING POLICIES

The three important new policies set forth in the foregoing statement represent an extension of basic Columbia policies with which advertisers and advertising agencies have long been familiar and which have served to maintain commercial broadcasting on the Columbia network on a high ethical plane. These basic points of policy, most of which have been in effect since the inception of the Columbia network, are here restated:

1. No false or unwarranted claims for any product or service.
2. No infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy.
3. No disparagement of competitors or competitive goods.
4. No lottery or "drawing contest." No contest of any kind in which the public is unfairly treated.
5. No programs or announcements that are slanderous, obscene, or profane, either in theme or in treatment.
6. No ambiguous statements that may be misleading to the listening audience.
7. Not more than two price mentions on a 15-minute program. Not more than three price mentions on a half-hour program. Not more than five price mentions on a full-hour program.
8. No advertising matter or announcements or programs which may in the opinion of the system be injurious or prejudicial to the interests of the public, the Columbia Broadcasting System, or honest advertising and reputable business in general.
9. No appeals for funds.
10. No testimonials which cannot be authenticated.

NEUTRALITY—ADDRESS BY ADMIRAL WILLIAM S. SIMS

Mr. CLARK. Mr. President, I ask unanimous consent to have inserted in the RECORD an address delivered on May 8, 1935, by Vice Admiral William S. Sims, retired, United States Navy, on the subject of Neutrality.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

What can we do to make sure we shall not be drawn into another Great War?

It is easy to indicate policies that would in theory keep us out. But the question is as to whether these policies could actually be carried out in a war atmosphere, when opposed by the powerful pressure of human greed, of commercial interests.

The Great War showed us how very powerful is the force of this influence.

As a neutral we claimed the freedom of the seas—the right to trade with all belligerents and neutrals. At least, we claimed the right as a neutral to trade with all other neutrals.

We made this claim because we wanted the enormous profits of such a trade. The needs of the belligerents were so great that they were willing to pay almost anything for the vast quantities of goods they had to have to carry on the war.

As a result, we were sending to the Scandinavian countries from 20 to 30 times as much copper, cotton, rubber, food, and other needed supplies as we were in 1913, knowing that they were shipping these goods down into Germany.

According to a statement by one of our Senators, sea freight rates were from 300 to 2,000 percent higher than before the war.

While the trade and manufacturing of the belligerents were greatly curtailed by the fighting, American trade was booming.

Millions of extra acres were plowed up and planted in grain, the price of wheat was doubled, manufacturing plants were operating at capacity, many were extended, including munitions of war plants, and the product of all was being sold to the highest bidder, either friends or enemies.

We had relatively little unemployment, wages were abnormally high, mechanics in silk shirts were paid more than ministers and college professors, and millionaires were multiplying.

The war was a golden harvest for our people, a get-rich-quick chance not to be neglected. The general feeling of traders was expressed by a remark overheard in a New York subway:

"If this war will only last another year, I will be a millionaire."

All this neutral trade was under the protection of our Government. We made constant threats warning the belligerents that our trade must not be restricted.

Our diplomatic notes were ineffective, and it was the disregard of our rights as neutrals that finally forced us into the war.

Thus the enormous pressure of the golden stream of war profits made us insist upon our right to make money out of the vital needs of nations fighting for their lives, and to insist upon being protected in this trade.

Well, some people ask, if that is what took us into the great war, then why not empower the President to declare an embargo on all contraband trade?

Nowadays, this would mean an embargo on nearly every kind of commodity. Almost every commodity is useful or necessary in war.

Cotton, rubber, food, and so on, are no less essential than bullets. A blockaded country must surrender to starvation no less than to an invading army.

In any event, an embargo is a double-barreled shotgun with the breech open; it shoots both ways; it hurts the gunner almost as much as it does the one he shoots at.

And of course opposition to an embargo would be tremendous; particularly while other neutrals were reaping fat profits.

Don't forget that the embargo we declared in 1812 nearly drove some of our New England States to secede and join Canada.

It would be practically impossible for a President to obtain the necessary support for a wholesale embargo.

But there is another course open to us. A course less drastic, not calling for so great a sacrifice of profits, and therefore more workable.

This course is for our Congress to declare that all trade in contraband, which nowadays means nearly everything, must be at the risk of the traders; and that no compensation for loss by action of belligerents would be demanded by our Government.

For example, if an American ship carrying such supplies was sunk by a belligerent, our Government would make no claim, much less would we declare war.

The individual trader out for huge war profits would have to bear the risk himself.

This would greatly reduce the profits of neutral trade, and it would, of course, be difficult to get our people to agree to restrict in this way their opportunity to make money.

But it would also greatly reduce the chance of our being drawn into a war. And, therefore, I believe that every effort should be made to bring about the adoption of this war-time policy.

So far I have spoken only of the influence of the very natural desire of our people to make money during a war; but, of course, the same human desire operates in all countries to the same discouraging degree.

Discouraging because, in the midst of the horrors of a world at war, people seem to act with little or no regard for the interests of humanity, or even for their own national interests.

We all know by this time that this malign influence is so strong that people will even profit by trading with their countries' enemies.

It is hardly possible to overstate the power for evil of this acquisitive desire.

For example, in the early part of the war, the British were not able to stop, or sufficiently restrict the flow of trade from England itself to the Scandinavian countries and thence into Germany, although the government was kept thoroughly informed of the great extent of this trade by Admiral Consett, the British naval attaché in the northern countries.

Admiral Consett also showed that British agreements with these countries that goods should not be sent to Germany were continuously violated.

Though this extremely damaging trade was carried on at a time of great national danger, the British Government was not able to stop it.

I mention this only to show the almost irresistible influence of commercial interests upon the actions of governments. Had it not been for these controlling interests the war could probably have been ended in 1916.

These facts were set forth years ago in a thoroughly documented book by Admiral Consett entitled "The Triumph of Unarmed Forces."

Now, many people have suggested that all such matters as neutrality, the rules of warfare, and the relations between nations could be effectively regulated by treaties.

Now, of what value are treaties in withstanding such forces, armed and unarmed?

From history it is clear that treaties and international law will be violated whenever a nation has its back to the wall.

Suppose, for example, a nation were fighting for its life. And suppose the United States were sending vast quantities of goods to that nation's enemy, by way of trade through neutral countries. It is quite certain that the nation fighting for its life would stop as much of such trade as it could.

And no mere provision of any trade treaty or of international law would prevent this. In the face of disaster the treaty would become a scrap of paper.

That is, no nation at war can respect a treaty made in peace if compliance with it would cause defeat. Under such conditions armed insistence upon the freedom of the seas would simply mean war. Such insistence on our rights would be the way to get into a war, not the way to stay out.

There is even some justification for the cynical remark that there is a clause in all treaties, written in invisible ink, that the hot blast of the first crisis will render visible.

This invisible clause is as follows:

"The provisions of this treaty shall be strictly complied with at all times, except when, in the judgment of any of the contracting parties, such compliance would be politically or economically undesirable."

If the obstacles in the way of keeping out of a war are as I have described them, what are we going to do about it?

The point of the whole business is this: We cannot keep out of a war and at the same time enforce the freedom of the seas—that is, the freedom to make profits out of countries in a death struggle.

If a war arises, we must therefore choose between two courses: Between great profits, with grave risks of war on the one hand; or smaller profits and less risk on the other.

When I say "we" I mean not only the traders themselves but all of us, for practically our whole population benefited by this war-time trade, though we did not understand that we were inviting disaster for ourselves and for the world.

But to resist the political pressure for protection in such a trade would be a difficult job for any President. Yet it would not, I think, be impossible.

And it would be much easier for the President if every American citizen understood the grave choice that would face us—and did his part.

And the time to decide is now, while we can think calmly and clearly, before war propaganda gets in its deadly work. Much may be done by preparing in advance a wise foreign policy that aims at a realistic understanding of the vital issues.

To this end, we, as a people, must come to understand that peace is priceless; that it is worth any reasonable sacrifice; that it is certainly worth any sacrifice of war profits; that a decent regard for humanity must be placed ahead of gold.

Therefore, let every citizen who has the cause of honorable peace at heart take this stand:

"Our trade as a neutral must be at the risk of the traders; our Army and Navy must not be used to protect this trade. It is a choice of profits or peace. Our country must remain at peace."

THE UNION LABEL—DISCUSSION BETWEEN I. M. ORNBURN AND JOHN M. BAER

Mr. NYE. Mr. President, on Monday, April 22, 1935, I. M. Ornburn, secretary-treasurer of the Union Label Trades Department of the American Federation of Labor, and Hon. John M. Baer, former Representative from North Dakota, engaged in a dialogue discussion on the subject of the union label over the national network of the Columbia Broadcasting System. Mr. Ornburn is an authority on the subject, and I believe all the Members of the Senate will undoubtedly wish to read this brief discussion. I ask unanimous consent that the address may be printed in the CONGRESSIONAL RECORD, together with an editorial on the same subject by Mr. Ornburn.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Question. Mr. Ornburn, what is the union label?

Answer. The union label, Mr. Baer, is a symbol which is displayed by means of a cloth or paper label, stamp, or other imprint upon products to indicate that they are made in unionized shops, factories, and industrial establishments.

Question. What is a shop card?

Answer. A shop card is a printed sign which is displayed in the window or on the wall of all shops and business places whose employees are unionized.

Question. What are union working buttons?

Answer. Working buttons are similar to the insignia of lodges or fraternal orders and are worn in the same manner. The working button gives assurance that the services are rendered by a member of a trade union.

Question. How many labels, shop cards, and buttons are there at the present time?

Answer. There are 60 in all, but each trade has a distinctive label or design.

Question. Do all the trades affiliated with the American Federation of Labor have union labels, Mr. Ornburn?

Answer. No; not all the unions have union labels, but all the trades which display union labels are affiliated with the American Federation of Labor.

Question. Is there any official body which represents the union label trades?

Answer. Yes, indeed; the Union Label Trades Department of the American Federation of Labor, Washington, D. C.

Question. How many members of trade unions are affiliated with the Union Label Trades Department?

Answer. There are more than a million members of the trade unions who designate their products and services by union labels.

Question. For what does the union label stand, Mr. Ornburn?

Answer. It stands for the identical principles which trade unions have fought to establish. They are shorter hours, higher wages, and better working conditions.

Question. Will members of trade unions and their friends, who do not have union labels, benefit by buying union-made goods?

Answer. They will benefit in just the degree that they buy union-made goods, because they will raise the standards of living of not only the members of other trade unions, but also of the average citizen.

Question. Why do you say that it will increase the income and better the conditions of the average citizen?

Answer. Because it is generally conceded that if it were not for union labor's fight for shorter working hours, higher wages, and better working conditions, the unorganized worker would not enjoy these great privileges.

Question. Then, Mr. Ornburn, do you believe that by purchasing products which bear the union label one is not only helping the average citizen, whether he belongs to a union or not, but that he is also helping to raise American standards of living?

Answer. Yes; the organized-labor movement has been the greatest factor in raising American standards for both the organized and unorganized workers.

Question. What effect do you think the purchasing of union-made goods will have upon the prosperity of our Nation?

Answer. From past experience we positively know that this country will not pull itself out of this disastrous economic depression until prevailing union wages are permanently established, and that the buying of union-made products is the best guarantee of union standards.

Question. Is the union label displayed on foreign-made goods?

Answer. The union label is not displayed on products which are made in any foreign land. The union label is the only assurance that the product is American made, as well as union made.

Question. Is the Blue Eagle a substitute for the union label?

Answer. No; it is not, Mr. Baer. The Blue Eagle is sometimes displayed on products which are manufactured under inferior conditions to those established by the American labor movement.

Question. You stated, Mr. Ornburn, that the union label was the best assurance that the product is made in the United States. Do you mean to say that the Blue Eagle is displayed on foreign-made goods?

Answer. I am sorry to say that the Blue Eagle is displayed on goods made in foreign countries.

Question. Under what authority is the emblem of the Blue Eagle placed upon foreign-made goods?

Answer. In the National Recovery Administration the importers have a code which allows them to place the Blue Eagle on products after they are imported into this country.

Question. If industry complies with the minimum wages, maximum hours, and other provisions of the N. R. A. codes, does not that assure the purchaser that the products are made under union conditions?

Answer. No, Mr. Baer; because a comparison of the wages and hours of the N. R. A. codes with those of trade-union agreements will prove beyond question that they do not rise to the standards obtained by organized labor.

Question. What effect do imports have upon the American worker?

Answer. They reduce the wages of American workers. Eventually imports, if not checked, will lengthen the working hours and reduce the worker to the slavery conditions which exist in many foreign lands.

Question. Then, it is your opinion, Mr. Ornburn, that there are no standards in the world as high as those set by the American labor movement?

Answer. That is correct. Buying under the union label is unquestionably the only way to maintain the hours, wages, and conditions for which trade unions have fought for many years.

Question. It is your conclusion, then, that by reducing the wages of American workers you necessarily reduce their purchasing power and that this Nation will not recover so long as American dollars are spent for foreign-made goods?

Answer. Exactly so. If we do not increase the buying power of our own consumers, we shall be unable to take care of the increased production of our own factories. Consequently, we shall never be able to emerge from this depression.

Question. Is it your belief that we should engage the women in this campaign to buy union-made goods?

Answer. The ladies are very important! Recently a large advertising concern announced that the women members of the family purchase 85 percent of all the products which go into the household. Consequently it is absolutely necessary to enroll the wives of trades-unionists and their friends into this campaign to encourage the purchase of union-label goods.

Question. Tell me, is child labor employed in the manufacture of foreign-made goods?

Answer. Yes; it is. Children are employed under the most depressive conditions in the shops where these goods are made in foreign lands.

Question. Does the union label appear on prison-made goods?

Answer. No; it does not. There is some effort being made to prevent prison-made goods from competing with the products of free American citizens, but to date no definite results have been obtained.

Question. How is the buying public to know where to buy union goods and services?

Answer. If the customer does not see the shop card or buttons, then he must look for the union label on the goods.

Question. But what if the merchant or other business man does not have union-made products?

Answer. If he has no union-label products, ask him to put in a line if he desires to retain your trade.

Question. Does the union label insure the purchaser of any higher quality merchandise?

Answer. Yes, Mr. Baer; the discriminating buyer will look for union-made goods because they are made by skilled and experienced workers under the most sanitary and satisfactory union conditions.

Question. Where can the retailer find out who manufactures union-made goods?

Answer. A directory of the industries which display the union label will be furnished by the Union Label Trades Department, American Federation of Labor Building, Washington, D. C.

Question. Will not the demand for products which bear the union label increase the cost of living?

Answer. Every sane plan for bringing about recovery includes some increase in commodity prices. This increase in commodity prices should start with higher wages for workers and increased prices for farm products. Naturally, then, this will increase the purchasing power of both the workers and farmers, and only through increasing their incomes can the business of this country return to a normal basis. During the World War, when prices were high, there was no unemployment in the cities and there were few foreclosures on the farms.

Of course, safeguards should be made to protect the consumers against monopoly and profiteering in the handling of products of both farm and factory. There has always been too great a spread between the producer and consumer, but even with the waste of our system of distribution, when commodity prices were high, we did not have 20,000,000 citizens on the relief rolls, and poverty in the midst of plenty on the farms of this country. On the contrary, we did have higher wages, which doubled our pay rolls, and commodity prices which trebled the incomes of the farmers. And, allow me to add the amazing fact that with those high wages and farm prices, the cost of living was not perceptibly higher than it is at the present time.

Question. What is the extent of the purchasing power of union-label goods at the present time, Mr. Ornburn?

Answer. The members of all trade unions have seen the great advantage of buying union-label goods. There are now 6,000,000 organized workers in the American labor movement. Including their wives and other members of their families, the 6,000,000 union members would comprise 30,000,000 consumers. In addition, trade unionists influence their friends to buy union-made products, and these buying consumers have become the greatest force in the Nation. Acting together, they could advance by several decades the cause of organized labor, which means higher wages, shorter hours, and better working conditions.

Question. In what general lines of goods and services can the consuming public find the union label, shop card, and button?

Answer. In almost every line. Take, for example, a meal or a drink. The consumer should look for the union house card or the union bar card. The waiters and waitresses, the cook, the bartender, and miscellaneous workers in every union establishment wear the working button. Even the bottle or barrel from which your refreshing drink is served is often union made, and it is probably delivered by the regular union of teamsters and chauffeurs. Again, if you want a cigar or a package of cigarettes, union brands bear the union label. The same is true of pipe and chewing tobacco, as well as stogies.

If you wish to purchase food, inquire if the bread, crackers, or other confectioneries are made by union bakers. You should also look for the union market shop card when you buy meat. The retail clerks in all mercantile establishments can join a union. In this case the retail clerks' shop card is displayed. There are union labels for every article of wearing apparel.

Question. We hear a great deal about home building in the new deal. How about union labor in the construction of a home?

Answer. Carpenters, painters, paperhangers, plumbers, plasterers, cement workers, and electrical mechanics belong to international unions affiliated with the American Federation of Labor, and each craft has its own union trade mark.

Question. Now you have covered about all the necessities of life. How about amusements?

Answer. Well, now, I'll ask you some questions, Mr. Baer. Did you know that the moving-picture machine operators and theatrical stage employees are members of unions? Did you know that music is furnished by union musicians? And before you go out for the evening, did you know that you can obtain a first-class shave or haircut in a union barber shop?

Question. Are books, magazines, newspapers, and other publications printed in union print shops?

Answer. All the print crafts have union labels, and these labels are often combined under one label of the allied printing trades.

Question. Who makes the tools and machinery which all these workers use?

Answer. The shops in which every kind of machinery is made and mechanical work performed employ members of the metals trades unions. There are union machinists, molders, sheet-metal workers, iron, steel, and tin workers, and various other metal workers.

Question. Then, it is your conclusion that by purchasing union-label goods, which are made under union conditions and in

America, the buying public will be making a substantial investment in the security and prosperity of our own land?

Answer. That is absolutely true, Mr. Baer, and in that statement I believe I have the support of every fair-minded economist or authority who has at heart the welfare of our own Nation. If time permitted, I believe I could prove that by buying in our home market the United States would gain greater economic independence. Consequently, it would keep us out of foreign wars and entanglements, thereby assuring our Nation peace as well as prosperity.

Mr. NYE. The following editorial is by I. M. Ornburn, secretary-treasurer Union Label Trades Department, and has appeared in the labor press throughout the country:

THE BLUE EAGLE IS NOT A SUBSTITUTE FOR THE UNION LABEL

There are some who think that the Blue Eagle is a substitute for the union label. This false idea is fostered by certain anti-union employers who see in it a distinct advantage, because the union label represents standards of employment superior to those required by the National Recovery Administration.

The Blue Eagle does not signify that products are made under trade-union conditions. Daily, newspapers direct our attention to the business establishments which are entitled to use the Blue Eagle, but which completely ignore proper representation and collective bargaining agreements by denying their workers the right to organize.

Other industries which fly the Blue Eagle may comply with the minimum wages, maximum hours, and other labor provisions of the N. R. A. codes, but it does not insure to the purchaser of their products that the workers in those industries are receiving the higher wages, shorter hours, and better working conditions which have been established by trade unions. It is necessary only to compare the minimum wages and maximum hours of the codes with those of trade-union agreements to prove these statements beyond question. Buying under the union label, shop card, and button is unquestionably the only way to maintain the hours, wages, and conditions for which trade unions have fought for many years.

The Blue Eagle is also placed on prison-made products which go into interstate commerce and unfairly compete with the union-made products of free American citizens.

The union label assures the purchaser that the goods are made in America. Importers are allowed to place the Blue Eagle on goods made in European and Asiatic countries under extremely low and depressing conditions of employment. If the products are made in foreign lands, the purchaser has no guaranty that they are not made by child labor or enslaved men and women. The union label thus assures the buying public that the goods are not only union made but also that they are made in America.

The discriminating purchaser will look for the union label because it will insure the highest quality of goods made under the most sanitary conditions by skilled workers. The union label guarantees that the goods are not foreign made. The union label assures the purchaser that the business establishments which display it pay their workers higher wages, work them shorter hours and under better conditions than those which display only the blue eagle.

Therefore when it comes to union labels and the Blue Eagles, look for both of them, if you choose, but demand the union label. There is no substitute!

ANALYSIS OF STABILIZATION AMENDMENT TO BANKING ACT OF 1935

Mr. FLETCHER. Mr. President, omitting all nonessentials and unimportant matters, my amendment inserts only four words in the House committee's mandate to the Federal Reserve Board for the administration of our monetary policy as provided for in title II of the Banking Act of 1935. I thus meet the criticism that the House amendment does not sufficiently satisfy the constitutional requirement in stating the legislative objective.

The object of title II is to give power to the Federal Reserve Board to administer our monetary policy in such a way as to bring about or restore full employment and business activity, and thereafter to stabilize production, trade, prices, and employment.

In view of those facts, my amendment was drawn as follows:

It shall be the duty of the Federal Reserve Board to exercise such powers as it possesses in such manner as to promote conditions conducive to full employment and business activity, and thereafter to mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of monetary action and credit administration.

The words "full employment", the word "activity", and the word "thereafter", as underscored, were inserted by me in order to attain the objective referred to of stating clearly both the legislative policy and the legislative will, in the

form of a congressional mandate to the Federal Reserve Board.

Recently I took the pains to point out that there now lies within the hands of bankers the potential makings for one of the most stupendous inflations this or any other nation has ever experienced. It is for this reason that I have said that the Banking Act of 1935 is conceived as our most essential safeguard. My amendment is deliberately conceived with the expressed purpose in mind of strengthening the act as a safeguard against both inflation and deflation.

It is universally recognized, I believe, that our objective must be the restoration of industrial employment to the highest practicable level and to restore business activity to a maximum. That, it must be conceded, is a legitimate and laudable objective.

Consonant with the increase in industrial employment and business activity there must of necessity take place a legitimate expansion of credit and currency. To the extent that these three factors undergo a proportional degree of change, inflation will not arise. It is axiomatic, I presume, that full employment and business activity cannot be expected to come about without the accompaniment of a somewhat comparable rise in the general level of all prices.

After employment and business activity are restored the Federal Reserve Board would be required to use all of its powers to—

Mitigate by its influence unstabilizing fluctuations in the general level of production, trade, prices, and employment, so far as may be possible within the scope of monetary action and credit administration.

Those powers of the Board which are directly referred to as being "within the scope of monetary action and credit administration" are: First, the power of the Board to direct Reserve banks to buy and sell eligible paper, including Government securities, in the open market; second, control over rediscount rates; and, third, the power to change the reserve requirements of member banks. Under this mandate any administration can be held responsible for the results. The power is given; and they can be held responsible if they do not exercise the power to restore and maintain full employment in industry and full business activity.

The absurd objection that this monetary policy would interfere with member banks in extending credit as they see fit has no foundation whatever in the pending Banking Act of 1935. The monetary policy of Congress is one thing; the business of lending money by the member banks is another thing entirely.

You will note that in the above amendment no particular reference is made to either silver, gold, or a specific price level. This, in my estimation, is correct.

International exchange, tariffs, embargoes, bounties, subsidies, the ownership of banks, and other issues must be dealt with wholly upon their own merits. It is, in my opinion, impossible for us to find a common solution for any one or all of these issues in conjunction with the main issue raised in title II, namely, the determination of our monetary policy. For instance, international-exchange agreements cannot be legislated by Congress for the obvious reason that Great Britain, France, Germany, Italy, Japan, and other nations determine in individual cases one-half of the international-exchange equation.

Tariffs, embargoes, bounties, and subsidies must be dealt with subject to the determination of, first, our monetary policy, and, second, the international exchange ratios. The ownership of either the Federal Reserve banks or commercial banks is not and cannot be made a part of the major problem, namely, the determination of our national monetary policy. Irrespective of who ultimately shall own the banks, a definite answer must be made as to who shall control the administration of our monetary policy and what that policy shall be.

A rise of prices resulting from an undue expansion of credit and currency or in excess of that necessary to promote conditions conducive to "full employment and business activity" would be an evidence of inflation.

Conversely, a recession of prices, accompanied by unemployment, or the existence of more than a reasonable amount of unemployment, irrespective of any particular price level, would be an evidence of contraction or deflation.

Under my amendment it would definitely be the intention and mandate of Congress that both inflation and deflation, as I have defined them, would be outlawed, and that the Federal Reserve Board would be held strictly accountable for the ultimate results arising from the administration of our monetary policy under the mandate.

In my estimation, the amendment as drawn satisfies the constitutional question which has been raised. At the same time, it avoids any embarrassment or disappointment which might arise from the insertion of a particular price level, due to the fact that any particular price level might prove to be either too low or too high. Moreover, it has the merit of fulfilling almost all of the expressed "norms" or levels advocated by conservatives, liberals, and "left-wingers"; in fact, it writes into the law what every reasonable person must be willing to concede is just and proper.

Mr. President, in this connection, I have received a letter from Mr. Alfred Owen Crozier, of White Plains, N. Y., and one from Mr. F. Jacobson, of Long Island City, N. Y., which I ask to have printed as a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL REPUBLICAN CLUB,
White Plains, N. Y., May 7, 1935.

HON. DUNCAN U. FLETCHER,
Chairman Senate Banking and Currency Committee,
Washington, D. C.

DEAR SIR: Since writing enclosed acknowledgment of receipt of copies of banking and currency bills you kindly sent to me I have read and fully agree with your full printed statement in re bill S. 1715.

That means that I totally disagree with the report filed by the Republican members of the House Banking and Currency Committee attacking and opposing title II of your said S. 1715 banking bill.

"It is the same old cat coming out of another hole." It is the eternal question—the fight for "private control of the public currency." Jefferson and Jackson opposed it when in form of a privately owned central bank issuing and controlling the volume of the public currency.

The Aldrich privately owned central bank measure was an attempt to fasten on this country beyond all possible repeal for 50 years private control of the public currency, and of bank credit based thereon.

Aldrich and Cannon induced President Taft to approve their scheme in his message to Congress in December 1911—and got only eight votes in the electoral college for reelection in 1912, an endorsement of the measure having been forced into the Republican platform of 1912.

Theodore Roosevelt, in the first speech of his 1912 campaign, at Providence, R. I., complied with my urgent request and with the advice of George W. Perkins by denouncing in unqualified terms the Aldrich central bank scheme and the Aldrich schedules in the tariff.

The Progressive Party platform contained the plank denouncing the Aldrich central bank measure, which I personally urged before the full platform committee in 1912.

I stood by the side of "Teddy" in Milwaukee when he was shot, having just made an appointment to go with him on his car to Chicago that night after his speech, to try and get him to drop Taft personalities during the final weeks of the campaign and concentrate wholly on the old Andrew Jackson issue by fighting private control of the public currency and the power in private hands to inflate and contract the country's whole supply of money and credit, the power to create alternating booms and depressions. That assassin's bullet may have changed history.

Our Republican leaders seem to have short memories. They now again seek foolishly to commit the party of Abraham Lincoln to the doctrine that the people cannot be trusted, that ours should be a Government "for the people" by and for the profit of banking corporations, and never a government "of the people and by the people", when it comes to making and administering laws, under the Constitution, providing the people and American business with their necessary supply of public currency and of bank credit based on such currency hoarded in bank reserves.

It looks like our alleged Republican leaders have no more sense than to pick up the poker by its hot end instead of its cool end just as it's pulled out of the fire—as to banking and currency legislation.

No doubt it will help in Wall Street in raising campaign funds, to use the Republican Party in Congress to keep the power to make the supply of money and credit scarce or plentiful—the power to cause speculative booms by wild-credit inflation, and to cause depression by drastic and dangerous currency and credit contraction—but it will gain no votes among the distressed masses of the people.

At the personal request of Mr. Bryan, I went to Baltimore and he personally introduced me to the Democratic platform committee in 1912; I spoke about 20 minutes, exposing the joker in the Aldrich central-bank measure—the fact that the Aldrich measure, if passed, could not be repealed for 50 years, it being a charter under Supreme Court decisions—and I urged a plank condemning the Aldrich central-bank scheme, and that plank was in the Democratic platform of 1912.

Present Democratic leaders have since discovered that in some very vital ways their party leaders in 1913 were deceived and overreached by some of their financial advisers, and that the Federal Reserve law in fact created and legalized private control of the public currency, and a complete exclusive monopoly of the issuance and control of the whole public currency and of all bank credit based on such currency.

Paul M. Warburg, claimed to be and was the actual author of the Aldrich central-bank scheme with its 12 regional branches, and as President Wilson made him a member of the Federal Reserve Board at the very beginning, it is fair to assume that directly or indirectly his was the clever hand that framed the Federal Reserve System composed of 12 regional-central banks all tied together by the Bankers Advisory Council.

The law of 1913 was safer in that there is reserved to Congress the right to repeal or amend the law any time, but the functions and powers under that law were very largely identical with those of the Aldrich measure. Both took control of the public currency away from our Government and granted it exclusively to the Federal banks owned by their member banks.

The promised "elastic currency" is a myth—it does not expand and contract automatically but in accordance with the wishes of the banking system—therefore it increases when it should decrease, and it decreases when it should increase, the result being a boom or a depression. Private control of the public currency and its Federal Reserve machinery ruined the country, and the banking system which now demands that it be left in position to do the same thing again in the same way.

The nominal public control provided in the pending bill never could work so badly as has private control—the country and business never will be safe until the Government owns all of the Federal banks and uses them to control the currency and not to do a banking business.

Respectfully yours,

ALFRED OWEN CROZIER.

LONG ISLAND CITY, N. Y., May 3, 1935.

HON. SENATOR DUNCAN U. FLETCHER,
Chairman Senate Committee on Banking and Currency,
Washington, D. C.

DEAR SIR: We respectfully submit the following facts for your serious consideration:

1. The ----- Bank of this city has begun to charge us \$2... per month service charge, the first time since we opened our account, over 10 years ago.
2. This, despite the fact that our average balance has been higher than ever before, namely about \$250....
3. We are advised by the bank that we must carry an average balance of at least \$1,000... to avoid service charge, if we maintain the same activity.
4. Our activity consists in writing 2 to 3 checks a day.
5. The local banks have combined to make uniform service charges so that we cannot get relief by changing our bank.
6. Two dollars and .. cents a month amounts to \$24... a year. With about 1,000,000 small checking accounts in the country the bankers have set out to collect about \$24,000,000 from the people. According to the ideas of the bankers, this can be avoided only if the people deposit with them, for cold storage, approximately \$1,000,000,000.

Does our Government of the people stand for this? If not, how can we save ourselves from such abuse? Have the banks forgotten that only a couple of years ago they were saved by intervention of our Government? Government action is necessary to avoid the people's concerted action which would be disastrous for all concerned. Your reply and advice would be greatly appreciated.

Respectfully yours,

(Signed) F. JACOBSON.

TENNESSEE VALLEY AUTHORITY

The Senate resumed the consideration of the bill (S. 2357) to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for the reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama; and for other purposes", approved May 18, 1933.

Mr. NORRIS. Mr. President, at the time we took a recess the Senator from Iowa [Mr. DICKINSON] had the floor. I do not see him in the Chamber at the present time.

Mr. McNARY. Mr. President, I have sent for the Senator from Iowa, and I think I shall suggest the absence of a quorum.

The VICE PRESIDENT. The Chair will recognize the Senator from Nebraska on the particular bill now pending.

Mr. NORRIS. I am ready to proceed.

Mr. COUZENS. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. COUZENS. I think we might, while waiting for the arrival of the Senator from Iowa, consider an amendment which I have offered, and which is now on the table. Has the Senator from Nebraska any objection to taking up that amendment now?

Mr. NORRIS. No; I should be glad to have that done.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Michigan.

The LEGISLATIVE CLERK. It is proposed, on page 7, line 16, after the word "according", to strike out all down to and including the comma after the word "Board", in line 17, and to insert in lieu thereof the following: "to the uniform system of accounting for public utilities as accepted by the Bureau of Internal Revenue."

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. NORRIS. Mr. President, I anticipated that the Senator from Michigan would have some remarks to make about the amendment. I have no objection to the amendment, except that I understand that the Federal Power Commission now has the power under general law to provide for a uniform system of accounting as applied to private utilities, and I suggest to the Senator from Michigan that instead of the Bureau of Internal Revenue he insert in his amendment the Federal Power Commission. If I am misinformed about the existing law, then, of course, I would not suggest this change, but I understand that the law is as I have stated it.

The VICE PRESIDENT. Does the Senator from Michigan [Mr. COUZENS] desire to modify his amendment?

Mr. COUZENS. Mr. President, when we enacted the Federal Power Commission Act I think it was drafted by me, and at least passed upon by the Interstate Commerce Committee, and the only power given to the Federal Power Commission, obviously, was to regulate the accounting systems of their licenses. For example, they licensed a certain water-power company and under the licensing agreement, which provided for recapture in 50 years, they obviously had to set up the method of accounting, and it had to be uniform.

In spite of what the Senator from Nebraska says, I know that the Federal Power Commission has absolutely no control over the private operating utility companies, not to say anything about any control over the Nation-wide holding companies. However, in the credits which are allowed for deduction in income taxes, the Bureau of Internal Revenue has a uniform system of allowing credits of all kinds for obsolescence and depreciation, and that is the reason I offer this amendment, and I do not desire to have it changed.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. COUZENS. I yield.

Mr. NORRIS. I accept the statement of the Senator from Michigan, of course, about the existing law. The only reason why I suggested the change was because I feared if the Power Commission made a different rule for private companies than the Internal Revenue Bureau would make for the Government company there might come an objection, it seems to me, from private companies, which would be well founded, that they ought to be treated just the same, so far as their accounts are concerned, as any other company; but in view of the statement made by the Senator from Michigan I have no objection to the adoption of the amendment he has presented.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. COUZENS].

The amendment was agreed to.

The VICE PRESIDENT. The bill is before the Senate and still open to amendment.

Mr. LOGAN. Mr. President, I have an amendment which I desire to offer.

Mr. NORRIS. Mr. President, I was just going to offer some amendments.

Mr. LOGAN. Very well, I will wait until the Senator from Nebraska shall have presented his amendments.

Mr. NORRIS. I have three amendments, all of which I discussed the other day, and I will not again discuss them unless some Senator has questions to ask.

On page 4 of the bill, line 12, after the word "to", I move to insert the words "transmit and", so that it will read "transmit and market such power."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. NORRIS. The next amendment I propose I send to the desk and ask to have read.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the end of line 22, page 3, it is proposed to add the following:

The Board is also authorized to experiment in the production of chemicals and other modes and methods for the extermination of noxious weeds and the destruction of plants injurious to agriculture.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. NORRIS. I offer another amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. 13. That section 4 of said act of May 18, 1933 (48 Stat. 58), be amended by adding subsection (1) as follows:

"(1) Shall have power to advise and cooperate in the readjustment of the population displaced by the construction of dams, the acquisition of reservoir areas, the protection of watersheds, the acquisition of rights-of-way and other necessary acquisitions of land, in order to effectuate the purposes of the act; and may cooperate with Federal, State, and local agencies to that end."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. LOGAN. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to add a new section as follows:

SEC. 14. The Cumberland River and Cumberland River Basin shall be included by the provisions of this act, and the "Tennessee Valley Authority" shall exercise the same jurisdiction and power over the Cumberland River and the Cumberland River Basin as over the Tennessee River and the Tennessee River Basin, and all the provisions of this act that apply to the Tennessee River and the Tennessee River Basin and the Mississippi River Basin shall likewise, and with like force, apply to the Cumberland River and the Cumberland River Basin.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. DICKINSON. Mr. President, continuing the discussion which I started the other day, I am inclined to think the amendments which have just been adopted broaden the bill to the point where it is more offensive to the authority of the Constitution than it was theretofore. My discussion led up to the question whether the fact that Congress has the right to control navigation and flood control, in connection with which and incidental thereto power is produced, carries with it the right to produce electrical energy, purchase equipment therefor, build distributing lines, and extend such activities to the point where they become the major enterprise rather than the first or primary purpose of the legislation.

Citing again the decision of Judge Grubb in the case of *Ashwander v. Tennessee Valley Authority* (8 Federal Supplement), I now read from page 896 as follows:

The fact that purposes other than navigation, national defense, or regulation of proprietary property are incidentally served would not invalidate the exercise of the authority conferred, even if the other purposes alone would not have justified an exercise of the power. However, if the other purposes are not related to any constitutional powers or are not incidental to their exercise, they stand independently for their legality and are not supported by

them. A plan for the development of the Tennessee River Valley, as a social experiment, is in no sense related to the improvement of navigation of the Tennessee River, or to the national defense, or to the regulation of Government-owned lands, and the production and sale of electrical power in aid of such development and experiment would not be incidental or related to the exercise of any of the constitutional powers named.

The only reason why I am discussing the bill at all is because I do not believe we ought to give the Supreme Court the impression that, without anyone objecting whatsoever, we seek to extend the power to make a navigation project into a project for the production of power, so that project becomes a power project rather than a navigation project. The Senator from Nebraska referred the other day to the case of the Railroad Retirement Board as petitioners against Alton Railroad Co. I am going to make two references to the case. In the printed opinion at page 15, I find the following:

Several purposes are expressed in section 2 (a), amongst them: To provide "adequately for the satisfactory retirement of aged employees"; "to make possible greater employment opportunity and more rapid advancement"; to provide by the administration and construction of the act "the greatest practicable amount of relief from unemployment and the greatest possible use of resources available for said purpose and for the payment of annuities for the relief of superannuated employees." The respondents assert and the petitioners admit that though these may in and of themselves be laudable objects, they have no reasonable relation to the business of interstate transportation.

After a thorough discussion the majority opinion of the court, quoting from page 19, holds:

The petitioners, conscious of the truth of this statement, endeavor to avoid its force by the argument that social and humanitarian considerations demand the support of the retired employee. They assert that it would be unthinkable to retire a man without pension, and add that attempted separation of retirement and pensions is unreal in any practical sense, since it would be impossible to require carriers to cast old workers aside without means of support. The supposed impossibility arises from a failure to distinguish constitutional power from social desirability. The relation of retirement to safety and efficiency is distinct from the relation of a pension to the same ends, and the two relationships are not to be confused.

In the final analysis, the petitioners' sole reliance is the thesis that efficiency depends upon morale and morale, in turn, upon assurance of security for the worker's old age. Thus, pensions are sought to be related to efficiency of transportation and brought within the commerce power. In supporting the act the petitioners constantly recur to such phrases as "old-age security", "assurance of old-age security", "improvement of employee morale and efficiency through providing definite assurance of old-age security", "assurance of old-age support", "mind at ease", and "fear of old-age dependency." These expressions are frequently connected with assertions that the removal of the fear of old-age dependency will tend to create a better morale throughout the ranks of employees. The theory is that one who has an assurance against future dependency will do his work more cheerfully and therefore more efficiently. The question at once presents itself whether the fostering of a contented mind on the part of an employee by legislation of this type is in any just sense a regulation of interstate transportation. If that question be answered in the affirmative, obviously there is no limit to the field of so-called "regulation." The catalog of means and actions which might be imposed upon an employer in any business tending to the satisfaction and comfort of his employees seems endless. Provision for free medical attendance and nursing, for clothing, for food, for housing, for the education of children, and a hundred other matters might with equal propriety be proposed as tending to relieve the employee of mental strain and worry.

In addition to that, as cited by the Senator from Nebraska the other day through his reference, I find that in the minority opinion Chief Justice Hughes read from the report of former Senator Sutherland, who is now an Associate Justice, which report is found in Senate Document 338, Sixty-second Congress, second session, and among the principles announced was that—

If the proposed legislation effectuates any constitutional power, it is not rendered unconstitutional because to a greater or less extent it may accomplish or tend to accomplish some other result which as a separate and independent matter would be wholly beyond the power of Congress to deal with.

The question here is whether or not we are, in attempting to control the surplus power, embarking the Government upon the public-utility business in a way that is not authorized under the Constitution. Can such a procedure be said to be incidental to the powers granted in the bill which are

within the provision of the Constitution? That is the phase of the matter to which I desire briefly to address myself.

I think there are certain tendencies being shown here all along the line that the major purpose of the Tennessee Valley Authority is not to increase navigation or make navigation more certain or to do the things which are within the constitutional power of the Congress. I think it is clearly developing that the whole program of the Tennessee Valley Authority is outside of the real authority intended to be granted, and for that reason many of the functions of the Tennessee Valley Authority are beyond the authority which it was intended should be granted this organization by the legislation heretofore enacted.

In order to show the tendency of the present Tennessee Valley Authority I am going to quote from the hearings in 1934 before the House committee on the deficiency appropriation bill, at which time Dr. Morgan was a witness. I find that in this testimony he cites as the matters to which they are looking forward various phases of the work, and in these citations he always gives emphasis to the production of power, to the lowering of rates, to the improvement of the social conditions of the locality. He does not emphasize, and did not emphasize, the question of benefits to navigation, or benefits in the way of flood control.

In this hearing one of the things that Dr. Morgan specified first was that they were going to determine what type of raw materials could be found in those localities, and he said they proposed to find a way, through cheap power, of utilizing and manufacturing those products. I do not see how that can be held to be an outgrowth of navigation, how it can be connected up with navigation, how in any way flood control or the activities which are authorized under the Constitution can be hooked up with a program such as Dr. Morgan describes. He is conscious of the fact that the coal producers have been making objections to some of the things that are being done in the Tennessee Valley, on the theory that when power is produced and displaces coal the miner engaged in producing coal may be thrown out of work. Dr. Morgan speaks of the various phases of their work, and then he comes down to the item of ceramics, pottery.

Reading from Dr. Morgan's testimony, at page 276, he says:

For instance, in the past 2 or 3 years the electric firing of ceramics—that is, pottery, etc.—is just taking all Europe. We get a large part of our pottery imported from foreign countries and they are abandoning firing by coal and gas. They are taking on firing by electricity which is far more economical.

Now, we have the best ceramic material in the world right there.

I am not disputing any of these suggestions by Dr. Morgan. I am simply reciting them to show that in his mind that which is uppermost is the effort to ascertain what can be done down there to create new industry, and improve the social and living conditions of the country. I am not adverse to a program of that kind. My challenge is whether or not it is subsidiary to and connected with the production of surplus power.

Mr. BONE. Mr. President—

The PRESIDING OFFICER (Mr. McCARRAN in the chair). Does the Senator from Iowa yield to the Senator from Washington?

Mr. DICKINSON. I yield.

Mr. BONE. As I listen to the Senator's argument I desire to get one point plain in my mind, because the Senator is the spokesman of the Republican Party on the floor of the Senate.

Mr. DICKINSON. I do not claim to be a spokesman for any party. I am just a work horse.

Mr. BONE. The Senator will allow me to draw my own conclusions, for he has been the spokesman for the Republican Party throughout the West, and has so assumed to speak to public bodies. I should like now to have the Senator tell me whether his opposition to the Muscle Shoals project speaks the opposition of the Republican Party to public ownership of power.

Mr. DICKINSON. I have never talked on the question with any other Republican, and I have never been consulted by any other Republican.

Mr. BONE. I may say to the Senator that I intended to use his observations in the West, where the Republican organizations and Republican spokesmen seem very thoroughly set on the idea of having the Grand Coulee and the Bonneville projects built, and I merely wish to know whether the Republican Party in the East rises to damn those projects. If that is to be the Republican theorem, I wish to know it and to be able to tell the people in the West that such is the case.

Mr. DICKINSON. Let me ask the Senator from Washington whether, regardless of whether or not this is permitted under the Constitution, he wishes to proceed with it anyway.

Mr. BONE. I merely wish to know whether the Senator speaks the Republican viewpoint on this question. Just forget the Constitution for a moment.

Mr. DICKINSON. I have made no suggestion that I am speaking for anybody other than myself.

Mr. BONE. I understand; but the Senator is making very plain his opposition, and I am going to use the Senator's statements as the position of the Republican Party.

Mr. DICKINSON. Permit me to assure the Senator from Washington that he may use my opposition in any way he wishes.

Mr. BONE. Exactly, and that is what I propose to do—but I merely want the Senator now to make it plain—I think he wishes to be fair—that the Republican Party hates public ownership of power. Be honest with us, and say so.

Mr. DICKINSON. I have never suggested that the Republican Party had anything to do with my stand, and I do not now so suggest. The Senator cannot quote me as controlling the Republican Party. I do not control it. I am against public-utility ownership by the Government.

Mr. BONE. Exactly. Now the Senator has made it very plain.

Mr. DICKINSON. I am speaking for myself personally when I say that. I do not think the Government ought to go into the public-utility business.

Mr. BONE. No; but I think the Senator has been the spokesman of the Republican Party, and I think the Senator is going to make it very plain to us, as other members of his party here do, that the Republican Party hates and will bitterly fight public ownership of power. Let us make that very plain to the whole country, so that we shall have no illusions about it.

Mr. DICKINSON. I will make it very plain to the Senator from Washington right now that I am opposed to it.

Mr. BONE. Exactly; and the Republican Party is. Let us not try to "kid" the country.

Mr. DICKINSON. I am not committing the Republican Party at all. I am saying to the Senator, and I am going to say to the Senate, why I am opposed to this measure. Personally, I do not believe the Government ought to go into this business. I am going to try to show why I do not think it is within the provisions of the Constitution, and I am also going to state it on my own responsibility. Whether or not the Republican Party wishes to adopt a program of that kind is purely its own business.

Mr. BONE. Mr. President, will the Senator yield? I do not desire to divert the Senator.

Mr. DICKINSON. The Senator is not going to divert me.

Mr. BONE. I understand; the Senator is too able a platform man to be diverted by a tyro like myself; but I wish to say to the Senator that the opposition of the Republican Party in the West to public ownership of power was not predicated on constitutional grounds, but on the grounds which the Senator always emphasizes, that he does not want the Government in competition with the power trust.

Let us be perfectly fair about this matter. The only reason I have ever made these suggestions on the floor of this body is that I want men to be fair about this thing, and not hide behind the skirts of the Constitution, but come out bluntly and say they object to public ownership

of power. I think the people of this country now are fully prepared to understand that the constitutional objection is raised here when it is not raised in areas of the country where it could not be raised. In my State there was no question about the right of the people to go into the business of developing power plants and selling power, and out there the opponents of the projects did not raise this constitutional question. Opponents stressed the idea that there was something grossly immoral about the people themselves producing power.

Mr. DICKINSON. Let me say to the Senator that in the State of Iowa municipal ownership is permitted and is practiced. There is no restriction whatsoever on it. I am not for the Federal Government coming out there and going into the power business, but I am for permitting the municipalities to do what they please about it. I suggested the other day that I was not for the Tennessee Valley Authority having permission, through a type of authority, to go into a locality and force elections taking taxable property out of the tax list and leaving the citizens without that source of revenue purely on the theory that lower rates are to be thus obtained, on the theory that great benefits are to result from public ownership, when, as a matter of fact, experience has shown that public ownership is not the most beneficial procedure.

Mr. BONE. I am glad—

Mr. DICKINSON. Please wait until I proceed further. Just wait a minute.

I have here a chart which shows that from 1913 to 1934 there has been a decline of over 40 percent in the price which families have paid for power for use in their own homes. As a general rule, power rates have been going down all the time. On the other hand, what is happening with reference to taxation? Taxation—Federal, State, and local—has been going up all the time; it has gone up over 800 percent. I can remember when the electric-light bill was considered to be high, and our taxes were considered to be low. Now, as a matter of fact, we do not have complaint with reference to the price being paid for electric light, but we find that our local taxes are going up all the time, all along the line. I desire to suggest, also, that every time a State or a municipality or some other function of government engages in the operation of a plant of this kind the result is to take out of the taxable assets a valuable property and to put it over in the exempt column; and that is one of the things which are now happening in the Tennessee Valley.

Mr. NORRIS. Mr. President, I think the Senator will modify his last statement when he obtains the facts. The condition in the Tennessee Valley, where he says that is going on, is best illustrated by the town of Tupelo, Miss., where the Tennessee Valley Authority is furnishing current to the municipality. The price of electricity went down more than half. The provision under which the town obtained electricity from the T. V. A. provided that they should pay to the municipality the same amount of money in lieu of taxes that the private company would have paid had they owned the property; also that they should pay to the municipality an interest rate on the investment in the property which the town owned. The result was that, while rates went away down, consumption more than trebled, and the money was paid for taxes just as though the plant had been privately owned.

That contradicts point-blank the statement of the Senator from Iowa.

Mr. DICKINSON. The Tennessee Valley Act contains a provision, which has been referred to by the Senator, which I think is very fair. However, we find a difference when we go into other States, when we go into my city, for instance. I was city clerk for a number of years when we had a municipal electric-light plant, one of the most successful, I think, that has ever been established out in our section of the country, and our rates were perfectly satisfactory. We have never had any difficulty with them whatsoever, although that plant does not pay a dollar of taxes to our town. I say that that town ought to have the privilege of having a municipal electric-light plant if it wants to. I have no objection to

that. The question I am raising is whether or not there ought to be a superpower authority which tries to use influence that will convince people that they ought to have a municipal plant when, as a matter of fact, I think they ought to decide it for themselves.

Mr. NORRIS. Mr. President, if the Senator will permit an interruption there—

Mr. DICKINSON. I yield.

Mr. NORRIS. I have no figures here, but the Senator can take any town in the Tennessee Valley where they have had an election to decide whether there should be a municipal distributing plant to buy power from the T. V. A., and there is no question on earth but that some more money, three times more money, was used by the private interests to defeat such an ordinance than was used to bring about the adoption of that kind of an ordinance.

Mr. DICKINSON. I have never made an investigation along that line, but I am very familiar with the town in Mississippi referred to. Dr. Morgan covers it in his testimony. I do not believe that the Tennessee Valley Authority knows now the rate at which it can furnish power. I do not believe this activity is advanced to the point where they can fix a rate on power which can be depended upon for the future.

Mr. NORRIS. Will the Senator yield again?

Mr. DICKINSON. Certainly.

Mr. NORRIS. If this country is to be ruled by injunctions issued by judges, and the Tennessee Valley Authority is to be restrained by judges from building any more lines, from building any more dams, from building any transmission lines, then it is true that it must fail, because it is admitted, to start with, that the Tennessee Valley Authority cannot furnish power, for instance, to a town like Tupelo, Miss., at the price at which they are now furnishing it unless they are also permitted to sell to other municipalities the electricity which is now going to waste by the hundreds of thousands of dollars worth on account of that injunction. It is true that if an injunction is issued when they are supplying one town restraining them from supplying any other town, the enterprise must fail, because they must supply more than one town in order to succeed. However, I will say to the Senator that before any of these rates were computed they were investigated by the best engineers obtainable, and experience has shown that the rates to be fixed at Tupelo will eventually be very much lower unless the Nation is turned over to injunctions issued by the courts, and the courts run the country.

Mr. DICKINSON. I do not concur in the view of the Senator that if the injunction in the case we have in mind shall stand the Authority will not build any more dams. All the injunction does, as I understand, is to prevent the Authority from going into the public utilities business in the matter of building distributing lines, generating plants, and so forth.

Mr. NORRIS. The Senator has been very courteous in yielding to me, and I will not interrupt him unless he is perfectly willing that I shall do so.

Mr. DICKINSON. It is perfectly agreeable.

Mr. NORRIS. The Senator has been speaking about the injunction issued by Judge Grubb?

Mr. DICKINSON. Yes.

Mr. NORRIS. That injunction provided that the Tennessee Valley Authority should be restrained from making any improvements, building any transmission lines, or supplying any one of the 14 towns in Alabama they were going to supply. It concluded by saying that if the T. V. A. had any activity it wanted to follow it was at liberty to apply to the court for a change in any particular in the injunction which had been issued.

Relying on that, some farmers living within a few miles of the Wilson Dam, where at this moment hundreds of thousands of dollars' worth of power is going to waste and doing nobody any good, applied to the T. V. A., after the injunction had been issued, asking them to build a transmission line and supply them with electricity.

It was not a case where there were customers to be taken from any other power producer. Those farmers were with-

out electricity. The Alabama Power Co., surrounding them on all sides with wires, had been there for years and years, and not a kilowatt had been furnished to these farmers. So the farmers asked the T. V. A. to make a survey. They made the survey, concluded that it would be a good thing to comply with the request, decided that they could afford to build a transmission line at the price agreed upon, and sell the farmers electricity.

The line would have been 15 miles long, connected with no private lines, having nothing to do with anything of the kind, but running directly from the Wilson Dam. However, the Authority had to go to the court and, with hat in hand, had to say to the judge, "Notwithstanding the fact that Congress and the President have given us authority, you are greater than all of them, and we want you to permit us to supply these farmers with electricity", and the judge turned down the application on an affidavit from the manager of the Alabama Power Co., which, incidentally, was supposed to be with the defendant. I have a copy of the affidavit on my desk. The reason for turning it down was that the manager of the Alabama Power Co. said in his affidavit, "If you supply these farmers with electricity at the rate you propose to give them it will make our customers in the surrounding villages and cities discontented, because they are paying us a higher rate." So the judge turned it down. That is government by injunction.

Mr. DICKINSON. Mr. President, it is my impression that there are two distinct policies here, and I know the Senator has been fighting for one for a good many years; that is, that the people shall have the right to construct transmission lines and distributing lines. It is my understanding that at the Boulder Dam all of the electricity is sold at the switchboard. The question here—and I think it is purely a constitutional question, and it may be that we ought to change the Constitution—is whether or not, under the Constitution as it now stands, we are permitted as a government to go into the sale of power, through transmission lines and distributing plants and generating plants. I think it is a clear-cut case.

Mr. NORRIS. I take it from what he says that the Senator would like to have the Tennessee Valley Act modified so that the Tennessee Valley Authority would not be able to transmit power, but would have to sell the power at the bus board where it is produced. That was the basis of a controversy, and I admit that it is a two-sided question. The power companies are all on one side and the people are on the other. That was the question which presented itself to those of us who were members of the committee of conference between the Senate and the House when the Muscle Shoals controversy was before us. The original Senate bill provided, as did every Senate bill with which I had anything to do, that the Corporation set-up, known as the "T. V. A.", would have a right to transmit the power. The opposition on the conference committee, controlling the House vote, was against that proposal. They said:

We will make no further objection to the Muscle Shoals bill if you will simply agree that they cannot transmit power but must sell it at the bus board.

What would have been the outcome? As I looked at it, and as I look at it yet, it would have been entirely useless to enact the Tennessee Valley Authority law—I would not have favored it—because at Muscle Shoals, for instance, where the Government owns a great dam and a great steam plant, it would have meant that they would have had to sell all their electricity to the Alabama Power Co. There would have been no other customer. If they did not sell it to the Alabama Power Co., every one of the municipalities would have to build a transmission line to the Government place of generation in order to obtain any power.

Mr. DICKINSON. Could not the farmers, to whom the Senator has referred, have presented their application to the Authority and have taken their electricity from the switchboard?

Mr. NORRIS. They could have done so, but they would have had to build a transmission line; and if the Senator had had his way, the city of Florence would have had to do the same thing. Tuscumbia, another city, within sound of

the roaring water, would have had to build another transmission line; and all the other towns would have had to do the same thing. Moreover, the dam is near the Tennessee line. Suppose a municipality in Tennessee wanted to come there and get electricity. It could not build a transmission line in Alabama without the consent of Alabama. The result would have been that there would not have been any transmission lines; but if there had been, there would have been a multiplication of them by the hundreds.

Mr. DICKINSON. The thought I had in mind was simply that there would be no reason why numerous municipalities could not join and be served by the same line.

Mr. NORRIS. They could, but it would have been extremely difficult. If a State line had to be crossed for practical purposes, it would have been an impossibility; it could not have been done.

Mr. DICKINSON. Will the Senator please suggest what he thinks is the conflict of interest between the right of a State to control rates under a State utility commission as against the Tennessee Valley Authority and their control of rates?

Mr. NORRIS. Of course, that is not involved in this proposed legislation at all; but I have no hesitancy in saying that the Tennessee Valley Authority would have a right to make a rate in Alabama and in Tennessee, and, under the law, the rates would have to be the same, of course, making allowance for differences in distance and other distinctions which might arise; but they would have no right under the T. V. A. Act to discriminate, and charge one town a higher price than they would charge another for the same kind of service.

Mr. DICKINSON. I agree with that; but the Tennessee Valley Authority also would have a right to make a rate in conflict with a rate fixed by a State authority.

Mr. NORRIS. I should think so; yes.

Mr. DICKINSON. That was my impression.

To show the drift that this matter has taken, I think it is tremendously interesting to note the various proposals which are now being advanced. I concur in the statement that the Grubb decision is a very far-reaching decision. If the Grubb decision should be affirmed by the United States Supreme Court, and the Government should wish to pursue the plan suggested by the Senator from Nebraska, we would probably have to have a constitutional amendment in order to permit it to be done. I see no way whereby we can possibly say that this is an incidental endeavor to a thing which is already authorized under the Constitution, and that is the reason why I am discussing it.

Mr. NORRIS. Of course, I do not agree with the Senator in that respect. That phase may be the most important phase. It may be more important than navigation, more important than flood control.

Mr. DICKINSON. Does not the Senator think it is more important?

Mr. NORRIS. In some cases I think it would be; but, considering the constitutional peg upon which the Senator hangs his argument, everything that may result from the exercise of the constitutional power in a systematic, economical manner must follow, it seems to me. If I am not right, then we should need a constitutional amendment if we should carry on what we propose to do.

I entirely agree with the doctrine laid down in the dissenting opinion by Chief Justice Hughes which the Senator has already read. It seems to me it states the matter clearly and concisely. While it is a minority opinion, nevertheless, as the Senator recognizes, the Chief Justice quotes from the language of a member of the Court who joined in the majority opinion, namely, former Senator Sutherland. If the Senator will permit me, I should like to read it now.

Mr. DICKINSON. Certainly.

Mr. NORRIS. It illustrates what I am trying to show.

A thorough examination—

Says Justice Hughes—

of the question of constitutional authority to adopt such a compulsory measure was made some years ago by a commission con-

stituted under a joint resolution of Congress, of which Senator Sutherland (now Mr. Justice Sutherland) was chairman. Its elaborate and unanimous report, transmitted to Congress by President Taft with his complete approval, considered the constitutional question in all aspects, upheld the congressional power, and proposed its exercise. Among the principles announced was that "If the proposed legislation effectuates any constitutional power, it is not rendered unconstitutional because to a greater or less extent it may accomplish or tend to accomplish some other result which, as a separate and independent matter, would be wholly beyond the power of Congress to deal with."

In other words, I think if Congress builds a dam to assist in navigation, which it is conceded it has a right to do, or to authorize the T. V. A. to do; and if, in the building of that dam, electricity is developed, an amount of electricity which standing alone, by itself, would be a very important item—an immense quantity of it, say 100,000 horsepower, more than sometimes, in some seasons of the year, is developed at Wilson Dam—as I see it, it would be perfectly foolish to say to the T. V. A., "You have a right to build that dam, that is constitutional, but you have no right to make any electricity. It must go to waste if you make it. You can use only enough to operate governmental facilities, and beyond that it must go to waste." I do not think that is good doctrine.

Mr. DICKINSON. No. Would the Senator say, however, by reason of the fact that the T. V. A. produces electricity, that the Government ought to give the T. V. A. the right to build the transmission lines, and to extend them all over the country, to transmit the whole supply to the various farms?

Mr. NORRIS. Yes.

Mr. DICKINSON. And also to sell electrical equipment, in order to school people in the use of electrical equipment?

Mr. NORRIS. Yes; I should say that wherever electricity can be used by means of transmission lines, or wherever it can be bought by people, the Authority should have a right to transmit it. In other words, if it is produced, as it is, at Wilson Dam, and it cannot be disposed of, we place ourselves at once in the hands of the Alabama Power Co., the only instrumentality which can distribute it.

Suppose that dam produced wheat instead of electricity: Would the Senator say it could not be sold anywhere but in the immediate neighborhood? Suppose it produced bread; suppose it produced some chemical, and over 10 miles away there was a market for it. Could it not be taken over to the market?

Mr. DICKINSON. I should dislike to say, if it produced wheat, that we could go into the milling business, and then into the bakery business, and then into every other business, including the delivery of bread to the consumer.

Mr. NORRIS. The Senator, I think, is in error. The Government does not do that. The Government does not go into the towns, into the homes of the towns. The Government sells the electricity to the towns.

Suppose wheat were produced and the nearest mill were 50 miles away, would the Senator prohibit the Government from taking the wheat to that mill where it could be ground into flour? The Government takes the electricity to the municipality, sells it to the municipality, and the municipality does the distributing. It sells the electricity to the people who use it.

Mr. DICKINSON. Let me suggest that if there is authority for the creation of the Electric Home and Farm Authority there is authority directly to do all the things which that agency does.

Mr. NORRIS. But the T. V. A. did not create that agency. The Senator must not insinuate that.

Mr. DICKINSON. Who did create it?

Mr. NORRIS. The President created it out of a fund which Congress had appropriated and given him for various purposes. The T. V. A. did not create that agency.

Mr. DICKINSON. It is not an agency of the Tennessee Valley Authority?

Mr. NORRIS. No; it is not a subsidiary in any sense.

Mr. DICKINSON. It was supplied with funds, of course, by the Public Works Administration?

Mr. NORRIS. Yes.

Mr. DICKINSON. There is no question about that.

Mr. BONE. Mr. President—

The PRESIDING OFFICER (Mr. MALONEY in the chair). Does the Senator from Iowa yield to the Senator from Washington?

Mr. DICKINSON. I yield.

Mr. BONE. May I ask the Senator if it is his viewpoint as a lawyer that the effect of the Grubb decision, if sustained, will be absolutely to forbid the United States Government, through any of these agencies which it has created, to enter into the power business and to sell power commercially?

Mr. DICKINSON. Does the Senator mean to retail it?

Mr. BONE. Yes; or to wholesale it outside.

Mr. DICKINSON. I think that will be the effect.

Mr. BONE. That is what I am getting at. In other words, if the Grubb decision, or the logic of that decision, is sustained by the Supreme Court, that virtually means the end of plants such as Muscle Shoals, Grand Coulee, Casper-Alcova, and Boulder Dam with respect to their power attributes; that is, the production and sale of power?

Mr. DICKINSON. No; with respect to their going into the retail business. They can produce power, however.

Mr. BONE. But can they go into wholesaling, in selling to cities and communities?

Mr. DICKINSON. That is retailing.

Mr. BONE. In other words, they cannot go beyond the mere production of a sufficient amount of energy to operate the governmental facilities at the dam—that is, for pumping the water, for lifting the gates, or something of that sort? That is correct, is it?

Mr. DICKINSON. They have the right to sell the surplus power which they produce at the switchboard, but they would not have the right to go into the erection of transmission lines and the distribution and sale of the power to municipalities or to any other type of distributing organization.

Mr. BONE. The Senator does not assume, I take it, that if a maximum of 5,000 horsepower were required to operate the facilities at the plant, the plant then might legitimately install generators and dynamos to produce 100,000 horsepower of energy, because obviously 5,000 horsepower would be all that would be required to operate the wheels of the dam and the motors for the gates. The Senator contends, I understand, that if 100,000 horsepower were developed and the surplus were sold, that that would be going into the power business?

Mr. DICKINSON. That would be going into the power business.

Mr. BONE. That is what I want to get at.

Mr. DICKINSON. For instance, we find that various bills, which are called "model bills", have been sent out by the administration to legislatures in the various States of the Union. That action shows the effort of the Government to control the legislation in the various States of the Union. I am glad to see that in the State of Iowa they threw the bills in the wastebasket, and that action was taken by a Democratic legislature and a Democratic Governor. None of the bills were given consideration.

Mr. BONE. Will the Senator yield?

Mr. DICKINSON. I yield.

Mr. BONE. What significance does the Senator attach to the fact that it was a Democratic legislature?

Mr. DICKINSON. They certainly are not sold on the Roosevelt program.

Mr. BONE. Does the Senator assume that a standpat Democrat is different from a standpat Republican when it comes to the matter of power?

Mr. DICKINSON. I do not know anything about standpat Democrats. All Democrats look alike to me.

Mr. BONE. The fact that so many Republicans share the Senator's viewpoint may account for the fact that his party failed to be returned to power in 1932.

Mr. DICKINSON. Let me state the purpose of these model bills or proposed forms of legislation which are being sent to the various States of the Union.

First, to regulate and conserve the State's water resources by regulating the use of water for power and other purposes.

Second, to create a State engineering control board which would have the authority to build dams, canals, and transmission lines for electric power, as well as steam-power plants. The bill appropriates \$2,500,000 of State money to be made available in 1935, and \$20,000,000 in State money to be made available in 1937.

I have no objection to any State which wishes to adopt a program of that kind adopting it. I have no objection to a municipality which wishes to go into the power business going into it. The question I am discussing is whether or not under the Constitution we may amplify such authority by legislation such as we are attempting here, and the reason why I have objected to this proposed amendment to the present law is because I think it does materially amplify the authority that has been given to the Tennessee Valley Authority along the lines that we have just been discussing. In other words, I think the principle is all involved at present, as I have said to the Senator from Nebraska, and that there is sufficient in the law at the present time so that a clean-cut decision may be rendered as to whether or not the Government has the constitutional right to create an agency that can go into a business of this kind.

What I have been fearful of, and what I think the passage of this bill will reflect, is that Congress has not only passed the previous legislation but it is rededicating and amplifying it by passing this proposed amendment to the existing law. I think the Senator from Nebraska will admit that it will have that effect.

Mr. NORRIS. Well, what is the objection to that?

Mr. DICKINSON. Why not let the Court first pass on the former act?

Mr. NORRIS. Suppose it is found in administering the act that Congress has failed to put in a comma where one should be or to dot an "i", even if an injunction has been issued on that ground, the Senator would not object to passing an act to remedy that defect? In other words, in this matter, if we all want to be fair—and I think the Senator does—we ought to give the T. V. A. a fair, honest bill of rights; and when the question goes to the Supreme Court, as it eventually will, if they decide that Judge Grubb is right and that the T. V. A. has not any of this authority, it will be something that we will have to submit to although it will be a bitter pill to take. But in the meantime it does not seem to me, as I look at it, that anybody ought to object to this bill, which simply proposes to clarify the existing act.

Mr. DICKINSON. I think it amplifies it very materially. In other words, it seems to me that the authority given the T. V. A. would be greatly amplified by this measure, if passed, so far as their right is concerned to go out and take over generating plants or transmission lines, and their authority to go into a locality and have their way in the matter of trying to have that locality cooperate with it and take the power from the Federal agency.

I also find in this Minnesota document that the bills that have been sent out from Washington have this further suggestion of legislation to—

Create a rural electrification board with authority to supply energy to any person or corporation without obtaining a franchise, and to issue bonds without limit not exceeding a life of 40 years, nor exceeding an interest rate of 6 percent.

I do not think that the Federal Government ought to be recommending that sort of thing.

Mr. NORRIS. Mr. President, is the Senator quoting from the proposed amendment to the law?

Mr. DICKINSON. No; I am quoting from the proposal sent out by the Federal Government to the State of Minnesota asking them to enact legislation which fits in with a type of Government power control such as we are discussing today.

A further suggestion is to—

Authorize any municipality to issue bonds in an unlimited amount by a three-fourths vote of its governing body for any public-works project of any kind whatsoever.

It does not seem to me that the Federal Government ought to be in the business of telling any municipality in any State how they may issue bonds or where they may issue bonds. I am not charging the Tennessee Valley Authority, I will say to the Senator, with making this suggestion; I think it comes from another branch of the Government, which is attempting to put on a program of electrification all over the country, and I am going to refer to that a little later.

Another suggestion is that the model bill should—

Authorize any city, village, or town in Minnesota to acquire and operate public utilities, specifically naming as public utilities, street-railway systems, bus lines, telephone systems, water-works, artificial or natural gas works, electric light, heat or power works, public docks, union depots, terminal systems, ice plants, stone quarries, and public markets.

This is a suggestion from the Federal Government, not from the T. V. A., which we are discussing today, but it is in line with the apparent motive that prompts this agency to suggest that the various States in the Union should modify their laws with reference to the public ownership and operation of utilities.

Also to—

Create a State commission to administer power districts under the guise of raising the standards of living in rural areas—

That fits in with what the T. V. A. are now attempting to do—

to issue bonds in any amount, make any contracts, and exercise power of eminent domain.

Furthermore, we find that there is a Presidential set-up under the new \$4,880,000,000 act recently passed which is in control of Morris L. Cooke, whose nomination, I think, is now before the Senate for confirmation. I noticed in the New York Times of recent date that he gives the various functions which he thinks ought to be carried out under the law referred to:

To facilitate handling, the projects were divided into four groups, as follows:

1. Federal projects: Those which originate in the departments or agencies of the Federal Government and are entirely financed by it.

2. Non-Federal projects: Those planned by individuals, public bodies, or political subdivisions and financed by loan or grant, or both. Applications on these will come through the Public Works Administration and its State directors.

3. Work-relief projects: Those financed and carried out by the works progress administration. These originate among the various political subdivisions of the country and their applications will come through the works progress administration and its local and State offices.

4. Administrative expense projects: Those which originate within the Federal departments and agencies and which provide for administrative expenses in planning, preparing, and carrying out projects.

Purchase of \$5,000,000 worth of additional equipment was authorized today by Robert Fechner, director of the Civilian Conservation Corps.

That is in cooperation with this program.

What I have read shows where these agencies are gradually leading us.

I also find in today's New York Times an explanation of the program of Mr. Cooke, in which he says:

Mr. Cooke indicated that if private concerns cooperated with the Government in extending electricity to farmers his policy would be to build up going concerns, and lend them money where necessary in the hope that with the production of greater power, the rates might be reduced.

He warned, however, that if the industry declined to offer facilities to the rural sections at reasonable rates, the Government might be compelled to buy plants here and there to control rates.

Since when should a Government agency be the supreme court on the question of electric-light rates in this country? It seems to me that it is the right of the people of Tennessee to fix the light rates which they are compelled to pay. It is the right of the people of the State of Iowa to fix the electric-light rates which they are compelled to pay. In Iowa we have always fixed our own electric-light rates, and I do not know of any particular abuse of the privilege. I do not know why we should be creating an agency of the Federal Government which is going to say, "If you do not do this in the way we want you to do it, and sell power at the price at which we want you to sell it, we are going to

come in and assume an authority over you and compel you to comply with our wishes."

I can well remember reading years ago that when the United States established the Post Office Department it was stated all over the world that we were attempting to do too much for the citizens of our country.

I do not believe that anyone wants now to retract one single, solitary privilege we have ever granted, so far as the free distribution of the mail is concerned. I can also remember that when we started Federal aid to the roads, people thought we were going too far, and I do not know but what we have gone further than we should have gone. Now, the question is, Should we go further than that and assume Federal control over education? Do we want to assume authority of that kind?

Mr. NORRIS. Mr. President, will the Senator yield there?

Mr. DICKINSON. I yield.

Mr. NORRIS. Of course, the Senator is citing incidents in past history which he remembers, but of which I have no recollection, though I have read about them.

Mr. DICKINSON. I said I had read about them; I do not remember them.

Mr. NORRIS. I am not old enough to go back that far in memory, but I think the Senator has stated fairly a proposition that has been true ever since the dawn of civilization, namely, that there never was an improvement made, there never was anything in the way of advancement proposed, there never was any movement in the direction of progress undertaken but there was always somebody there to fight it; and that will always be true, I presume.

Mr. DICKINSON. That is an indication of my fairness, I hope the Senator will admit?

I had referred to the public-highway situation. The next question, Is the Federal Government going to assume control over the educational facilities of the country? Are we going to say that the distribution of electricity is a function that must be put on a parity with some of these other proposals? I take it those who are anxious, as I have shown, to have the Federal Government reach out in all these different directions are willing that the Federal Government shall assume control and shall become the supreme authority in the matter of electric rates, though it is true we are starting in with a unit that only controls a district, one watershed, or whatever one may wish to call it.

Quoting further from the statement of Mr. Cooke—and this again is going to have a very far-reaching influence, I will say, in the matter of the expenditure of some \$300,000,000 under the Public Works Administration:

Every encouragement would be given to the private companies to enjoy additional revenues from rural electrification, but he added, if this is not done, the Government might have to form a Delaware corporation, similar to the Electric Farm and Home Authority, now prevailing in the Tennessee Valley, to carry out its plans to give the farmer the same facilities as are now enjoyed in the urban sections.

I am just as friendly to the farmer, I think, as is anyone; I want to see him have every privilege he can possibly have and can possibly afford. I believe that electrification can come from a dozen different sources. All our electricity does not need to be produced at big dams.

As a matter of fact, we have units which supply small towns, and villages and even small homes, known as the "Delco" electric-light plant. I do not know how successful they are now. I know they were used extensively in Iowa, and I think many of them are still being used. At any rate, prior to the time when there was such a widespread distribution by high lines, they were in common use.

My reason for suggesting this is that the privilege of enjoying electricity is not one which at the present time is denied to many people if they really want it. I know the object of the legislation is to have the Federal Government use every endeavor it can to distribute electrical energy at the lowest possible rate. I have no objection to that objective; I think it is a worthy one.

On the other hand, I believe it is the duty of the Tennessee Valley Authority to see that every dollar that is being paid to it out of the Federal Treasury shall be paid back. I

believe that is the ambition of the Senator from Nebraska, who has fathered the legislation. I know it is the ambition of Dr. Morgan, who heads the Tennessee Valley Authority. I do not know that the project is sufficiently well planned that we can give assurance to the American taxpayer that the money will be paid back; and that is an assurance which I think we ought to have, especially in view of the fact that we are now saying that for a period of 5 years we are going to guarantee the bonds of the T. V. A., principal and interest. That puts every American citizen into the electric-light business in the Tennessee Valley. That makes every citizen of every State of the Union an endorser of the notes to the amount of \$100,000,000.

The question I have in mind is whether the program has been worked out to the point where those in charge are going to be able to say definitely this money will be repaid. I remember very well when many irrigation projects were submitted to Congress and were shown to be plausible, and yet it is a sad story for us to contemplate when we analyze them and learn how few of them were ever able to put back into the Federal Treasury the advances made in their behalf.

I find that oftentimes the Government authorities are unable to complete the construction of their projects within the figure of the original estimate. I remember reading the other day in the famous book known as "Handout", wherein Dr. Tugwell says, with reference to the A. A. A., that he thought 50 men in Washington would be all that would be necessary to operate the Agriculture Adjustment Administration. That is the statement made in the book, a copy of which I have here. It is a statement made in the hearings and I have a copy of the hearings. Yet at the present time there are over 5,000 people here in the city of Washington on the payroll of the A. A. A. against Dr. Tugwell's judgment and advice that 50 men would be all that would be necessary.

There is another phase of this matter about which we ought to think seriously. I note in certain sections there is now being circulated certain propaganda, and I presume everyone knows it. I do not think I have any particular information that other Senators do not possess, but I find that as the attempt is made to develop various projects under the Tennessee Valley Authority, they are discouraging other sections of the country. I remember very well that not long ago it was suggested that the pottery industry was one of the industries of the country suffering severely from the depression, and yet I now find that the people in the pottery section of the State of Ohio are being circularized and invited to move their plant into the Tennessee Valley where there is cheap power. I am not charging that to the Tennessee Valley Authority. It is one of the incidental things that has grown up outside of the Authority.

Here is a letter to the Harker Pottery Co., of East Liverpool, Ohio, in which it is suggested, through a certain industrial and city planner at Florence, Ala., as follows:

We do not know if you have noticed the constant references throughout newspapers and periodicals on the part of the Tennessee Valley Authority officials predicting that this is destined to become the center of ceramics industry in America, and the Budget just submitted to Congress carries a large appropriation for the development of this industry in the Tennessee Valley.

That is true. The Budget does carry that appropriation. I have forgotten the amount, but I think it is an experimental appropriation for research, and so forth.

Besides being in an advantageous location to develop the field for distribution in that part of the country which is destined to grow more rapidly than any other section of the country for a number of years, there is also this vast potential field connected with governmental activities.

There is probably no project which the present administration is more desirous of making a success than the Tennessee Valley project, and while I cannot say this officially, I believe you will find that the Tennessee Valley Authority will cooperate to the limit on a basis that those who helped to make the new deal a success they in turn will reciprocate to the fullest extent.

This letter was received by the Harker Pottery Co. of East Liverpool, Ohio, and was signed "E. C. Pfahl Associates, industrial and city planning, Florence, Ala."

Further showing the intent of the present organization is largely that of power rather than of either flood control or navigation, I cite an article, *The Tennessee Valley Looks to the Future*, by Walter E. Myer. This article was published in the journal of the National Education Association and reads in part:

The Tennessee Valley Authority, or the T. V. A., as it is called, is doing its work in this territory. It is studying social conditions and social needs. It is making a survey of the natural resources, the soil, minerals, forests. It is canvassing the possibilities of water-power development and is actively at work harnessing the waters of the Tennessee and its branches, creating a great integrated power system. It is already generating electric power and selling it at low rates. It is devising means of preserving the fertility of the soil, of checking erosion, of encouraging the reforestation of the wooded regions.

The reason I read that is to show the ramifications, to indicate where this is leading us, and that outside of the production of surplus electrical energy we are reaching into practically every phase of life in the Tennessee Valley. We could not pass an original act for that purpose. We could not pass an original act purely as legislation setting up a board for that purpose. If we have given such authority, we have given it as incidental to that which we know is permissible under the Constitution. The question is, Where is the line going to be drawn? Are the powers of the Constitution sufficiently broad that from one power incidental powers may be conceded so as to make an incidental project the primary project, and the real authorization under the Constitution a minor project? That, I think, is the real question that is going to be decided under the decision of Judge Grubb.

Let me quote further from this article. Mr. Myer, who, as I understand, was an employee of the Tennessee Valley Authority, wrote this article:

In showing what can be done in planning the future of industry and agriculture, and in maintaining high standards of workmanship in all its operations, it will be suggesting what may be done elsewhere. It is working not only to promote industrial growth but to see that this growth contributes to the welfare of human beings. If the T. V. A. succeeds in directing business and agricultural development so that the people of the valley are happier and more secure, it will serve as an object lesson to the Nation.

No one can object to that motive. No one can complain that it is not a worthy motive. The question is whether or not Congress under the Constitution has the power to grant that privilege in view of all the circumstances and the limitation imposed upon us. Article 10 of the Constitution provides that all powers are reserved to the States unless specifically granted to the Federal Government. That being the case, the question is whether or not we have the authority to reach out and control the States in the various phases of social development. To my mind the Supreme Court decision will be very far-reaching when it undertakes to define just what our privilege is under the Constitution.

Let me quote further from this article:

It is because of the possibilities involved in the developments of the next few decades, possibilities of tragic import to the whole Nation, that the T. V. A. finds this valley such a fertile field for its program of economic and social development with human well-being rather than excessive manufacturing profits as the guiding aim.

In other words, it is not the question of navigation; it is not the question of flood control; it is the question of social development which is uppermost in the minds of those who are developing this project.

Mr. BONE. Mr. President, will the Senator yield?

Mr. DICKINSON. Yes.

Mr. BONE. Since the Senator emphasizes that, I wonder if he thinks that social welfare, or the thought of social welfare being stressed and emphasized is a tragedy. I wonder what the Senator thinks governments come into existence for—merely to serve a few private interests, or to serve social welfare? If that is to be the theory of government, where are we going, and where are we heading?

Mr. DICKINSON. May I ask, if it was desired to make a social-welfare bill out of this measure, why was it not so named?

Mr. BONE. Very well; but the Senator presumes to criticize it on that basis, and that is why I ask the question.

Mr. DICKINSON. No; I am criticizing the bill on the basis that we thought we were doing one thing under the Constitution, and the way this project is developing we are doing an entirely different thing. I am not opposed to social welfare. I am not opposed to human progress. The question is, first, whether or not we have the authority to do this thing; and, second, are we doing the thing we thought we were doing when we passed the original law?

Mr. BONE. If the Senator will yield again, my questions were impelled by the fact that the Senator is basing his criticism of what has been done down in the Tennessee Valley on the fact that these activities have projected themselves into the realm of social welfare, rather than on a mere proposition of law.

Mr. DICKINSON. No; what the Senator from Washington is trying to do is to make it appear that I am not for social advancement, and so forth. I am just as much for social advancement as he is, and I desire to say that the people of my State have advanced just as far as have the people of the State of Washington under the Senator's splendid guidance.

Mr. BONE. I am very happy to know that the people of Iowa are thoroughly happy in the possession of a Senator who feels as does the Senator from Iowa. If the people of Iowa are happy, certainly I should make no objection.

Mr. DICKINSON. Quoting further:

When the Tennessee Valley Authority learns about the minerals and soils and railroads and highways and waterways and water-power sites, it will be in a better position to give industrial advice. It may discover, for example, that kaolin and feldspar are located in a certain district.

The State of Tennessee has been developing its industries for a good many years. I am wondering whether or not we are creating a Federal agency that will go into Tennessee and assume authority which is really vested in the State under the Constitution and which it has been able to exercise.

I could go on and refer to the various questions of soil erosion, and so forth. I have simply tried to outline this matter and to raise the question, first, whether or not we are authorized to take this action under the Constitution; second, whether or not this program was contemplated by those who supported the original legislation at the time of its passage; and, third, whether or not we desire to say that the many taxpayers of the United States shall underwrite this proposition by guaranteeing \$100,000,000 in bonds to be used in this enterprise.

With these suggestions I have but one more request, and that is that I be permitted to insert in the RECORD, following my remarks, the conclusions of law of Judge Grubb as set forth in his opinion. I think the Senator from Nebraska is fully familiar with them.

The PRESIDING OFFICER (Mr. MINTON in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

CONCLUSIONS OF LAW

(1) The Congress has no constitutional authority to authorize Tennessee Valley Authority or any other Federal agency to undertake the operation, essentially permanent in character, of a utility system, for profit, involving the generation, transmission, and commercial distribution of electricity within State domain, having no reasonable relation to a lawful governmental use.

(2) The power program of Tennessee Valley Authority relating to the generation, transmission, and commercial sale of electricity, as shown by this record, substantially utility in type and permanent in its implications, is not related to any lawful governmental function and is beyond the power of Congress to authorize.

(3) If and to the extent that the Tennessee Valley Authority Act should be construed as authorizing Tennessee Valley Authority to operate an electric generating, transmission, and commercial distribution system, of the character and type proposed and intended by Tennessee Valley Authority as shown on this record, such act would be beyond the power of Congress and void. It is, accordingly, unnecessary to determine whether the act authorizes such operation by Tennessee Valley Authority or whether the act, because of inclusion of illegal objectives, delegation of legislative power, legislative uncertainty, or for other reason, is invalid.

(4) The Congress is without authority to authorize an agency of the Government to bind itself or the Government to a long-term commercial servitude for the operation within State domain

of an electric network involving generation, transmission, and delivery of electricity essentially proprietary and utility in type and having no relation to any lawful governmental function.

(5) The proposal or undertaking of T. V. A. to bind or commit itself to operate the steam-electric or hydroelectric units at Muscle Shoals to produce electricity independently of and not required for Government use for the sole purpose of proprietary or commercial sale to the public, at wholesale or retail, for nongovernmental uses, is beyond the power of Congress to authorize.

(6) Assuming, without deciding, that the steam-electric plant and hydroelectric generators installed at Muscle Shoals were lawfully constructed for national defense and that by reason of the termination, suspension, or obsolescence of the original use there is not sufficient governmental use to absorb currently their entire capacity, Congress cannot lawfully authorize the Tennessee Valley Authority to operate such parts of the plant as are no longer required for governmental use or as are not currently required for governmental use for the sole purpose of generating electricity admittedly not required for governmental use in order to market this electricity for profit, either by sale at the dam or in support of a commercial utility system proposed to be established and operated by Tennessee Valley Authority.

(7) The production of electricity for the sole purpose of filling long-time contracts or commitments entered into by Tennessee Valley Authority for the supply of the public with electricity, at wholesale or retail, under the circumstances shown on this record, is not production for a lawful governmental use.

(8) There may be surplus emplacements and surplus capacity in hydrogenerators installed at Wilson Dam, that is, emplacements or capacities not presently required for the production of electricity for governmental use. This circumstance does not authorize the Congress to authorize the use by the United States or any agency thereof of those emplacements or the hydrogenerators not required for governmental use in the commercial operation of the units in the production and sale of electricity to the public.

(9) There are decisive distinctions between (a) the sale or conservation (for future use) by the Government of Government property lawfully acquired but no longer required or not presently required for Government use and (b) the utilization by the Government itself of such property for the conduct of an ordinary commercial business on or by means of the property. The same or like distinctions exist as to power plants, emplacements, and hydrogenerators lawfully constructed by the Government for a governmental use and no longer required or not presently required for governmental use. As to such units Congress may authorize the sale, or such custodianship of the units as may reasonably relate to their reservation or conservation for governmental use, but this principle does not authorize Congress to create and authorize T. V. A. or any wholly owned agency of the United States to use the property for commercial and proprietary production of electricity for sale to the public for nongovernmental use.

(10) There are distinctions in law under the evidence in this record between:

(a) The leasing of power emplacements lawfully established in navigation or national-defense dams, awaiting their related need for governmental use.

(b) The lawful installation of turbo-generators in such dams or the lawful construction of steam-electric plants relating to Government use and the leasing of such emplacement and generators or plants.

(c) The installation of the hydroelectric units and the commercial operation of the plant by the Government itself in generating electricity for sale at the generating plant to fill commercial contracts or utility service assumed by the Government.

(d) The commercial business of generating electricity and its commercial transmission and distribution in service utility in type.

The function intended by T. V. A. under the evidence in relation to service utility in type, in the area ceded by the contract of January 4, 1934, transcends the function of conservation or disposition of Government property, involves continuing service and commercial functions by the Government to fill contracts not governmental in origin or character.

(11) Except when the Tennessee Valley Authority operates the electric plants and properties subjected to its care by the Tennessee Valley Authority Act (assuming its validity), substantially in excess of requirements and marginal reserves for governmental use, there is not a sufficient amount of electricity to set up a commercial electricity program such as proposed by T. V. A. To the extent that Tennessee Valley Authority intentionally commits itself to sell in the market and thereupon produces electricity to fill the commitment, in known excess of any requirement and reasonable margin for governmental use, it cannot properly be said that Tennessee Valley Authority is disposing of a surplus unavoidably or reasonably produced in supplying a current Government requirement.

(12) Congress cannot by substantially overestimating or overproviding the electricity required for a lawful governmental use lawfully capitalize the error to the extent of authorizing the Tennessee Valley Authority or other agency of the United States to employ the excess capacity as a means for establishing and operating the equivalent of a public-service utility network in the Tennessee Valley under the circumstances shown by this record.

(13) Congress cannot authorize the construction of a plant for national defense and thereupon, when the war is over or in anticipation of another war, utilize the plant for ordinary com-

mercial operation by the United States in the production of commodities for proprietary sale for profit in competition with citizens of the State. That principle covers the utilization by Tennessee Valley Authority of so-called "surplus capacity" at Muscle Shoals in the business of operating an electric system in the area.

(14) The court cannot conclude that Tennessee Valley Authority is disposing of a bona fide surplus of electricity actually existing and unavoidably created in the light of the fact that Tennessee Valley Authority is proceeding with construction which will enormously, progressively, and indefinitely add to such surplus, both new and old units being interconnected into a common pool in support of long-term commercial commitments and public-service operations by T. V. A.

(15) Congress cannot, in lieu of taxation, authorize Tennessee Valley Authority to enter into the commercial power business for the purpose of reimbursing the Government for the cost of improvements to navigation, where such commercial business has, as proposed by Tennessee Valley Authority on this record, no relation to any lawful governmental function.

(16) Congress has no lawful power to authorize the Tennessee Valley Authority to subject the United States or any agency of the United States to an actionable obligation to perform a proprietary service for the public generally in north Alabama either by conducting utility operations in the area or to the extent of a commitment for the production of electricity for sale at wholesale or retail where such function, as upon this record, has no relation to any governmental purpose. This conclusion applies to the objectives sought to be accomplished by Tennessee Valley Authority in part by means of the contract of January 4, 1934. Any such authority from Congress would be illegal because without foundation under the Constitution, and it is unnecessary to determine whether such action would be at the same time affirmatively violative of the tenth amendment, void as an infraction of sovereignty or as constituting a delegation and impairment of the legislative discretion of Congress, or invalid by reason of other objectives of Tennessee Valley Authority shown by the record or by reason of electricity policies set out in the Tennessee Valley Authority Act.

(17) The plan and program of the Tennessee Valley Authority, in furtherance and execution of which the Tennessee Valley Authority entered into the contract of January 4, 1934, is a plan and program for the operation by Tennessee Valley Authority of a system for the generation, transmission, and distribution of electricity. Its proposed functions are utility in type. Under its contracts with the various municipalities to be served the service is to endure for at least 20 years, and involves a service which by reasonable implication is permanent in its nature. This purpose, based on the intentional generation of electricity by Tennessee Valley Authority in excess of intended governmental use, and being necessarily withdrawn from that use by its commitment to the utility program, would constitute illegal proprietary operations, and would be and is illegal, whether conducted as a utility or by direct sale by Tennessee Valley Authority either at wholesale or retail and at the dam or after transmission.

(18) The contract of January 4, 1934, expressly provided for the transfer of all or substantially all of the lines and properties of the Alabama Power Co. for the service of the ceded area, included transmission lines, rural distribution systems, and certain urban distribution systems, and contemplated the eventual transfer of 14 urban distribution systems. This contract, expressly contemplating service of the ceded area by the Tennessee Valley Authority with electricity to be generated or purchased by the Tennessee Valley Authority for that purpose, was in furtherance of illegal proprietary operations by the Tennessee Valley Authority in violation of the Federal Constitution and void. The contract was accordingly ultra vires and void as to the Alabama Power Co.

(19) Performance of the contract of January 4, 1934, would involve substantial loss and injury to the Alabama Power Co., including, inter alia, the loss or abandonment of franchises, licenses, going business, and service area supporting its general system and power facilities and unless resisted would tend to invite a progressive encroachment on its service area by the Tennessee Valley Authority.

(20) For the management and the board of directors to yield to the proposal and program of the Tennessee Valley Authority and to execute and go forward with the contract for the transfer of properties in proximate furtherance of its illegal proprietary operations, unnecessarily (because of its illegality) and to the injury of the Alabama Power Co., constituted a breach of duty on part of the board of directors and management of the corporation.

(21) It is not necessary to the foregoing conclusion that the directors or that the Commonwealth & Southern Corporation, its dominant stockholder, should be shown to have acted fraudulently or in bad faith or from evil motives, or that the contract should have been exacted by the Tennessee Valley Authority under circumstances constituting administrative oppression or malevolence (*American Bank & Trust Co. v. Federal Reserve Bank*, 256 U. S. 350). The breach of duty to the injury of the corporation in not resisting and the action of the management in going forward with an arrangement in furtherance of an illegal objective by the Tennessee Valley Authority, and therefore ultra vires, is remediable at suit of the plaintiffs, although the directors and Commonwealth & Southern may have considered it more desirable to yield to the Tennessee Valley Authority program than to resist and incur the risk and consequences of resistance inherent or threatened.

(22) In this situation the plaintiffs, as holders of preferred stock of the Alabama Power Co., on behalf of themselves and other pre-

ferred stockholders, had the right to demand that the Alabama Power Co. refrain from performance of the contract of January 4, 1934, and take such action as might be necessary to protect the corporation in the premises. The stockholders made due demand, and upon refusal of the management and the board of directors to take action, they became vested with the right to maintain this suit for relief.

(23) The conclusion of the court is that plaintiffs are entitled to maintain this suit within the principles laid down in *Dodge v. Woolsey* (18 How. (59 U. S.) 331), *Chicago v. Mills* (204 U. S. 321), *D. & H. Co. v. Albany, etc., Co.* (213 U. S. 435), *Ex parte Young* (209 U. S. 123), *Greenwood v. Un. Fr. R. Co.* (15 Otto (105 U. S.) 13), *Smyth v. Ames* (169 U. S. 466), *Pollock v. Farmers Loan & Tr.* (157 U. S. 420 (158 U. S. 601)), *Cotting v. Goddard* (183 U. S. 79), *Smith v. Kansas City, etc., Co.* (255 U. S. 180), *Brushaber v. U. P. R. Co.* (240 U. S. 1).

(24) The proof sustains the right of the plaintiffs to have the contract of January 4, 1934, annulled in its entirety as to Alabama Power Co. and for such additional relief as may be necessary or appropriate to give effect to the annulment of the contract and to protect the corporation from the consequences threatened by the contract itself, viz, the loss of business, franchises, and service area to the Tennessee Valley Authority in pressing its illegal proprietary operations in the ceded area directly and through the defendant municipalities or other privies.

(25) The municipal defendants hold or propose to enter into 20-year contracts with the Tennessee Valley Authority for the supply of electricity to said municipalities as soon as they shall obtain municipal distribution systems. The city of Athens already has its system. Such contracts, existing and proposed, give or tend directly to give effect to the aforesaid illegal plan and program of the Tennessee Valley Authority and are and will be in furtherance thereof. In the same category are or will be loans or grants of public funds made or to be made by the Tennessee Valley Authority, the Federal Emergency Administration of Public Works, or other Federal agency to said municipalities in cooperation with Tennessee Valley Authority and with a view to their becoming a market for Tennessee Valley Authority's commercial power business. Said agreements, existing or proposed, between the said municipalities and the Tennessee Valley Authority will directly and necessarily involve competition with and displacement of the Alabama Power Co. from the area served by the facilities and properties required to be transferred or expressly contemplated to be transferred out of the Alabama Power Co. by the contract of January 4, 1934, hereby annulled. All such agreements constituting a means of and in furtherance of said illegal operation and all extensions of its lines, system, and service by Tennessee Valley Authority to give effect to its proposed illegal operations in competition with and to the injury of the Alabama Power Co. in the area of service of the facilities required or contemplated to be subjected to Tennessee Valley Authority service by Tennessee Valley Authority, at wholesale or retail, should accordingly be restrained.

(26) The Electric Home and Farm Authority, Inc., is a proprietary agency of or for the T. V. A. in the promotion of the sale and in the financing of the sale of electric appliances in furtherance of the T. V. A. power policy and program herein defined. The contract between the Alabama Power Co. and Electric Home and Farm Authority, Inc., dated May 21, 1934, was entered into pursuant to a covenant required of the Alabama Power Co. by section 19 of the agreement of January 4, 1934. The plan, program, and objective of said Electric Home and Farm Authority was and is illegal as an agency of and in furtherance of the T. V. A. program and for the further reason that there appears to be no valid authority in or pursuant to any act of the Congress of the United States for the creation or functioning of said E. H. F. A. or its appropriation or use of the funds of the United States. Said agreement is therefore deemed to be proximately related to the contract of January 4, 1934, and also being intrinsically illegal, should be annulled.

(27) This court has, in the view taken of the relief to which plaintiffs are entitled, given no consideration to the request or prayer of plaintiffs for a declaratory judgment or to any phase or matter of relief not reflected in the final decree herein and in these conclusions of law and is without prejudice to such further independent or supplemental relief as may hereafter be sought by plaintiffs or by the Alabama Power Co. in its own right.

This April 11, 1935.

W. I. GRUBB,
United States District Judge.

Mr. BARBOUR. Mr. President, I desire to offer up at this time an amendment to this bill which I presented on Friday, and asked to have printed and lie on the table. I ask to have the amendment read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to insert, at the proper place in the bill, the following:

That all moneys heretofore or hereafter made available for expenditure in carrying out the purposes of the act of May 18, 1933, known as the "Tennessee Valley Authority Act of 1933", of whatsoever character, shall be deposited and covered into the Treasury of the United States to the credit of a fund to be designated the

"Tennessee Valley Authority Fund", and be withdrawn therefrom only pursuant to accountable warrants for advances to the credit of an adequately bonded disbursing officer, as determined by the Comptroller General of the United States, or certificates of settlement issued by the General Accounting Office.

No part of such money shall be used to make payment under any formal or informal contract in excess of \$100 hereafter entered into except in case of public emergency requiring immediate action, unless the need be advertised so as to permit of full and free competition, and award made to the lowest responsible bidder offering delivery or performance in accordance with the advertised specifications.

Except in the case of a public emergency requiring immediate action, the facts of which emergency shall be duly entered of record and filed with the contract, no bid shall be accepted until after a lapse of 7 days from the date the bids were opened nor while there is pending a protest filed in writing either with the Tennessee Valley Authority or the Comptroller General of the United States, or any questions otherwise raised and undetermined by the Comptroller General of the United States, involving the corporations procedure, the bidding or effect thereof, or other matters affecting the legality of the proposed obligation, or the availability of the money proposed to be charged.

The Comptroller General is authorized, in his discretion, to allow credit for payments from moneys under the control of the corporation, not otherwise allowable, when shown to be reasonably necessary to the accomplishment of the work authorized by law to be done by the corporation.

Mr. BARBOUR. Mr. President, last Friday, when I offered this amendment, I mentioned the fact that about a year ago I offered exactly the same proposal, then in the form of a separate bill. I explained to the Senate last Friday that I did so originally because a constituent of mine, who was a bidder for work which had been advertised by the Tennessee Valley Authority, though the low bidder and a responsible bidder, and bidding on either machinery or materials which were standard and known to be adequate and suitable for the purposes for which they were intended, was not awarded the contract; that the contract was awarded at a higher price to some other bidder. This contractor came to me and asked me why this was so, having understood, as certainly I did, that under the law all contracts on Government work had to be awarded to the lowest responsible bidder.

I took up the matter with the Comptroller General, asking him how it could be that this was done. The Comptroller General told me that in respect to the Tennessee Valley Authority he had no control over such matters as in all other cases; in other words, there was no control beyond what the members of the Board themselves exercised. To put it differently, so far as this particular department or activity of the Government was concerned, they did not come under the full purview, in the sense that I mean it, of the Comptroller General or his department. True, the Comptroller General has the responsibility of making a periodical audit; but that is simply what I might call a statistical-accounting audit, and there is no control beyond that so far as the Comptroller General's department is concerned.

It seemed to me, therefore—and it has seemed to me ever since I became acquainted with the true situation—that there is no reason why this particular activity of the United States Government, which is supported at public expense, should have any preferred, specially privileged status, so far as the purview of the Comptroller General is concerned, over any or all other departments, establishments, or agencies of the Government. There is nothing in my amendment which goes into the activity or purposes of the Tennessee Valley Authority. My amendment confines itself solely to this one phase of this proposition.

I shall not take any of the time of the Senate in discussing, as has been so ably discussed by other Senators, the philosophy and intent which underlies this great, growing undertaking. It is enough to say that it certainly is competition with private industry, which it taxes for its own support. My amendment, however, has nothing at all to do with any of those aspects of T. V. A. It just raises the question as to whether or not I am right in my belief that in this instance the Comptroller General should have the same measure of control that he has in all other Departments or agencies of the Government. I say "all other." I believe, however, as I have said before, that there is one other instance, the Shipping Board, where the purview of the

Comptroller General is not so complete as it is in all other instances, excepting only the T. V. A.

But, as I said last Friday, as I understand, the Shipping Board is in the course of liquidation, and the necessity for that control is certainly not as great as it is in this instance, where expansion and growth are contemplated, and wherein the distinguished author of the bill which is before us this afternoon seeks not only to double the capital and, if I read this bill aright, increase the scope and power of the Authority, but to bring into a legalized status, if I may put it in that way, certain present and past activities of the Authority, which it seems to me were not contemplated or permitted in the original act.

However, these things are not what I want to go into. As I have said, I am perfectly sincere in making this suggestion and this suggestion alone, that the T. V. A. Authority be brought, as I have said, and repeat, under the full purview of the Comptroller General, just as is every other activity of its kind. That these particular activities be safeguarded in the public interest as are all other activities supported by the taxpayers' money. For that reason the amendment suggests that such moneys as rest in the Authority be returned to the Treasury of the United States, and hereafter be paid out only on accountable warrants and spent only by duly bonded accountable officers. There are other features which are not as important, but which I think would be very helpful to the safeguarding of the Authority and its undertakings. In other words, to mention one, in certain necessities credit should be extended so as to save time, and in certain small amounts the expenditures could be made without the check and control I seek to exact. And in the case of certain emergencies, exception could also be made as set forth in my amendment.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Tennessee?

Mr. BARBOUR. I yield.

Mr. McKELLAR. The other day, during a colloquy I had with the Senator, I understood him to say that the Comptroller General did not have the right to audit the accounts of the T. V. A. Was he not mistaken in that? Does not the Comptroller General have the right to audit the accounts of this subdivision of Government just as it does those of other departments and bureaus?

Mr. BARBOUR. I well remember the question asked by the distinguished Senator from Tennessee, and he will recall that I replied to him that I was not sure whether he had in mind the full purpose of the amendment. And I want to say again, as I said last Friday when the Senator spoke to me about the matter, that the Comptroller does have the power of audit. I do not feel, however, that the power of a mere audit is sufficient.

Mr. McKELLAR. I recall that; and when I examined the amendment I found that it apparently had a very different purpose from the one I had thought was behind it. I find also that the Comptroller General does have jurisdiction over the accounting of the Tennessee Valley Authority, and for that reason I have changed my mind entirely with reference to the amendment.

Mr. BARBOUR. Mr. President, I absolve the Senator from Tennessee of the suggestion he made at the time—that he would vote for the amendment. I understand the position in which he finds himself.

Mr. McKELLAR. I did not understand the nature of the amendment.

Mr. BARBOUR. I am quite satisfied that the Senator did not realize it went as far as it is intended to go, and I am sure the Senator will do me the justice to say that I did not try in any way to place him in a false position in this respect.

Mr. McKELLAR. The Senator is absolutely correct about that, of course.

Mr. BARBOUR. Mr. President, I do not feel that I wish to take any more of the time of the Senate. This is not a new matter. I am not trying in this in any way to obstruct, or to waste time. My hope had been that the

Senator from Nebraska, who admittedly knows a great deal more about this whole subject and this activity than I could know, because he has studied it so closely and for so long a time, would be willing either to accept my suggestion or tell me, if I am not asking too much, if he cares to do so, any valid reason why this particular activity of the Government should have this special privilege so far as freedom from the full purview of the Comptroller General is concerned.

I ask the Senator from Nebraska, if I may, whether he looks with any sympathy upon my suggestion.

Mr. NORRIS. Mr. President, I expect to speak on the Senator's amendment as soon as I am able to get the floor.

Mr. BARBOUR. Well, Mr. President, under those circumstances, I shall be very glad to yield the floor to the Senator from Nebraska.

Mr. NORRIS. Mr. President, in his closing remarks the Senator asked me whether I had any objection to his amendment. In reply let me state that, in my judgment, if this amendment were adopted, to a very great extent it would nullify all the benefits which can come from the proper administration of the T. V. A. Act. Of course, I concede frankly that the Senator has a perfect right to offer the amendment and to support it in any way he sees fit to do so.

I do not believe there is a thing in the amendment which is not already covered by law, or is not very objectionable. Let me read from the amendment:

Except in the case of a public emergency requiring immediate action, the facts of which emergency shall be duly entered of record and filed with the contract, no bid shall be accepted until after a lapse of 7 days from the date the bids were opened nor while there is pending a protest filed in writing either with the Tennessee Valley Authority or the Comptroller General of the United States, or any questions otherwise raised and undetermined by the Comptroller General of the United States, involving the Corporation's procedure, the bidding or effect thereof, or other matters affecting the legality of the proposed obligation, or the availability of the money proposed to be charged.

Think what that would mean. They could not accept a bid, in the first place, within 7 days after it was opened, and thereafter could never accept a bid so long as there was a protest in writing on file with the Comptroller General or with the T. V. A. It would be disastrous. It would cost the Government of the United States, through this instrumentality, millions of dollars, if that kind of a provision were in the law.

It is simply not understandable to me how anyone who does not want to destroy the Tennessee Valley Act can suggest for a moment that such an amendment should be agreed to, and I doubt whether the Senator from New Jersey himself fully comprehends just the evil that is included in the amendment.

The Comptroller General, under existing law, has full authority to make all audits. That authority is included in subsection (b) of section 9 of the existing Tennessee Valley Act. Let me read it:

(b) The Comptroller General of the United States shall audit the transactions of the Corporation at such times as he shall determine, but not less frequently than once each governmental fiscal year, with personnel of his selection. In such connection he and his representatives shall have free and open access to all papers, books, records, files, accounts, plants, warehouses, offices, and all other things, property and places belonging to or under the control of or used or employed by the Corporation, and shall be afforded full facilities for counting all cash and verifying transactions with and balances in depositaries. He shall make report of each such audit in quadruplicate, 1 copy for the President of the United States, 1 for the chairman of the board, 1 for public inspection at the principal office of the Corporation, and the other to be retained by him for the uses of the Congress. The expenses for each such audit may be paid from moneys advanced therefor by the Corporation, or from any appropriation or appropriations for the General Accounting Office, and appropriations so used shall be reimbursed promptly by the Corporation as billed by the Comptroller General. All such audit expenses shall be charged to operating expenses of the Corporation. The Comptroller General shall make special report to the President of the United States and to the Congress of any transaction or condition found by him to be in conflict with the powers or duties intrusted to the Corporation by law.

The pending amendment, if enacted into law, would make it impossible, except after great delay, for the Corporation to act when there was a simple written protest filed by anybody in the United States; yes, in the world. It might be a protest filed by someone in London or in Japan. There is no question that the Comptroller General and the Corporation would be flooded with protests filed from time to time making it impossible for any bid ever to be accepted.

Mr. BARBOUR. I should like to ask the Senator from Nebraska if the provision on page 2, in line 20—

No bid shall be accepted until after a lapse of 7 days from the date the bids were opened—

should remain in this amendment, and if the phrase which immediately follows—

nor while there is pending a protest filed in writing either with the Tennessee Valley Authority or the Comptroller General of the United States—

and so forth, were eliminated, would that meet the Senator's approval?

Mr. NORRIS. No, Mr. President. The rest of the amendment is, from my viewpoint, practically as objectionable as what I have pointed out. Let me refer to part of it:

That all moneys heretofore or hereafter made available for expenditure in carrying out the purposes of the act of May 18, 1933, known as the "Tennessee Valley Authority Act of 1933", of whatsoever character, shall be deposited and covered into the Treasury of the United States to the credit of a fund to be designated the "Tennessee Valley Authority fund", and be withdrawn therefrom only pursuant to accountable warrants for advances to the credit of an adequately bonded disbursing officer, as determined by the Comptroller General of the United States, or certificates of settlement issued by the General Accounting Office.

That would be absolutely destructive of the conduct of the business of the Corporation. It would nullify several sections of the existing law, where with great care and after great deliberation we finally reached a conclusion as to how the finances of this Corporation should be handled. The law now provides for the handling of these funds. It never has been charged by anyone that one cent of the money ever has been lost on account of default or on account of any criminal act of any official. There has been no such complaint. This amendment, however, would put the money in a special fund, entirely different from the one in which we had it in another case, and handicap and hamstring and repeal about one-fourth of the Tennessee Valley Act.

What is the necessity of doing that? Why put the money in a special fund in the Treasury from which it can be taken out only by a bonded disbursing officer? It is proposed that the moneys "be withdrawn therefrom only pursuant to accountable warrants for advances to the credit of an adequately bonded disbursing officer." That will mean setting up another officer. Does not the law now provide for a treasurer and how the money shall be handled and where it shall be placed? I do not see any objection to the way it is now being handled. I know of no objection that has ever been made so far. Why is it made now? What is the object in changing the procedure at all?

Then there is another part of the amendment:

No part of such moneys shall be used to make payment under any formal or informal contract in excess of \$100 hereafter entered into except in case of public emergency requiring immediate action, unless the need be advertised so as to permit of full and free competition, and award made to the lowest responsible bidder offering delivery or performance in accordance with the advertised specifications.

Mr. President, I have on my desk a better analysis than I have made of the amendment prepared by the members of the Board of the Tennessee Valley Authority. Unless further debate brings it all out, I shall not attempt to read it all now, although I ask unanimous consent to include it all as a part of my remarks; but I will read an extract from it showing what would happen. That which I do not read shows the necessity of existing law in carrying out the contracts, opening bids, and letting contracts under the bids.

The Board says:

The requirement that 7 days should elapse between the opening of the bids and the award of a contract, and that no award

should be made while a protest is pending before the Comptroller General is entirely unworkable and would cost the Government many thousands of dollars. The Authority could not meet emergencies nor schedule its work. As stated above, the question of determining the lowest responsible bidder is one of experienced engineering judgment of the highest quality. The Authority has such a staff. The Comptroller General does not.

In other words, this amendment turns over the matter of passing on technical questions to the Attorney General, who is not equipped to do it, taking it away from the board which is equipped to handle it.

The Authority knows from experience that the delays in obtaining decisions from the Comptroller General's Office will be considerable and costly.

They make no complaint about that. That follows as a matter of course, because the Comptroller General is one of the hardest-worked officials in the Government of the United States.

The Authority knows from experience that the delays in obtaining decisions from the Comptroller General's Office will be considerable and costly. A few examples might be cited. In each case the equipment involved was of a very special nature, the experience of the successful bidder was a controlling factor, and delay in receiving the equipment or failure in operation would have interrupted the entire construction process and might have been disastrous to life and property.

Here is an example which they give on the Norris Dam:

Protest of award filed with Comptroller General April 27, 1934. T. V. A. award sustained by Comptroller General on July 2, 1934.

From April 27 to July 2 they would have been held up, under this amendment, and nothing would have been done, which might, as they say, have been disastrous, involving in some cases perhaps a million dollars or more.

Here is another example:

Protest of award filed with Comptroller General January 13, 1934. Decision sustained by Comptroller General on April 28, 1934. Delay, 111 days.

When a dam is being built on a river where high water is going to come after a certain period, where the work must be done during low water, where those in charge of the construction are rushing to get something done that cannot be done during high water, what might 111 days' delay mean? It might mean the destruction of millions of dollars' worth of property which otherwise could be saved.

Here is another example:

Protest of award filed with Comptroller General December 20, 1933. Decision sustained by Comptroller General on April 27, 1934. Delay, 129 days.

The proposition need only be stated, it seems to me, to show how foolish it would be to try to amend by such a process as that a law which now is giving perfect satisfaction:

In each case it should be noted the Comptroller General sustained the award made by the Authority.

Here is another instance:

The cableway unit which conveys the concrete to the job is the key to the construction operation. It must last for the life of the job and operate continuously and safely. When it stops the job stops. Taking into consideration the relation of the construction schedule to high-water conditions on the river, waiting for a Comptroller General's decision in this case for over 4 months would have cost the Government a million dollars or more.

So, as I see the amendment, there is nothing in it but destruction and expense, with no good to anybody.

Considering the construction plant at Norris Dam as a whole, the economy of T. V. A. purchasing is illustrated by the fact it has operated at more than 20 percent above its rated capacity. As a result there has been a saving of equipment overhead and the work is 2 months ahead of schedule now.

The provisions of section 3—

They are referring to this amendment—

would afford an excellent opportunity for disqualified bidders and other adverse interests working through them constantly to harass the T. V. A. and disrupt its work program.

In requiring advertising for bids for the purpose of full and free competition it is important to note that there must be some exceptions. Occasionally equipment is required which is made by only one manufacturer. No substitute will serve. Occasionally it is in the public interest and economical initially to select single items of equipment as a basis of experience for subsequent large pur-

chases. Particularly in research and demonstration work is the purchase of proprietary articles a necessity. It would appear that the proposed amendment would prohibit such purchases and seriously handicap the work.

Mr. President, I might read the remainder of this statement, but I shall not do so. I do not believe the Chair put the question on my request. I ask unanimous consent that the entire matter be printed in the Record as part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

COMMENT ON AMENDMENT PROPOSED BY SENATOR BARBOUR TO S. 2357 (THE NORRIS AMENDMENT TO THE T. V. A. ACT) CONCERNING PURCHASING PRACTICES OF THE T. V. A.

The purchases of the Authority are of great variety and of large volume. Many exceptional and special conditions arise. Large dam-construction projects require new and special equipment. Failure of a single piece of equipment or delay in obtaining equipment or material interrupts the entire process of construction and costs thousands of dollars and possible loss of life. Electricity generation, operation of high-voltage power lines, and the necessity of uninterrupted service similarly require a degree of purchasing flexibility and the freedom to meet emergencies. Further complexity arises out of the wide range of purchases required by an extensive research and demonstration program calling for special equipment and materials.

The Authority now has a certain flexibility of purchasing through which it has been able to meet emergencies, obtain the equipment required, buy economically, and save large sums of Federal money. The procedure used by the Authority is based on the principle of adequate specifications, advertisement of bids, and award to the lowest qualified and responsible bidder. Forms for invitations to bid and contracts are standard Government forms with the caption "United States Government" changed to "Tennessee Valley Authority."

The procedures generally are those of the Navy Department. Many suggestions of the Comptroller General have been adopted. Facilities of the Federal Warehouse in Washington, of the Traffic Bureau of the United States Treasury, and of the Bureau of Standards are used. Close contact is maintained with the Procurement Section of the Treasury and with the code offices of the N. R. A. Standard Government specifications are the basis of T. V. A. specifications.

In accordance with the procedure followed by certain Government departments, the T. V. A. purchasing agent is authorized by the Board to make purchases under \$500 without bids where there is an emergency or an economy would be effected by eliminating unnecessary procedures. For all other purchases the practice of the Authority is to require competitive bids. The award is then made to the lowest responsible and qualified bidder with full consideration for all factors mentioned in the specifications and the best interests of the Authority.

Price is only one factor. Time of delivery may be important. A small additional expenditure may result in a quality of product and assured continuity of operation worth many times the small extra cost. In purchasing large special equipment for construction work an outstanding consideration is the experience of the bidder. Great reliance is placed on this factor of experience, and it is so stated in the specifications. A guaranty to meet specifications by an inexperienced bidder may be meaningless when considered in the light of costly interruption of the entire construction process due to the failure of equipment or materials. Only experienced and competent engineers can appraise bids under such construction conditions and assure a maximum of economy of public expenditure. The Authority has such outstanding engineers on its staff and as consultants; in relying on their judgment it is following the best practice of private construction.

The requirement that 7 days should elapse between the opening of the bids and the award of a contract, and that no award should be made while a protest is pending before the Comptroller General, is entirely unworkable and would cost the Government many thousands of dollars. The Authority could not meet emergencies nor schedule its work. As stated above, the question of determining the lowest responsible bidder is one of experienced engineering judgment of the highest quality. The Authority has such a staff. The Comptroller General does not.

The Authority knows from experience that the delays in obtaining decisions from the Comptroller General's Office will be considerable and costly. A few examples might be cited. In each case the equipment involved was of a very special nature, the experience of the successful bidder was a controlling factor, and delay in receiving the equipment or failure in operation would have interrupted the entire construction process and might have been disastrous to life and property:

Hammermills, Norris Dam: Protest of award filed with Comptroller General April 27, 1934. T. V. A. award sustained by Comptroller General on July 2, 1934. Delay, 67 days.

Crushers, Norris Dam: Protest of award filed with Comptroller General January 13, 1934. Decision sustained by Comptroller General on April 28, 1934. Delay, 111 days.

Cableways, Norris Dam: Protest of award filed with Comptroller General December 20, 1933. Decision sustained by Comptroller General on April 27, 1934. Delay, 129 days.

In each case it should be noted the Comptroller General sustained the award made by the Authority.

The cableway unit which conveys the concrete to the job is the key to the construction operation. It must last for the life of the job and operate continuously and safely. When it stops the job stops. Taking into consideration the relation of the construction schedule to high-water conditions on the river, waiting for a Comptroller General's decision in this case for over 4 months would have cost the Government a million dollars or more.

Considering the construction plant at Norris Dam as a whole, the economy of T. V. A. purchasing is illustrated by the fact it has operated at more than 20 percent above its rated capacity. As a result, there has been a saving of equipment overhead and the work is 2 months ahead of schedule.

The provisions of section 3 would afford an excellent opportunity for disqualified bidders and other adverse interests working through them constantly to harass the T. V. A. and disrupt its work program.

In requiring advertising of bids for the purpose of full and free competition it is important to note that there must be some exceptions. Occasionally equipment is required which is made by only one manufacturer. No substitute will serve. Occasionally it is in the public interest and economical initially to select single items of equipment as a basis of experience for subsequent large purchases. Particularly in research and demonstration work is the purchase of proprietary articles a necessity. It would appear that the proposed amendment would prohibit such purchases and seriously handicap the work.

Mr. NORRIS. It is very illuminating to have this statement. I do not think it is necessary to take up the time of the Senate to argue further against the adoption of such an amendment as that which is proposed.

Mr. BARBOUR. Mr. President, of course I am not really surprised, though I had hoped otherwise, that the distinguished Senator from Nebraska should be so opposed to this amendment of mine, which, as I previously stated, I introduced originally as a separate bill in the last session of the Congress, and certainly I am not surprised at all that the members of the Board of the Tennessee Valley Authority should use every means at their command to prevent action which would place them under the full purview and control of the bureau of the Comptroller General.

The fact remains—and I wish to make a record of the fact—that this particular activity of the Government, the Tennessee Valley Authority, either because of its corporate status, which I felt at the time was given it so that it could sue and be sued, or because of the manner in which the act was drawn, though that is only my impression and I cannot prove that Senators meant that the original act should be so construed, has been removed from the full purview of the Comptroller General. Be that all as it may, the fact remains, this particular activity has a preferred status; it is accorded in this respect a special privilege, and entirely aside, as I have previously said, of any other consideration relating to the activity and purposes of the Tennessee Valley Authority, I seek only to bring it under the same control and under the same safeguards which have been provided in the case of all other governmental activities and independent offices.

I am reluctant to speak any longer on the subject for I feel I have fully covered it and explained the obvious necessity of my amendment. I have already spoken two or three times on my amendment, and I am sure that it must be clear to every Senator that those who are particularly interested in this peculiar and unusual activity of the Government are very tenacious in resisting anything that would bring it under the control I have suggested. I do not wish to delay the Senate by asking for a roll call on the amendment, though I should like to have a record vote. I had hoped, as I have said, that some, at least, if not all, of the suggestions embodied in the amendment would be received with better favor than they have been on the part of the distinguished Senator from Nebraska, but I press now for action on the amendment, and I hope that it may be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey.

The amendment was rejected.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. AUSTIN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is the demand seconded?

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Johnson	O'Mahoney
Ashurst	Copeland	Keyes	Pittman
Austin	Costigan	La Follette	Pope
Bachman	Couzens	Logan	Radcliffe
Bankhead	Dickinson	Loneragan	Robinson
Barbour	Dieterich	Long	Russell
Barkley	Donahey	McAdoo	Schall
Bilbo	Duffy	McCarran	Schwellenbach
Black	Fletcher	McGill	Sheppard
Bone	Frazier	McKellar	Shipstead
Brown	George	Maloney	Steiwer
Bulkley	Gerry	Metcalf	Thomas, Okla.
Bulow	Gore	Minton	Thomas, Utah
Byrd	Guffey	Moore	Townsend
Capper	Hale	Murphy	Truman
Caraway	Harrison	Murray	Tydings
Carey	Hastings	Neely	Wagner
Clark	Hatch	Norris	Wheeler
Connally	Hayden	Nye	White

The PRESIDING OFFICER. Seventy-six Senators have answered to their names. A quorum is present.

The question is, Shall the bill pass?

Mr. AUSTIN. I ask for the yeas and nays.

The yeas and nays were ordered; and the legislative clerk proceeded to call the roll.

Mr. CLARK (when his name was called). On this vote I have a pair with the senior Senator from Oregon [Mr. McNARY]. Not knowing how he would vote, I withhold my vote. If I were permitted to vote, I should vote "yea."

Mr. JOHNSON (when Mr. McNARY's name was called). The senior Senator from Oregon [Mr. McNARY] is absent, attending a meeting of the Jefferson Memorial Commission. His pair with the senior Senator from Missouri [Mr. CLARK] has been announced. If the Senator from Oregon [Mr. McNARY] were present, he would vote "yea."

The roll call was concluded.

Mr. CLARK. As previously announced, I have a pair with the Senator from Oregon [Mr. McNARY]. Being advised that if he were present and voting he would vote as I intend to vote, I am at liberty to vote. I vote "yea."

Mr. COPELAND. On this question I have a pair with the Senator from Utah [Mr. KING]. In his absence, I withhold my vote.

Mr. LOGAN. I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS]. I transfer that pair to the senior Senator from Illinois [Mr. LEWIS] and vote "yea."

Mr. ROBINSON. The Senator from Nebraska [Mr. BURKE] has a general pair with the Senator from Vermont [Mr. GIBSON].

I desire to announce the following Senators are unavoidably detained from the Senate: The Senator from North Carolina [Mr. BAILEY], the Senator from Nebraska [Mr. BURKE], the Senator from South Carolina [Mr. BYRNES], the Senator from Virginia [Mr. GLASS], the Senator from Utah [Mr. KING], the Senator from Illinois [Mr. LEWIS], the Senator from South Carolina [Mr. SMITH], the Senator from Florida [Mr. TRAMMELL], the Senator from Massachusetts [Mr. WALSH], and the Senator from Indiana [Mr. VAN NUYS].

The junior Senator from Louisiana [Mr. OVERTON] is detained from the Senate by illness.

The junior Senator from North Carolina [Mr. REYNOLDS] is absent upon a commission of the Senate to the Virgin Islands.

Mr. AUSTIN. I wish to announce that the Senator from Michigan [Mr. VANDENBERG] has a general pair with the Senator from North Carolina [Mr. REYNOLDS]. I am not advised how either Senator would vote if present.

The result was announced—yeas 56, nays 19, as follows:

YEAS—56

Adams	Connally	Logan	Pope
Ashurst	Costigan	Long	Radcliffe
Bachman	Couzens	McAdoo	Robinson
Bankhead	Donahay	McCarran	Russell
Barkley	Duffy	McGill	Schall
Bilbo	Fletcher	McKellar	Schwellenbach
Black	Frazier	Minton	Sheppard
Bone	George	Murphy	Shipstead
Brown	Guffey	Murray	Steiwer
Bulkley	Harrison	Neely	Thomas, Okla.
Bulow	Hatch	Norris	Thomas, Utah
Capper	Hayden	Nye	Truman
Caraway	Johnson	O'Mahoney	Wagner
Clark	La Follette	Pittman	Wheeler

NAYS—19

Austin	Dickinson	Hastings	Moore
Barbour	Dieterich	Keyes	Townsend
Byrd	Gerry	Loung	Tydings
Carey	Gore	Maloney	White
Coolidge	Hale	Metcalf	

NOT VOTING—19

Bailey	Davis	McNary	Trammell
Borah	Gibson	Norbeck	Vandenberg
Burke	Glass	Overton	Van Nuys
Byrnes	King	Reynolds	Walsh
Copeland	Lewis	Smith	

So the bill was passed.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. HARRISON. Mr. President, I move that the Senate proceed to the consideration of the joint resolution (S. J. Res. 113) to extend until April 1, 1936, the provision of title I of the National Industrial Recovery Act, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (S. J. Res. 113) to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes, which had been reported from the Committee on Finance without amendment.

Mr. HARRISON. Mr. President, I shall not occupy much of the time of the Senate, but shall content myself with a brief explanation of just what the joint resolution proposes to accomplish.

It will be recalled that the Senate directed its Committee on Finance to make a very thorough investigation with reference to the N. R. A. It was stated at that time that the Committee on Finance, in connection with that investigation, should formulate legislation for the continuance or extension of the N. R. A. For more than 7 weeks the Committee on Finance did make a very exhaustive investigation into the administration of the N. R. A., with the view of following through some of the criticisms of the N. R. A. and at the same time formulating new legislation.

Concluding with the investigation, we began the constructive consideration of legislation, and the joint resolution now before us is the outcome of that consideration of the committee and is reported to the Senate by a committee vote of 16 to 4.

The joint resolution is quite different from the original bill which I introduced as the basis for the consideration of legislation, and quite at variance with certain amendments offered by me to that bill. The committee thought it wise, following the suggestion made by the Senator from Missouri [Mr. CLARK], that we should very well get together without prolonged discussion and consideration upon the floor of the Senate if we should leave the N. R. A. as it is today, with two exceptions, and limit its extension until March 1, 1936. After some exchange of views, the committee agreed upon April 1, 1936, as the date of extension, and that date is carried in the pending joint resolution.

There are two exceptions or amendments made to the present law. One is the elimination of codes which affect wholly intrastate commerce. The N. R. A. in the future would be confined to interstate commerce; in other words, businesses which are wholly intrastate commerce are removed from the codes of the N. R. A. That is the first exception.

The other question is the one upon which much discussion has hinged, and which many persons think was the basis of monopolistic practices in certain trades and busi-

nesses—the power of price fixing in certain codes. So, the committee, as the second exception, has eliminated all price fixing by the N. R. A. in any of the codes except in mineral natural resources.

It was first suggested that the exception ought to apply to natural resources of all kinds; but it was pointed out that lumber was one of the natural resources, and that it should be eliminated. So, the committee has recommended the joint resolution to the Senate for passage, with the exception as to price fixing applying only to natural mineral resources.

Mr. MCGILL. Mr. President, will the Senator yield?

Mr. HARRISON. I yield to the Senator from Kansas.

Mr. MCGILL. Did the committee construe section 1, on page 2, to include the production of coal, and so forth?

Mr. HARRISON. Yes; and I may say to the Senator from Kansas that the coal situation was one of the moving considerations which caused us to make the exception. There has been hardly any division of opinion among all the coal people that the N. R. A. has greatly helped them. I think almost all the captains of that industry, as well as the labor engaged in it, agree that the N. R. A. has been a lifesaver to the coal industry.

Mr. MCGILL. Then, it is the Senator's construction of this section that it includes the production of coal, lead, zinc, and other ores?

Mr. HARRISON. That is the construction of the committee.

Mr. President, coming now to section 3 of the joint resolution, this section provides for the continuation of the existing codes, but provides that in carrying out the changes in the law as to price fixing and intrastate business, the President shall have 30 days following the 15th day of June in which to make the changes, and so forth. The N. R. A. authorities tell us that this is sufficient time in which to make the changes, and that is why the 30-day period was put into the joint resolution.

Mr. CONNALLY. Mr. President, if the Senator will yield, a question was raised by the Senator from Kansas [Mr. MCGILL] as to price fixing on coal. I desire to call the attention of the Senator to the fact that that applies only to the natural mineral resources as to which prices are now fixed under the codes; so that the natural resources as to which there is no price fixing under the codes are not affected.

Mr. HARRISON. That is true; but there is in the code on coal a price-fixing arrangement.

Mr. CONNALLY. Oil is not affected.

Mr. HARRISON. I think that is about all I desire to say.

Mr. President, I very much hope we can pass this joint resolution speedily. The House, of course, must take it up. I do not know what the House will do. No one can tell. I very much hope they will make few, if any changes in the joint resolution. Some may believe there will be an insistence on extending the life of N. R. A. for 2 years. I desire to say to the Senate and to the N. R. A. authorities that if the House should extend the life of N. R. A. for 2 years after the passage by the Senate of a measure extending its life until April 1, 1936, and if I should be honored by being named as a conferee in the conference between the two Houses, I should agree to nothing, but I should have the measure brought back to the Senate, if my conferees would agree with me, and let the Senate pass upon the question; and I say as much for any other changes that may be made in the joint resolution by the House. If the Senate should pass this joint resolution, and if the House should decide to write a new N. R. A. bill, carrying out some of the suggestions made by certain gentlemen in the N. R. A., if I should have anything to do with the matter as a conferee in the conference between the House and the Senate, I should insist on the measure being brought upon the floor of the Senate and being considered over again as legislation.

In other words, this joint resolution was adopted as the best way out of a very difficult situation. For my part, I believe in the N. R. A. I believe it has done a wonderful work. I believe it has been a means of giving employment

to millions of men. I believe the great trade organizations and businesses of the country are for an extension of the N. R. A. I think it would almost cause an economic collapse for the N. R. A. to die on June 16; and I am not unmindful of the fact that there are Senators here, many in number, and a great number of people in the country, who do not agree with the conclusions I have formed with reference to the N. R. A. I can appreciate the fact that if the Senate committee had gone ahead and written a new bill and brought it in here, it would have taken weeks on weeks, perhaps, to pass the measure, if it could be passed at all. June 16 is rapidly approaching. So, as a practical proposition, in my opinion it is much better for us to let the N. R. A. run along until April 1, 1936, with the two exceptions I have stated.

The courts should pass upon certain phases of the subject. There are such cases now pending before the Supreme Court. At the next session of Congress we can then more certainly and clearly write a law which will be upheld by the courts. I hope the present law will be sustained by the court and construed to be constitutional and legal; but if it should find anything wrong, we should then be in a position where we could frame legislation much better than at the present time.

Mr. LONG. Mr. President—

Mr. HARRISON. I yield to the Senator from Louisiana.

Mr. LONG. I desire the Record to show, because I am going to vote with the Senator, that I am voting for his joint resolution not to help the N. R. A., but because I think it dehorn and gums it up a little. I just want the Record to show that.

Mr. HARRISON. I do not care what reason the Senator may advance; I am delighted that he is voting with me one time. [Laughter.]

The resolution was the solution of a practical situation that confronted us, and one upon which I think the whole Senate can agree. I desire to give every assurance upon my part, as far as it is within my power, that if the measure is changed in the House and new legislation written, the Senate will have an opportunity to pass upon the new bill. In other words, it will not go into conference and the Senate have no opportunity to pass upon it save as a conference report.

As a note of warning to those gentlemen who are enthusiastically for N. R. A. and who have worked in N. R. A., I desire to say that I hope, if they are doing it, they will desist from trying to bring influence to bear upon the other body to extend the life of N. R. A. for 2 years or to write new legislation, because in so doing they may be in the position of killing the goose that laid the golden egg, and the blame may be on those who are the best friends of N. R. A. for killing it in the end.

So, Mr. President, I hope we can pass this joint resolution this afternoon, and get it upon its way to the House and let them deal with it, and let the uncertainty which exists in the country disappear.

Mr. BORAH. Mr. President, I do not mind saying that I had a tacit understanding with the Senator from Mississippi [Mr. HARRISON] that I should not oppose the joint resolution in its present form; that is, eliminating price fixing and exempting intrastate commerce, and so long as it remains in its present form, with a possible change of expression, to which I shall call attention in a moment.

The Senator from Mississippi has stated that if any change shall be made upon the part of the other body, the joint resolution will be brought back here for our consideration, and we shall not be compelled to deal with it purely as a conference report. That puts the matter, from a parliamentary standpoint, in a condition which is entirely satisfactory to me. In other words, we are to have full parliamentary protection in the event of a change.

Of course, we do not know what the other body will do; but if we are permitted to deal with the matter as an original proposition in case there is a change it is all we can ask for, I assume.

I desire to ask the Senator from Mississippi a question at this point.

Mr. CLARK. Mr. President, before the Senator asks the question will he yield to me for just a moment?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Missouri?

Mr. BORAH. I do.

Mr. CLARK. As one of the proponents and supporters of the joint resolution, I should like to say that I entirely agree with the Senator from Mississippi as to the basis of the joint resolution, although the Senator from Mississippi and I approach it from essential different angles. He thinks the N. R. A. should be preserved. I think the N. R. A. should be wiped out, although there are certain portions of it which I should be glad to preserve. It seems to me, however, that the joint resolution embodies the only practical procedure for having court determination, and finding out what portions of the N. R. A. can be preserved, and what portions cannot be preserved. So it is necessary to enact some such joint resolution as this in order that Congress may proceed intelligently.

I should like to add to what the Senator from Mississippi has said that so far as I am concerned, as one proponent of the joint resolution, I shall not only oppose the conference report if it extends the N. R. A. for 2 years, but if the other body at the other end of the Capitol shall attempt to extend the joint resolution for 2 years, as one Member of the Senate I shall vote against sending the joint resolution to conference at all, and let nature take its course on the 16th of June.

Mr. BORAH. Of course the joint resolution is a compromise. It does not embody all that I desire, but it is satisfactory, considering all the circumstances with which we have to deal. I would, if it were deemed possible, join in terminating the act, but I feel if we can eliminate price fixing and exempt intrastate commerce we have gone far in that direction. Exemption of intrastate business will remove 80 percent of small businesses from the codes. I agree with the Senator from Missouri; my attitude of mind toward the N. R. A. is that of the Senator from Missouri. But legislation is a practical proposition, and although I do not wish to be placed in a position where I shall vote for the N. R. A., I am content not to oppose the joint resolution.

I desired to ask the Senator from Mississippi and the Senator from Missouri what significance they place upon the word "wholly" in line 10 of the joint resolution, page 10, where it says "wholly intrastate commerce." Is that intended to mean anything different from "intrastate commerce"?

Mr. HARRISON. The codes of fair competition which apply to those types of business which do a wholly intrastate commerce we thought should be eliminated. Of course, if some business substantially affects interstate commerce, I presume that the Supreme Court in its decisions would hold that it might come under a code and under the law, because that would not be wholly intrastate commerce. I could cite to the Senator many illustrations of businesses which are now under codes which ought to be out of the control of codes.

Mr. BORAH. If it is intrastate commerce, Congress has no control over it, and should not have. I do not understand the significance of the word "wholly." It does not seem to me to be anything but surplusage. Does it add anything to the fact that it is intrastate commerce, or subtract anything from it?

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ROBINSON. It would clearly be applicable to a case where an individual or corporation was engaged in intrastate business and interstate business. The Senator certainly would not wish to deny the right to apply a code to a case of that nature.

Mr. BORAH. No, indeed; and in my opinion, if we should say "intrastate commerce", we would confine the matter to intrastate commerce, and anything that was interstate com-

merce would be excepted. I desire to make it plain that I do not propose to accept a term that would limit the meaning of "intra" as defined by the courts.

Mr. ROBINSON. I suppose the word "wholly" is used in contradistinction to the word "partly", and that it is employed for the purpose of making clear that the intention is not to eliminate from the codes those businesses which are partly engaged in interstate commerce.

Mr. BORAH. I take the position, Mr. President, that if a business is interstate Congress has the power to control it. In other words, so far as the jurisdiction of Congress is concerned, there is interstate commerce and there is intrastate commerce, and whenever the line is passed and it is partially interstate commerce, Congress draws to itself the power to control it. When the commerce passes the boundary of the State it is interstate.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. BARKLEY. The Senator will observe that this language applies to the persons who are engaged in commerce, and not to the commerce itself. The language is, "No code of fair competition shall be applicable to any person." "Person", of course, is defined in the measure as not only a natural person but a corporation or an association. The language is, "No code of fair competition shall be applicable to any person whose business is wholly intrastate." So that any person whose business is not wholly intrastate, which, of course, would mean that it was partly intrastate and partly interstate, would not be exempt under this language.

Mr. BORAH. I understand that perfectly; but what I am seeking to ascertain is whether or not the word "wholly" adds anything, in the view of the proponents.

Mr. BARKLEY. If the Senator will permit, I think it does, because it emphasizes the fact that the persons to whom a code is to be applicable are engaged in intrastate commerce exclusively, and not interstate and intrastate.

Mr. BORAH. If that is the interpretation, it is quite objectionable to me. In other words, suppose an individual were engaged in interstate commerce, but suppose he had a business that was wholly intrastate. Because he individually was engaged in interstate commerce, you could not draw to Congress authority over that business which was wholly intrastate commerce.

Mr. BARKLEY. Of course, if the Senator refers to a man who is in some business that is interstate commerce and in some other business that is intrastate commerce, he could be drawn into the code so far as his intrastate commerce is concerned. But take the case of a wholesale grocer, for instance, one who lives on the State line, and sells groceries in a wholesale way all over the country. He is engaged in interstate commerce, although he may sell some of his products to grocers in the State in which the concern is located.

Mr. BORAH. Clearly that man would be engaged in interstate commerce.

Mr. BARKLEY. That is true.

Mr. BORAH. And he would be subject to the control of Congress.

Mr. BARKLEY. Yes.

Mr. BORAH. His business is interstate. It would be so held. Whenever a court determines that it is interstate commerce, of course, Congress has control of it, but when it is intrastate commerce Congress has not control of it. But all this is beside the point. I have said in my opinion the word "wholly" neither adds to or subtracts from intrastate, and the word "wholly" should be stricken out in the interest of clarity. If the proponents are to insist that "wholly" has any legal significance, I should urge it be stricken out.

Mr. BARKLEY. If the Senator will permit me, I should like to draw the distinction. If the same person who is engaged in interstate commerce in the grocery business, as I have illustrated, had a coal yard off in some other part of his city which was wholly within the State, and that business were wholly within the State, that would not be brought within the code simply because in the grocery business he was engaged in interstate commerce.

Mr. BORAH. That is a more satisfactory explanation. I wish to say that in approving the joint resolution I do not believe that, as a legal proposition, the word "wholly" has any significance whatever. It would have considerable significance as interpreted by some of the administrative forces in the administering of the N. R. A.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. BORAH. I yield.

Mr. ASHURST. Is it not a fact that, so far as the courts are concerned, they must and will disregard the word "wholly"?

Mr. BORAH. I have no doubt about it. I think it will lead to a great many complications when it comes to the administration of the act by some of the executive officers. They will convince a man that if he is raising a product which ultimately gets into interstate commerce he is under the control of Congress. That is not true. I want it understood, so far as my vote is concerned, that I regard the word "wholly" as wholly superfluous. It has not any significance whatever as a legal proposition.

It is true that in the famous "steamboat" case, as it is known, where the doctrine of interstate commerce and intrastate commerce was first announced, the word "completely" was used in the act as distinguishing intrastate commerce. But it has never had any significance; it has never been used as a distinguishing word in determining what was interstate and what was intrastate. The distinction turned upon the question of whether the business was within a State, was being conducted within a State. If it was, it was intrastate. If the business overlapped State boundaries, it was interstate. It cannot be divided.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ASHURST. We complain frequently against courts because they strike down laws here and there. I have often thought that if we should apply some of the criticisms to our own body, or to Congress, we might find that we could help the courts by not using language which we know adds nothing to the law, gives it no strength, adds nothing to the legality or to the constitutionality of any particular statute.

So far as this proposed act is concerned, I think that the word "wholly" might mislead some administrative officials. It would not mislead any court. If I may be pardoned for using the word, I think it is a sloppy way to legislate. I think that word should not be in the measure.

Mr. BARKLEY. Mr. President, if the Senator will yield further, if we strike out the word "wholly" we run the risk of eliminating persons whose business is intrastate although it is not wholly intrastate.

Mr. ASHURST. In my judgment, we run the same risk with the word there.

Mr. BORAH. Let me ask the able Senator from Kentucky a question. Does the Senator from Kentucky claim that by this joint resolution and by this word "wholly" we are in any wise seeking to modify or change any of the laws as laid down by the courts?

Mr. BARKLEY. No; we are not attempting to change the law, but the Senator must keep in mind that this language is made to apply to people and not simply the commerce in which they are engaged; that many organizations may be engaged in both interstate and intrastate business, and if we strike out the word "wholly" we might by implication include institutions a part of whose business is intrastate, but who have some business, even in the same line, which extends beyond State lines.

Mr. BORAH. If we should provide that no code of fair competition shall be applicable to any person whose business is intrastate, we would cover intrastate business, and only that would be eliminated which was intrastate business.

Mr. BARKLEY. I am afraid not; but if we are going to change it, if the word "wholly" is to be eliminated, then it seems to me that the whole paragraph would have to be rewritten so as to make it applicable to the business, so that

no code of fair competition should apply to any business which was intrastate.

Mr. BORAH. Mr. President, I think that is the construction that will be given the statute anyway. It refers to any person whose business is wholly intrastate. Of course, it is the business which we are seeking to regulate.

Mr. COUZENS. Mr. President, will the Senator from Idaho yield to me?

Mr. BORAH. I yield.

Mr. COUZENS. From a practical operating point of view, I can see a clear distinction between the measure with the word "wholly" left in and with the word left out. The Senator from Kentucky has pointed out the particular point; that is, when we attempt to regulate the hours of labor and the wages of a concern which is handling both interstate and intrastate commerce, from a practical proposition it is not possible to separate the two. So the committee wrote the word "wholly" in the measure so that a concern that was doing a combination business might come under a code of fair competition, while if it was doing a business wholly intrastate, and there was no combination of the two, it could not come under a code of fair competition.

Mr. BORAH. Mr. President, if that is the construction which is to be placed on this matter I desire to be heard somewhat at length. When I consented to this resolution there was nothing said about the word "wholly." We were to take the terms "interstate" and "intrastate", and that was made perfectly clear at the conference. It is evident that there is intended to legislate a different construction upon the proposition.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. President—

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. BORAH. I yield.

Mr. BARKLEY. It is not evident here that we are trying to put over anything on the Senate by the language which we have used.

Mr. BORAH. No; I do not mean that at all. It is simply an unfortunate expression.

Mr. BARKLEY. What we are trying to do is to make it perfectly plain that any man or any institution whose business is exclusively intrastate is not to be eligible for a code even—he cannot even enter into one voluntarily; but we do not want the language so loose that any man who happens to be engaged in intrastate business but has an extensive interstate business also, would be let out, and that is the danger in removing the word "wholly."

Mr. BORAH. Mr. President, we have been dealing with this question of "interstate" and "intrastate" for over 100 years—

Mr. BARKLEY. I know, but we have been dealing with it in a different way from that which applies to these codes under the N. R. A. We have been attempting to regulate commerce by regulating carriers of commerce, and prohibiting or restricting the shipment across State lines of certain types of commerce, but that has been a little bit different from what we have here, where men who are engaged in that commerce are permitted to enter into agreements.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. CLARK. Let me say to the Senator from Idaho and the Senator from Kentucky, that as one of those who participated in the negotiations leading up to the introduction of this particular resolution, and also as a member of the Finance Committee and a member of the subcommittee which actually prepared the resolution, I should like to say that I am not in agreement with my friend from Kentucky on the construction placed on this language. Let me say that the statement of the proposition in the intrastate phase rather than in the interstate was done with the particular suggestion and assistance of the Senator from Idaho. In other words he desired to have it stated, and other Senators with whom we had at all consulted, also desired to have it

stated as a negation of the interference of codes with intrastate commerce, rather than an authorization for the imposition of codes on interstate commerce.

When the subcommittee met—and I think I violate no confidence in making this statement—the subcommittee being made up of the Senator from Mississippi, the chairman of the full committee, the Senator from Delaware [Mr. HASTINGS], and myself, I proposed that the word "wholly", in line 10 on page 2, just before the word "intrastate", be stricken out, having in mind the same distinction and proposition now advanced by the Senator from Idaho. On the other hand, in discussion in the subcommittee this thought occurred to all of us, and I think is an entirely bona fide thought. We have not stated here that codes of fair competition may be imposed as to concerns engaged in interstate commerce. We put it in the negative—that no code of fair competition shall be applicable to any person whose business is wholly intrastate.

Mr. President, I now suggest to the Senator from Idaho, and urge this upon him for his consideration, and I think I speak for the whole subcommittee when I state that this was the consideration which appealed to all of us; if we strike out the word "wholly", which I originally desired to do, we provide that a concern whose business may be both interstate and intrastate, and whose business is 95 or 99 percent interstate, shall not be subjected to a code because they happen, accidentally, to be engaged to a small extent in intrastate business. I am unable to see any other rule of reason if we strike out the word "wholly."

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. BORAH. I yield.

Mr. BARKLEY. It will be the same as if the language provided—"No code of fair competition shall be applicable to any person a part of whose business is intrastate." That would be the effect of it.

Mr. BORAH. Of course, if I took that view of it I would agree with the Senator at once, because I have not any desire to accomplish that object.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. BORAH. I yield.

Mr. CLARK. I am certain he and I are trying to accomplish the same purpose.

Mr. BORAH. I do not have any doubt about it; and I may say that of the entire committee.

Mr. BARKLEY. Of course, it may be splitting hairs to draw any fine-spun distinction here, but if it is said that no code shall apply to a person whose business is intrastate, then if we take the concern, the imaginary concern referred to by the Senator from Missouri and by myself, which is engaged in both interstate and intrastate—of course its business is intrastate, but it is not all intrastate—

Mr. BORAH. Well, it is not intrastate.

Mr. BARKLEY. And it is not interstate.

Mr. BORAH. It is not intrastate unless it complies with certain rules and definitions and principles which have been announced from time to time by the courts.

Mr. BARKLEY. The business which is intrastate, of course, is not interstate, but the person who is doing that business is engaged in interstate business.

Mr. BORAH. Then we had better get rid of the word "person" and say, "no business." The word "person" would cover a corporation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. CLARK. On that point, Mr. President, let me suggest to the Senator that if a concern is engaged in intrastate and interstate business in a city such as Pittsburgh, New York, Boston, St. Louis, or Kansas City, where they do both intrastate and interstate business, if the distinction is made that they are coded as interstate, and no code is applicable to the intrastate business of the concern in their interchangeable business, then that imposes an almost impossible administrative function on any code authority whatever.

Mr. BORAH. Let me ask the Senator: Does the Senator understand that this word "wholly" in any way attempts to modify the principles which have been announced by the courts as to what is intrastate?

Mr. CLARK. I will reply to the Senator from Idaho that I do not; and I do not understand that the Congress has the authority in any case whatever by definition of interstate or intrastate commerce, or any sort of commerce, to change the definitions which have been laid down by the Congress from time to time with respect to that.

Mr. BORAH. I would not have been so interested in this word "wholly" had it not been for what seemed to me to be extraordinary constructions of the meaning of interstate commerce which have emanated from certain sources with regard to the N. R. A.

Mr. CLARK. Let me suggest that the Senator from Idaho and I are in entire accord on that proposition. If Mr. Richberg's definition of interstate commerce is correct, then I am a "heathen Chinese."

Mr. BORAH. Mr. President, with a simple statement for the RECORD I shall not detain the Senate longer with regard to the matter. My view is that the word "wholly" has no effect whatever when it comes to the construction of this statute by the courts. My further view is, however, that the word "wholly" may be used in the administration of it if so desired to the annoyance of people who are engaged in intrastate business.

Definitions have been given us which would lead us to believe that a farmer who was producing hay or corn which might ultimately get into interstate commerce would be regarded by certain people as engaged in interstate commerce.

While I do not think for a moment the courts are going to hold to any such proposition, I can imagine that it may be utilized in the administration of this bill greatly to the annoyance of those who are engaged in intrastate business, because the man who is engaged in intrastate business ordinarily, a small business, is not prepared to contend against these constructions which may be placed upon it by those who are administering it, and it was my hope, and I so expressed myself at the general conference, and at other conferences, that this statute might be made so plain that the small business man engaged in business in the State, and in no sense engaged in interstate commerce, might not be confused or annoyed by constructions and rules and regulations with reference to the conducting of his business, and that is the reason why I have called attention to the word "wholly"; not that I think it makes any difference as to what is intrastate business after it reaches the Court, but it will lead to a great deal of annoyance before it reaches the Court, in my judgment.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ADAMS. I desire to ask the Senator from Idaho a question. I think the question I intended to ask was probably answered in the colloquy which took place in the other part of the Chamber and which I was unable to hear. The provision is that "No code of fair competition shall be applicable to any person * * *." I was wondering whether or not persons are what are to be governed by the code rather than the businesses. In other words an individual might have, as was suggested by the Senator from Kentucky, two entirely independent businesses. He would be regulated according to the intent of the statute in one of those businesses and not regulated as to the other. Yet the phrasing of this clause would bring him within its terms, because his businesses were not wholly intrastate. I was wondering whether or not it might be possible to make these laws applicable in some way to the business which the person is doing rather than to the person.

Mr. BORAH. I had not supposed so. I think the code would have to apply to the business. If A was engaged in a business which was intrastate and engaged in another business which is interstate you could apply the code to the business which was interstate, but you could not apply it to

the business which was intrastate. That would be my interpretation of it.

Mr. ADAMS. I understood the Senator from Kentucky to say that this section applied to persons and not to businesses.

Mr. BARKLEY. I was commenting upon objections raised by the Senator from Idaho to the word "wholly", and I mentioned the fact that "person" was used here rather than the word "business." The Senator has the idea that was in my mind when he suggests that when any person or any corporation is engaged in two separate kinds of business, one of which is altogether within a State, the other of which goes over the line and therefore becomes interstate commerce, that person is not excluded by the word "wholly" here, because he is partly engaged in one and partly in the other, and would be subject or eligible, insofar as his interstate business is concerned, but not insofar as his intrastate business is concerned.

Of course, in writing a law we have to keep in mind those who are not engaged in both kinds, but only in one kind. If he is engaged altogether in interstate business, of course, he would be ineligible and the law would apply. If he is engaged exclusively in intrastate business, he would not be eligible and it would not apply. We have to use the word "person" so as to make sure we are not trying to divide a man's business.

Mr. BORAH. Suppose Mr. A were engaged in a business which is intrastate, a business conducted entirely within the State. Suppose Mr. A also has a business which is interstate. I am not speaking of the same business, but he has two businesses, one of which is interstate and the other of which is intrastate. Would his business which is intrastate be excluded?

Mr. BARKLEY. That is right.

Mr. BORAH. His business which is interstate would be subject to the rule, but the fact that he had two businesses, one interstate and one intrastate, would not draw the entire business, both intrastate and interstate, under the code?

Mr. BARKLEY. Not at all.

Mr. CLARK. The reason for not defining the word "person" more specifically is that the term "person" is defined in the original act of which this is an extension. According to the definition in the original act and according to the understanding of the members of the subcommittee and according to the advice of our legislative counsel, it was as the Senator from Idaho stated.

Mr. BORAH. Does the Senator from Missouri expect that the word "wholly" will give rise to any misunderstanding or annoyance?

Mr. CLARK. If I had thought so, I should not have agreed to keep the word in the joint resolution. My endeavor, as that of other Senators, was to arrive at some composition, if possible, which would enable the matter to be held in abeyance until the Supreme Court of the United States might have an opportunity to determine the issue. I certainly would not knowingly or willingly have agreed to leave any word in the measure which I thought would make trouble in construction in the future.

Mr. BORAH. Is it the Senator's opinion that if the joint resolution becomes a law it would exclude intrastate business from the operation of the codes?

Mr. CLARK. If I did not think so, I certainly would not be in favor of it.

Mr. GLASS. Mr. President, I simply want to make a statement to the effect that I intend to vote for the joint resolution, but, like the Senator from Idaho [Mr. BORAH], I do not want to be understood as desiring to extend the N. R. A. for a single minute. If I could do so I would terminate it right on the spot, because I have not had anything to do with it, nor have I permitted it to have anything to do with me or my business. I shall vote for the joint resolution as the best thing perhaps that we can get.

Mr. SHIPSTEAD. Mr. President, I should like to ask the Senator from Mississippi [Mr. HARRISON] a question. I understood him to say that when the joint resolution comes

back from the House, if it is changed in any respect the change will be submitted to the Senate for consideration.

Mr. HARRISON. In view of the fact that we are trying to get together on the joint resolution and get it out of the way so the N. R. A. may be extended and not die on June 16, I think I would be unfair, if I had anything to do with the conference and the House should amend the joint resolution or write a new measure, not to bring it to the Senate and let the Senate pass upon it. I should not agree to anything in conference without first submitting it to the Senate. So far as in my power lies I shall follow that course.

Mr. SHIPSTEAD. I understood and the Senator from Idaho [Mr. BORAH] seemed to understand it was to come back here as an original proposition, which would throw the whole matter open for discussion.

Mr. HARRISON. No. What would happen would be this. If the House, for instance, should substitute a new bill for the joint resolution and it should come over here, we could either go to conference or we could submit it to the Finance Committee and its report back to the Senate would bring the whole matter again before the Senate. If I had anything to do with it I should not ask that it go to conference if there was any substantial amendment made to the joint resolution as now before us, but would insist upon permitting the Senate itself to pass upon any changes made, agreeing or disagreeing to them.

Mr. BARKLEY. Mr. President, the Senator does not intend to preclude any amendment that might be adopted in the House from going to conference if the Senate should be willing to send it to conference?

Mr. HARRISON. Oh, absolutely not.

Mr. SHIPSTEAD. If the House should add an amendment to the joint resolution as it passed the Senate, and it should come back here and be submitted to the Senate, we can then only consider the amendment made in the House. Is not that true?

Mr. HARRISON. If the House should extend the N. R. A. 2 years and it should come over here in that form, I should feel that the Senate itself ought to consider the proposition whether it should be extended beyond April 1, 1936, or for 2 years.

Mr. SHIPSTEAD. I should like to ask the Senator a question concerning the exception on page 2 of the joint resolution, paragraph 1. The exception provides that price fixing may be allowed for the regulation of prices under Government control. It says it may include any codes for "mineral natural-resource industries."

Mr. HARRISON. If the prices are now permitted to be fixed or are fixed. If those codes now in operation have no price-fixing provision, then they would not be permitted under the terms of the joint resolution to get up a code that would fix prices.

Mr. SHIPSTEAD. But if they have a price-fixing code they can continue?

Mr. HARRISON. Yes; if there is a mineral natural-resource business.

Mr. SHIPSTEAD. Can the Senator give me an outline or enumeration of the industries which would come in that category? Does that include the steel industry?

Mr. HARRISON. I have placed in the RECORD a statement which has been prepared by experts.

Aluminum: Trade practice provisions are suspended.

Bituminous coal: Prices provided by article 6.

Asbestos: Article 8 permits price fixing.

Building granite: No provision.

Copper: Through an Executive order price fixing is permitted. The whole copper industry is for the N. R. A. and appeared before the committee.

Crushed stone: Article 7.

Feldspar, gypsum, lead, limestone, manganese, marble quarrying, mica, and petroleum codes provide for posting the previous 24-hour price.

Quicksilver, soapstone, soft lime rock, salt producing sand-stone, slate, fuller's earth, natural cleft stone—these are the ones where price fixing is permissible under the

code and they all come in the natural mineral-resource category.

Mr. SHIPSTEAD. We have in the steel code an arrangement that is a modified arrangement of what is called the "Pittsburgh-plus system" of fixing prices. Can that be continued?

Mr. HARRISON. I may say to the Senator that in my opinion there was some very just criticism of the N. R. A. administration. It is useless to go into that; it would take too much time; but they have the authority in the code administration to change these basing points.

Mr. SHIPSTEAD. I know they have, and to the best of my knowledge it has not been done. It should have been done. They had authority to do it.

Mr. HARRISON. I agree with the Senator that more basing points should have been established. It is my considered opinion, and I have so stated before this time, that 90 percent of the criticism which has been hurled at the N. R. A. could be obviated by certain changes that might be made in the administration of N. R. A.

Mr. SHIPSTEAD. As long as they have had the opportunity and the authority to do it, and have not done it, why do we not do it here?

Mr. HARRISON. If we should start in to do that we should have to write new N. R. A. legislation, and we never should get through.

Mr. SHIPSTEAD. That ought to be done.

Mr. CLARK. Mr. President, will the Senator from Minnesota yield?

Mr. SHIPSTEAD. Yes; I yield.

Mr. CLARK. I think my friend from Mississippi is clearly in error when he says that the Pittsburgh-plus provisions of the steel code, or any other provisions of the steel code having to do with price fixing, would be saved by this exception. Steel is not a natural commodity, it seems to me, within this exception.

Mr. SHIPSTEAD. It is a mineral natural resource.

Mr. CLARK. Steel is not a mineral natural resource.

Mr. SHIPSTEAD. Iron ore is.

Mr. HARRISON. Steel was not included in what I said.

Mr. CLARK. I think everybody will agree that the steel code is clearly outside of this exception.

Mr. COUZENS. Steel is not a mineral resource.

Mr. SHIPSTEAD. Is it not a natural mineral resource?

Mr. CLARK. It is a derivative of mineral, but it is not a natural mineral resource. I do not think anybody, even Mr. Richberg, would contend that that was true.

Mr. BARKLEY. Any more than tin plate would be.

Mr. SHIPSTEAD. Then am I to understand that the steel code is eliminated so far as concerns price fixing under the so-called "base-rate system", the system which is a modification of the former Pittsburgh-plus system?

Mr. CLARK. Absolutely.

Mr. HARRISON. I may say to the Senator that the experts of the N. R. A. tell me that steel is not construed as one of the natural mineral resources as to which price fixing might be permitted, and that only through establishing basing points could the price-fixing idea be approached.

Mr. SHIPSTEAD. Will the basing-point system of price fixing be permitted to continue under the joint resolution?

Mr. HARRISON. Price fixing in the steel industry will not be continued, and is not now in the steel code.

Mr. SHIPSTEAD. I am told that steel does not come in here because it is not a natural mineral resource industry, while aluminum is. Aluminum is made out of ore. So is steel. Why does one come in and not the other?

Mr. CLARK. Steel is an amalgam of iron and certain other things.

Mr. SHIPSTEAD. What is aluminium made of?

Mr. CLARK. I am frank to say that I do not understand the process of manufacturing aluminum.

Mr. BARKLEY. It is pure aluminum when it comes out of the ground.

Mr. SHIPSTEAD. It does not come out of the ground as pure aluminum.

Mr. HARRISON. Aluminum has been suspended, so there is no price-fixing code as to aluminum.

Mr. SHIPSTEAD. I thought the Senator read that from the list.

Mr. HARRISON. I said that the trade practices alone have been suspended.

Mr. CLARK. If my friend from Minnesota will yield to me for just one further remark, I should like to say that I think it is perfectly clear that the steel code is not included within the exception with regard to natural mineral resources. I should like to say further that so far as I am concerned, I am entirely opposed to the exception as a matter of permanent law.

Mr. SHIPSTEAD. So am I.

Mr. CLARK. I am opposed to excepting coal or copper or oil or iron or anything else from the restriction on price fixing; and I desire further to say that I should like very much to have price fixing defined in a more explicit manner than it is defined in this joint resolution. I should like specifically to include the matter of Pittsburgh pluses, the matter of production control, and all the other devices for price fixing which Mr. Richberg and other authorities deny are price fixing. If it were a question of enacting a permanent law or a law to run for a substantial period, I should not be willing to agree to this joint resolution or any other joint resolution which did not make the specific definition of price fixing include all the devices with which we are familiar which have been resorted to for the purpose of price fixing.

I will say to my friend from Minnesota, however, that the purpose of this joint resolution is simply to extend the status quo as far as possible, cutting out the most obvious of the devices developed by the N. R. A., until an opportunity may be afforded for a decision by the Supreme Court of the United States which will tell us what parts of the N. R. A. are constitutional and what parts are not constitutional, so that Congress may proceed intelligently to decide what parts of N. R. A., if any, they desire to continue, and what parts they desire to outlaw by law.

Therefore it seems to me that even those who, like the Senator from Minnesota and the Senator from Idaho and me, are very bitterly opposed to price fixing in any form, including natural mineral resources as well as any other, and including any device such as Pittsburgh pluses, or production control, or any other device, may very well agree on this proposition for a temporary extension to enable and in a way to force a decision by the Supreme Court of the United States on the issue.

Mr. BARKLEY. Mr. President, if the Senator will yield, it is necessary to keep in mind in connection with this exemption the fact that even though a product may be a natural mineral resource, unless there is a present price-fixing code operating on it, it is exempt.

Mr. SHIPSTEAD. I understand that.

Mr. BARKLEY. While aluminum is included in this list, as a matter of fact, price fixing has been suspended as to aluminum, and it would not apply to any other natural mineral resource unless there is now an active code which authorizes price fixing.

Mr. SHIPSTEAD. This applies to natural mineral resources, and that kind of an industry is an industry which takes material which it obtains from natural mineral resources. It includes all natural resources out of which finished products may be made. If it does not include the steel industry, then I am entirely wrong as to what is meant by a natural mineral resource industry. The raw material is a natural resource, and, being mineral, it comes within that category; but it seems to me that when we add "industries" we include the manufacture of products that come from natural mineral resources, and it seems to me that would include steel.

Now, I should like to know if the system of price fixing called the "open-price system" will be permitted to continue under this joint resolution.

Mr. COUZENS. Absolutely.

Mr. SHIPSTEAD. I desire to call the attention of the Senator from Mississippi to the open-price system of price

fixing, and to ask if that can be continued under this joint resolution. By that system I mean where a contract is advertised for bids, and the bidders are permitted or are compelled to publish their bids, say, 5 or 10 days before the bids are opened. After that has been done, any bidder is then allowed to amend his bid to meet any other bid; and, as a result, we have unanimity of price just as effectively as though the bidders themselves had gotten together, as they were prohibited from doing under the antitrust act, and agreed upon a price. All they have to do is to have some understanding that the lowest bidder shall bid high enough; then the others can amend their bids, and the bids are identical. I should like to know whether that system can continue under this joint resolution.

Mr. HARRISON. That is one of the very phases upon which the court must pass, and about which there is doubt, and we hope that by the time this joint resolution would expire the court will have passed on it.

Mr. SHIPSTEAD. I do not care what the courts do about it; what I want to know is what we are asked to provide here as something that shall or shall not be done. We said that it should be done. I am not in favor of saying that it shall be continued.

Mr. CLARK. Congress never said it could be done. Congress never said that price fixing was legal. Congress never outlawed price fixing, but it never said it was legal. I agree entirely with my friend from Minnesota that this device which he has described here is price fixing, and I say that if Congress outlaws price fixing, the practice which he has described is outlawed by that action, and I believe that every reasonable court would so hold.

I think it is only fair to say since the question has been raised, that the eminent head of the N. R. A., Mr. Richberg, takes a contrary view on that legal proposition, and holds that nothing is price fixing except where fellows get together and write down a definite schedule of prices, saying, for instance, that 27¼ cents a yard is the price of such and such a fabric. That is Mr. Richberg's definition of price fixing. But I believe that every lawyer in this Chamber who has considered the matter will agree that when we outlaw price fixing we do outlaw the processes which the Senator from Minnesota has described, such as production control, and the other devices for price fixing.

Mr. TYDINGS. Mr. President, will the Senator yield to me?

Mr. SHIPSTEAD. I yield.

Mr. TYDINGS. On page 2 the language is, "No price fixing shall be permitted or sanctioned under the provisions of any code." Then, of course, the exception is made which we have discussed.

Mr. SHIPSTEAD. Yes.

Mr. TYDINGS. If no price fixing is to "be permitted or sanctioned under the provisions of any code", I do not see how bids could be the same, if this joint resolution were enacted and were administered with the intentment which it carries on its face. Certainly no contractors bidding on building a bridge, or furnishing supplies to the Government, could agree on prices unless there was price fixing, and that is declared outlawed by the joint resolution.

Mr. SHIPSTEAD. "Except."

Mr. TYDINGS. Except as to mineral resources. I am not discussing that exception.

Mr. SHIPSTEAD. That is what I am discussing.

Mr. TYDINGS. I am assuming the purchase of automobiles, the building of battleships, the buying of tires, the building of roads, or the construction of buildings, the doing of any of the many things in which contractors are engaged. If the joint resolution were enacted and all the bids which came in were identical in amount, it would be a clear violation of the law, and all the bids ought to be rejected because there could be no price fixing under the law, if I understand the joint resolution correctly.

Mr. COUZENS. The testimony before the Committee on Finance does not indicate that construction. Price posting, the posting of prices, is clearly differentiated from price fixing.

Mr. CLARK. Mr. President, will the Senator from Minnesota yield?

Mr. SHIPSTEAD. I yield.

Mr. CLARK. The whole purpose of the joint resolution, I think the Senator from Michigan will agree, is to get away from the definitions of a lot of things as fixed by Mr. Richberg and other officials of the N. R. A., and to get court definitions of the same terms.

Mr. COUZENS. Mr. President, I am not in disagreement with the Senator, as has been shown by the fact that I was the first one on the committee to support his position. But I do say that all of the witnesses—and I sat there week after week—contended that the posting of prices was not price fixing, and I do not interpret price posting as price fixing.

Mr. TYDINGS. May I, with the consent of the Senator from Minnesota, ask the Senator from Michigan a question?

Mr. SHIPSTEAD. I yield.

Mr. TYDINGS. As I understand what the Senator has in mind, it is a situation like this, and I think it is more prevalent in the automobile industry than perhaps in any other. Suppose there were in Washington three dealers in Ford automobiles. The Ford Co. sells its car to the dealer with the understanding that he will sell it to the public at an established price. Is that correct?

Mr. COUZENS. That is my understanding.

Mr. TYDINGS. It is my understanding also. Therefore, that being the case, price posting would be an act on the part of those dealers to sell that car to the Government at the price at which they have agreed to sell it to an individual, in accordance with their agreement with the manufacturer. That would be price posting. Price fixing, as I understand it, would be making a price on something that is not in existence.

Mr. COUZENS. The Senator overlooks the fact that there is a very great deal of difference between selling an article at a price quoted, or a fixed price, and selling a lot of stationery, like envelopes, or bulk goods, when one would go to a place, to an institute of some kind, and say, "I post up on the wall that I will sell these envelopes at a dollar a thousand", and everybody else comes along and does likewise. That is price quoting, but there is no price fixing, because there is no agreement. In other words, anyone else who desires to break that price may do so, but he obviously gets in bad with his associates in the code.

Mr. SHIPSTEAD. He will be penalized under the code if he does it.

Mr. TYDINGS. One of the things I attempted to point out was in the realm of fair trade practice without price fixing and another was naked price fixing. I am wondering whether any language was devised or presented to the committee which would give the Senate an opportunity to vote against price fixing and at the same time would favor a code of fair trade practices.

For instance, let us suppose there are three automobile dealers in Baltimore—and this case frequently comes to mind—all selling the same car. A man takes a car that is 5 years old to one of the dealers and asks at what price he can turn that car in on a new one. As I understand it, cars of a certain year bring a certain price. Instead of adhering to the code price for that traded-in car, one dealer will cut the price as an inducement against another dealer, we will assume.

I am not in favor of price fixing, but I do think there is a twilight zone where, if the words could be found, there could be a code of fair trade practices evolved which would not involve price fixing. I admit it is a very twilight zone, and I could not suggest the words to go into the measure, but I would not be opposed to that sort of a thing if it could be concisely and emphatically expressed.

I am absolutely in favor of what the Senator from Minnesota and what the Senator from Missouri have said as being opposed to any policy of price fixing.

Mr. BARKLEY. Mr. President, will the Senator from Minnesota yield?

Mr. SHIPSTEAD. I yield.

Mr. BARKLEY. The question of price fixing has been one of the most difficult problems with which the N. R. A. has had to deal. My conception of price fixing, of course, is not simply the picture of half a dozen men or companies engaged in the same business fixing their own prices and posting them in a public place. That is not price fixing. Price fixing as I have always understood it, and to which there has been objection, has been a concurrence or agreement among all the different competitors in a business to fix the same prices to the public for their products.

Mr. SHIPSTEAD. That is just what happens in this open posting of prices.

Mr. BARKLEY. A situation arose, which I think we all have to acknowledge, that in the codes which limited hours of labor in industry and undertook to provide for an increase of wages it was recognized that if all of an industry should be subject to a code which increased wages and reduced hours of labor, no one of them ought to be allowed to sell its product below the cost of production, so as to be able to injure the others who were regulated by the same hours and the same wages. In that case there was a "floor", as it was called, a minimum below which they could not sell, and that minimum was represented by the cost of production. But this joint resolution even eliminates that. It takes out the "floor." It would permit anyone who wanted to do so, who was under a code, to sell at a price below the cost of production without any restriction, if he saw fit to do so.

I myself felt, and still feel, that in any permanent or long-time extension of the N. R. A. there ought to be some way of guaranteeing that competitors who are under the same restrictions as to hours and wages ought not to be allowed to cut prices. That is one of the things that was extensively indulged in in this country long before the N. R. A. Ever since I have been a Member of Congress bills have been pending in both Houses undertaking to make it impossible for large concerns to go into a community and undersell all their competitors until they had driven them out of business, and then get the whole market for themselves.

There is no "floor" provided in this joint resolution, no minimum; and therefore price fixing would be completely eliminated, save in the limited instances referred to in the exception.

Mr. SHIPSTEAD. If the Senator from Michigan is correct in his statement that all of the testimony before the Finance Committee indicated that what he calls "price posting" is not price fixing—it may not be price fixing, but the result is that it does fix prices on an identical basis.

Mr. BARKLEY. Of course, there would be no illegal price fixing unless they had entered into an agreement prior to that posting. But if all of them post the same prices without any previous agreement or understanding, and even if one of them did it first and the rest of them come along, hoping to be able to get some of the business at the same price and post at the same price, that would not be illegal price fixing; that would not be against the law.

Mr. SHIPSTEAD. I want to make that illegal price-fixing and prohibit it.

Mr. BARKLEY. I do not know how you can ever prevent one man from coming in without any collusion and fixing or posting the same price that somebody else has made or was posting.

Mr. SHIPSTEAD. You can do it by secret bids.

Mr. BORAH. When you do it by secret bids you are within the price-fixing principle.

Mr. SHIPSTEAD. I mean by competitive bids.

Mr. BORAH. If it results in a tacit understanding, express or implied, and they arrive at a final conclusion and they use one price it is price fixing.

Mr. SHIPSTEAD. Of course. We had the same system in the steel industry. They were prohibited by law from agreeing on prices and fixing prices. How did they get around it? They evaded the law by attending the Gary dinners, and all that was necessary to fix the price was to have someone at that dinner representing the United States Steel Corporation say, "for the next 30 days we are going

to sell steel at \$30 a ton", for instance. There was no agreement, but everyone who left the dinner knew what the price of steel was and what they would sell the steel for within 30 days.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. TYDINGS. As I understand the price-fixing proposition, that was the case before the N. R. A. came into existence. Under this resolution we would be in the same position as before N. R. A. was adopted?

Am I right?

Mr. SHIPSTEAD. I do not understand the Senator.

Mr. TYDINGS. It says there shall be no price posting. If price posting amounts to price fixing it goes out.

Mr. SHIPSTEAD. Except as to certain industries.

Mr. TYDINGS. Of course, with the exception. But we are in the same position if this resolution is adopted, outside of the exception which the Senator has made, as we were in before the N. R. A. was adopted.

Mr. SHIPSTEAD. I think that is true. I am trying to find out what is included in this category under exceptions, and I am particularly interested in knowing whether or not the steel industry is included in this exception.

I am told that it is not.

Mr. BORAH. That the steel industry is not included?

Mr. TYDINGS. That is what I understand.

Mr. BORAH. In other words, that the price fixing in the steel industry would be prohibited under this resolution.

Mr. WAGNER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from New York?

Mr. SHIPSTEAD. I will yield to the Senator in just a moment. I ask the attention of the Senator from Mississippi [Mr. HARRISON], and suggest that the Senator from Idaho repeat his statement.

Mr. BORAH. As I understand, under this resolution, no price fixing would be permitted, with certain exceptions; that the price fixing in the steel industry would be prohibited.

Mr. HARRISON. Absolutely.

Mr. SHIPSTEAD. I thank the Senator for that information.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. WAGNER. So long as we are on this subject of price fixing, I wanted to inquire whether the Senator from Minnesota knows, or whether the Senator in charge of the bill knows, the answer to the question I am about to ask. When we had up for consideration the National Recovery Act 2 years ago one of the things we were concerned about, and which we wanted to prohibit, was particularly a practice which many of the large chain stores and concerns indulged in, of disposing of the little competitor by selling a certain commodity, which the smaller store in that neighborhood was selling, below the cost of production. After the little fellow, who, of course, was not able to continue competition under those circumstances, was disposed of, then the price of the particular commodity would be raised again to where the chain store would secure a profit.

There has been pending in the Senate a bill proposed by the Senator from North Dakota [Mr. Nye], which has been pending for several years, which made an effort to cure that very thing; and we proposed to cure it, or attempted to cure it, in the National Recovery Act by permitting the code to prohibit a sale below the cost of production. Under the provision in this pending bill that power is wiped out, and hereafter that sort of a practice, which really disposed of the little fellow, is not permitted. Whatever might be said of the administration of the N. R. A., that provision has saved many of these little fellows around the country by prohibiting such type of unfair competition.

Now, that is being wiped out. You are prohibiting hereafter any provision being in any code preventing the sale below the cost of production. I should like to get the advice of the Senators in charge of this bill. I think under this provision you are prevented from fixing the minimum wage, because

as I interpret it, and particularly under the strict interpretations which are made by the courts, which are not always in sympathy with all progressive movements—under their construction it may be held, and perhaps it will be held, that fixing a minimum wage is fixing a price of labor. I admit it is a debatable question. But should we take that chance of possibly preventing or prohibiting the fixing of a minimum wage?

Mr. SHIPSTEAD. I will say to the Senator that if you can fix the minimum wage by law it seems to me that you naturally have the right to fix the maximum wage by law. And that may be a very dangerous experiment.

Mr. WAGNER. I think it is a debatable question. I do not say we cannot.

Mr. BARKLEY. Mr. President, this resolution does not attempt to fix wages, either minimum or maximum. Under this resolution and under the N. R. A. minimum wages are provided for in the codes, but nowhere has that minimum wage, whatever it may have been, been regarded as price fixing in the sense that it fixes the price of the product turned out by a producer.

Mr. SHIPSTEAD. Except so far as it entered into the cost of the production.

Mr. BARKLEY. Except insofar as it enters into the cost of production. In that case it only prohibited a sale below the cost of production in order that all competitors might be on an equal basis. All of them having the same wage and the same hours of labor, there was a minimum below which they could not go, and that minimum was the actual cost of the thing being sold. I do not think that any court would hold that price fixing applied to the wages of labor.

Mr. BORAH. It seems to me that there is a clear distinction between fixing the minimum wages and price fixing.

Mr. WAGNER. Except the language is "no price fixing shall be permitted or sanctioned under the provisions of any code." I think it is a rather debatable question. It could be easily enough clarified if it is not intended to do that. I mean I am raising the question so that we may understand what is the pleasure of Congress.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. COUZENS. I want to say that this language is merely in my opinion a sort of a guidance as to what the N. R. A. will permit in the future.

Mr. SHIPSTEAD. A guidance to whom? To Mr. Richberg?

Mr. COUZENS. Yes; and to the N. R. A.

To the N. R. A. In effect the mere use of that language without any control over production means nothing. It did not mean anything in fact before we had N. R. A. Everyone that was wise to industry and commerce knew that there was price fixing going on, and always has been price fixing, so that the adoption of N. R. A. has not extended to any great extent price fixing. What has happened has brought price fixing out in the open, where, by congressional enactment, you can stop it if you want to, but you certainly cannot stop it by this mere resolution.

So far as I am concerned, and as a member of the Finance Committee, when I approved of this resolution it was for the purpose of serving notice on code authorities and on N. R. A. that that was what Congress intended to eventually prohibit. I do not expect that we are going to prohibit it in the next 10 months, since most of these codes are in effect now, because when you take away one device for fixing prices they will soon find another device for accomplishing the same purpose.

Mr. SHIPSTEAD. The Senator may be perfectly right. There may have been price fixing before we had these codes and the N. R. A. I know that a pair of overalls, which sold for 75 cents under former conditions, immediately after the adoption of the N. R. A. the farmer paid \$1.50 for those overalls, and coal in the State of Minnesota, which under the system of price fixing was sold at a certain price, was raised from \$1.50 to \$2 a ton. I prefer, if there was price fixing before, to have that kind.

Mr. COUZENS. Will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. COUZENS. It seems to me the Senator overlooks the fact that when his constituents got coal at the low prices they did, and when a man got overalls at the price he did, no consideration was given to the condition of labor which produced the coal or the overalls, and by the establishment of codes it is admittedly a fact that the wages in many cases were raised; the condition of the coal operators and the coal miners was improved and the wages were raised.

We cannot get away from the philosophy that if we are going to pay men, women, and children a decent and adequate wage the consumers have got to pay the price. We cannot harmonize the buyers and sellers so they will both be satisfied all the time.

Mr. SHIPSTEAD. I agree with the Senator entirely, except as to his premise. The price of coal has practically doubled in the last 15 years. We used to buy hard coal out in my State for \$10 or \$11 a ton. Now we pay \$19 or \$20. No Senator need try to tell me that that is due to the high cost of labor or that labor got its proportionate increase in wages as compared with the increase in the price of coal.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER (Mr. TRUMAN in the chair). Does the Senator from Minnesota yield to the Senator from Kentucky?

Mr. SHIPSTEAD. I yield.

Mr. BARKLEY. There is no code which applies to the anthracite-coal industry. They are not operating under a code, either as to wages or anything else.

Mr. SHIPSTEAD. It came in under the general proposition of raising prices. I happened to take coal as an illustration. It is true with reference to the price of everything else. The Senator from Michigan [Mr. COUZENS] seems to think that the \$1.50 or \$2 a ton increase was due to the high price of labor or increase in the wage scale. For 10 or 15 years the price of coal has gradually gone up, and I venture to say the coal miner did not fare any better with coal selling at \$18 a ton than he did when coal was selling for \$10 or \$11.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. COUZENS. That was done by price fixing before N. R. A. These things did not all happen since N. R. A. As the Senator from Kentucky [Mr. BARKLEY] pointed out, there is no code for the anthracite-coal industry.

Mr. SHIPSTEAD. Let us take the price of steel, for instance, which in many instances increased as much as 800 percent.

Mr. COUZENS. Yes; and it was always fixed before we had N. R. A. For years under a Republican Department of Justice I tried to have the price of rails to the railroads lowered, and yet with all the antitrust laws on the statute books the price of rails continued to the railroads at \$44 a ton.

It is perfect nonsense to say that a code of the N. R. A. has been responsible for all of the price fixing. It has nothing to do with anthracite coal. It may have had something to do with steel; I do not know. What I am anxious about is to have the price-fixing combination come out in the open and not have to be dealt with in secret as they have been heretofore. It happens now that all the codes are public property, the hearings are public property, we know what is in the various codes, we know the agreements, and when we get around to it I hope we shall enact a law to stop it all.

Mr. SHIPSTEAD. That is what I want to do. Let us stop it all.

Mr. COUZENS. We cannot stop it inside of 10 months unless we know our constitutional jurisdiction with respect to wages, hours of labor, and interstate commerce.

Mr. BARKLEY. Mr. President, will the Senator from Minnesota yield?

Mr. SHIPSTEAD. Certainly.

Mr. BARKLEY. With respect to steel, I think it ought to be stated that the only price-fixing arrangement under the code with which I am familiar is the basing-point arrange-

ment by which, instead of having one Pittsburgh-plus situation, there were numerous situations over the country indicated as basing points. That was a concession to the consumer under the N. R. A. It enlarged the number and extended them so that instead of having one point of distribution from which freight should be charged, whether it was ever distributed from that point or not, there were numerous points throughout the country. That may have been objectionable. It may be objectionable to have any arrangement of that sort, but it did operate as a concession to the consumer as compared to the situation which existed prior to N. R. A.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Missouri?

Mr. SHIPSTEAD. Certainly.

Mr. CLARK. I cannot agree with the construction placed on this matter by the Senator from Kentucky. As a matter of fact, the old custom of Pittsburgh plus has been outlawed for a long period of years by the Supreme Court of the United States. I cannot agree that is a boon to the consumer. For instance, a man wants to put in a hardwood floor at Springfield, Mo. He goes to the door of the factory at Springfield, Mo., which furnishes material for hardwood floors, and has to pay freight from some point in Tennessee or Louisiana. I cannot agree that it is a boon to the consumer in St. Louis who desires to use some steel fabrication, when we have steel plants in the city of St. Louis, to have to pay freight from Chicago or Pittsburgh.

I want to reserve my exception to the statement made by my friend from Kentucky. I say the Pittsburgh-plus system has been outlawed under the antitrust laws for years before the N. R. A. came into existence, and it has been rehabilitated and reestablished under N. R. A., and is one of the things I think ought to be wiped out forever.

Mr. BARKLEY. While it is true that the courts have outlawed the Pittsburgh-plus situation, there had been, prior to N. R. A., basing points established throughout the country that were increased in number under N. R. A. It is a matter of difference of opinion as to whether the increase in the number of basing points, so they would be closer to the consumers than before, was a benefit to the consumer or not. I think it was a benefit to that extent.

Mr. SHIPSTEAD. That was not the only method used to increase the price of steel. For instance, the user of steel would buy 700 pounds or 1,200 pounds. He had been paying 10 cents a pound up to 1,000 pounds. Then the system of fixing prices was changed and he was charged 15 cents a pound up to 200 pounds. If he took 400 pounds, he got it for 12 cents a pound. If he took 700 pounds, he got it for 11 cents a pound. If he took a thousand pounds, he got it for 10 cents a pound. Under that system they raised the price of steel as much as 800 percent. What I am trying to find out is whether this is going to be allowed to continue under the joint resolution.

The Senator from Michigan [Mr. COUZENS] said this is only a clarifying resolution. I asked him if it was to help the understanding of Mr. Richberg, and he said it was. The Senator from Missouri [Mr. CLARK] said that when we passed the original N. R. A. Act we prohibited price fixing.

Mr. CLARK. Mr. President, will the Senator permit me?

Mr. SHIPSTEAD. I yield.

Mr. CLARK. I said that the N. R. A. original act failed to specifically exclude price fixing. It was stated in committee and stated on the floor that the act did not authorize price fixing. However, it was not specifically excluded, and it has been the sedulous and very successful effort of N. R. A. authorities to keep from having any price-fixing problems passed on to the Supreme Court during the period in which it has been in existence. The joint resolution now before us is specifically to outlaw price fixing.

Mr. SHIPSTEAD. I misunderstood the Senator from Missouri, and I apologize. He said the N. R. A. Act did not specifically authorize price fixing.

Mr. CLARK. Nor did it outlaw it.

Mr. SHIPSTEAD. Yes; but Mr. Richberg has said it permits it, because it fixes prices and tolerates the fixing of steel prices.

I understand that the same process of price fixing is prevalent in the sugar industry. I am told that the sugar refineries in Western States like Montana and Utah charge the same price for sugar that is charged in New York, and the price is based upon the price in New York plus freight from New York.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. Yes; I yield.

Mr. WAGNER. In defense of the National Recovery Act, I should like to say that if any price fixing is permitted—and I have no such information—which in any way results in a monopoly or in a monopolistic practice, it is a violation of the present National Recovery Act. Therefore, if that type of price fixing was permitted by any administrator, it was in violation of the law.

Mr. SHIPSTEAD. I believe I heard the Senator from New York state on this floor that in his opinion the anti-trust laws were suspended. If the Senator was correct in that respect, I do not see how monopoly or monopolistic price fixing could be prohibited.

Mr. WAGNER. Oh, no; I never said that.

Mr. SHIPSTEAD. Price fixing will not do any good unless there is a monopoly. Without a monopoly the price cannot be maintained.

Mr. WAGNER. I am sure the Senator from Minnesota will not find anywhere that I made any such statement as he attributes to me. What I did say was that under the National Recovery Act, to the extent that provisions in a code were in conflict with the antitrust laws, the antitrust laws were suspended, except, as the act itself says, that no code could permit any practice which was a monopolistic practice. So there is a clear prohibition in the law itself against the creation of a monopoly or indulging in or permitting a monopolistic practice.

Mr. SHIPSTEAD. Then under this joint resolution, as I understand, with few exceptions, the intention is to ride along until we find out what the Supreme Court of the United States says about the original N. R. A. Act.

Mr. HARRISON. That is true.

Mr. WAGNER. I may say to the Senator, if he directs his question to me, that there are other practices which I think we all now agree are desirable which were not permitted under the antitrust laws, such as an association for the purpose of exchanging economic information or agreeing upon certain practices which are vicious or wasteful or economically unsound. Even that kind of a meeting is not permitted under the antitrust laws, and the Supreme Court of the United States has so declared.

Mr. SHIPSTEAD. Without intending to cast any reflection at all on anyone who does not agree with me—I have never attempted to do so since I came to the Senate and I have never done so knowingly—I desire to say that the more I see of this general language in legislation, handing a kind of bushel basket over to someone else and not only giving him authority to say what legislation means but also giving him authority to say things which are not in the legislation, or which can be found there only by the most extreme exercise of the imagination, the less I like it. Under that system we might as well start out at the beginning of a session of Congress and pass a general resolution covering the whole session and say, "We tender to this department or that department or the other department our good wishes, and delegate to them our judgment, and expect them to pull us out of the depression and save the country, because we do not know what it is all about", and then adjourn.

I say that without meaning to be facetious and without any intention to indulge in levity. We have been discussing an act passed by the Congress in such general terms that we have to go to Mr. Richberg, whom I respect, to find out what it means. There are things about it which we do not like, but which we cannot remove because we have to wait upon the Supreme Court of the United States to tell us what we can do. I am so old-fashioned that I do not see just where

we are drifting. My ideas are so old-fashioned that many people think they are new. I cannot help protesting against this general legislation.

I have always felt that to all intents and purposes section 7 (a) of the National Industrial Recovery Act has been emasculated. I believe the original N. R. A. should have contained what is now contained in the so-called "Wagner labor-disputes bill."

Mr. HARRISON. Mr. President, just as soon as this joint resolution is out of the way, the Senator from New York [Mr. WAGNER] is going to move to take up that bill, which will have full discussion.

Mr. SHIPSTEAD. Yes; I understand so. I desire to make my position clear because I feel that if we are going to have one, we ought to have the other. In my opinion, with all due respect to those who disagree with me, the N. R. A. is a monstrosity and has been a monstrosity without some provision for labor such as is found in the Wagner labor-disputes bill.

I hesitate very much to vote for this joint resolution without the Wagner bill as an amendment. In fact, I do not intend to vote for it. I wanted the Senator from New York to offer it as an amendment to this joint resolution, and carry the two measures along together, because one is a complement to the other. N. R. A. is a monstrosity without the other, and they should pass through the channels of legislation together and as one act. I defer to the Senator from New York in the matter, however, because he is the author of the other bill, and he prefers to have it go through as a separate measure. What I fear is that we shall continue N. R. A., and the Senator's labor-disputes bill will be defeated.

Mr. WAGNER. Mr. President, if that shall be done, the whole Congress will be breaking faith with the American worker, and I cannot believe Congress will do such a thing.

Mr. SHIPSTEAD. It will not be the first time.

Mr. WAGNER. This is a different Congress.

Mr. SHIPSTEAD. Mr. President, I do not intend to delay the Senate any longer. I did not make these remarks to postpone a vote. In order to save time I ask permission to have printed as a part of my remarks a statement which I made the other evening over the radio in regard to the N. R. A. and the Wagner labor-disputes bill, together with some remarks on an unrelated subject, but one which was included in the same statement, a few paragraphs on the payment of the bonus.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

SPEECH GIVEN BY SENATOR HENRIK SHIPSTEAD, OF MINNESOTA, OVER RADIO STATION WEVD, NEW YORK, ON MAY 10, 1935, FROM 9:15 TO 9:30 P. M., E. S. T.

Ladies and gentlemen of the radio audience, I am pleased to accept the invitation of radio station WEVD to address you this evening. I will speak about some problems that are for the moment confronting the Senate—the N. R. A. and the payment of the bonus.

The N. R. A. law provided that unless the Congress extended its life beyond June 16 of this year the N. R. A. would cease to exist. There is strong opposition to its continuation and those who want it continued for another year demand that it be changed to some extent.

Complaints against the N. R. A. have been voiced with a great deal of justification in that because of the suspension of the anti-trust laws it permitted monopoly price fixing, and as a result retail prices were raised higher than there was purchasing power to consume unless the Government furnished the money to buyers to buy goods at these high prices. This the Government has done by taking money out of the Treasury for public works and for relief.

Complaint has also been made that the N. R. A. has favored big industries to the disadvantage of labor, because under its provisions the hours of labor were reduced and as a result where labor was paid by the hour its weekly or monthly pay check was also reduced. Of course, what the average workingman wants to know is, what amount of money does he have at the end of the week or month with which to support his family. That is the most important thing for him. Under the N. R. A. how has the workingman fared, for instance, in the paper industry, one of the most important industries in this country?

According to the code authority figures the average workingman in that industry in the northern zone in 1929, being paid by the hour, had an income of \$125 a month. In 1934, working under the N. R. A., he had an income of \$60 a month. The code admin-

istrator explained that there were two reasons for the drop in his monthly check from \$125 to \$60; one was that in 1929 the industry was working 75 percent of capacity, while in the spring of 1934 it was working only 50 percent of capacity. He said that as production increased the workman would put in more hours and thus increase his monthly income. The question then became important as to how much he could make if production increased to 100 percent of capacity and he could work as many hours as allowed under the code. It was then discovered that, the hourly wage remaining the same, the most he could possibly make under the N. R. A. would be a few cents over \$90. So you see the best he could do under the N. R. A. would be to receive at the end of a month \$90 instead of \$125, as in 1929.

The answer is made that we have put more men to work and have given men an income now who did not have any before the N. R. A. Now the question is how was that accomplished? It is done in this way. For instance, we will say, I have no work and you who are listening to me have a job, so we cut down your working time and income in order that I shall have a job and income. We make you divide your job and your income with me. Together we have no more purchasing power than you had alone before this arrangement was made for me. That is distributing poverty and misery and not wealth, and I call that making the poor support the poor.

Now what did the N. R. A. do for the paper industry so far as invested capital is concerned? It prohibited the industry from selling below cost of production, and it permitted an agreement on prices; therefore, in contracts for paper to the Government of the United States, of which I have personal knowledge, the prices were from 10 to 40 percent higher in 1934 than in 1929. Now, what this all amounts to is that in that industry, no matter what the rate of production, the price must reflect the cost, and the capital invested is, therefore, protected from loss while the workman is reduced in income to give a job to a fellow workman.

While this applies to the paper industry it does not apply to the wood-pulp industry, which is suffering from competition from foreign importations due to the political influence of certain newspapers which obtain their supply from foreign countries.

In my opinion, if the N. R. A. is to be extended for another year it ought to have attached to it the Wagner labor-disputes bill in order to give labor some chance to bargain with capital for a better deal than they have had under the N. R. A. heretofore. Unless this is done there will probably be temporary recovery for big business for a time followed by another crash as bad as or worse than we had in 1929.

The N. R. A., with the exception of the prohibition of child labor, minimum hours of work, and minimum wages, provisions which we can have without any other part of the N. R. A., has so far been largely a continuation of industrial and labor policies that preceded its enactment.

The exception has been that in some respects the policy proved more vicious toward labor and the small manufacturer and merchant than that pursued before. The hundreds of millions of dollars spent by the Government to feed the unemployed and the needy has obscured the vision of this fact. What the Congress will do to remove the evils resulting from these practices only time can tell. We hope for the best.

The other problem immediately confronting the Senate is the question of the payment of the soldiers' bonus. An overwhelming majority of the Senate are in favor of paying the bonus now. However, there is a disagreement as to how the bonus shall be paid. Some Senators favor the issuing of bonds, selling them to the banks, paying interest to the banks, and then having the banks take the bonds to the Treasury to have the money printed with which to pay the bonus. The majority of the Senators who voted for the Patman bill, which provides that the Government itself shall issue the money direct to those who own bonus certificates, take the position that instead of the Government printing money for banks, the Government should print the money and pay it direct to the veterans.

The amount to be paid in both cases is about \$2,200,000,000. If we issue bonds and borrow the money printed by the Government from the banks, we will pay interest on the bonds in 20 years in the amount of something like \$1,300,000,000, and the \$2,200,000,000 in bond issues will still be unpaid. Consequently, by the bond-issue method of payment the bonus will cost the taxpayers approximately \$3,500,000,000. On the other hand, if we issue the currency direct it will cost us only \$2,200,000,000.

Those who want to pay \$3,500,000,000 say that if you pay \$2,200,000,000 that is inflation; and, on the other hand, they say that if we issue bonds and charge the taxpayer \$3,500,000,000 that is not inflation. They say that the issuance of currency direct instead of against bonds threatens the credit of the Government of the United States, while the issuance of bonds, resulting in the consequent increased obligations, will protect the Government credit. There is nothing back of the bonds or the currency except the credit of the Government. To me it seems that the cheaper method would do more to protect the Government's credit than the bond method, because at the end of 20 years the obligations of the bond method would cost us \$1,300,000,000 more.

The bonus is a contract that the Government made with the veterans in 1924. It is due in 1945. The House of Representatives believes it would have a good effect on our economic situation and hurry along recovery to pay it now. The Senate is of the same opinion as expressed by its vote. The bill is in the hands of the President for his approval or veto.

In my opinion if \$2,200,000,000 is now paid to discharge this contract of debt by the Government, this money will go into every

nook and corner of the country where people live. It will pay from eight to ten billion dollars' worth of private obligations; it will relieve the Government from expending vast sums for relief. This money will, if prudently expended by those who receive it, carry many families through the hardships of next winter and will furnish purchasing power to the great mass of the people who have no purchasing power now. The payment of this bonus should make it possible to remove several million people from the relief rolls.

In 1797 the Bank of England could not redeem its currency and appealed to the Privy Council of England for help until Parliament could give it relief, and for 23 years England fought the Napoleonic wars with nonredeemable paper currency. Britain prospered as never before with what some people call fiat money, and when England adopted the gold standard and put gold behind its currency in 1820 there resulted a depression the like of which had never been seen in English history, and can only be compared somewhat to the depression we have gone through in the last 5 years. If currency without metallic backing was good enough for England to go through 23 years of war and win it, while at the same time remaining prosperous, that money is good enough for us with which to pay the bonus and fight the depression, because it has back of it the credit of the United States, and it is the same kind of money that many of you have in your pocket as you sit listening to me. I thank you.

Mr. BORAH. Mr. President, I desire to ask the Senator from Mississippi [Mr. HARRISON] a question.

As I understand, the Senator from Mississippi is committed to the proposition of keeping this joint resolution to the terms specified in it.

Mr. HARRISON. That is my hope.

Mr. BORAH. And in case the matter shall be brought back to the Senate, that will still be the program?

Mr. HARRISON. That is my hope and, so far as I am concerned, I want the Senate to pass on the proposition.

Mr. BORAH. I know the Senate will pass on it, but I want to know whether the Senator feels that that is the program which he will support through the legislative process.

Mr. HARRISON. If this matter should go to the House and they should change the word "wholly", it might be that, in the interest of getting something done, getting this legislation out of the way, I might have to agree to eliminate that word, and I might vote somewhat differently from the way I am voting now. I hope the joint resolution can remain intact as it is.

Mr. BORAH. I have just been informed that it is the program of the House to change the joint resolution by the simple insertion of 2 years instead of 10 months.

Mr. HARRISON. If it does that, the matter will be brought back to the Senate and the Senate will vote on it, and, so far as I am concerned, I am going to vote against a 2-year extension in view of the action of the Senate.

Mr. GERRY. Mr. President, I shall say only a few words, as the hour is late, but I desire to make my position clear on the pending joint resolution.

From statements which have appeared in the press it would seem as if all the members of the Committee on Finance who voted to report the joint resolution were not in favor of the continuation of the N. R. A. That was not the case. In my own instance, I voted to report the joint resolution because I felt that it was the only way of preventing the N. R. A. expiring on the 16th of June. I did not feel there would be time for a general discussion of the subject in the Senate in the few weeks left and that a vote could not be had on any bill. I therefore voted to report the joint resolution, although I felt that the N. R. A. should be amended and curtailed. I do feel that it has performed great service to certain industries, particularly the textile industry and should not be allowed to die.

Mr. LA FOLLETTE. Mr. President, I desire to make a brief statement for the RECORD as to my position upon this joint resolution. I recognize that it is futile to argue this question with the hope of changing any votes. Not only were very long negotiations entered into by the alleged proponents and the avowed opponents of N. R. A. before this pending resolution was introduced, but in addition the majority has held a conference upon the joint resolution and determined to support it. Therefore, it is a foregone conclusion that not only is the joint resolution going to be passed, but it is also a foregone conclusion that no amendments, no matter how desirable they might be, will be given any consideration upon their merits.

Nevertheless, it is a very important question with which the Senate is about to deal, and as one member of the Finance Committee I wish to make it perfectly clear that I am unalterably opposed to the joint resolution. I am unalterably opposed to it, Mr. President, in the first place, because I think it is a complete surrender of the legislative responsibility upon the part of the Senate Finance Committee, and that it will be a complete surrender of legislative responsibility upon the part of the Senate and the House of Representatives if it shall be written into law.

The Finance Committee was charged with a certain responsibility under the resolution introduced and sponsored by the Senator from North Dakota [Mr. NYE] and the Senator from Nevada [Mr. McCARRAN]. For 7 long weeks the committee took testimony, sitting in many instances both in the morning and in the afternoon of each day. We heard those who were opposed to the N. R. A. and to the policies which had been inaugurated under it; we heard those who were in support of it. And then suddenly, when the time came in the usual course of legislative procedure, when the committee, in the light of its investigation and in the light of the facts that had been adduced before it, would have devoted itself to the consideration of the necessary corrective measures, we suddenly were confronted by this joint resolution, which as I stated a few moments ago, was the result of long negotiations upon the part of a number of Senators on the Finance Committee and others who were not members of the committee.

I want it understood that I have been as critical of some of the policies of the National Industrial Recovery Administration as has any other Senator upon this floor. Nevertheless, I must be forced to the conclusion that this joint resolution does not accomplish any good purpose, either from the point of view of those who are opposed to N. R. A. and the policies which have prevailed under it in the past, or from the point of view of those who desire to support the general policies and principles involved in the N. R. A. legislation and in its administration.

I make that statement, because in supporting this joint resolution the Senator from North Dakota [Mr. NYE], the Senator from Nevada [Mr. McCARRAN], the Senator from Idaho [Mr. BORAH], and others who have been most outspoken in their criticism of N. R. A. and its policies, are abandoning their previous position. In short, Mr. President, there is nothing contained in the joint resolution save the provision having to do with price fixing, and the other provision confining the operation of the N. R. A. to industries which are wholly engaged in interstate commerce, which affords any protection from the alleged abuses which have been charged upon this floor by those Senators.

On the other hand, from the point of view of those who are alleged to be supporting N. R. A., from the point of view of the chairman of the committee, the Senator from Mississippi [Mr. HARRISON], and from the point of view of other Senators who sit upon the other side of the Chamber, I say that the joint resolution accomplishes no good purpose. In other words, it is a plea of confession and avoidance upon the part of both those who have been the most outspoken critics of N. R. A. and its policies and upon the part of those who have pretended at one time or other to be friends of N. R. A. and its policies.

I make that statement, Mr. President, because if this resolution becomes law I venture the prediction that the National Industrial Recovery Act will be as dead as a doornail. Everyone familiar with the administration of the National Industrial Recovery Act knows, due to the uncertainties created by the termination of the act on June 16 and the uncertainties as to the legislative policy upon the part of Congress for the past 4 months, that there has been a process of rapid disintegration and demoralization of both enforcement and compliance. With that condition perpetuated for another 10 months there will not be enough left of N. R. A. to wad a shotgun.

Furthermore, legislation will have to be considered, if it shall again be considered at all, next April on the eve of a Presidential campaign. I have been in Washington pretty

much of the time since 1907, and I have never seen during all that period a session of Congress on the eve of a Presidential campaign which enacted constructive legislation. Sessions of Congress preceding Presidential campaigns are given over largely to political shadow boxing and to maneuvering for political position. So that any Senators who hope some action may be taken at the next session of Congress are, in my opinion, doomed to tragic disappointment.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. CLARK. The Senator, of course, well knows that a far-reaching and important law known as the "Adamson Act" was once passed right in the midst of a Presidential campaign.

Mr. LA FOLLETTE. Yes. Of course, there have been exceptions, but I think the Senator from Missouri, who has also been in Washington a great deal of the time, will agree that in general the statement which I have made is borne out by the legislative history of the Congress.

Mr. CLARK. The Senator from Wisconsin made the statement generally. He said he could not recall an instance of an important, constructive piece of legislation being passed during a session of Congress when we were on the eve of a Presidential campaign. I dare say if we were to put our heads together we could recall numerous instances where important legislation has been enacted at such a time.

Mr. LA FOLLETTE. Nevertheless, Mr. President, I stand on the statement that as a general rule sessions of Congress which precede Presidential campaigns do not enact constructive legislation, and that they are usually given over to political maneuvering and to political shadow boxing.

I think it would be better for the country and for everyone else concerned to permit the National Industrial Recovery Act to expire on the 16th of June than to pass this pusillanimous joint resolution. Then, at least, we would have a definite understanding of what was to occur. Now, all of those concerned will be in doubt during this entire period of time.

As I stated a moment ago, I am convinced that during that period of time there will be a rapid disintegration, demoralization, and decay of the whole effort which has been made under the National Industrial Recovery Act.

Mr. President, it has been said by some who support the joint resolution that they do so in the hope that the Supreme Court is going to hand down a decision which will chart the course Congress might follow on the general subject matter involved in the legislation. Perhaps that will occur, but it may not.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. CLARK. I think the Senator will agree that the only reason why the Supreme Court has not heretofore handed down a decision indicating the limitation of Congress in regard to the N. R. A. is due to the very studious and insistent efforts of the N. R. A. authorities to keep the Supreme Court from passing on a case, which was recently illustrated in the case from Georgia, which the N. R. A. authorities and the Department of Justice dismissed on the very day it was set for trial.

The purpose of the joint resolution is to put not only the N. R. A., but industry and everybody else, on notice that the Congress of the United States does not intend to legislate as to controversial matters until it has had an opportunity to have what we have previously done construed by the courts. It is intended to give an opportunity to the Department of Justice and the N. R. A. officials to take their case to the Supreme Court without doing what is planned by Mr. Richberg and the N. R. A. authorities, and that is to make moot cases out of every pending case and give the N. R. A. 2 more years to duck and dodge and avoid having the Supreme Court of the United States say what the Congress may do.

Mr. LA FOLLETTE. I have heard the Senator from Missouri make that same statement on numerous occasions, but it does not alter the opinion I was about to express when he interrupted me, namely, that the Supreme Court

might disappoint the Senator from Missouri and all other Senators who were expecting the Court to lay down a very broad decision which will afford a chart for the legislative branch of the Government to follow in this legislative field. It is entirely possible that the Court may decline to take such action and that it may decide some of the cases on much narrower grounds than the Senator from Missouri anticipates.

Mr. CLARK. I do not desire to interrupt the Senator unduly, but if he will permit a further suggestion I would say that of course there is no way of compelling the Supreme Court to decide a case on broad lines. There is no way of having a broad decision on fundamental questions unless the Government is willing to present the question to the Supreme Court. It has been a disinclination on the part of the N. R. A., which up to date has prevented a determination by the Supreme Court, assuming the Supreme Court would be willing to decide on broad lines. Certainly they have never been afforded an opportunity up to this time, either on broad or narrow lines, to decide the constitutionality of the N. R. A.

By the joint resolution now before us we are affording an opportunity to the administrative officials of the Government, whether they be N. R. A. or whether they be Department of Justice, to bring before the Supreme Court cases which can be tried and which are now pending, presenting to the Court a broad general issue.

Mr. LA FOLLETTE. I know that is the Senator's position, but I reiterate that we may come back here at the next session of Congress and find that the Supreme Court has not handed down the type of decision which the Senator is hoping it will hand down. To that extent, if that should prove to be the situation, we would not be any better off than we are at this time.

My point is that what the Senate Finance Committee should have done was to take the evidence and the facts which were adduced at the hearing and proceed, in the light of that investigation, and the experience of nearly 2 years the law has been on the statute books, to write a constructive piece of legislation. A constructive statute should have been brought to the Senate and should have been debated to the extent necessary to give every Senator an opportunity to present his views; and that then the majority of the Senate should have determined what the policy of this legislative body should be in this important field of legislation. Following that, the proposed legislation should have gone to the House and been considered there, and then whatever measure the two Houses agreed upon should have been sent to the President of the United States.

Therefore, so far as I am personally concerned, realizing that there probably will not even be a record vote upon the joint resolution, I wanted to state my opposition to it. So far as my position is concerned, I think it would be much better to let the N. R. A. expire on the 16th of June than to pass this makeshift joint resolution.

Mr. SHIPSTEAD. Mr. President, from what I heard of the remarks of the Senator from Wisconsin [Mr. LA FOLLETTE]—and I am sorry I did not hear his entire statement—I want the RECORD to show that I agree that the joint resolution should have come here as a measure reflecting the experience of the N. R. A. and the views of the committee as they formulated those views.

I should like to have a vote on an amendment which I desire to offer. I shall not discuss the amendment, but I think it is important. I offer an amendment, on page 2, line 1, after the words "price fixing", to insert the words "including the open system of bids."

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 2, line 1, after the words "price fixing", to insert the words "including the open system of bids", so as to make the clause read:

No price fixing, including the open system of bids, shall be permitted or sanctioned under the provisions of any code.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was rejected.

The VICE PRESIDENT. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading and read the third time.

The VICE PRESIDENT. The question is, Shall the joint resolution pass?

Mr. LA FOLLETTE. Let us have the yeas and nays.

The yeas and nays were not ordered.

The joint resolution was passed.

SETTLEMENT OF LABOR DISPUTES

Mr. WAGNER. Mr. President, I move that the Senate proceed to the consideration of Calendar 595, being the bill (S. 1958) to create a National Labor Relations Board, and so forth.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1958) to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes, which had been reported from the Committee on Education and Labor with amendments.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Cecil W. Clark to be postmaster at Newcastle, Wyo., in place of E. C. Jessen.

Mr. TRAMMELL, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters in the State of Florida.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

THE JUDICIARY

The legislative clerk read the nomination of Joseph J. McGuigan, of the Canal Zone, to be district attorney, Canal Zone.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES MARSHAL

The legislative clerk read the nomination of Robert W. Rabb to be United States marshal, middle district of Pennsylvania.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk read the nomination of Fred Wheeler to be postmaster at Hudson, N. Y.

The VICE PRESIDENT. This nomination is reported adversely. The question is, Shall the Senate advise and consent to the nomination?

The nomination was rejected.

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask unanimous consent that the remaining nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the remaining nominations of postmasters are confirmed.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. ROBINSON. I ask unanimous consent that the Army nominations also be confirmed en bloc.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

That completes the calendar.

RECESS

Mr. ROBINSON. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Wednesday, May 15, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 14 (legislative day of May 13), 1935

UNITED STATES ATTORNEY

Joseph J. McGuigan to be district attorney, Canal Zone.

UNITED STATES MARSHAL

Robert W. Rabb to be United States marshal, middle district of Pennsylvania.

APPOINTMENT BY TRANSFER IN THE REGULAR ARMY

Capt. Hubert Wiley Keith to Quartermaster Corps.

PROMOTIONS IN THE REGULAR ARMY

Lesley James McNair to be colonel, Field Artillery.

Charles Russell Alley to be colonel, Chemical Warfare Service.

James Garfield McIlroy to be colonel, Infantry.

Lucian Barclay Moody to be colonel, Ordnance Department.

Paul Delmont Bunker to be colonel, Coast Artillery Corps.

George R. Allin to be colonel, Field Artillery.

William Bryden to be colonel, Field Artillery.

Henry Newbold Sumner to be lieutenant colonel, Adjutant General's Department.

Edward Roth, Jr., to be lieutenant colonel, Adjutant General's Department.

George Winship Easterday to be lieutenant colonel, Coast Artillery Corps.

Austin Garfield Frick to be lieutenant colonel, Coast Artillery Corps.

Sydney Smith Winslow to be lieutenant colonel, Coast Artillery Corps.

Wilmot Alfred Danielson to be lieutenant colonel, Quartermaster Corps.

Boltos Elder Brewer to be lieutenant colonel, Infantry.

Edgar Bergman Colladay to be lieutenant colonel, Coast Artillery Corps.

Jacob Albert Blankenship to be major, Cavalry.

Charles Henry McNair to be major, Infantry.

Orville Jackson to be major, Quartermaster Corps.

LeRoy Henry Palmer to be major, Quartermaster Corps.

Walter Clarence Hamilton to be major, Ordnance Department.

Robert Grant Mangum to be major, Field Artillery.

Robert Lee Hostetler to be major, Infantry.

Harrison William Flickinger to be major, Air Corps.

Mark Albert Dawson to be major, Field Artillery.

Elmer Gwyn Thomas to be major, Quartermaster Corps.

Roscoe Arthur Dean Stanis to be major, Infantry.

William Frederick Gent to be major, Infantry.

Richard Bryan Wheeler to be captain, Infantry.

Thomas Roswell Aaron to be captain, Infantry.

David Albert Newcomer to be captain, Corps of Engineers.

Alfred Maximilian Gruenther to be captain, Field Artillery.

Herbert Bernard Loper to be captain, Corps of Engineers.

Williston Birkhimer Palmer to be captain, Field Artillery.

Robert Gibbins Gard to be captain, Field Artillery.

Herbert Maury Jones to be captain, Field Artillery.

Orville Wells Martin to be captain, Field Artillery.

Forrest Eugene Cookson to be captain, Infantry.

Alexander Sharp Bennet to be captain, Field Artillery.

George Sheldon Price to be captain, Field Artillery.

Wyburn Dwight Brown to be captain, Field Artillery.

Robert Miller Montague to be captain, Field Artillery.

Charles Pollard Jones to be captain, Field Artillery.

Anthony Clement McAuliffe to be captain, Field Artillery.
Lester Francis Rhodes to be captain, Corps of Engineers.
Albert Rhett Stuart Barden to be captain, Field Artillery.
William Ball to be first lieutenant, Air Corps.
Carl Rose Storrie to be first lieutenant, Air Corps.
Merrill Davis Burnside to be first lieutenant, Air Corps.
Hollingsworth Franklin Gregory to be first lieutenant, Air Corps.

Eugene Harold Beebe to be first lieutenant, Air Corps.

Harold Winfield Grant to be first lieutenant, Air Corps.

Kenneth Alfred Rogers to be first lieutenant, Air Corps.

Reuben Columbus Hood, Jr., to be first lieutenant, Air Corps.

Leslie Oscar Peterson to be first lieutenant, Air Corps.

Irving Remsburg Selby to be first lieutenant, Air Corps.

Floyd Bernard Wood to be first lieutenant, Air Corps.

Theodore Matthew Bolen to be first lieutenant, Air Corps.

Norman Delbert Sillin to be first lieutenant, Air Corps.

Flint Garrison, Jr., to be first lieutenant, Air Corps.

James Leroy Jackson to be first lieutenant, Air Corps.

Chester Price Gilger to be first lieutenant, Air Corps.

Hugh Arthur Parker to be first lieutenant, Air Corps.

Thomas David Ferguson to be first lieutenant, Air Corps.

POSTMASTERS

IOWA

Jens P. Jensen, Bode.

Jacob VanHoute, Jr., Boyden.

Harry J. McFarland, Davenport.

Ralph Schroeder, Dysart.

Theodore F. Schmitz, Ossian.

George S. Peters, Renwick.

Chris H. Bokmeyer, Sheffield.

Lewis R. Kinsey, West Branch.

MAINE

Lewis W. Haskell, Jr., Auburn.

Claude D. Garnache, Biddeford Pool.

Carlton A. Simmons, Friendship.

Hubert A. Nevers, Patten.

MISSISSIPPI

Shelton M. Thomas, Jr., Ellisville.

Lee D. Fulmer, Lumberton.

Nellie E. Hardy, Piney Woods.

Samuel P. Carter, Quitman.

MISSOURI

Ethel M. Elliff, Anderson.

Edgar W. Stone, Bland.

William S. Drace, Centralia.

Victor F. Engelage, Chamois.

Phillip S. Cohen, Fredericktown.

A. Josephine Humble, Grandview.

Robert L. Chappell, Louisiana.

William H. Bust, Potosi.

William A. Ruggles, St. James.

Carl A. Baldwin, Vienna.

Joseph D. Hawkins, Webb City.

Blanche E. Tucker, Westboro.

NEW YORK

Neal Sullivan, Bombay.

John W. Masterson, Harmon-on-Hudson.

Charles A. Denegar, Madalin.

Thomas F. Connolly, Port Chester.

C. Green Brainard, Waterville.

OKLAHOMA

Ulysses S. Shockley, Yale.

REJECTION

Executive nomination rejected by the Senate May 14 (legislative day of May 13), 1935

POSTMASTER

NEW YORK

Fred Wheeler, Hudson.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 14, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, whom Jesus taught us to call "Father", we would wait a moment at the place of prayer before we hurry on to the lessons of the day. As Thy breath is upon us, we pray that old doubts, fears, and suspicions may be forgotten and fraternity and gratitude may flame on the altars of all hearts. Do Thou inspire us with the sacred fidelities which give divine quality to the humblest endeavor. Give us power to free our thoughts from those that dye and stain the mind. May ours be radiant with that faith from which are born inexhaustible hope and unfailing strength. Keep us conscious of our obligations and help us to shun all that is contrary to Thy holy will; strew our paths with golden deeds. We pray for our country, not from the depths of despair but from the heights of vision, rapture, and consecration. In Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 2, 1935:

H. R. 6457. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundred and fiftieth anniversary of the founding of the city of Hudson, N. Y., and of the three hundredth anniversary of the founding of the city of Providence, R. I., respectively.

On May 3, 1935:

H. R. 5914. An act to authorize the coinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1935 and 1936.

On May 6, 1935:

H. R. 3911. An act for the relief of Sarah J. Hitchcock.

On May 7, 1935:

H. R. 3098. An act for the relief of Bertha Ingmire.

On May 8, 1935:

H. R. 1488. An act for the relief of Rose Burke;

H. R. 2473. An act for the relief of William L. Jenkins;

H. R. 3275. An act for the relief of Fred L. Seufert;

H. R. 3370. An act for the relief of Carrie K. Currie, doing business as Atmore Milling & Elevator Co.; and

H. R. 7132. An act to authorize the Secretary of the Navy and the Secretary of Commerce to exchange a portion of the naval station and a portion of the lighthouse reservation at Key West, Fla.

On May 9, 1935:

H. R. 6223. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1936, and for other purposes.

On May 10, 1935:

H. J. Res. 272. Joint resolution to enable the Commissioners of the District of Columbia to defray certain expenses incident to the convention of the Imperial Council of the Mystic Shrine, June 8 to June 17, 1935, both inclusive;

H. R. 530. An act granting compensation to the estate of Thomas Peraglia, deceased;

H. R. 2464. An act for the relief of C. H. Hoogendorn;

H. R. 3787. An act for the relief of Robert D. Hutchinson; and

H. R. 5133. An act for the relief of Nellie Oliver.

AIR MAIL SERVICE IN ALASKA

Mr. DIMOND. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 5159) to authorize the Postmaster General to contract for air mail service in Alaska.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SNELL. Mr. Speaker, reserving the right to object, I think this is the bill which the gentleman spoke to me about. It has the approval of the Department and also the approval of the former Postmaster General. It relates simply to the carrying of mail in Alaska, and is all right as far as I am concerned.

Mr. DIMOND. The gentleman is correct. This matter was recommended by former Postmaster General Brown and by the present Postmaster General. It is purely local in its operation.

Mr. RICH. Mr. Speaker, reserving the right to object, has this bill been approved by the Post Office Committee of the House?

Mr. DIMOND. Oh, yes; unanimously.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, this bill I understand is on the Consent Calendar. We have established a policy that we would not favor the taking up of bills by unanimous consent in this manner when they are on the Consent Calendar. I have no objection to the present bill, but I do not want this established as a permanent policy.

Mr. DIMOND. Mr. Speaker, I would not ask unanimous consent to call up this bill in this fashion except that the Department would like to have it passed immediately in order to improve the mail service in Alaska. This improvement, I think, may take place without any greater cost to the Government, and I may say there is an emergency existing, and it would be a help to us up there.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of February 21, 1925 (43 Stat. 960; 39 U. S. C. 488), is amended to read as follows:

"The Postmaster General may provide difficult or emergency mail service in Alaska, including the establishment and equipment of relay stations, in such manner as he may think advisable, without advertising therefor; and he is authorized, in his discretion, to contract, after advertisement in accordance with law, for the carriage of all classes of mail within the Territory of Alaska, by airplane, payment therefor to be made from the appropriation for star-route service in Alaska."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNIFORM PENSION ACT

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. UNDERWOOD. Mr. Speaker, I desire to address the House upon a question which I feel will be of interest to every Member, as well as to our constituents, veterans and taxpayers. I refer to the adoption of a uniform national policy regarding benefits extended to our veterans and their dependents. I believe the necessity for such a course is clearly apparent.

FORMATION OF PRESENT PENSION SYSTEM—ECONOMY ACT

For a great many years pension law after pension law has been written into our statutes with no regard to the pension system as a whole. This has resulted in a hodge-podge of inequalities; a system satisfactory to no one. Our veterans complain of its inequalities and uncertainties; our taxpayers of its cost and inefficiency. The law applying to any particular case is lost in a maze of statutes and regulations; to find the correct answer is difficult and expensive. In many cases the correct answer is evidently never found and these cases come up again and again for rerating and redetermination.

The Economy Act was applied to this situation. Many of the old laws were untouched and some of them were reenacted by it. New rules and regulations were added and the uncertainties increased. This act and the rules and

regulations issued under it became the law of the land on March 20, 1935. The Economy Act was admittedly enacted with the greatest of haste in the face of an emergency. That there are inequalities in the kind and character of benefits extended to the veterans of different wars under present laws is undeniable. Veterans are thrown together in their organization meetings, work, and social life. They are familiar with the patent injustices that exist, hence dissatisfaction and complaints increase.

So long as the Economy Act remains the law, there will be constant attempts to amend it for the benefit of some special classes; hence I feel that it is urgent that the Government adopt a definite national policy at the earliest practicable date, before the pressure of some of these special classes destroys even the few benefits contained in the Economy Act.

Many changes have been suggested by various organizations for the consideration of Congress, the adoption of which would tend to multiply the present inequalities and increase the annual budget for veterans' relief. If inequalities and inconsistencies in existing laws are to be corrected and expenditures kept within reasonable bounds, steps having to do with veterans' legislation must be taken only after the most careful consideration.

PRESENT SYSTEM TOO EXPENSIVE—PERSONNEL

The present system is too expensive. When I make this statement, I do so after careful study and consideration, and I mean that of every dollar appropriated for the relief of the veteran too much is lost in costs, redtape, overhead, and inefficient administration before it reaches the beneficiary.

Looking back over the old reports of the Bureau of Pensions, I find, from 1891 to 1894, inclusive, they had the largest number of employees at any one time in their service. This large number of employees for that service is a surprisingly low figure of 2,009. At that time they were paying pensions based on services rendered during the Revolutionary War, our early Indian wars, War of 1812, War with Tripoli, Mexican War, Civil War, and various Indian campaigns. They were, even with the low rate of pensions paid at that time, disbursing \$140,000,000 annually direct to veterans and their dependents. The 2,009 employees received \$2,508,810 average salaries during those years. The entire cost of operation, which included medical service, supplies, equipment, field service, and maintenance, averaged only \$4,898,665 for those years.

In 1898 the peak of Civil War pensions was reached, when the Bureau had 745,822 Civil War veterans on the pension rolls and a total number of pensioners of 993,714. It disbursed \$145,000,000 with only 1,836 employees, who were paid \$2,281,710 in salaries. The expenses of the Bureau for that year were \$4,114,000.

It is interesting to note that from 1868 to 1931, inclusive, when the old Bureau of Pensions was consolidated with the present Veterans' Administration, although the Bureau disbursed more than eight and one-half billions of dollars in the form of pensions to veterans and their dependents, the cost of maintenance and expenses of all descriptions for the operation was only \$152,957,460.46.

According to the report of the Administrator of Veterans Affairs for 1934, there was in June a total of 838,855 veterans' cases on the rolls. This includes the living veterans and the dependents of our deceased veterans, representing the total of all those drawing pensions. Under the present system, it requires 34,890 employees to take care of these cases. There is approximately one person on the Veterans' Administration pay roll for every 24 cases on the pension rolls. I ask you to remember that in 1898 the old Pension Bureau had 993,714 cases on the rolls, yet had only 1,836 employees, or approximately 1 on the pay roll for every 542 on the pension roll.

Drawing a further comparison between 1898 and 1934, cases on the rolls have decreased 15.5 percent and the number of employees handling the work has increased from 1,836 to 34,890, an increase of over 1,800 percent.

Does the Administrator of Veterans Affairs intend to do anything to decrease his own standing army of employees? He cites the amount taken from the veterans by the Economy

Act; does he intend to apply to his own organization the same drastic principles of economy so ruthlessly applied to our veterans? Does he intend to remove any of his 34,890 employees from the pay roll as freely as he removed veterans from the pension roll? Is any of the more than \$55,000,000 now paid annually for salaries by the Veterans' Administration to be saved?

Here is the answer, from page 89, hearing on the first deficiency appropriation bill for 1935 before the subcommittee of the House Committee on Appropriations:

General HINES. Yes, sir. We have had cases where we have put the regional office and the soldiers' home together, or where the situation would allow it, a hospital and a regional office or a home and a regional office together. * * * Off-hand, it might be said that we are adding to the unemployment problem, but we have not done either, because by merging as we go along with the opening up of new activities, we are able to absorb much of the personnel that would become surplus, and in that way we are accomplishing economies without also adding to the burden in other directions.

I am sure that we are all in sympathy with the employment movement, but I am equally sure that this is one governmental activity which will be far more economically conducted without the assistance of the Veterans' Administration. Money appropriated for war veterans is presumably appropriated for that purpose and not for conducting either an employment office or a reemployment bureau. If the Veterans' Administration is going to take over the employment situation along with the many other activities that the General has been gradually gathering under his benevolent wing, a direct appropriation should be made for that purpose, but for the love of heaven, let us not call it veterans' relief!

It is a self-evident fact that any economies devised for the efficient operation of the Veterans' Administration and the reduction of the present vast overhead, must be worked out from the outside and forced in. This task is a proper one for the Congress to undertake.

PILING UP ADMINISTRATIVE COST

So much for the personnel. Let us now further regard the cost of administration. Over a 63-year period from 1868 to 1931, the Pension Bureau disbursed approximately \$8,500,000,000 at a total cost of \$152,957,460, which is less than 1.8 percent and covered the entire cost of administration, including salaries. Then came the Veterans' Administration with new ideas of efficiency and economy. In 1934 the Administration disbursed \$594,022,058.08; and \$55,810,584, or about 9.39 percent, went for salaries alone. This, Mr. Speaker, was not the entire cost of administration as in the case of the 1.8 percent, but was for salaries only.

If we say nothing of the added administrative cost, and could simply reduce the salaries alone to the 1.8 percent quoted, the Government would have saved about \$48,709,808 in 1934 on that single item. It is a significant fact that for every \$4 paid in military pensions of every class in 1932, about \$1 was paid for salaries to compensate those who paid the other four. I refer you to page 152 of the report of the Administrator of Veterans' Affairs, 1932, for verification of that statement.

In the face of such conditions, we read with interest the statement of the Administrator of Veterans' Affairs appearing in his report for 1932, that—

Important administrative savings which have been possible, and might, under a stable load, have been conclusively apparent, following this consolidation, have, however, been obscured by the very materially increased load which has confronted the Veterans' Administration in all directions since its organization, due to amendatory legislation affecting all forms of financial relief.

Searching through this same report for further light on administrative costs, we find on page 1 that the entire administrative cost for 1932 was only 3.75 percent, which is not so bad, even remembering prior administrative costs of 1.8 percent, but on page 61 of that report we find that of the total disbursements made by the Veterans' Administration 2.61 percent went for salaries in hospitals, 0.57 percent to pay those working in soldiers' homes, 2 percent to those in field offices, and 1.20 percent to central office employees. Accord-

ing to almost anyone's arithmetic, these add up to 6.38 percent instead of 3.75 percent, and nothing is said of the balance of administrative costs.

It is quite evident from the viewpoint of national policy and a balanced Budget that the problem of veterans' relief merits the most careful consideration of the legislative and executive branches of the Government. It is the clear duty of Congress to get the greatest possible results in services for the money available for a specific purpose.

Appearing before the Subcommittee of the Committee on Appropriations, when the independent offices appropriation bill for 1936 was being considered, General Hines submitted the following estimate shown on page 175:

Salaries and expenses.....	\$86,700,000
Printing and binding.....	125,000
Pensions.....	400,760,000
Military and naval insurance.....	116,910,000
Hospital and domiciliary facilities and services.....	925,000
Adjusted-service certificate fund.....	100,000,000
Total for veterans' activities.....	705,420,000

Analysis shows that about 12.25 percent of that vast sum is going for administrative costs, including salaries which amount to 7.75 percent of the total appropriation asked; 56.94 percent is intended for present benefits to our veterans, and 30.7 percent for future benefits which they may get—sometime—if and when they live long enough.

SIZE AND SCOPE OF VETERANS' ADMINISTRATION

The Veterans' Administration was authorized as an independent agency by act of July 3, 1930, and by Executive order of July 21, 1930, there were considered therein under a single control the Bureau of Pensions, the United States Veterans' Bureau, and the National Home for Disabled Volunteer Soldiers.

The Administrator of Veterans' Affairs has control, direction, and management of all agencies and activities comprising the Veterans' Administration; is chairman of the Federal Board of Hospitalization; is responsible for extending relief to veterans and dependents of veterans in the way of pensions, Government military and naval insurance, adjusted compensation, emergency officers' retirement pay, and hospital and domiciliary care.

The Veterans' Administration, in addition to its central office in Washington, with its 5,052 employees, operates regional offices or combined regional offices and hospitals in every State except Delaware, and maintains and operates 72 hospitals and 14 soldiers' homes, necessitating the services of about 30,415 more employees. Salaries for this army of employees totaled \$58,528,639 for 1933.

LACK OF UNIFORMITY, EQUALITY, AND JUSTICE

Our present pension system knows no such thing as equality. It presents to the eye a patchwork of old legislation, new legislation, reenacted legislation, regulations, and precedents; the whole conglomeration subject to still further variation by interpretation, reinterpretation, and bureaucratic ideas, used to fill in the numerous gaps and uncertainties of the law. Out of this jumbled mess, no one can hope for the equality and justice which should be the very foundation of any pension system.

The most urgent need at the present time is a codification of pension laws. This necessity has been realized for some time past, but never more so than since the passage of the so-called "Economy Act", which repealed all laws granting pensions since the beginning of the War with Spain, April 21, 1898, and has resulted in the granting of pensions pursuant to Executive orders and regulations, which have been changed several times and in the administration of which there have been reviews upon reviews, delays, confusion, and a piling up of work within the Veterans' Administration almost to the point of demoralization of service, creating wide-spread discontent throughout the length and breadth of the land in the ranks of all classes of veterans and their widows and dependents. These same orders and regulations today constitute the great body of pension law dealing with service in all our late wars.

We find veterans of one war drawing pensions at specified rates for certain degrees of disability, while veterans of

another war, of the same age and under the same disabilities draw something entirely different. For example, suffering a 25-percent disability, nonservice connected, a veteran with 30 days' service in the Indian wars receives \$20. Under the same disabilities a Spanish War veterans must have 70 days to get \$9 and 90 days to get \$15. A World War veteran must show total and permanent disability before he can get anything for non-service-connected disabilities.

In providing for pensions based upon the present age of the veteran, rates have been established for veterans of the Indian wars ranging from \$20 to \$50. The 90-day Spanish veteran's rate ranges from \$22.50 to \$45. The 70-day veteran of the War with Spain, from \$9 to \$22.50. If the World War veteran lives to be a hundred and no new laws are passed, he can get nothing in the way of a pension based upon his age.

I may add that the inequalities existing between widows and orphans of our various wars are even more glaring. It is small wonder that our veterans and their dependents murmur and find fault with the present system.

In place of this hodge-podge of laws, orders, and regulations there should be enacted a law granting uniform benefits which might be administered along lines of simplicity and directness, and with the same degree of economy and efficiency as marked the operations of the old Pension Bureau during its existence of almost 100 years.

UNCERTAINTY OF PRESENT SYSTEM COSTS THE TAXPAYERS AND PENALIZES OUR VETERANS

Practically all our pension legislation has been enacted under the stress of the moment whenever a group of veterans could convince the Congress that some remedy or relief was needed to meet their particular difficulties. We have taken neither the time nor the trouble to formulate a plan which would place all veterans under the same uniform system and give to each of them a just compensation in keeping with age, degree of disability, and service rendered. It has long been the practice to grant veterans of each particular war small pensions after the close of the war. Later larger pensions are provided for, the law usually having application to the veterans of only one war. As the veterans of that war grow old and infirm, other laws are passed and higher pensions provided. It is readily apparent that the treatment accorded each group of veterans has been governed largely by the strength of the voice of that particular group and the temper of the Congress then in session. Certainly a plan to grant all pensions under a uniform system flexible enough to provide for the present and the future can and should be worked out. It should no longer be necessary to run one of the largest branches of the Government under a hit-and-miss system, which amounts in the final analysis to no system.

As I have stated, in 1898 the old Pension Bureau handled 993,714 cases. Today 34,890 employees take care of the 838,855 on the rolls. Uncertainty and lack of uniform policy have contributed largely to the increase in expense and personnel. General Hines did express that truth by his statement before quoted, that—

Important administrative savings which have been possible, and might under a stable load have been conclusively apparent, * * * have, however, been obscured by the very materially increased load which has confronted the Veterans' Administration in all directions since its organization, due to amendatory legislation affecting all forms of financial relief.

It might be well, however, to add, from my own observations, that any possible savings have not only been obscured but entirely and deeply buried under the ever-increasing burden of administrative costs and high salaries paid to those deciding minor points of law which should have been made decisive in the body of the law. In 1933 the Veterans' Administration employed 857 lawyers at salaries ranging from \$2,600 to \$9,000 per year.

Not only do the American taxpayers suffer in increased cost of operating the Veterans' Administration and maintaining the redtape factory of that organization, but our veterans suffer from the uncertainty of the law. When a veteran goes to bed at night he never knows what the Veterans' Administration will do to him by some freak ruling before he awakens in the morning. He may go to bed disabled and

drawing a pension sufficient to meet his needs, but may awaken in the morning to find that he has not only lost his pension but is indebted to the Government. I have seen instances of these ghastly mistakes in my own congressional district. I have personal knowledge of one particular case of a veteran whose pension was reduced to a small fraction of the original amount and in addition he found himself indebted to the Veterans' Administration in the sum of \$2,000. The indebtedness being for pension paid under what the Veterans' Administration called "an error." Yet the veteran was totally disabled and had done nothing to mislead or misinform the Government. He was informed that the \$2,000 could be paid back at once or his pitiful pension would be taken to pay it. Unfortunately, such tragic blunders are not rare; several of them have come to my attention.

Even if the veteran is satisfied with his pension, it seems that in some cases the Veterans' Administration can never be quite sure that he is correctly pensioned. I have in mind a case where the veteran, with no action on his part, was reduced from a substantial pension to a mere pittance without reexamination. After a series of reratings, still with no action or request on his part, he was placed back on the rolls at about \$2 less than he was getting in the beginning. A statement of the ratings given constituted nearly a page of single-spaced typewritten matter, covering manipulations extending over a period of months. In the meantime the veteran and his family suffered while someone had the doubtful satisfaction of juggling the case.

COORDINATION WHOLLY LACKING

It has been the policy of our Government to deal with the veterans of each war in separate groups. At times these groups have been further subdivided. It is this feature of the present system which brings us to the realization that we can never have a just pension system until a uniform pension law is enacted and a means of coordination devised. A way must be found to keep the veterans of all wars upon a just and equitable basis. I have always believed that the service, age, and physical condition of the veteran should govern his compensation. There is neither justice nor logic in making it depend upon the name of the war in which he served. Yet at the present time there is no means of coordination. No authority exists for that purpose.

There is no thought of criticism of Congress for the imperfections in the legislation governing existing benefits. Each enactment or amendment to existing legislation has been made in response to urgent representations and demands of different groups. In many instances these demands were so insistent and immediate in character as to preclude deliberate consideration and action such as might have evolved more uniform provisions. I believe the chief cause of these inequalities and injustices was the fact that all earlier legislation had to be taken up piecemeal, as it were, and the needs of each group of veterans had to be handled separately, because the benefits were to be dispensed or administered by many different Government agencies and legislation pertaining to their affairs was handled by several different committees in both Houses of Congress. For the reasons stated, it was impracticable for Congress to attempt to arrange all groups of veterans and benefits in classes for comparative study and then correct or eliminate certain features by one piece of legislation.

To remedy this situation, I propose the establishment of a Joint Congressional Committee on Veterans' Affairs comprised of Members of both the House and Senate, with power to investigate the operation and effects of our pension system; to investigate the administration of pension laws and measures and methods for the simplification of such laws and their administration. Said committee to report from time to time to the proper committees of the House and Senate.

A DEPARTMENT OF VETERANS' AFFAIRS

Considering the fact that there are approximately 35,000 employees in the Veterans' Administration and that the expenditures of the Administration are approximately one-half of the total revenue of the Government, it is my opinion that it is proper and timely that this governmental

activity should be placed under the head of a Cabinet officer, who would be the directing head of a department that would rank along side of the other great administrative departments of our Government.

This Cabinet officer would be in a position to secure better results for both taxpayers and the veterans, and would be in a position at all times to visualize to the President and the Congress the picture of veterans' benefits, which would result in a more simplified procedure and, consequently, greater economies.

In 1933 the Veterans' Administration, now an independent establishment, disbursed \$368,688,479.42. It paid pensions, compensation, disability allowances, and emergency officers' retirement pay to 997,918 veterans and 272,749 dependents of veterans, gave hospital medical service to 136,626 veterans and out-patient medical service to 256,652 individuals, and took care of 24,225 veterans in soldiers' homes.

To June 30, 1933, it acted upon 3,990,674 applications for adjusted compensation, involving \$3,717,487,218.21. It was concerned in life insurance of 637,049, the value of whose insurance was \$2,925,618,222.52.

When consideration is given to the fact that the disbursements of the Veterans' Administration are far in excess of those of any of the departments of the Government, except the Post Office Department, which is largely self-supporting; that in its many and diversified activities, involving monetary benefits of various kinds, insurance annuities, adjusted compensation, hospitalization, domiciliary care, construction of hospitals, and so forth, it directly contacts several millions of our people and indirectly benefits many more millions; that in point of numbers of employees it is exceeded by only four of our Government activities, one of which is our great Postal Service, the conclusion must be that so great an activity of our Government should constitute a department with a Cabinet official, the Department of Veterans' Affairs, with a Secretary in charge of its activities. To such a department might be assigned those activities now existent and that may be brought into being that carried grants or benefits to our civilian population, as compensation, annuities, old-age pensions, and so forth. Such a department could work out systems that would be uniform in character, formulate legislation that would be equitable to all beneficiaries, and bring order out of the present chaos of the hodge-podge of laws and regulations that are difficult of administration and so exasperating in their inequalities as to stir up wide-spread dissatisfaction that bodes no good to any party that may be in power.

The President's Cabinet is his official family, the members of which meet frequently to consider and discuss important matters. Opportunity is afforded for exchange of views, a determination as to how projects advanced by one Cabinet officer may affect the departments presided over by other Cabinet officers, and opportunity afforded for coordination and the elimination of overlapping and duplication. It can surely not be gainsaid that the Veterans' Administration has so many great problems and such vast and far-reaching activities that opportunity should be afforded the heads of departments at Cabinet meetings to consider them, and to bring this about means the creation of a department. Examination of cabinet set-ups in other great nations reveals that to certain ministers or secretaries are assigned portfolios dealing with pensions. This is practically true of Great Britain and France, and even our neighbor to the north of us, Canada, has its Minister of Pensions. In Great Britain, under the Secretary for Home Affairs, are centered war pensions, old-age pensions, national health and unemployment insurance, workmen's compensation, hospitalization, and kindred public social services.

INTRODUCING A NEW SYSTEM

Because of the conditions outlined, I have introduced H. R. 5279 and H. R. 7375 for the consideration of this Congress. These bills are similar to my bills, H. R. 6206 and H. R. 6207, introduced on January 3, 1934, the opening day of the Seventy-third Congress. Also to H. R. 9954 and H. R. 9955, which I introduced on June 15, 1934.

Many years ago I advocated a uniform policy and several years ago I drafted the framework of these present bills. After careful consideration of their every provision, I admit, due to human frailty, they may not be perfect bills, and I have never seen a perfect bill; yet I do maintain that their principles are just, and they substitute for the present jumbled and disjointed pension legislation a comprehensive and permanent uniform national policy applicable today and equally applicable tomorrow.

This proposed legislation is not destructive of the present governmental policy with respect to veterans' affairs. It repeals and modifies all prior laws concerning veterans' relief, but it does so only for the purpose of substituting a just, permanent, and uniform national policy.

H. R. 7375 is a bill to establish a Department of Veterans' Affairs with a Secretary of Veterans' Affairs at the head thereof, to abolish the Veterans' Administration and transfer its functions pertaining to veterans' affairs to such department, to adjust and equalize pensions of veterans and widows and dependents of veterans, and for other purposes.

H. R. 5279 proposes to adjust and equalize benefits for veterans and widows and dependents of veterans.

I have transmitted copies of my bills introduced in the Seventy-fourth Congress to the various departments and requested reports. I have also forwarded copies to the Honorable Chairmen of the Committee on World War Veterans' Legislation and the Committee on Expenditures in the Executive Departments, suggesting that the respective committees hold hearings on this proposed legislation, at which time I will endeavor to explain this much-needed codification, simplification, and equalization of our pension laws and the merits of the plan proposed.

I believe that there is urgent need for immediate action. I desire to direct your attention to the fact that much is being said and written today regarding social legislation which will affect the economic welfare of our citizens as a whole. I wish to make it perfectly clear that I am heartily in accord with legislation which will grant our indigent aged an old-age pension; which will grant to our citizens who are unable to secure employment in times of depression and economic unrest, or who are only seasonably employed, an unemployment insurance; and which will grant to those who are fortunate enough to have employment through life, by their own contributions, and old-age annuity, that they may enjoy the evening time of life.

I am sure that there is not one of us who has been sympathetic to the just demands of our veterans, and who has consistently supported legislation for their welfare, who does not realize that it will be very difficult to secure in succeeding Congresses the consideration of liberalized legislation in their behalf.

It is a simple problem of reasoning, weighing the demands of special classes, and I refer to the veterans as opposed to the masses. In brief, the veterans will be in the minority, with the masses who are receiving and demanding old-age pensions, unemployment insurance, and old-age annuities in the majority. I believe it behooves every veteran and the representatives of every veterans' organization in the country to give this matter serious and constructive consideration. I say, therefore, to you veterans, and to the leaders of your organizations, that if a just, generous, and definite national policy is to be worked out, which will be of material aid to you and your dependents, it must be done before the gavel falls on the first session of the Seventy-fourth Congress.

I recommend to the Congress that they take action, looking toward the simplification and codification of laws granting benefits to veterans and their dependents, so that we may be able to understand what a veteran or his dependents may be entitled to without wading through innumerable laws, regulations, and decisions, each succeeding one of which contradicts the one before it. I would urge your serious and earnest consideration of H. R. 5279 and H. R. 7375.

AIM AND OPERATION OF PROPOSED PLAN

The underlying principles of these bills aim to secure better coordination, added efficiency, and a more complete

economic use of existing facilities. Also to improve the service rendered to the veterans and equalize the benefits extended to them, with more real satisfaction to the veterans and less cost to the taxpayers.

My bills substitute a definite plan in specific terms for the broad, general, and uncertain terms of the Economy Act, but they do not destroy any of the just principles that are contained in the Economy Act and section 20 of the independent offices appropriation act, nor the executive regulations issued to carry out the provisions of the Economy Act, which are beneficial to the veterans and their dependents.

I have drafted into each of these bills, either of which will, if enacted, codify into one law all the pension provisions hitherto scattered throughout the statutes and enacted as far back as July 14, 1862. Both are so drafted in form that they can be readily amended or expanded to meet changing conditions. For once the veteran will be able to pick up one single law, and by a brief examination thereof determine definitely what his rights as a veteran are.

My objective in drafting H. R. 5279 and H. R. 7375 was to submit to the Congress a sound, uniform national policy, applicable to our veterans of future wars as well as to those of past wars. These bills establish three general classes: War-time service-connected disabilities, war-time non-service-connected disabilities, and peace-time service-connected disabilities.

I am of the opinion that while some of the provisions of my bills are more liberal with regard to benefits extended our veterans, there will be little additional cost to our Government. The simplification of operative procedure and proper administration should mean an annual saving of several million dollars in administrative costs. If either bill is enacted, I believe that the personnel of the Veterans' Administration can be reduced one-third or one-half.

A sound pension system should be flexible and apply to existing and future conditions. It should be uniform and equitable as to its operation upon the veterans of all wars. It should be clear and concise in expression and in understandable form. As a matter of economy, overhead and administrative expense should be reduced to the minimum. Such a system should coordinate all pension laws and provide means for continued coordination.

These features I have endeavored to incorporate into my bills, and, while I am aware that they are not perfect, I feel that they do represent a definite step in the right direction. They represent a new deal for the veterans, their dependents, and the taxpayers of the country. I hope that they will point the way out of the morass of jumbled pension laws and out of the forest of red tape now surrounding the subject.

In order that the Membership of the House and others may be fully informed as to the contents of this proposed uniform pension bill, I submit herewith a résumé and index of the bill arranged by sections and pages.

THE UNDERWOOD BILL

(H. R. 7375)

Uniform Pensions Act, 1935

To establish a Department of Veterans' Affairs with a Secretary of Veterans' Affairs at the head thereof, to abolish the Veterans' Administration and transfer its functions pertaining to veterans' affairs to such department, to adjust and equalize pensions of veterans and widows and dependents of veterans, and for other purposes

DEPARTMENT OF VETERANS' AFFAIRS

Section 1: (a) Provides for the establishment of a Department of Veterans' Affairs, at the head of which shall be a Secretary of Veterans' Affairs, who shall be appointed by the President with the advice and consent of the Senate, and who shall receive compensation at the rate of \$15,000 per annum.

(b) Provides for the transfer of all the duties, functions, and powers of the Veterans' Administration to the Department of Veterans' Affairs and the abolishment of the Veterans' Administration as an independent executive establishment.

(c) Provides for the abolishment of the office of the Administrator of Veterans' Affairs and transfers the functions, powers, and duties to the Secretary of Veterans' Affairs.

(d) Section 158 of the Revised Statutes is amended to include the Department of Veterans' Affairs, and the provisions of title IV of the Revised Statutes as now and hereafter amended shall be applicable to the department.

(e) Provides for a seal for the department.

Section 2: (a) Provides for the transfer of records and property, including furniture and equipment, and such of the officers and employees as are deemed indispensable for the efficient operation of the Department of Veterans' Affairs and the transfer or furlough of others; and that in the transfer of officers and employees no change in classification and compensation be made, but provides that such changes in titles and designations as may be necessary may be made after the transfer.

(b) Provides for the transfer of all appropriations made for the Veterans' Administration to the Department of Veterans' Affairs.

Section 3: (a) Provides that the secretary of veterans' affairs shall administer, execute, and enforce the provisions of this act and prescribe such regulations as may be necessary and appropriate to carry out such provisions.

(b) Authorizes the secretary of veterans' affairs to establish such sections, divisions, and branch offices in the department as may be necessary to carry out the provisions of this act and to appoint or designate the chief officers thereof, to abolish such regional offices and suboffices as he may deem unnecessary, and transfer records and supplies relative thereto to the central office or otherwise as he may prescribe, and directs that branch offices established under this act shall be maintained in department facilities or other quarters owned by the United States, and authorizes the secretary to appoint such other officers, legal counsel, physicians, surgeons, experts, inspectors, and assistants as may be necessary, and all employees (except as the President may deem advisable shall be subject to the civil-service laws and regulations. The secretary may require the opinion of the Attorney General on any question of law arising under this act.

(c) Provides that all orders, rules, regulations, awards, grants, permits, or other privileges made, issued, or granted by or in respect of the Veterans' Administration, in effect on the effective date of this act, shall, subject to the provisions of titles I to VI, both inclusive, of this act, continue in effect until modified, superseded, or revoked by the secretary.

Section 4: Directs that the secretary shall file with the Speaker of the House and the President of the Senate on the 3d day of January of each year a full and complete report of all the activities of the department, and a full and itemized statement of all moneys received and disbursed in the preceding fiscal year.

Section 5: Authorizes the secretary to sell, lease, or exchange surplus equipment, supplies, products, or waste materials belonging to the department; and to lease for terms not exceeding 3 years, lands or buildings or parts or parcels thereof, belonging to the United States and under the control of the department of veterans' affairs, the net proceeds thereof to be covered into the Treasury of the United States as miscellaneous receipts.

TITLE I: PENSIONS FOR WAR-TIME SERVICE—SUBTITLE A; DISABILITY DUE TO SERVICE

Part I: Civil War; Spanish-American War; World War

Section 101: (a) Grants pension of from \$10 to \$100 per month for disability incurred in service and line of duty in time of war.

(b) (1) Grants \$15 per month for the loss or loss of use of one hand, one foot, or one eye additional to those specified in subsection (a).

(2) Grants \$25 per month for the loss of a leg at or above the knee or an arm at or above the elbow additional to the rates specified in subsection (a).

(3) Grants \$150 per month for the loss or loss of use of both hands or both feet or one hand and one foot or helplessness requiring the regular aid and attendance of another person, in lieu of the rates in subsection (a).

(4) Grants \$175 per month for the loss or loss of use of both hands and one foot or both feet and one hand or loss of sight of both eyes, in lieu of rates in subsection (a).

(5) Grants \$200 per month for loss or loss of use of one hand or one foot in addition to blindness of both eyes, in lieu of rates specified in subsection (a).

(6) Grants \$250 per month for loss or loss of use of both hands or both feet or one hand and one foot in addition to blindness of both eyes, or loss or loss of use of both hands and both feet, in lieu of rates specified in subsection (a).

Section 102: (a) Provides that the widow of any person who died as a result of an injury incurred, disease contracted, or the aggravation of an injury or disease, as specified in subsection (a) of section 101 of this title, shall be paid:

(1) A pension at the rate of \$30 per month, if she has not yet attained the age of 50 years.

(2) A pension at the rate of \$35 per month, if now or hereafter attains the age of 50 years.

(3) A pension at the rate of \$40 per month, if now or hereafter attains the age of 65 years.

(4) A pension at the rate of \$50 per month, regardless of age, if she was the wife during the period of such service.

(5) An additional pension at the rate of \$8 per month shall be paid for each child of such person.

(b) In case such person is not survived by a widow entitled to pension under this act, and is survived by a child or children, such child or children shall be paid pension at the following rates per month: One child, \$30, with \$8 additional for each additional child, the total amount to be equally divided.

(c) Provides that in the event the veteran is not survived by a widow or child a grant of \$20 per month may be made for one dependent parent or \$30 per month for two, equally divided.

Section 103: (a) Provides that after 90 days' service prior soundness shall be presumed except as to defects noted at enlistment or evidence or medical finding that disability existed prior to enlistment.

(b) Provides that a chronic disease showing a 10-percent disability within 2 years shall be held to have been contracted in service, provided the person served 3 months, unless affirmatively shown otherwise.

(c) Provides that an increase in a disability existing prior to enlistment shall be held to be aggravated by service unless there be a specific finding that the increase in disability is due to the natural course of the disease.

(d) Provides that any person who applied for enlistment and was provisionally accepted or was drafted or called into service and incurred a disability in line of duty prior to muster into the service of the United States shall be entitled to have such disability considered as having been incurred in the active military or naval service.

(e) Provides that any person who entered into an enlistment or employment in the active military or naval service of the United States—

(1) Which is held to constitute service in the Civil War under section 171 and incurred a disease or injury or aggravation of a preexisting disease or injury, in line of duty, during such enlistment or employment, but not later than August 20, 1866, shall be deemed to have incurred such disease, injury, or aggravation in the Civil War.

(2) Similar provision as to the War with Spain as defined in subsection (a) of section 172 with the last date July 4, 1902.

(3) Similar provision as to Philippine Insurrection and China Relief Expedition as defined in subsection (b) of section 172 with the last date July 4, 1902.

(4) Similar provision as to World War as defined in section 173 with the last date July 2, 1921.

Part II: Combat service; combined peace and war-time service

Section 121: Directs payment of pension at war-time rates when there has been service in both peace time and war time and pensionable disability incurred in each.

Section 122: Provides for payment of pension at war-time rates for disability or death incurred in combat in any Indian campaign or any military expedition or occupation.

Section 123: Provides a 5-percent increase to any pension to which a veteran may be otherwise entitled (exclusive of Medal of Honor pensions) in case he actually participated in combat with an enemy of the United States, and a like increase to the widow of any veteran who so participated, if otherwise entitled to pension under this act and was the wife of the veteran during the period of such service.

Section 124: Provides for the reduction from 65 years to 50 years of the age at which Medal of Honor pensioners may be entitled to the extra pension provided by the act of April 27, 1916 (reenacted in sec. 641 of this act), and extends its provisions to veterans of Indian campaigns and military expeditions and occupations.

Subtitle B: Disability not due to service

Part III: Indian campaigns

Section 131: (a) Provides that if a veteran has rendered 30 days' service in any Indian war or campaign in connection with or in the zone of active Indian hostilities and his service therein was honorably terminated he shall be paid pension at the following rates per month:

(1) If not qualified under clause (2) or (3) hereof, \$50 per month;

(2) If his physical or mental condition is such as to require the frequent and periodical, though not regular or constant, aid and attendance of another person, \$65; and

(3) If his physical or mental condition is such as to require the regular or constant aid and attendance of another person, \$72.

Section 132: (a) Provides that the widow of any veteran as described in section 131 of this title shall be paid pension at the following rates per month, with \$6 per month additional for each child of such person: If aged less than 70 years, \$30; if the wife of the veteran during the period of his service or if aged 70 years, \$40.

(b) Provides that in case such veteran is not survived by a widow entitled to pension under this act and is survived by a child or children, such child or children shall be paid pension at the following rates for month: One child, \$20, with \$6 additional for each additional child, the total amount to be equally divided, and in the event the widow has remarried and pension has been granted to a child or children she shall not be entitled until the pension of the child or children terminates unless they are in her care and custody, and when and if pension be granted to such remarried widow, the pension to the child or children shall cease.

Section 133: Sets forth the different classes of evidence that may be accepted to show service in Indian campaigns.

Part IV: Civil War

Section 141: Grants a pension of \$75 per month to veterans of the Civil War who rendered 90 days' service and were honorably discharged or who, having served less than 90 days, were discharged on account of a disability incurred in the service and line of duty or who are now on the pension rolls under existing pension laws.

Section 142: Grants a pension of \$100 per month to veterans as described in section 141 who are helpless or blind or so nearly helpless or blind as to require the regular aid and attendance of another person.

Section 143: (a) Grants a pension to widows of Civil War veterans as described in section 141 as follows:

(1) If the wife of the veteran during his service in the Civil War, \$50 per month.

(2) If married to the veteran after his service and before June 27, 1905, and has attained the age of 70 years, \$40 per month.

(3) If married to the veteran after his service and before June 27, 1905, and has not attained the age of 70 years, \$30 per month until such time as she shall attain the age of 70 years.

(4) If married to the veteran on or after June 27, 1905, and before June 27, 1915, and lived with and cared for him for at least 5 years next preceding his death, \$20 per month.

(5) Grants an additional pension of \$6 per month for each child of the veteran.

(b) Provides that in the event there is no widow entitled to pension and there is a child or children they shall be paid pension at the following rates per month: One child, \$20, with \$6 additional for each additional child, the total amount to be equally divided, and that in the event the widow has remarried and pension has been granted to a child or children she shall not be entitled to recommencement until the pension of the child or children terminates unless they are in her care and custody, and when and if pension is granted to the remarried widow the pension to the child or children shall cease.

Section 144: Provides that if a person has been honorably discharged from any subsequent contract of service in the Civil War, he shall be held and considered to have been honorably discharged from all previous contracts of service in said war if (1) he served at least 6 months under any subsequent enlistment, (2) his entire service under such subsequent enlistment was faithful, and (3) he did not receive by reason of such enlistment any bounty or gratuity, other than from the United States, in excess of that to which he would have been entitled had he continued to serve faithfully until honorably discharged from any contract of service previously entered into by him during the Civil War.

Part V: War with Spain, China Relief Expedition, and the Philippine Insurrection

Section 151: (a) Provides that any person who rendered 90 days' service in the War with Spain (including the China Relief Expedition and the Philippine Insurrection) and was honorably discharged from such service, or who rendered less than 90 days' service, was discharged on account of a disability incurred in such service and line of duty shall be paid pension at the following rates per month:

(1) If not qualified under clause (2) or (3) hereof, \$50.

(2) If his physical or mental condition is such as to require the frequent and periodical, though not regular or constant, aid and attendance of another person, \$65.

(3) If his physical or mental condition is such as to require the regular or constant aid and attendance of another person, \$72.

(b) Provides that those veterans who were recognized as having title under the act of June 2, 1930, who enlisted after August 12, 1898, and who did not render service in either the Philippine Insurrection or the China Relief Expedition and have attained or shall hereafter attain the age of 62 years shall be paid a pension at the rate of \$15 per month.

Section 152: (a) Provides that the widow of any person as described in section 151 of this title who has attained an age as hereinafter set forth shall be paid a pension at the following rates per month, with \$6 per month additional for each child of such person: If aged less than 60 years, \$25; if aged 60 years, \$30; if the wife of such person during the period of his service or if aged 70 years, \$40.

(b) Provides that in case such person is not survived by a widow entitled to pension under this act, and is survived by a child or children, such child or children shall be paid pension at the following rates per month: One child, \$20, with \$6 additional for each additional child, the total amount to be equally divided.

Part VI: World War

Section 161: (a) Provides that any person who rendered 90 days' service during the World War and was honorably discharged from such service, or who, having rendered less than 90 days' service, was discharged on account of disability incurred in such service and line of duty, and is suffering from mental or physical disability or disabilities not the result of his misconduct, shall be paid a pension at the following rates per month and under the following conditions:

(1) If the disabled person has attained the age of 50 years and is 50 percent disabled, \$18.

(2) If the disabled person has attained the age of 55 years and is 75 percent disabled, \$30.

(3) If the veteran, regardless of his age, is totally disabled, \$45.

(b) If the person is not entitled to a greater rate of pension under the provisions of subsection (a) of this section,

and has attained an age as hereinafter set forth, he shall be paid a pension at the following rates per month, regardless of the grade of disability: If aged 55 years, \$12; 62 years, \$22; 68 years, \$30; 72 years, \$40; 75 years, \$50.

Section 162: (a) Provides that the widow of any person as described in section 161 of this title shall be paid a pension at the rate of \$22.50 per month and \$4.50 per month additional for each child of such person.

(b) Provides that in case such person is not survived by a widow entitled to pension under this act, and is survived by a child or children, such child or children shall be paid pension at the following rates per month: One child, \$12; with \$4 additional for each additional child, the total amount to be equally divided.

Part VII: Service requirements

Section 171: Fixes date of beginning of Civil War as April 12, 1861, and termination as July 1, 1865, with extension to August 20, 1866, when service was in certain States.

Section 172: (a) Relates to War with Spain and fixes service therein as that performed by persons regularly in the Army, Navy, or Marine Corps, and so forth, between April 21 and August 12, 1898, and that performed by persons who entered the service on or after August 13, 1898, and on or before April 11, 1899, and who served in Cuba or Puerto Rico prior to April 12, 1899.

(b) Restricts service in the Philippine Insurrection to that performed by persons who went to the Philippine Islands prior to July 4, 1902, or if service was in the Moro Province prior to July 15, 1903, and service in the China Relief Expedition to that performed by persons who actually served in China between June 16, 1900, and May 12, 1901.

Section 173: Relates to World War service and fixes the date of beginning as April 6, 1917, and termination as November 11, 1918, with extension to April 1, 1920, if service was rendered in Russia, and to July 2, 1921, if engaged in mine-sweeping operations.

Section 174: Provides that in case of discharge or dismissal of a person as a result of a court-martial trial, and it is thereafter established that such person was insane at the time of the commission of the offense, he shall not be denied benefits under this act.

Section 175: Forbids payment of pension under subtitle A of title I, and under title II on account of death inflicted as a lawful punishment for crime or military offense, except when inflicted by the enemy.

Section 176: Provides that the discharge of a person because of having concealed the fact that he was a minor shall not be a bar to benefits under this act if his service was otherwise honorable.

Section 177: Provides that in determining the period of active service under parts IV, V, and VI of this title it shall not be required that the 90-day period of service be completed prior to the cessation of hostilities, but the person must have entered the service prior to the cessation of hostilities and have served continuously thereafter for 90 days, and in the case of a person whose service commenced before but extended into a period of hostilities, such person must have served 90 days continuously after the commencement of such hostilities.

Part VIII: Widows' marriage qualifications

Section 181: Provides that to be entitled under this act as widow of a Civil War veteran it must be shown that applicant was lawfully married to the veteran prior to June 27, 1915, that the marriage subsisted until the veterans' death and, if the marriage took place after March 2, 1899, that they lived together continuously from the date of marriage to the date of the veteran's death, or, if the cohabitation was not continuous, that it was not due to the fault or connivance of the wife.

Section 182: Provides that to be entitled under this act as widow of an Indian campaign veteran it must be shown that the applicant was lawfully married to the veteran prior to March 4, 1917, that the marriage subsisted until the veteran's death and, if the marriage took place after March 2, 1899, that they lived together continuously from the date of

the marriage to the date of the veteran's death, or, if the cohabitation was not continuous, that it was not due to the fault or connivance of the wife.

Section 183: (a) Provides that to be entitled under this act as a widow of a Spanish War veteran it must be shown that the applicant was lawfully married to the veteran prior to September 1, 1922, that the marriage subsisted until the veteran's death and, unless she was his wife during his service in said war, that they lived together continuously from the date of the enactment of this act to the date of the veteran's death, or, if the cohabitation was not continuous, that it was not due to the fault or connivance of the wife.

(b) Provides that to be entitled under this act as widow of a Philippine Insurrection or China Relief Expedition veteran it must be shown that the applicant was lawfully married to the veteran prior to September 1, 1922, that such marriage subsisted until the veteran's death, and if the marriage took place after March 2, 1899, unless prior to or during the service of the veteran, that they lived together continuously from the date of marriage to the date of the veteran's death, or, if the cohabitation was not continuous, that it was not due to the fault or connivance of the wife.

Section 184: Provides that to be entitled under this act as widow of a World War veteran it must be shown that the applicant was lawfully married to the veteran prior to July 3, 1931, that the marriage subsisted until the date of the veteran's death and, unless she was his wife during his service in said war, that they lived together continuously from the date of enactment of this act to the date of the veteran's death, or, if the cohabitation was not continuous, that it was not due to the fault or connivance of the wife.

TITLE II: PENSION FOR DISABILITY DUE TO PEACE-TIME SERVICE

Section 201: (a) Grants pension of from \$7 to \$62 per month for disability incurred in line of duty in time of peace.

(b) (1) Grants \$10 per month for the loss or loss of use of 1 hand, 1 foot, or 1 eye in addition to the rates specified in subsection (a).

(2) Grants \$15 per month for the loss or loss of use of a leg at or above the knee or an arm at or above the elbow in addition to the rates specified in subsection (a).

(3) Grants \$90 per month for the loss or loss of use of both hands or both feet or 1 hand and 1 foot or helplessness requiring the regular aid and attendance of another person, in lieu of the rates specified in subsection (a).

(4) Grants \$100 per month for the loss or loss of use of both hands and 1 foot or both feet and 1 hand or blindness of both eyes, in lieu of the rates prescribed in subsection (a).

(5) Grants \$125 per month for loss of or loss of use of 1 hand or 1 foot in addition to blindness of both eyes, in lieu of rates specified in subsection (a).

(6) Grants \$150 per month for the loss or loss of use of both hands or both feet or 1 hand and 1 foot in addition to blindness of both eyes, or loss or loss of use of both hands and both feet, in lieu of the rates specified in subsection (a).

Section 202: (a) Provides that the widow of any person as described in section 201 (a) who dies of a disability incurred or disease contracted or aggravated by service and line of duty shall be paid pension at the following rates per month, with \$7 per month additional for each child of such person: If aged less than 50 years, \$25; if aged 50 years, \$30; and if aged 65 years, \$35.

(b) Provides that in the event there is no widow entitled and there is a child or children, such child or children shall be paid pension at the following rates per month: One child, \$20, with \$7 additional for each additional child, the total amount to be equally divided.

(c) Provides that in the event there is neither widow or child, grant of \$15 per month may be made for 1 dependent parent or \$25 per month for 2, equally divided.

Section 203: (a) Provides that after 6 months' service prior soundness shall be presumed except as to defects noted at enlistment or evidences or medical finding that the disability existed prior to enlistment.

(b) Provides that any increased disability from a preexisting disease or injury shall be considered to have been aggravated by service unless there is a specific finding that the increase in disability was due to the natural progress of the disease.

(c) Provides that for the purpose of this title cadets while in the Military Academy and midshipmen while in the United States Naval Academy shall be deemed to be in the active military or naval service.

Section 204: Provides that to be entitled under this act as widow of a peace-time veteran it must be shown that the applicant was lawfully married to the veteran prior to or during the period of service in which he incurred his fatal disability, that such marriage subsisted until the date of the veteran's death, or that she was lawfully married to and lived and cohabited with him continuously the last 5 years of his life, or, if the cohabitation was not continuous, that it was not due to the fault or connivance of the wife.

TITLE VIII: DOMICILIARY CARE, HOSPITALIZATION, MEDICAL TREATMENT, ORTHOPEDIC APPLIANCES, BURIAL ALLOWANCES

Part I: Domiciliary and hospital care

Section 301: Provides for hospital and domiciliary care and medical treatment to veterans in following order of preference:

(1) To honorably discharged veterans of any war, Indian campaign or military expedition or military occupation when in need of treatment for disability incurred in service and line of duty—includes service aggravation of a pre-existing disability.

(2) Peace-time veterans suffering from service-connected or aggravated disabilities when in need of treatment for such disabilities.

(3) War-time veterans who served 90 days or more and are suffering from permanent disabilities or tuberculous or neuropsychiatric ailments and have no adequate means of support.

(4) Peace-time veterans who are suffering from permanent disabilities or tuberculous or neuropsychiatric ailments and have no adequate means of support.

(5) Veterans of any war, Indian campaign, military expedition or military occupation who were not dishonorably discharged and who are in need of hospitalization or domiciliary care and unable to defray the expense thereof—including transportation—within the limits of departmental facilities; the oath of the applicant to be accepted to show inability to defray such expense.

(6) Retired officers and enlisted men of the United States Army, Navy, Marine Corps, or Coast Guard, who served in any war, campaign, or expedition who are in need of hospitalization.

Section 302: No clothing to be furnished persons admitted to departmental facilities, except (a) where necessary to protect health or sanitation; (b) where special clothing is necessary by the wearing of prosthetic appliances.

Section 303. Traveling expenses to be paid only when veteran has been ordered to report to departmental facility.

Section 304. No domiciliary, medical, or hospital care for any person residing outside the continental limits of the United States, its Territories, and possessions.

Section 305. Authorizes the Secretary to issue necessary regulations relative to benefits under this part.

Section 306. Provides for reimbursement to beneficiaries in hospitals or departmental facilities for loss by fire of personal effects destroyed by fire while stored in designated locations. Application to be filed within 1 year.

Part II: Medical care and supplies, orthopedic appliances

Section 321: Provides for furnishing medical, surgical, and dental services, and orthopedic appliances and the manner in which orthopedic appliances may be obtained; and further provides that not oftener than once in 3 years, if he so elects, the person may receive in lieu of such limb or apparatus the money value thereof at the following rates: For an artificial leg, \$125; for an artificial arm, \$100; for an artificial foot, \$100; and for apparatus for resection, \$100.

Part III: Burial allowance

Section 331: Provides for the furnishing of a flag to drape casket of deceased veteran of any war whose service was honorably terminated.

Section 332: Provides for the allowance of \$100 for funeral expense of the veteran of any war if net assets at the time of death do not exceed \$1,000.

Section 333: Provides for the allowance of \$100 for the burial and transportation of the body of a veteran who dies in a Bureau facility.

Section 334: Relates to claims for accrued pension to reimburse the person who bore the expense of the funeral of a veteran.

Part IV: Injury or aggravation of injury during hospitalization

Section 341: Grants pension for injury or aggravation of injury while undergoing hospitalization, training, medical or surgical treatment or medical examination in lieu of benefits under act of September 7, 1916. Application to be filed within 2 years.

TITLE IV: CONDITIONS AND LIMITATIONS ON PAYMENT OF PENSION

Part I: Income, employment, and residence

Section 401: (a) Prohibits payments of pension based on non-service-connected disabilities if the beneficiary is single and has an income of \$1,000 per annum, or if married or supports dependents and has an income of \$2,500 per annum.

(b) Describes "dependent" as used in this section as a child, father, mother, brother, or sister who is dependent for his or her main support upon the pensioner.

Section 402: Prohibits payment of pension to any person who for a period in excess of 6 months resides outside the territorial jurisdiction of the United States at a rate of more than 50 percent of that to which he would otherwise be entitled unless he continues to be a citizen of the United States.

Part II: Apportionment of pension

Section 421: Provides that in a case of a veteran receiving pension, who for a period of 3 months shall desert his wife, she being a woman of good moral character and in necessitous circumstances, or his minor or helpless child or children, the benefits, not to exceed that payable for total disability shall be apportioned as follows:

(1) Wife but no child, 70 percent to veteran and 30 percent to wife.

(2) Wife and one child, 60 percent to veteran and 40 percent to wife, or if the child is not in her care and custody, 20 percent to the wife and 20 percent to the child.

(3) Wife and two children, 55 percent to the veteran and 45 percent to the wife, or if one or more of the children are not in her care and custody, 20 percent to the wife and 25 percent for the children, equally divided.

(4) Wife and three or more children, 50 percent to the veteran and 50 percent to the wife, or if one or more of the children are not in her care and custody, 20 percent for the wife and 30 percent for the children, equally divided.

(5) No wife, one child, 80 percent to veteran and 20 percent to child.

(6) No wife, two children, 70 percent to veteran and 30 percent to children, equally divided.

(7) No wife, three or more children, 65 percent to veteran and 35 percent to children, equally divided.

Section 422: (a) Provides that in a case of a veteran receiving pension in excess of \$12 per month and is being maintained in an institution under the supervision of the United States or any political subdivision thereof, whether the residence therein is voluntary or involuntary, his pension shall not exceed 25 percent of that to which he would otherwise be entitled, in no case more than 25 percent of what he would be entitled were he totally disabled, and in no case is he to be reduced below \$12 per month.

(b) Provides that in such case he has a lawful wife (she being a woman of good moral character), a child or children, or a dependent father or mother, the difference, not to exceed rate payable to such dependents were the veteran dead, be

paid as follows (except as provided in sections 423 and 424 of this part):

(1) If there is a wife and no child, or wife and one or more children all in her care and custody, 100 percent to the wife.

(2) If there is a wife and one child not in her care and custody, 70 percent to the wife and 30 percent to the child.

(3) If there is a wife and two children, one or both of whom are not in the care and custody of the wife, 60 percent for the wife and 40 percent for the children, equally divided.

(4) If there is a wife and three or more children, one or more of whom are not in the care and custody of the wife, 50 percent for the wife and 50 percent for the children, equally divided.

(5) If there be no wife but one child, 100 percent to the child.

(6) If there be no wife but two or more children, 100 percent to the children, equally divided.

(7) If there be no wife or child, but a dependent father or mother, 100 percent to such person, or, if there be both a dependent father and a dependent mother, 100 percent equally divided.

Section 423: Provides that if it be shown that the wife has abandoned her children by the veteran or that she is an unsuitable person to have care and custody of them apportionment shall be made to them the same as if there were no lawful wife, or if apportionment has been made to her this section to take effect from the date of last payment to her.

Section 424: Provides that no apportionment shall be made for any child that has been adopted by another person.

Section 425: Provides that the application of section 421 or 422 results in undue hardship upon the veteran or any of his dependents and relief from such hardship can be afforded without undue hardship to the other dependents, the Secretary may fix the amount to be apportioned under said sections.

Part III: Payments to minors and incompetents

Section 431: Authorizes the Secretary to make payment to guardian in case of a minor or other person who has been declared to be incompetent or to other person legally vested with the care of the beneficiary, to refuse payment to any guardian not properly discharging his duties, or, in case no guardian has been appointed, to determine who is otherwise legally vested with the care of the beneficiary or his estate.

Section 432: Authorizes the Secretary, in case of any guardian not faithfully executing the duties of his trust, to make presentation of the matter to the court which appointed such guardian, and to suspend payments to any guardian who neglects or refuses, after reasonable notice, to render an account to the Secretary from time to time showing manner of disbursements of moneys received.

Section 433: (a) Authorizes the Secretary to incur necessary expenses incident to the investigation or removal of any guardian of a beneficiary.

(b) Authorizes the Attorney General to incur necessary court costs incident to having incompetent veterans committed to departmental hospitals for treatment or domiciliary purposes.

(c) Authorizes the Attorney General to incur necessary expenses for the appointment of guardians for incompetent or minor beneficiaries where to charge the estate of such incompetent or minor would unduly deplete such estate.

Section 434: (a) Provides that money withheld and not paid prior to the death of the beneficiary can be paid after death only as provided in section 451 of this act.

(b) Any funds in the hands of the guardian, derived from pension, at the time of death of the beneficiary shall escheat to the United States.

Section 435: Provides that special examinations be made not less than once every 6 months in order to secure strict enforcement of the provisions of this act relative to payment of benefits for incompetents, except where the beneficiary is being maintained in a Bureau facility.

Part IV: Commencement, discontinuance, suspension, and recommencement of pension payments

Section 441: (a) Provides that the date of commencement of pension, unless otherwise expressly provided, shall be the date of filing a valid application in the department. Award of pension in a veteran's case not effective prior to discharge from the service or in a dependent's case if executed prior to the death of the veteran.

(b) Provides that the date of commencement of increase of pension on account of increased disability shall be the date of the examining surgeon's certificate showing such increased disability, and the date of commencement of increase on account of age shall be the date on which the beneficiary attains the beneficial age.

Section 442: (a) Provides that reduction or discontinuance of a veteran's pension shall be effective the first day of the month next following the month in which the approval is made, except as otherwise provided.

(b) Provides that discontinuance on account of death shall be the date of death in all cases.

(c) Provides that discontinuance of pension because of remarriage of a widow shall be the date of her remarriage.

(d) Provides that the discontinuance or reduction of pension because of a child reaching the age of 18 years, or being married or recovering from helplessness shall be effective the date next preceding the 18th birthday, the date of marriage, or the date of the surgeon's certificate of such recovery, as the case may be.

(e) Provides that where fraud is shown by or with the knowledge of the applicant the date of discontinuance shall be effective as of the effective date of the award.

(f) Provides that discontinuance of pension because of receipt of active-service or retirement pay shall be effective as of the date next preceding the date of commencement of such pay.

(g) Provides that discontinuance of pension upon proof of existence of a person presumed to be dead under section 554 (b) of this act shall be effective as of the date of determination in the Department of such fact.

(h) Provides that in the case of a mother receiving pension with a child, dies or remarries, the date of commencement of pension for the child shall be the date next succeeding the date of death or remarriage.

(i) Provides that when the rate, commencement, and continuance of pension allowed by special act are fixed by such act, they shall not be subject to variance by this act, but when not thus fixed the rate and continuance shall be subject to variance in accordance with the provisions of this act, and its commencement shall date from the passage of the special act; and in case it be shown that fraud was perpetrated in obtaining such special act, the Secretary shall suspend payment until the propriety of repealing the same can be considered by Congress.

Section 443: (a) Provides that pension payable to a widow (including a remarried widow) shall terminate on her death or remarriage, except as otherwise provided in this section.

(b) Provides that pension of a widow based on service in the War with Spain (including China Relief Expedition and Philippine Insurrection) or the World War when barred or terminated by reason of remarriage it shall not thereafter be commenced or recommenced.

(c) Provides that the open and notorious adulterous cohabitation of a widow or remarried widow of a veteran shall bar her title to pension as such, or, if a pensioner, to terminate her pension from the beginning of such cohabitation, and pension to such widow or remarried widow shall not commence or recommence until after a satisfactory showing of exemplary moral conduct for 5 years prior to the filing of a claim for restoration of rights.

(d) Provides that the remarried widow of a Civil War or Indian campaign veteran (except one eligible only under sec. 143 (a) (4) of this act) shall be entitled to pension under this act, regardless of the number of times she has remarried since the death of the veteran, without proving his death due to his service, if it be shown that each sub-

sequent marriage has been dissolved by the death of the husband or by divorce on any ground except adultery on the part of the wife.

Section 444: Provides that in the event a veteran is survived by a widow entitled to pension, and a child or children by such widow, and it is shown that she has abandoned such child or children or that she is an unsuitable person to have their care and custody, no pension shall be payable to such widow until such child or children are no longer eligible for pension under this act, and the pension shall be payable to such child or children in the same manner and from the same date as if no widow survived, except, that if pension has been paid to the widow, the pension for the child or children shall commence with the day after the period covered by the last payment to the widow.

Section 445: (a) Provides that pension to a dependent father or mother shall continue during dependency or until death or remarriage, whether the dependency arises prior to or subsequent to the death of the veteran; and in the case of conflicting claims between a natural parent and a parent by adoption, the pension shall be payable to the natural parent unless it be shown that such natural parent abandoned the veteran during infancy or was declared by a court of competent jurisdiction an unsuitable person to have the care and custody of the veteran during his infancy. Remarriage of father to mother not a bar under this act.

(b) Provides that pension to or for a child shall continue only until the day before the child's eighteenth birthday, the date of marriage, recovery, or death.

Part V: Payment, receipt, and recapture of pension; issuance, delivery, and cancellation of pension checks

Section 451: (a) Provides for payment of pension accrued during lifetime to be paid upon death as follows:

(1) First, to his widow; second, if there is no widow, to his child or children.

(2) In case of a widow, to her children.

(3) In case of an apportionee, to the veteran.

(b) Provides that in the event that no person is entitled to the accrued pension by reason of relationship as set forth in subsection (a) no part of it shall be paid except so much as may be necessary to reimburse the person who bore the expenses of the last sickness and funeral of the beneficiary. Claim, therefore, must be filed within 1 year after the death of the beneficiary and completed within 6 months after call for evidence by the department.

Section 452: Provides that in a case wherein the veteran having no dependent is insane and is being maintained in an institution by the United States, and his estate derived from pension or other allowance or allowances by the United States exceeds \$1,500, such allowance shall be discontinued until his estate is reduced to \$500.

Section 453: (a) Provides that in the event more than one person is drawing pension and one of them dies or remarries, the pension for the remaining shall be the same as if they had been the sole original beneficiaries.

(b) Provides that not more than one pension shall be paid to any individual covering the same period; that in case an individual is entitled to more than one pension payment shall be made of the one granting the greater benefit. Allowances under section 4756 and 4757 of the Revised Statutes to be considered to be pensions.

(c) Prohibits allowance and payment of pension under this act to any officer, noncommissioned officer, or enlisted man in the Army, Navy, Marine Corps, or Coast Guard, either on the active or retired list.

(d) Prohibits a person receiving a pension under a special act from receiving a pension in addition thereto under this act, unless the special act expressly states that the pension granted thereby is in addition to any other pension to which such person is entitled under this act or any other act.

(e) Prohibits the recovery of overpayments to any person who, in the judgment of the secretary, was without fault, and where, in his judgment, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience, and absolves disbursing officers from liability where recovery is waived under this section.

(f) Prohibits the withholding of pension payable under this act from any beneficiary who is in arrears.

(g) Fixes minimum rate of pension for disability at \$7, and for death at \$12 per month.

(h) Exempts benefits payable under this act from taxation, attachment, seizure, or levy by or under any process whatsoever, but provides that it shall be subject to any claim the United States may have, except as provided in subsection (e) of this section.

Section 454: (a) Provides that payment of pension be made monthly on the last day of each month, by check, without separate voucher or receipt, except as provided in section 435 of this act, except in any case in which the secretary may consider a voucher necessary for the protection of the United States; such checks to be transmitted by mail to the last known address of the payee; prohibits postal employees from delivering any such mail if the addressee has died or removed, or, in the case of a widow believed by the postal employee to have remarried. In any such case the postmaster is required to return such mail with a statement of the reasons for such return, and provides that checks thus returned because of death or remarriage shall be canceled, except as provided in subsection (b) of this section.

(b) Provides that the mailing of a check to the last known address shall constitute payment in the event of the death or remarriage of the pensioner on or after the last day of the period covered by such check, which shall not be canceled but shall, in case of death, become an asset of the estate of the deceased, except as provided in section 434 of this act, and in case of remarriage shall be delivered to the pensioner upon satisfactory proof of the date of remarriage.

(c) Provides that checks properly issued to any beneficiary and undelivered for any reason shall be retained in the files of the disbursing officer until such time as delivery may be accomplished, or until 3 years have elapsed after the date of issuance of the first undelivered check, and after that period no check shall be issued except upon a new application, and payments under such application shall commence from the date of filing such application.

TITLE V: ADMINISTRATIVE PROVISIONS

Part I: Administrative powers, functions, and procedure

Section 501: (a) Authorizes and directs the Secretary to provide for medical examinations of applicants, to appoint surgeons or physicians to make such examinations, to pay fees therefor, and in case of examination necessarily made at the home of the applicant such mileage or expense as he deems reasonable.

(b) Authorizes and directs the Secretary, within 1 year, to provide for the adjudication and making of ratings in claims for pension solely in the central office and, so far as practicable, the application of the procedure in use by the Bureau of Pensions, Department of the Interior, prior to July 3, 1930, to such ratings and adjudications.

(c) Authorizes the Secretary, under such regulations as he may prescribe, to make payment for official telephone service and rental in the field wherever incurred in case of official telephones for medical officers and the head officers of any branch office, suboffice, or facility of the Department, where such telephones are installed in private residence, apartment, or quarters.

Section 502: (a) Authorizes the Secretary to delegate authority to render decisions under this act to such person or persons as he may find necessary, and provides that decisions rendered by such person or persons within the limitations of such delegation of authority shall have the same effect as though rendered personally by the Secretary.

(b) Provides that any decision (except as to yearly renewable term insurance or Government life insurance) rendered or approved by the Secretary under the provisions of this act, and the regulations issued pursuant thereto, shall be final and conclusive on all questions of law and fact, and no other official or court of the United States shall have jurisdiction to review, by mandamus or otherwise, any such decision.

Section 503: (a) Authorizes the Secretary and such persons as he shall designate in writing to apply to any United

States court to issue subpoena for and compel the attendance of any witness being within the jurisdiction of such court before any officer of the court or any person from the Bureau designated or detailed under subsection (b) of this section, to be examined orally or on written interrogatories, the production of books and papers or other documents within the jurisdiction of the court; and in case of contumacy or refusal to obey such subpoena the judge of the court may punish such offense in like manner as any court of the United States may do in case of process of subpoena ad testificandum; and that witnesses so required to attend shall be allowed and paid the same fees and mileage as are paid witnesses in the district courts of the United States.

(b) Authorizes the Secretary to detail clerks or persons employed in the Department to make special examinations into the merits of claims, whether pending or adjudicated, as he may deem proper; to aid applicants in the preparation of their claims; to investigate any suspected attempt at fraud and to aid in the prosecution of anyone appearing to be guilty of fraud in the preparation or presentation of claims for pension; to grant authority to such detailed persons to administer oaths in connection with their work and to employ stenographers when deemed necessary by the Secretary in important cases, and to pay them such additional compensation as he may deem necessary.

(c) Authorizes the Secretary, upon request, to detail one clerk to each legislative committee of Congress having jurisdiction over legislation relating to pensions or monetary benefits to veterans.

Section 504: (a) Provides that claims for benefits under this act shall be filed with the Department in such form as the Secretary shall approve, and shall be sworn to before an officer authorized by law to administer oaths for general purposes or any person authorized by this act to administer oaths.

(b) Provides that in case an application is not complete at time of original submission the Secretary shall notify the applicant of the evidence necessary to complete the application, and that if such evidence is not received within 1 year of date of request, therefore no pension shall be payable by virtue of such application.

(c) Requires that briefs of determinations containing signed endorsements in ink of determination or adjudications be kept attached to each application and papers relating thereto.

Section 505: (a) Authorizes and directs the Secretary, for the purposes of part I of title I and for the purpose of title II, to adopt and apply a schedule of ratings based, as far as practicable, on the average impairment of earning capacity in civil occupations. The schedule to provide 10 grades of disability and no more upon which payment of pension shall be based, namely, 10 percent, 20 percent, 30 percent, 40 percent, 50 percent, 60 percent, 70 percent, 80 percent, 90 percent, and 100 percent.

(b) Authorizes and directs the Secretary, for the purposes of parts III and V of title I of this act, to apply the schedule adopted under subsection (a) of this section except that he shall employ only the 50-percent and the 100-percent grades thereof, with an additional grade of 75 percent.

Part II: Appeals

Section 521: Provides for the establishment of a Board of Veterans' Appeals to be composed of a chairman, vice chairman, and not to exceed 15 associate members. Also provides for necessary professional, administrative, clerical, and stenographic personnel. Members of the board to be appointed by the Secretary.

Section 522: Provides that all questions on claims involving benefits within the jurisdiction of the Department shall be subject to review on appeal by the board, and when a claim has been disallowed by the board it may not thereafter be reopened and allowed except on new evidence from service department, and no new claim shall be considered except on new and material evidence. The board shall, in its decisions, be bound by the regulations prescribed by the Secretary.

Section 523: Provides that appeals, except in simultaneously contested claims, must be filed within year from the date of mailing notice of the original determination; that such appeals be filed with the head of the activity that entered the denial, who shall, within 90 days, consider and determine whether the action from which the appeal is taken shall be adhered to, and if he shall determine not to recede therefrom he shall, within the 90-day period, forward such appeal, together with the record in the case and a report stating his reasons for the action complained of, to the Secretary, and such appeal shall be entered upon a docket kept for that purpose, and the jurisdiction of the activity involved shall then cease and the matter shall be decided by the board. If no appeal is filed within the period specified the action taken on initial review shall become final, except where subsequent to such disallowance new and material evidence is furnished.

Section 524: (a) Provides that applications for review on appeal shall be made in writing and may be filed by the claimant, his guardian or duly authorized agent and that not more than one agent be recognized at any time in the prosecution of a claim.

(b) Requires that each appeal must show the name and service of the veteran on whose service the claim is based, as well as the number of the claim, the date of the action appealed from, and the benefit sought.

(c) Requires that each appeal shall contain specific assignment of error of law or mistake of fact in the adjudication of the claim, and provides that any appeal insufficient in this respect may be dismissed.

(d) Provides that an appeal shall not be considered unless it is prepared and filed in conformity with this part.

(e) Requires that the board shall maintain a docket, permits formal recorded hearings in exceptional cases only, and requires that cases be considered and decided in regular order according to their places on the docket, unless advanced on motion for earlier consideration by reason of involving interpretation of law of general application or for other sufficient cause shown.

Section 525: (a) Provides that in simultaneously contested claims, where one is allowed and the other rejected, the time for filing an appeal shall be within 60 days—except in case claimant resides in a foreign country or an outlying possession, 6 months—from date of mailing notice of the original action to the claimant to whom the action was adverse. In such cases the Secretary shall promptly notify all parties in interest of the original action taken, expressly calling attention to the fact that an appeal will not be entertained unless filed within the period prescribed in this section, such notices to be mailed to the parties in interest at the last-known address of record, and such mailing shall constitute sufficient evidence of notice.

(b) Directs that upon the filing of an appeal in simultaneously contested claims all parties, other than the appellant, whose interests may be adversely affected by the decision shall be notified of the substance thereof and allowed 30 days—except in case the party resides in a foreign country or an outlying district, 3 months—from the date of mailing such notice within which to file brief or argument in answer thereto before the papers are forwarded to the Board of Appeals; that the mailing of notices to the last-known address of record of the parties whose interest may be adversely affected shall constitute sufficient evidence of notice.

Part III: Records and reports

Section 531: (a) Provides that all files, records, reports, and other papers and documents pertaining to any claim, whether pending or adjudicated, shall be deemed confidential and privileged, and no disclosure thereof shall be made, except as follows:

(1) To a claimant or his duly authorized agent as to matters concerning himself alone when, in the judgment of the Secretary, such disclosure not be injurious to the physical or mental health of the claimant.

(2) When required by processes of a United States court.

(3) When required by any department or agency of the United States Government.

(4) In all proceedings in the nature of an inquest into the mental competency of the claimant.

(5) In any judicial proceedings when in the judgment of the Secretary such disclosure is deemed necessary and proper.

(b) That the amount of pension of any beneficiary shall be made known to any person who applies for such information, and the Secretary, upon determination that the public interest requires it, may, at any time and in any manner, publish any or all information of record pertaining to any or all claims.

(c) The Secretary may authorize an inspection of Department records by duly authorized representatives of recognized organizations upon written authority from the claimant.

Section 532: (a) Provides that any person desiring to obtain a copy of any record, paper, or document in the custody of the Department which may be disclosed under the provisions of section 531 must make written application therefor to the Department, stating specifically—

(1) The particular record, paper, or document a copy of which is desired;

(2) Whether certified or uncertified copy is desired; and

(3) The purpose for which the copy is to be used.

(b) The Secretary is authorized to fix a schedule of fees for copies and certifications of such records.

(c) Certified copies furnished under this part shall be admitted in evidence equally with the originals thereof.

Part IV: Attorneys, agents, and representatives

Section 541: Authorizes the Secretary to recognize representatives of the American Red Cross, the American Legion, the Disabled American Veterans, the Grand Army of the Republic, the United Spanish War Veterans, Veterans of Foreign Wars, and such other organizations as he shall approve, in the presentation of claims. No such representative to be recognized until a certificate has been filed in the Department, under such regulations as the Secretary may prescribe, certifying that no fee or compensation of whatsoever nature shall be charged veterans or the dependents of veterans for service rendered.

Section 542: (a) Authorizes the Secretary to recognize agents and attorneys in the presentation of claims and to prescribe regulations relative thereto. Such regulations may require that such attorneys and agents show that they are of good moral character and in good repute, possessed of the necessary qualifications to render such claimant valuable service and otherwise competent to advise and assist applicants in the presentation of their claims. Forbids the recognition as an attorney or agent of any person who (1) has been an officer or employee of the Bureau within 2 years or when the claim was pending, or (2) is an officer or employee, appointive or elective, of any organization whose representatives are recognized under section 541 of this act, who transacts business relating to any such claim from or at an office, from or at which any such organization carries on its work incident to presenting claims, or who uses the stationery of any such organization in transacting business relating to any such claim. Such regulation to contain a provision requiring the filing in each claim a power of attorney in such manner and form as the Secretary shall prescribe. Forbids the payment of a fee to any person not recognized as an agent or attorney under this section.

(b) Authorizes the Secretary to suspend or exclude from further practice before the Department any agent or attorney, for cause, after hearing.

(c) Authorizes the Secretary to determine and pay fees in pension claims, to prescribe regulations governing the award, the amount and mode of payment of such fees and the deduction thereof from the pension, and provides that where duplicate fee agreements are filed a fee not in excess of \$25 may be paid, and if no such agreements are filed the fee shall not exceed \$10 and in no case shall a fee be allowed except on the rendition of material service; authorizes the Secretary to prescribe the form of articles of agreement for such fee.

Part V: Definitions and construing provisions

Section 551: (a) The definitions set forth in this part shall be applicable when used in this act, unless the context otherwise requires.

(b) The term "Secretary" means the Secretary of Veterans' Affairs, and the term "Department" means the Department of Veterans' Affairs.

(c) The term "pension" when used in part III of title III and in parts I, II, and III of title IV of this act shall include "emergency officers' retirement pay" and "compensation" and the term "pensioner" shall include any person receiving compensation or emergency officers' retirement pay.

(d) The term "military or naval service" includes the Army, the Navy, the Marine Corps, and the Coast Guard on and after July 2, 1930; and the Naval Reserves, the National Naval Volunteers, the State militia, and the Coast Guard prior to July 2, 1930, while serving pursuant to law with the Army or Navy in time of war or national emergency.

(e) The term "person who served" and the term "veteran" both include—

(1) Any person, whether male or female and whether commissioned, enlisted, enrolled, or drafted, who was finally accepted for active service in the military or naval service of the United States;

(2) Any member of a training camp authorized by law;

(3) Any other person heretofore recognized by statute in force on the date of enactment of this act as having a pensionable status; and

(d) In the case of service in any war (including the Philippine Insurrection, China Relief Expedition, any Indian campaign, and any military expedition or military occupation), any officer, enlisted man, member of the Army Nurse Corps (female), member of the Navy Nurse Corps (female), any woman who served as a contract nurse, and any individual who served overseas as a contract surgeon of the Army.

(f) The term "widow" means a woman who was lawfully married to a veteran, thereafter deceased, and, except for cases provided for in subsection (b) and (d) of section 443, who has not remarried since his death.

(g) In the case of the Civil War or an Indian campaign, the term "remarried widow" means a woman who was lawfully married to a veteran, thereafter deceased, who subsequently remarried and is again a widow by the death or divorce of the subsequent husband or husbands.

(h) The term "mother" or "father" means a natural mother or father of the veteran, or a mother or father of the veteran through legal adoption prior to service of the veteran.

(i) The term "child" means a person never married and under the age of 18 years, or one, regardless of age, who prior to attaining the age of 18 years, becomes or has become permanently incapable of self-support by reason of mental or physical defect, who is a legitimate child, a child legally adopted prior to the service of the veteran, a stepchild, if a member of the father's household, or an illegitimate child, but as to the father only, if acknowledged in writing signed by him, or if he has been judicially ordered or decreed to contribute to such child's support, or has been judicially decreed to be the putative father of such child.

Section 552: (a) Provides that an injury or disease or a preexisting disease or injury will be deemed to have been incurred or aggravated "in line of duty" when the person on whose account benefits are claimed was, at the time the injury or disease was incurred or aggravated, in the active military or naval service, whether on active duty or on authorized leave for a period of time which did not materially interfere with the performance of his regular routine of duty, except where the incurrence or aggravation was due to misconduct on his part, unless at the time of the incurrence or aggravation the person was absent from his organization or other post of duty on a furlough or leave of absence which materially interfered with the performance of regular routine of duty; was confined under sentence of court martial or civil court or was resisting lawful arrest; was relieved from all active performance of duty by command of his superior

officer as a result of intemperate use of drugs or alcoholic liquor, or because of injury or disease due to his misconduct; was acting in disobedience of lawful orders of his superior officer or in violation of the rules and regulations of his organization; or, whether at his post or lawfully absent, if the injury or disease or aggravation was caused by something not involving misconduct but done in pursuing some private business or avocation.

(b) When the incurrence or aggravation of a disease or injury is suffered while on leave, the burden of proof shall be on the claimant to show that it was in line of duty.

Section 553 directs that a disability due to venereal disease shall be held to be not in line of duty, unless it be shown that it was not due to illicit sexual intercourse, and any disability due to an act of omission or commission, wrong in itself, or one opposed to the principles of good morals, or when due to gross negligence, gross carelessness, alcoholism, drug addiction, or self-infliction of wounds shall be held to be not in line of duty.

Section 554: (a) Provides that in any claim for benefits under this act marriage shall be proven to be legal marriage according to the law of the place where the parties resided at the time of marriage or at the time the right to the benefit claimed accrued.

(b) Provides that for the purpose of this act the death of a veteran shall be considered as sufficiently proved if satisfactory evidence is produced establishing the fact of the continued and unexplained absence of such veteran from his home and family for a period of 7 years, during which period no intelligence of his existence shall have been received.

Section 555 provides that the term "departmental facilities" as used in this act shall include the following:

(a) Any facility over which the department has direct and exclusive jurisdiction;

(b) Any other Government facility for which the Secretary may deem necessary to contract.

(c) Any private facility for which the Secretary may deem it necessary and proper to contract in order to provide hospital care in emergency cases; for women veterans of any war; and for veterans of any war in the territories and possessions.

Section 556 requires that the provisions of this act shall be construed without reference to any prior interpretation of any act, any part of an act, or any Executive order which is reenacted in this act, or appears in similar language in this act, expressed or implied in or by any order, regulation, rule, decision, determination, adjudication, or otherwise.

TITLE VI: MISCELLANEOUS

Part I: Penalties

Section 601 provides maximum penalty of \$5,000 fine or 2 years' imprisonment, or both, for making a false affidavit, knowingly, in any claim.

Section 602: Provides maximum penalty of \$2,000 fine or 1 year imprisonment, or both, where a person has title to pension which is terminated by the happening of a contingency and who continues to accept payments.

Section 603: Provides maximum penalty of \$2,000 fine or 1 year imprisonment, or both, for accepting any money, check, or pension, without being entitled to it, and with intent to defraud the United States or any beneficiary of the United States.

Section 604: Provides maximum penalty of \$1,000 fine or imprisonment for 1 year, or both, for in any way aiding in the making or presentation of any false statement concerning any claim for benefits under this act, and in addition to all other penalties prescribed forfeits all rights to benefits under this act.

Section 605: Provides a maximum penalty of \$1,000 fine or 5 years imprisonment, or both, for forging an endorsement on a pension check or uttering such check knowing that the endorsement is forged or for falsely personating the rightful owner of any such check, obtain all or any part of the amount represented by such check.

Section 606: Provides maximum penalty of \$2,000 fine or 5 years imprisonment, or both, in case of anyone in a fiduciary capacity who embezzles benefits paid under the provisions of this act.

Section 607: Provides a maximum penalty of \$2,000 fine or 1 year in prison, or both, in case of any person collecting fees for services in presentation of claims under this act, other than may be authorized under section 542 of this act.

Section 608: Provides a maximum fine of \$500 or maximum 2 years imprisonment, or both, in case of any person who demands, receives, or retains any compensation for services in securing the introduction or passage of a bill by Congress granting pension or increase of pension.

Part II: Joint congressional committee on veterans' affairs

Section 621: Provides for the establishment of a joint congressional committee to be composed of the chairman and the ranking majority and minority members of the Committees of the House on Invalid Pensions, Pensions, and World War Legislation and of the Committees of the Senate on Finance and Pensions, and of the subcommittees of the House and Senate Committees on Appropriations for the Department of Veterans' Affairs.

Section 622: Fixes the duties of the joint committee, as follows:

(1) To investigate the operation and effects of the Federal system of benefits to veterans and their dependents.

(2) To investigate the administration of the pension laws by the Secretary or any department, establishment, or agency charged with their administration.

(3) To investigate measures and methods for the simplification of pension laws and their administration.

(4) To report from time to time to the committee of the House and Senate having legislative jurisdiction over pensions and other benefits the results of their investigations, together with such recommendations as it may deem advisable.

Section 623: (a) Directs that the joint committee shall meet as soon as practicable and elect a chairman and vice chairman from among its members, and empowers it to appoint and fix the compensation of a clerk and such other clerical, expert, and stenographical assistants as it deems advisable.

(b) Ten members shall constitute a quorum, but not less than four members of each House.

(c) Authorizes the joint committee, or any subcommittee thereof, to hold hearings and sit and act at such places and times, in the District of Columbia or elsewhere, whether or not Congress is in session, to issue subpoenas, administer oaths, and require the production of books, papers, and documents, and incur expense of printing and binding.

(d) Subpoenas to be issued over the signature of the chairman or vice chairman and served by any person designated by him. Extends the provisions of sections 101, 102, 103, and 104 of the Revised Statutes (U. S. C., title 2, secs. 191, 192, 193, and 194) in case of a subpoena.

(e) Provides that members shall not receive compensation, other than as Members of Congress, except that they shall be reimbursed for necessary expenses incurred by them other than expenses incurred by them in connection with meetings held in the District of Columbia during such time as Congress is in session.

(f) Provides for one-half of the expenses from the contingent fund of the Senate and one-half from the contingent fund of the House.

Part III: Emergency officers' retirement pay

Section 631: Provides that any person who, first, served as an officer of the Army, Navy, or Marine Corps of the United States during the World War, other than as officer of the Regular Army, Navy, or Marine Corps during the World War; second, entered active service between April 6, 1917, and November 11, 1918; third, made valid application for retirement under the provisions of the Emergency Officers' Retirement Act of May 24, 1928 (U. S. C., Supp. VII, title 38, ch. 10A); and fourth, prior to the passage of the act entitled "An act to maintain the credit of the United States

Government", approved March 20, 1933, was granted retirement with pay, shall, subject to such regulations as may be prescribed by the Secretary pursuant to this act, be entitled to continue to receive retirement pay at the monthly rate being paid him on March 19, 1933, if the disability for which he has been retired with pay resulted from disease or injury or aggravation of a preexisting disease or injury, incurred in line of duty during such service and is shown to have proper rating prior to March 20, 1933, and if the disease or injury directly resulted from the performance of military or naval duty.

Part IV: Army and Navy medal of honor roll

Section 641: (a) Provides for in the War and Navy Departments a medal of honor roll to be composed of the name of each surviving person who has attained or shall hereafter attain the age of 50 years, who served in the military or naval forces of the United States in any war (including the Philippine Insurrection, China Relief Expedition, any Indian campaign, military expedition or military occupation), who has been awarded a medal of honor by reason of gallantry of intrepidity at the risk of his life above and beyond the call of duty, and who was honorably released from service by muster out, resignation, retirement, or otherwise; fixes the mode of procedure to have named places on said roll and that rank in service shall not be considered in applications hereunder.

(b) Directs that the Secretary of War and the Secretary of the Navy shall, according to the service rendered, furnish each person whose name appears on said roll, a certificate showing the act or acts for which the medal of honor was awarded and a verified copy of each, except where the service was terminated by retirement, to the Secretary of Veterans' Affairs, which shall be his warrant for allowing the extra pension provided in section 124 of this act.

(c) Repeals act of April 27, 1916.

Part V: Insurance

Section 651: Prohibits additional payments of insurance under sections 305 and 309 of the World War Veterans' Act, 1924, as amended, or the third proviso of section 408 of the War Risk Insurance Act, as amended, except those persons actually receiving payments on the date of the enactment of this act, or in those claims where, prior to the date of enactment of this act, it has been determined by the Veterans' Administration that all or parts of the insurance is payable under such sections and the interested person or persons entitled thereto have been informed of such determination, and fixes the order of preference of relatives entitled to unpaid installments of a beneficiary who dies while receiving insurance payments.

Section 652: Prohibits the granting of any United States Government life insurance under the provisions of title III of the World War Veterans' Act, 1924, as amended, after the date of enactment of this act, except pursuant to such provision relating to reinstatement or conversion.

Part VI: Repeals and saving provisions

Section 661: (a) Acts or parts of acts, as amended, are hereby repealed, except such acts or parts of acts as relate to yearly renewable term insurance or Government life insurance, which shall continue in force and effect insofar as they relate to such insurance:

(1) Title I of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, as amended.

(2) Section 20 of the Independent Offices Appropriation Act, 1934, approved June 16, 1933.

(3) Title III of the Independent Offices Appropriation Act, 1935.

(4) The act entitled "An act to compensate widows and children of persons who died while receiving monetary benefits for disabilities directly incurred in or aggravated by active military or naval service in the World War", approved June 28, 1934.

(5) The World War Veterans' Act, 1924, as amended.

(6) Sections 470 to 474, both inclusive, 1639, 1656, 1657, and sections 4692 to 4791, both inclusive (except sec.

4751 to 4763, both inclusive), as amended, of the Revised Statutes.

(7) Miscellaneous administrative provisions of the pension laws: Act of July 25, 1882 (U. S. C., title 38, secs. 29, 71, 124); act of March 13, 1896 (U. S. C., title 38, sec. 32); act of July 26, 1892 (U. S. C., title 38, sec. 42); act of May 28, 1903 (U. S. C., title 38, secs. 48, 72, 113, 125); act of August 17, 1912 (U. S. C., title 38, secs. 50, 51, 52, 128); act of December 21, 1893 (U. S. C., title 38, sec. 56); act of June 21, 1879 (U. S. C., title 38, sec. 57); act of July 18, 1894 (U. S. C., title 38, sec. 73); act of March 3, 1879 (U. S. C., title 38, secs. 92, 93); act of June 7, 1888 (U. S. C., title 38, sec. 94); act of March 2, 1895 (U. S. C., title 38, sec. 96); act of March 3, 1905 (U. S. C., title 38, sec. 97); act of July 4, 1884 (U. S. C., title 38, sec. 115); act of March 3, 1891 (U. S. C., title 38, sec. 122); act of March 3, 1875 (U. S. C., title 38, sec. 123).

(8) Indian war pension laws: Act of July 27, 1892 (U. S. C., title 38, sec. —); act of February 3, 1893 (U. S. C., title 38, sec. —); act of June 27, 1902 (U. S. C., title 38, sec. —); act of April 19, 1908 (U. S. C., title 38, sec. —); act of May 30, 1908 (U. S. C., title 38, sec. —); act of February 19, 1913 (U. S. C., title 38, sec. —); act of March 4, 1917 (U. S. C., title 38, sec. —); act of September 1, 1922 (U. S. C., title 38, sec. —); act of May 21, 1926 (U. S. C., title 38, sec. —); act of March 3, 1927 (U. S. C., title 38, sec. —).

(9) Civil War pension laws: Act of June 27, 1890 (U. S. C., title 38, sec. —); act of August 5, 1892 (U. S. C., title 38, sec. —); joint resolution of February 15, 1895 (U. S. C., title 38, sec. —); act of March 2, 1895 (U. S. C., title 38, sec. —); act of March 6, 1896 (U. S. C., title 38, sec. —); act of May 9, 1900 (U. S. C., title 38, sec. —); joint resolution of July 1, 1902 (U. S. C., title 38, sec. —); act of April 24, 1906 (U. S. C., title 38, sec. —); joint resolution of June 28, 1906 (U. S. C., title 38, sec. —); act of February 6, 1907 (U. S. C., title 38, sec. —); act of March 4, 1907 (U. S. C., title 38, sec. —); act of May 11, 1912 (U. S. C., title 38, sec. —); act of June 10, 1918 (U. S. C., title 38, sec. —); act of May 1, 1920 (U. S. C., title 38, sec. —); act of May 23, 1928 (U. S. C., title 38, sec. —); act of July 3, 1926 (U. S. C., title 38, sec. —).

(10) Spanish-American War pension laws: Act of July 16, 1918 (U. S. C., title 38, sec. —); act of June 5, 1920 (U. S. C., title 38, sec. —); act of September 1, 1922 (U. S. C., title 38, sec. —); act of May 1, 1926 (U. S. C., title 38, sec. —); act of June 2, 1930 (U. S. C., title 38, sec. —).

(b) Repeals all other acts and parts of acts inconsistent or in conflict with the provisions of this act.

(c) Provides that all offenses committed and all penalties incurred under the acts or parts of acts repealed by this section may be prosecuted and punished in the same manner and with the same effect as if such act or parts of acts had not been repealed, and any person who forfeited rights to benefits under any such acts or parts of acts shall not be entitled to benefits under this act.

Section 662: (a) Ratifies, except for fraud, mistake, or error, adjudications made under laws in force prior to the date of enactment of this act, and the further exception of men who are drawing pension or compensation based on the service of their wives; prohibits increasing or decreasing such rates under the provisions of the laws repealed.

(b) Provides that claims pending at the date of enactment of this act shall be adjudicated under the laws applicable and payments made at the rates provided in such laws; that in the event the claim is not complete the Secretary shall notify the applicant of the evidence necessary to complete the claim—if applicant had not been previously notified—and if such evidence is not received within 1 year from the date of such notice benefits shall not be paid by virtue of such claim; and provides further that benefits awarded under such claims shall not be allowed for any period prior to 1 year preceding the date of enactment of this act, and that all claims filed on or after the enactment of this act shall be adjudicated under the provisions of this act.

(c) Permits any person to relinquish pension, compensation, or emergency officers' retirement pay being paid, or being applied for in a claim pending at the date of enact-

ment of this act under laws in effect prior to such date, and claim and, if eligible, receive pension under the provisions of this act.

Section 663: Provides that this act shall take effect on the 1st day of the calendar month next following the month during which this act is enacted, except in cases otherwise expressly provided for in this act.

Section 664: Provides that this act may be cited as the "Uniform Pensions Act, 1935."

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FARMERS' CONVENTION

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, I was very much impressed this morning by the very large attendance of farmers throughout the Nation at Constitution Hall. The thing that impressed me more than anything else about this meeting was that this large group, representing some thirty or thirty-five million of our population, are here not in protest but in approval of the farm-relief laws which have been passed during President Roosevelt's administration and which have favorably affected this group. I could not help but contrast this great group and their approval with various other groups which come to our National Capital in denunciation of the Congress and the things which the Congress has tried to do for the American people.

The A. A. A. and other farm-relief measures which have passed since President Roosevelt's inauguration have not only restored hope and confidence in the breasts of the American farmers but have redounded great benefits to our entire Nation.

The plan of the program has all along been to reestablish purchasing power in the hands of the American farmer and indeed to give him cost of production plus a reasonable profit. Cost of production and a reasonable profit have, directly and indirectly, been assured to the various industries of our country for many years; in fact, the industrial centers and the special interests of our Nation have fared well in the past in the matter of legislation favorably affecting their various groups and blocs, but until President Roosevelt's inauguration the farmer of our Nation was indeed the "forgotten man." Year after year his profits dwindled and his operating costs increased until he was producing at a loss and mortgages were over millions of the farms in our Nation. Without the rescue brought to the farmer through the administration, bankruptcy faced them from Maine to California and from Oregon to Florida.

Although the prices of farm commodities have been increased to the consumer, yet such increase was essential if the farmers were to be able to continue production. The industrial centers of our country, particularly New England, are indeed short-sighted when they make vicious attacks against the cotton-processing tax and other legislation which has meant the very existence of the farmers of the South and West. If these industrial centers should persist in their drive against the farmers of our Nation, and be successful in their efforts, they will "kill the goose that lays the golden eggs" and will find the remainder of their spindles idle and their various other factories entirely out of operation. After all, our Nation is one, indivisible and inseparable. If the livelihood, investment, and industries of 35,000,000 farmers of our Nation are destroyed, chaos will face the entire Nation. That which adversely affects one section of our country, or one class of our Nation, economically and indirectly, affects the entire Nation. When the farmers of our Nation profit

and have a purchasing power, the entire country profits and the wheels of industry begin to turn.

During the Roosevelt administration shipments of goods in the 10 States of the Southeast, which are all agricultural States in our Union, increased almost 58 percent. Shipments are said to have increased from 115,649,678 pounds to 182,308,112 pounds. This tonnage originated in the industrial States. It was there manufactured and shipped to the States of the Southeast. This could not have obtained without the increased purchasing power of these States through President Roosevelt's general farm-relief program. The shipment of stoves and heaters alone increased from 6,251,271 to 11,481,799 pounds, which was an increase of 83 percent. Refrigerator shipments increased from 4,629,050 to 11,512,361 pounds, which was an increase of 148 percent. Shipments of matches increased from 3,090,632 to 7,973,280 pounds, and practically all of the manufactured articles which, mind you, are manufactured in our industrial centers of the Midwest and East increased to a great degree. This great purchasing power of the Southeast was made possible largely through the cash income from crops and benefit payments in these States, which increased from \$451,637,000 in the year July 1, 1932, through June 30, 1933, to \$722,017,000 for the year July 1, 1933, through June 30, 1934. The purchasing power of these States and other farm States has been greatly increased through the Government's refinancing program through which millions of dollars have been loaned to liquidate farm indebtedness and to liquidate it at a lower rate of interest.

I congratulate the farmers of our Nation for converging on Washington in approval of the new deal's farm-relief program, and pledge my further best efforts for a full realization of every benefit embraced in the general relief program. Insofar as I know, no other group so representative of America has ever appeared in Washington in demonstration and approval. This patriotic move is convincing that the farmers of our Nation are the very foundation of democracy and our great institutions. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. LUDLOW. Mr. Speaker, reserving the right to object, there will be further general debate today, and can the gentleman not come in under the general debate?

Mr. RICH. I should like to have the time now, if the gentleman please.

Mr. LUDLOW. I shall not object to this request, but I wish to serve notice that we cannot allow anyone else to come in now.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Pennsylvania if he will answer the questions that were propounded to him yesterday and which he refused to answer and did not answer?

Mr. RICH. If the gentleman will get me additional time, I shall certainly answer the gentleman, and show what the A. A. A. is doing to this country.

Mr. TRUAX. Five minutes is enough time for the gentleman to answer the questions.

Mr. RICH. I have another matter that I want to call to the gentleman's attention this morning, and it may be something that is vitally important to him.

Mr. TRUAX. Then I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I read this article in the papers this morning:

HOUSE TYPEWRITERS TAKEN BY MEMBERS, TRIMBLE COMPLAINS

The trouble, says South Trimble, House clerk, is that a lot of the men who write the laws don't know what's in them when it comes to taking off Government typewriters.

Typewriters are furnished to Members of the House for their offices.

Testifying before the House Appropriations Committee, Trimble said:

"The biggest trouble we have with typewriters is due to the fact that Members do not know the law on the subject and send them home. There ought to be some steps taken to stop that. It is against the law to take typewriters out of the House Office Building."

Mr. Speaker, I want to say to you and to the Membership of this House that the public of the United States do not know who these thieves are and they may think it is you or me and I think the time has come when South Trimble, the Clerk of the House, whose duty it is to know where these typewriters are, should tell the people of the country who is stealing these typewriters. He should come in here with a list of the names of the Members of the House who are stealing these typewriters, so that the public may know who they are, and I may say to the Membership of the House that the way it is now we are all incriminated unless South Trimble makes public a list of the men who have stolen these typewriters. I do not care whether they are Republicans or whether they are Democrats, whether they are from the North or whether they are from the South, whether it is the Speaker of the House or whether it is one of the lowliest Members of the House, I think the time is here when public officials, whose responsibility it is to guard and protect the property of this country, should come out flat-footed and give the names of these thieves, whether they be Senators, Representatives, or any Government employee. They are nothing but thieves who are stealing typewriters from the Federal Government and they should be punished.

Mr. MARTIN of Colorado, Mr. LUDLOW, and Mr. BLANTON rose.

Mr. RICH. Mr. Speaker, I cannot yield to all of these gentlemen at once.

Mr. MARTIN of Colorado. I would like to ask the gentleman what is the gender of these typewriters. The gentleman has been talking about typewriters for 5 minutes and we do not know whether they are feminine or neuter typewriters.

Mr. RICH. The gentleman comes from Colorado, and I do not know whether they make typewriters out there or not, but I may say to the gentleman that it is an instrument with so many keys on it alphabetically arranged and is used for the purpose of writing letters. This is the kind of machine I am talking about. I am not talking about the individual who operates the machine, but I may say to the gentleman that if Members of Congress are stealing these machines they ought to be made to bring them back, and they should not incriminate you or incriminate me with such insinuations as I am demanding the names of the thieves, that they may be published in this Record.

Mr. LUDLOW. Mr. Speaker, will the gentleman now yield to me?

Mr. RICH. I yield.

Mr. LUDLOW. I think the gentleman is doing a great injustice to Mr. Trimble. Mr. Trimble did not insinuate, and it was not in his mind to insinuate, that any Member of Congress was a thief; but his statement was that just through inadvertence and through a lack of familiarity with the law some Members have taken their typewriters home without any intention whatever of stealing Government property. I think this ought to be said in Mr. Trimble's behalf. He never once thought of insinuating that Members were deliberately stealing typewriters. His testimony is clear that he never had such a thought.

Mr. RICH. If you can read this article and then say that he did not mean that these Members of Congress were thieves, I do not understand the English language. Mr. Trimble knows what the law is and has the power to demand that Members of Congress bring these typewriters back, and I think he ought to do it. He has the power and authority to demand their return. They are property of the Government. Every man and woman in our country has an interest in them. And when a Member of Congress takes a

typewriter home and refuses to return it, then it is simply thievery, and Mr. Trimble knows it, you know it, and I know it is thievery. So let us have the names published and take action to punish the offenders.

[Here the gavel fell.]

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate disagrees to the amendments of the House to the bill (S. 1384) entitled "An act to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, to amend the Farm Credit Act of 1933, and for other purposes", requests a conference with the House on the disagreeing votes of the two houses thereon, and appoints Mr. FLETCHER, Mr. WAGNER, Mr. BARKLEY, Mr. BYRNES, Mr. CAREY, and Mr. COUZENS to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that in my extension of remarks in the Record I may include therein a résumé of my bill (H. R. 7375) known as the "uniform pension bill."

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE FAVORABLE TAX POSITION OF WISCONSIN

Mr. WITHROW. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein several brief tables.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. WITHROW. Mr. Speaker, there have been numerous efforts to discredit the Wisconsin system and principles of taxation. Most of this unfounded propaganda would lead us to believe that the principles of taxation which have been and are being used in Wisconsin have resulted in driving industry out of the State.

The fact is that Wisconsin has enjoyed far greater industrial prosperity than have comparable States and that Wisconsin's tax and financial position is much more favorable than that of comparable States.

In order that Members of the House may have these facts available for ready reference and for the information of citizens of Wisconsin, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD several tables which have been prepared by the Wisconsin State Chamber of Commerce of Milwaukee, Wis. This pamphlet is entitled "The Favorable Tax Position of Wisconsin", and is compiled from figures prepared by the United States Census Bureau, the Wisconsin Tax Commission, and the University of Wisconsin.

The matter referred to is as follows:

FROM 1932 UNITED STATES CENSUS BULLETINS

The Bureau of the Census of the United States Department of Commerce recently has released the financial statistics of State governments for the fiscal year ending June 30, 1932, and including statistics for the counties, the cities, the villages, the school districts, the towns, and other local units of government for a fiscal year most nearly conforming to that of the State. The figures in the next three tables are taken from these statistics.

TABLE I.—General property tax levies of 7 States

State	Estimated population Jan. 1, 1932	Assessed valuation	General property tax levies	Per capita general property tax
Illinois.....	7,747,000	\$7,268,879,901	\$391,159,259	\$50.49
Indiana.....	3,270,000	5,073,241,146	138,341,947	42.31
Michigan.....	4,962,000	8,262,954,179	266,717,413	53.75
Minnesota.....	2,582,000	2,307,137,311	120,302,305	46.59
New York.....	12,812,000	29,559,935,648	824,022,593	64.32
Ohio.....	6,737,000	13,452,946,926	302,861,126	44.95
Wisconsin.....	2,970,000	5,073,700,514	121,591,679	40.94

* 1931.

* 1930.

TABLE II.—Public debt of 7 States, including all their civil divisions

State	Population	Total revenues collected	Interest on debt	Public debt of State and all civil divisions	Per capita debt
Illinois.....	7,747,000	\$558,900,332	\$60,216,374	\$1,290,544,743	\$166.59
Indiana ¹	3,270,000	221,546,561	10,320,137	198,850,191	60.81
Michigan.....	4,962,000	443,965,421	41,217,663	782,305,782	157.66
Minnesota.....	2,582,000	216,856,114	16,210,691	285,111,357	110.42
New York.....	12,812,000	1,388,734,303	145,742,791	3,477,533,971	271.43
Ohio.....	6,737,000	507,879,703	50,204,942	1,874,935,163	129.87
Wisconsin.....	2,970,000	256,456,747	\$9,190,895	\$205,234,223	69.10

¹ 1931.

² The interest paid by Wisconsin on its total indebtedness is less than that paid by the other States. Also, the interest charges on the bonded indebtedness of the State of Wisconsin and all of its political subdivisions take a smaller percentage of the total taxes than they do in any competing State.

³ The ratio of the bonded debt to the tangible wealth is smaller in Wisconsin than it is in these other States.

⁴ Since June 30, 1932, the public indebtedness of Wisconsin has been reduced by an additional \$4,737,955.

⁵ If a debt is retired in 20 years and pays only 5-percent interest in the meanwhile, it takes 5 percent of the indebtedness each year and 5 percent in interest each year for 20 years to repay it. Wisconsin, therefore, with half the debt of the average State, each year has a 10-percent advantage because of its low public indebtedness.

⁶ The default on public indebtedness in Wisconsin is less than 1 percent of the total as compared to 25 percent in some States. With a very few exceptions, its securities sell above par. They are prime trust investments.

⁷ The public indebtedness of all of the States and all of their civil divisions for the year ended June 30, 1932, was \$17,589,515,000, or an average of \$141.27 per capita for the Nation, as against the per capita debt of \$69.10 for Wisconsin. The per capita debt of Wisconsin is less than half of the average for the country due to its "pay-as-you-go" policy. The State constitution prohibits State indebtedness. Municipal indebtedness is limited to 5 percent of assessed valuation.

TABLE III.—Permanent improvements in 7 States in 1932

State	1932 population	Total revenues, 1932	Permanent improvements, 1932	Percent of total	Per capita
Illinois.....	7,747,000	\$558,900,332	\$156,232,500	28.0	\$20.17
Indiana ¹	3,270,000	221,546,561	47,504,719	21.4	14.53
Michigan.....	4,962,000	443,965,421	75,137,036	16.9	15.14
Minnesota.....	2,582,000	216,856,114	59,324,218	27.4	22.98
New York.....	12,812,000	1,388,734,303	432,859,113	31.2	33.78
Ohio.....	6,737,000	507,879,703	118,239,342	23.3	17.55
Wisconsin.....	2,970,000	256,456,747	73,428,400	28.6	24.72

¹ 1931.² 1930.

TABLE VI.—Wisconsin tax revenues classified by source, showing percent of each to total, 1930-34

Year	General property taxes ¹	Percent to total	Special property taxes ²	Percent to total	Other special taxes ³	Percent to total	Inheritance taxes ⁴	Percent to total
1930.....	\$122,253,862	66.4	\$13,843,224	7.5	\$3,769,965	2.1	\$2,703,497	1.4
1931.....	120,855,119	65.8	14,381,487	7.8	3,406,214	1.9	2,810,216	1.5
1932.....	106,756,277	61.4	13,924,486	8.0	4,185,931	2.4	3,999,205	2.3
1933.....	94,304,494	60.0	13,458,938	8.5	3,794,981	2.4	2,618,602	1.7
1934 ⁵	90,269,379	59.8	12,283,312	8.1	5,735,387	3.8	1,626,981	1.1

Year	Income taxes ⁶	Percent to total	Motor vehicles ⁷	Percent to total	Total taxes
1930.....	\$21,447,486	11.7	\$20,102,763	10.9	\$184,120,797
1931.....	20,812,439	11.3	21,418,269	11.7	183,683,744
1932.....	17,259,212	10.0	27,574,957	15.9	173,700,069
1933.....	18,867,384	12.0	24,205,669	15.4	157,250,068
1934 ⁸	14,261,665	9.5	26,740,865	17.7	150,917,589

¹ "General property taxes" include real and personal property.

² "Special property taxes" are assessed by the tax commission and taxes are levied at the average State rate. These special property taxes include taxes paid by railroads, street railways, light, heat and power companies, sleeping car, express, telegraph, conservation and regulation companies.

³ "Other special taxes" include freight line, grain and coal occupational taxes, telephone, insurance, forest crop, oleomargarine, emergency chain store, malt beverages and liquors and boxing club taxes.

⁴ "Inheritance taxes" include inheritance, emergency transfer and emergency gift taxes.

⁵ Since 1931 the State general property tax has been abolished. In 1930, \$4,296,779 was raised for schools and forestry; in 1931, \$4,342,564. In 1934, \$975 is included for forestry and \$421,584 for aids to schools from the common school fund.

⁶ Real estate now pays less than 60 percent of total taxes. This is from 10 to 15 percent below the average of other States and represents a reduction of 24.9 percent from Wisconsin's all-time high of 84.7 percent in 1911. Together with the 10-percent advantage in taxes on low indebtedness, this will account for low future taxes in Wisconsin other conditions remaining equal.

⁷ It will be noted that the special property taxes, the other special taxes and the inheritance taxes are about the average.

⁸ "Income taxes" include the normal, the bonus surtax, the teacher's retirement surtax, the emergency relief surtax of 1931 and the emergency surtax of 1933, which was collected in 1934.

⁹ "Motor vehicles" include the license, gasoline, and ton-mile tax. Wisconsin has no State real-estate tax, no poll tax, no general sales tax, no tax on cigarettes or cosmetics, no tax on intangibles, and no personal-property tax on automobiles.

¹⁰ At the beginning of the depression Wisconsin had a balance in the State Treasury of about \$27,000,000. About \$25,000,000 of this has been used for relief. The State also has dipped into its unappropriated State highway funds to the extent of about \$17,000,000. This \$42,000,000 was already available for relief and did not require additional taxes. The above figures on total revenue raised also include \$7,485,078 in income taxes for unemployment relief, the total amount raised by the State for this purpose to date.

¹¹ The low percentage of the total income tax to the total tax collected was 9.5 percent in 1934. The average percent of income tax to the total tax since the first income tax was collected in 1913 has been 8 percent of the total tax.

¹² The motor-vehicle taxes were raised slightly above the average during 1932-34 because an increased motor-vehicle tax was substituted for the personal-property tax on automobiles.

NOTE.—Three major factors must enter into any basic comparison of the cost of government as between States. They are current revenues, long-term or bonded indebtedness (spent currently), and current permanent improvements or outlays (assets), nonrecurring during the period of time for which a comparison is made. Hence the emphasis on these three major factors in current cost of government, as in tables I, II, and III.

FROM WISCONSIN TAX COMMISSION BULLETINS

TABLE IV.—Wisconsin taxes reduced since 1930

[Including State, county, and all other local taxes]

Year	Total taxes	Reduction	Per capita reduction
1930.....	¹ \$184,120,797		
1931.....	183,683,744	\$437,053	\$0.14
1932.....	173,700,069	9,983,675	3.33
1933.....	157,250,068	16,450,001	5.43
1934.....	150,917,589	6,332,479	2.12
Total reduction.....		33,203,208	11.07

¹ The all-time high point in Wisconsin taxes.

TABLE V.—County and all other local taxes in Wisconsin reduced since 1930

Year	Total taxes	Reduction	Per capita reduction
1930.....	¹ \$117,957,083		
1931.....	116,512,555	\$1,444,528	\$0.48
1932.....	106,756,277	9,756,278	3.25
1933.....	94,304,494	12,451,783	4.15
1934.....	89,846,820	4,457,674	1.49
Total reduction.....		28,110,263	9.37

¹ The all-time high point in local taxes.

² Local taxes have been reduced since June 30, 1932, the date of the United States census, \$16,909,457 in 1933 and 1934.

³ This \$28,110,263 reduction in local (real and personal) taxes is the result of a concerted effort in more than 200 of the major political units in the State.

FROM BULLETIN OF THE UNIVERSITY OF WISCONSIN, BUREAU OF BUSINESS AND ECONOMIC RESEARCH, SERIAL NO. 1803, GENERAL SERIES 1887, ON "WISCONSIN INDUSTRY AND THE WISCONSIN TAX SYSTEM"

TABLE VII—Comparative rating of Wisconsin and competing States in 30 tests of industrial prosperity 1925 to 1930

	TESTS																														Total	Rank	Rank by Brookmire ¹
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30			
New York.....	2	6	4	3	5	2	1	1	2	7	2	8	8	1	1	1	2	1	1	7	1	8	2	3	1	4	6	5	7	4	106	2	4
Ohio.....	5	5	7	5	6	4	6	7	3	4	4	2	2	3	4	4	5	4	5	5	5	3	3	6	5	8	4	4	4	8	130	5	6
Indiana.....	7	7	6	7	3	6	8	8	8	1	5	4	4	6	8	8	1	6	6	1	6	2	6	8	8	6	1	3	1	5	156	7	7
Illinois.....	3	2	3	2	7	1	4	4	4	6	6	6	6	2	2	6	7	2	2	6	3	6	7	7	6	2	5	2	3	6	128	4	3
Michigan.....	1	1	1	6	8	3	3	5	5	3	1	7	7	4	5	2	4	3	3	2	2	7	1	2	2	7	8	7	5	2	117	3	2
Wisconsin.....	6	4	2	1	2	5	2	3	1	2	3	3	3	8	7	7	6	5	4	4	7	1	4	1	4	1	2	1	2	1	102	1	1
Minnesota.....	8	8	5	8	1	8	7	2	7	8	7	1	1	7	3	5	8	7	7	8	8	4	8	4	7	3	3	8	8	7	176	8	8
United States.....	4	3	8	4	4	7	5	6	6	5	8	5	5	5	6	3	3	8	8	3	4	5	5	5	3	5	7	6	6	3	155	6	5

¹ Growth in State income from 1925 to 1930, estimated by Brookmire Investors Service.

KEY TO TESTS

1. Relative increase in total population, 1920 to 1930.
2. Relative increase in urban population, 1920 to 1930.
3. Relative increase in population of leading city, 1920 to 1930 (United States arbitrarily rated eighth).
4. Relative increase in per capita income, 1925 to 1930.
5. Relative decline in State income in 1930 from 1929.
6. Per capita income for last 3 years: 1928, 1929, and 1930, averaged.
7. Relative increase in Federal income-tax collections, 1925 to 1930.
8. Relative increase in net income of all corporations, 1923 to 1928.
9. Relative increase in net income of manufacturing corporations, 1923 to 1928.
10. Percent of business concerns failing in last 5 years, 1926 to 1930, inclusive.
11. Number of bank failures in last 5 years, 1926 to 1930, inclusive.
12. Relative increase in per capita wealth, 1922 to 1929.
13. Absolute increase in dollars in per capita wealth, 1922 to 1929.
14. Per capita life insurance in force in 1929.
15. Life insurance sales per capita, 1926 to 1930, inclusive.
16. Per capita savings deposits in all banks, 1930.
17. Relative increase in savings deposits in all banks, 1925 to 1930.
18. Per capita building construction in 5 years, 1926 to 1930, inclusive.
19. Per capita building construction in leading city, 1926 to 1930, inclusive.
20. Relative growth in production of electricity in central power stations, 1925 to 1930.
21. Relative increase in bank debits, 1925 to 1930 (United States rated as average of six States outside of New York).
22. Relative decline in bank debits in 1930 over 1929.
23. Relative increase in gross postal receipts, 1925 to 1930.
24. Relative increase in assets of building-and-loan associations, 1924 to 1929.
25. Relative increase in motor-vehicle registrations, 1925 to 1930.
26. Relative increase in value of manufactured products, 1925 to 1929.
27. Relative increase in value added by manufacture, 1925 to 1929.
28. Relative increase in wages paid in manufacturing, 1925 to 1929.
29. Relative increase in number of wage earners in manufacturing, 1925 to 1929.
30. Relative increase in value of products made in leading industrial city of each State, 1925 to 1929.

NOTE.—Best showing in each test receives 1.

Rarely is it possible to present summarized data for the same relative period of time from three such authentic sources as a United States census, a well-organized and old statistical department of a State tax commission and a comprehensive study of a great university such as has been presented in the foregoing pages on the question of taxation and its relation to industry. It has been a pleasure to compile, publish, and forward this information.

Of course, Wisconsin has its tax problem, as do other States, not so much in the form of the tax load, or its system of taxation, as in the total tax load, or high cost of government. Therefore, the Wisconsin State Chamber of Commerce, upon its organization in 1929, began a study of taxation and laid the foundation for a tax-reduction program which it initiated in 1931, seeking a reduction rather than a shifting in the tax load. The results of this movement, very generally participated in by others, to date, are reflected in tables IV, V, and VI. We have figures similar to those

in table VI for all years since 1911. These are from the records of the Wisconsin Tax Commission. For comparative purposes we shall be glad to exchange the Wisconsin figures for similar figures from other States.

WISCONSIN STATE CHAMBER OF COMMERCE,
208 East Wisconsin Avenue, Milwaukee, Wis.

APRIL 1935.

LEGISLATIVE APPROPRIATION BILL, 1936

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8021, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

Mr. LUDLOW. Mr. Chairman, I yield to the gentleman from New York [Mr. O'CONNOR] such time as he may desire.

Mr. O'CONNOR. Mr. Chairman, I think this is the first occasion on which I have read my remarks, but in attempting to answer the speech made yesterday by the distinguished gentleman from New York [Mr. SNELL], minority leader, it seems necessary, by reason of the fact that he used certain figures and tables, I, therefore, feel that it is impossible to talk extemporaneously. However, I would like to have the stenographer take notes, as I may digress from my manuscript at times.

Mr. Chairman, on yesterday the distinguished gentleman from New York [Mr. SNELL], the Republican leader of the House, read for 45 minutes a carefully prepared speech intended to attack some of the policies and performances of the administration. The speech was, in fact, a conglomeration of speeches made in the campaign of last fall. How effective they were at that time is now a matter of history. That, when they are carefully analyzed, they will have no greater effect in the future, I am confident. [Applause.]

Some might call the speech of yesterday the "opening gun of the campaign of 1936." It did come from the highest authority. The minority leader of the House ranks highest as the spokesman of his party. I personally would not call it the "opening gun." To me it was merely the puff of a cap pistol. [Laughter.]

The gentleman from New York started off by intimating that the policies of the new deal were "socialistic." That has always been the cry, that has always been the "bogey man" with which the Old Guard of the "rugged individualists", big business, made rich by a high protective tariff, and chambers of commerce have always attempted to frighten the man in the street and the man behind the plow. During the past 60 years, whenever the Democratic Party or any other group has suggested some measure of progress to benefit the many, rather than the few, we have heard that

wail "socialistic." Of course, it is "socialistic" to the Republicans to prevent our people from starving through no fault of their own. Of course, it is "socialistic" to the Republicans to see that every man willing to work gets a job. Of course, it is "socialistic" to the Old Guard to see to it that the farmer gets a square deal and is not crushed for the benefit of the manufacturer.

The Republican Party for years has been a party concerned only with industrial centers of the North and East and with no sympathy for the South or the West, the farmer or the worker. That is political history. [Applause.]

Of course it is "socialistic" to the "only party fit to rule" to stop the robbery by bankers of the hard-earned savings of our people. That attitude of the Grand Old Party is not new. It is engraved upon its shield. It is the first covenant of its principles.

Sometime ago the gentleman from New York attacked the Agriculture Adjustment Act with as little effect as yesterday he attacked N. R. A., P. W. A., and C. W. A. In passing, he claimed this administration failed to balance the Budget. The gentleman adapts his own theory to suit his own argument. He knows, as the country knows, that for the current expense of Government the Budget has been balanced, despite any statement of his to the contrary. I am likewise sure that he has not forgotten that during the last few years of Mr. Hoover's administration his party rolled up the deficit in current expenses of about \$2,000,000,000 a year. Of course, it is true that extraordinary disbursements to assist our people to obtain work are not met each year. No one would expect them to be. They are not current expenses. Much of them are long-time disbursements, and, Mr. Chairman, most of them will be repaid to the Government.

On the theory adopted by the gentleman yesterday, a like criticism would lie against the administrations of Mr. Wilson and Mr. Harding for not balancing the entire Budget during the period of the World War and its aftermath. There are many thinking people in this country who believe the present war against depression, which this administration inherited from the gentleman's party, is more important, more severe, and more devastating to our people and our country's morale than the World War. What would the gentleman do? Would he wait until the revenue comes in, before he would take care of the millions of starving, unemployed people, when the credit of the Government is good, and it can borrow money, which in the last analysis is its own money? No individual, no business, would pursue that course. If an individual or a business had credit, he or it would borrow rather than starve; but you cannot teach this old dog of the "Grand Old Party" any new tricks. The old bromides of "rugged individualism", "pay as you go", and so forth, long ago became obsessions to such leaders of the "Grand Old Party." I do not know where they picked up the word "grand", but I do know the word "old" is appropriate. The Republican Party has not had a new idea in 60 years. [Applause and laughter on Democratic side.]

Now, let us see what the Republican leader, speaking for his party, has to say about the National Industrial Recovery Act, commonly called "N. R. A." He says it "failed completely and miserably." Of course, he and every Republican leader hoped and prayed since it became a law on August 1, 1933, that it would fail, and I challenge him today to name one leading member of his party who has raised one finger to help it succeed, for the benefit of our millions of wage earners. Name one such who ever offered a helpful or constructive suggestion! Like that hermit of Palo Alto, they all have been sulking in their tents, hoping for the worst to happen at the expense of their own Government, that they might serve their own selfish ends by returning to power. That is the undeniable fact, and our people will never forget it.

Let us analyze some of the figures in the gentleman's speech. He admits a remarkable recovery occurred following the inauguration of President Roosevelt in March 1933 and until August 1933. Employment increased. Wages increased and the farmer was benefited. He makes no comparison between that period and those distressful days under Mr. Hoover from October 1929 until March 1933, but he fixes on this point—August 1933—as the criterion upon which he bases his complaint from then on.

But again he makes no comparison between the conditions that have existed since August 1933, and those dark days of 1929 to 1933, when distress and starvation stalked our land, when 13,000,000 people were unemployed, and when, at the end, every bank in the Nation was closed.

However, although in the opinion of those who have analyzed his speech all his comparisons are unfair, let us see how correct are his figures and conclusions as to the N. R. A. His speech is first based on an obvious and glaring defect. He takes August 1, 1933, as his basic date for comparison. He points to the improvement between March and August 1933, as something brought about by "natural forces", which were arrested by N. R. A. This is not only nonsense, but it is deliberately disingenuous and meant to be. Everybody knows that during the spring of 1933 there was an active, speculative boom as a result of attempts to anticipate and discount N. R. A., A. A. A., and our expected monetary policy.

His employment figures show an equal disingenuousness in other respects. He cites Mr. Richberg's report of September 7, 1934, in which, as he alleges, Mr. Richberg stated that 4,000,000 had been employed in private enterprise and 4,000,000 in public works.

He remarks that that should have left only 2,000,000 unemployed, uncared for. As a matter of fact, the relief rolls at that time did show approximately 2,000,000 potential wage earners on relief. The 4,000,000 which he alleges Mr. Richberg claimed for Public Works were in fact those employed by the temporary C. W. A. program, as Mr. Richberg's report clearly states.

The Republican leader does a great deal of juggling with so-called "unemployment figures." He overlooks two vital facts. First, the number of available employables increases by about 400,000 a year as a result of normal growth in population. Second, unemployment figures when taken as of a particular date—and this is how the Republican leader used them—are very misleading, because of seasonal influences. For example, unemployment figures taken during an off-season in such industries as automobiles or textiles would show as unemployed hundreds of thousands of individuals who actually had many months of work during the year.

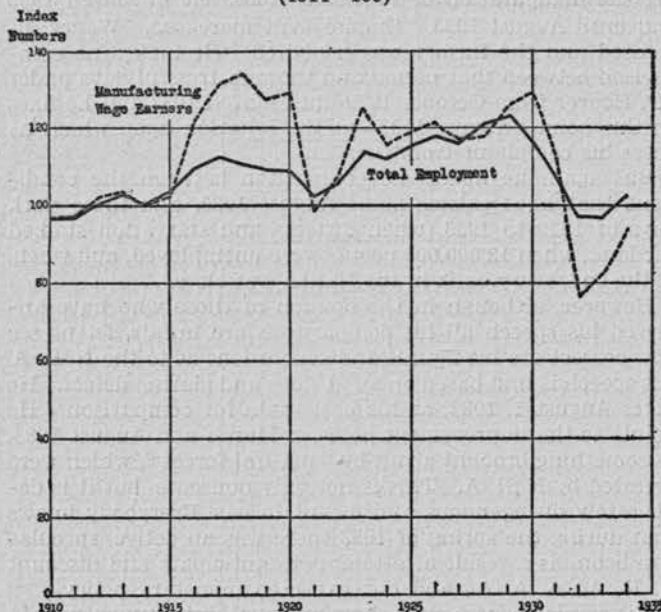
He charges N. R. A. has been a program of price fixing and production control. As a matter of fact, out of 712 codes and supplements only 6 have minimum-price provisions in effect. Some 58 more have effective prohibitions against selling below cost.

In regard to control of production the gentleman from New York [Mr. SNELL] declares that the N. R. A. has prohibited the installation of new plants and equipment. In point of fact, out of 712 codes and supplements only 10 really have such a provision in effect, but of those 10, 1 is petroleum, a natural resource, and 2 are codes for busses and trucks which are public utilities.

He said that Mr. Clay Williams, former Chairman of the National Industrial Recovery Board said that "if the National Industrial Recovery Act was to be effective it would undoubtedly drive out of existence the small business."

Mr. Williams made no such statement. He did point out to the Senate Finance Committee that the enforcement of decent minimum wages and maximum hours would tend to drive out sweatshops and fly-by-night operators, many of which just happen to be small.

EXHIBIT A

EMPLOYMENT IN THE UNITED STATES, 1910-34
(1914=100)

Source: Manufacturing Wage Earners, Bureau of Labor Statistics, and Recent Economic Changes; total employment computed from Census Bureau data and other sources.

Now, as to employment: Let us take the general improvement from March 1933 to and including March 1935.

In March 1933, from the figures of the Department of Commerce, there were 34,822,000 people employed. In March 1935 there were 38,276,000 people employed, an increase of 3,454,000, or 9.9 percent.

Let us take the increase in total manufacturing employment. In March 1933 there were 4,924,000 employed, being the total wage earners engaged in all manufacturing industries; and in March 1935 there were 6,906,000 people employed, an increase of 1,982,000, or over 40 percent during that period.

Let us go again to manufacturing. The emergency in employment centered in manufacturing. This is shown by the chart herewith, which is marked "Exhibit A."

From the foregoing chart it appears that the index of total employment, in the depths of the depression, was only 2.9 percent below the 1914 level, whereas manufacturing employment was 23½ percent below the 1914 level. As compared with 1929 the total employment index fell 26 points, while the index of manufacturing employment fell over 48 points. The tremendous improvement shown in manufacturing employment, of over 40 percent increase, is therefore particularly significant.

Let us take employment in 60 major industries, between March 1933 and January 1935. In the following table the increases in employment are shown for some 60 major industries.

Employment and pay rolls in selected industries and groups of industries, March 1933 to January 1935

Industry or industry group	March 1933	High since March 1933		December 1934	January 1935
		Amount	Month		
Automobile-manufacturing and automotive parts and equipment manufacturing industries:					
Employment.....	198,100	462,200	April 1934.....	357,500	433,500
Pay rolls.....	\$3,290,000	\$11,930,000	.....do.....	\$8,490,000	\$10,170,000
Automobile manufacturing industry:					
Employment.....	(1)	368,600	.....do.....	215,700	.....
Pay rolls.....	(1)	\$9,852,000	.....do.....	\$4,874,000	.....
Bituminous-coal industry:					
Employment.....	310,103	366,068	November 1934.....	365,609	.....
Pay rolls.....	\$3,393,531	\$6,510,716	March 1934.....	\$6,300,693	.....
Bolt, nut, and rivet industries:					
Employment.....	6,840	10,140	May 1934.....	8,700	9,410
Pay rolls.....	\$85,500	\$220,700	.....do.....	\$174,400	\$202,000
Boot and shoe manufacturing industries:					
Employment.....	186,700	213,000	August 1933.....	190,200	196,700
Pay rolls.....	\$2,382,000	\$3,764,000	March 1934.....	\$2,848,000	\$3,242,000
Brass, bronze, and copper products industries:					
Employment.....	36,100	61,300	May 1934.....	55,900	56,600
Pay rolls.....	\$515,000	\$1,286,000	.....do.....	\$1,149,000	\$1,205,000
Brick, tile and terra cotta industries:					
Employment.....	22,500	42,200	August 1933.....	33,400	29,600
Pay rolls.....	\$211,000	\$547,000	May 1934.....	\$462,000	\$392,000
Can-manufacturing industry:					
Employment.....	19,620	28,920	September 1934.....	24,480	23,940
Pay rolls.....	\$344,200	\$578,400	.....do.....	\$478,600	\$474,900
Candy manufacturing industry:					
Employment.....	44,260	62,548	October 1934.....	59,119	50,923
Pay rolls.....	\$478,000	\$896,000	.....do.....	\$886,000	\$721,000
Cane-sugar-refining industry:					
Employment.....	10,658	13,759	November 1934.....	12,892	13,157
Pay rolls.....	\$236,200	\$268,800	June 1934.....	\$252,300	\$247,500
Canning and preserving industries:					
Employment.....	44,700	248,700	September 1933.....	78,000	69,700
Pay rolls.....	\$459,000	\$2,407,000	.....do.....	\$902,000	\$801,000
Carpet and rug manufacturing industry:					
Employment.....	16,000	27,900	October 1933.....	22,500	24,400
Pay rolls.....	\$210,100	\$534,800	.....do.....	\$418,600	\$455,500
Cast-iron-pipe industries:					
Employment.....	58,725	121,050	August 1934.....	91,250	112,950
Pay rolls.....	\$68,715	\$152,191	May 1934.....	\$139,466	\$137,430
Chemical-manufacturing industries:					
Employment.....	48,010	73,950	July 1934.....	68,720	.....
Pay rolls.....	\$999,000	\$1,646,000	.....do.....	\$1,540,000	.....
Cleaning and dyeing trade:					
Employment.....	38,920	50,222	June 1934.....	42,820	.....
Pay rolls.....	\$557,800	\$930,100	May 1934.....	\$730,100	.....
Corsets and brassiere industry:					
Employment.....	13,908	14,795	April 1934.....	13,663	13,892
Pay rolls.....	\$157,100	\$231,700	.....do.....	\$210,200	\$212,200
Cotton-garment industry, shirts and collars:					
Employment.....	51,532	65,376	October 1933.....	52,128	52,070
Pay rolls.....	\$453,215	\$820,295	.....do.....	\$641,585	\$626,290
Cotton-goods (textile) industry:					
Employment.....	307,200	446,600	April 1934.....	414,700	416,000
Pay rolls.....	\$2,787,000	\$5,787,000	.....do.....	\$5,469,000	\$5,525,000
Electrical manufacturing industry, excluding radios:					
Employment.....	109,600	171,600	June 1934.....	170,100	171,000
Pay rolls.....	\$1,663,000	\$3,533,000	January 1935.....	\$3,518,000	\$3,533,000
Electrical manufacturing industry, radio division:					
Employment.....	20,000	50,600	November 1933.....	42,200	39,000
Pay rolls.....	\$317,000	\$980,000	.....do.....	\$859,000	\$734,000

¹Not average.

¹November.

Employment and pay rolls in selected industries and groups of industries, March 1933 to January 1935—Continued

Industry or industry group	March 1933	High since March 1933		December 1934	January 1935
		Amount	Month		
Fabricated metal products industry:					
Cutlery and edge tools:					
Employment.....	9,000	13,700	April 1934.....	12,800	12,700
Pay rolls.....	\$107,000	\$242,000	do.....	\$235,000	\$226,000
Hardware:					
Employment.....	25,392	43,844	do.....	25,906	26,522
Pay rolls.....	\$321,552	\$856,254	do.....	\$500,598	\$507,906
Lighting equipment:					
Employment.....	9,221	15,775	December 1934.....	15,775	14,984
Pay rolls.....	\$159,225	\$347,979	do.....	\$347,979	\$317,292
Stamped and enameled ware:					
Employment.....	20,850	31,739	May 1934.....	29,050	29,531
Pay rolls.....	\$289,159	\$641,212	do.....	\$605,097	\$595,192
Tools, except edge tools:					
Employment.....	7,053	11,277	April 1934.....	10,615	10,601
Pay rolls.....	\$95,146	\$227,340	May 1934.....	\$219,341	\$227,761
Wirework:					
Employment.....	15,174	24,264	do.....	22,698	21,726
Pay rolls.....	\$199,200	\$510,865	do.....	\$444,880	\$426,205
Farm-equipment industry:					
Employment.....	9,330	19,210	April 1934.....	18,460	19,710
Pay rolls.....	\$137,000	\$382,000	do.....	\$373,000	\$398,000
Fertilizer industry:					
Employment.....	13,700	28,200	do.....	15,400	17,200
Pay rolls.....	\$133,500	\$319,800	do.....	\$182,600	\$202,500
Furniture industry:					
Employment.....	83,400	133,300	October 1933.....	110,400	103,900
Pay rolls.....	\$987,000	\$2,223,000	do.....	\$1,859,000	\$1,761,000
Glass industries:					
Employment.....	40,520	68,540	April 1934.....	62,460	61,850
Pay rolls.....	\$657,000	\$1,325,000	do.....	\$1,180,000	\$1,146,000
Hosiery industry:					
Employment.....	105,000	133,200	do.....	127,700	-----
Pay rolls.....	\$1,222,000	\$2,136,000	March 1934.....	\$2,010,000	-----
Hotel industry:					
Employment.....	217,900	263,000	do.....	253,100	-----
Pay rolls.....	\$2,659,000	\$3,317,000	do.....	\$3,233,000	-----
Iron and steel forging industries:					
Employment.....	7,400	14,700	do.....	13,100	-----
Pay rolls.....	\$99,000	\$327,000	do.....	\$295,000	-----
Iron and steel industry:					
Employment.....	229,300	400,600	June 1934.....	339,200	351,400
Pay rolls (average monthly).....	\$13,690,000	\$42,290,000	May 1934.....	\$29,830,000	\$34,350,000
Jewelry industries:					
Employment.....	12,148	19,980	October 1934.....	18,674	17,193
Pay rolls.....	\$198,300	\$432,294	do.....	\$419,074	\$335,798
Knitted-outerwear industry:					
Employment.....	19,850	31,820	May 1934.....	26,770	-----
Pay rolls.....	\$240,300	\$491,000	October 1933.....	\$354,100	-----
Laundry trade:					
Employment.....	170,200	187,000	July 1934.....	175,800	-----
Pay rolls.....	\$2,289,000	\$2,768,000	June 1934.....	\$2,566,000	-----
Leather industry:					
Employment.....	37,000	51,800	March 1934.....	50,500	51,200
Pay rolls.....	\$653,000	\$1,129,000	January 1935.....	\$1,103,000	\$1,129,000
Locomotive industry:					
Employment.....	1,800	5,600	August 1934.....	5,300	4,400
Pay rolls.....	\$25,600	\$109,700	do.....	\$102,800	\$81,700
Lumber and timber products industry:					
Employment.....	167,300	286,000	May 1934.....	251,700	246,200
Pay rolls.....	\$1,611,000	\$4,010,000	do.....	\$3,408,000	\$3,246,000
Machine-tool and forging-machinery industry:					
Employment.....	9,300	22,470	January 1935.....	22,190	22,470
Pay rolls.....	\$148,000	\$505,000	May 1935.....	\$450,000	\$494,000
Manufacturing pharmaceutical and biological industry:					
Employment.....	13,590	15,250	October 1934.....	14,670	14,410
Pay rolls.....	\$270,600	\$323,900	do.....	\$309,800	\$316,200
Men's clothing industry:					
Employment.....	111,700	132,600	September 1933.....	116,900	124,100
Pay rolls.....	\$1,511,000	\$2,486,000	March 1934.....	\$1,984,000	\$2,150,311
Millinery industry:					
Employment.....	25,130	25,570	April 1933.....	16,300	18,200
Pay rolls.....	\$345,000	\$563,600	March 1934.....	\$289,100	\$354,000
Paint, varnish, and lacquer manufacturing industry:					
Employment.....	19,420	28,890	May 1934.....	26,760	26,520
Pay rolls.....	\$351,800	\$629,600	do.....	\$558,900	\$568,700
Paper and pulp industries:					
Employment.....	94,500	128,300	December 1934.....	128,300	127,500
Pay rolls.....	\$1,564,000	\$2,489,000	December 1934, January 1935.....	\$2,489,000	\$2,489,000
Paper box and container manufacturing industries:					
Employment.....	38,863	52,120	October 1933.....	50,357	47,341
Pay rolls.....	\$545,237	\$882,409	December 1934.....	\$882,409	\$799,183
Plumbing-fixtures industry:					
Employment.....	13,780	20,080	September 1933.....	15,630	17,950
Pay rolls.....	\$209,600	\$342,100	do.....	\$317,900	\$321,500
Portland-cement industry:					
Employment.....	12,510	22,890	June 1934.....	16,120	14,410
Pay rolls.....	\$195,000	\$488,000	do.....	\$296,000	\$260,000
Pottery industries:					
Employment.....	19,859	28,013	May 1934.....	26,404	26,143
Pay rolls.....	\$261,630	\$460,836	do.....	\$459,000	\$430,542
Printing and publishing industries:					
Employment.....	205,800	234,900	December 1934.....	234,900	-----
Pay rolls.....	\$5,380,000	\$6,860,000	do.....	\$6,860,000	-----
Railway-car-building industry:					
Employment.....	12,760	29,770	June 1934.....	18,770	18,890
Pay rolls.....	\$255,000	\$691,000	do.....	\$410,000	\$412,000
Rayon and synthetic-yarn industry:					
Employment.....	37,540	52,950	January 1935.....	51,700	52,950
Pay rolls.....	\$597,400	\$1,025,500	do.....	\$1,004,800	\$1,025,500
Retail trade (labor data for general merchandise group and failures):					
Employment.....	585,000	1,054,000	December 1934.....	1,054,000	771,000
Pay rolls.....	\$8,410,000	\$15,400,000	do.....	\$15,400,000	\$11,830,000

Employment and pay rolls in selected industries and groups of industries, March 1933 to January 1935—Continued

Industry or industry group	March 1933	High since March 1933		December 1934	January 1935
		Amount	Month		
Rubber-manufacturing industry:					
Employment.....	43,500	66,800	October 1933.....	55,200	56,800
Pay rolls.....	\$583,000	\$1,130,000	do.....	\$1,010,000	\$1,075,000
Rubber-tire-manufacturing industry:					
Employment.....	41,760	68,280	May 1934.....	59,370	61,700
Pay rolls.....	\$631,000	\$1,733,000	April 1934.....	\$1,537,000	\$1,593,000
Shipbuilding and boatbuilding industries:					
Employment.....	26,800	42,900	June 1934.....	38,300	37,900
Pay rolls.....	\$540,000	\$1,020,000	do.....	\$936,000	\$931,000
Silk-textile industries:					
Employment.....	89,400	126,900	February 1935.....	113,200	119,800
Pay rolls.....	\$973,000	\$1,936,000	do.....	\$1,807,000	\$1,904,000
Soap and glycerine industries:					
Employment.....	13,200	18,100	January 1935.....	16,100	18,100
Pay rolls.....	\$252,500	\$357,500	October 1934.....	\$342,800	\$342,500
Steam and hot water heating apparatus industries:					
Employment.....	17,040	27,180	September 1933.....	22,070	21,750
Pay rolls.....	\$248,000	\$485,000	August 1933.....	\$455,000	\$449,000
Stove and range industries:					
Employment.....	21,560	41,540	May 1934.....	37,430	35,230
Pay rolls.....	\$317,000	\$840,000	October 1934.....	\$714,000	\$648,000
Textile machinery manufacturing industry:					
Employment.....	13,830	23,480	September 1933.....	18,670	19,161
Pay rolls.....	\$207,400	\$489,700	October 1933.....	\$382,700	\$391,500
Tobacco-manufacturing industries:					
Employment.....	73,767	91,344	November 1933.....	85,670	78,196
Pay rolls.....	\$743,150	\$1,139,200	October 1933.....	\$1,110,275	\$923,375
Underwear and allied products industries:					
Employment.....	30,710	41,000	July 1933.....	32,290	-----
Pay rolls.....	\$309,600	\$537,700	April 1934.....	\$425,600	-----
Wheat-flour-milling industry:					
Employment.....	21,300	27,570	October 1934.....	26,460	26,111
Pay rolls.....	\$389,000	\$555,800	September 1934.....	\$515,300	\$516,600
Women's clothing manufacturing industries:					
Employment.....	141,600	168,800	April 1934.....	142,500	149,800
Pay rolls.....	\$1,972,000	\$3,559,000	March 1934.....	\$2,550,000	\$2,855,000
Wool-textile industry:					
Employment.....	91,000	162,500	August 1933.....	140,100	150,200
Pay rolls.....	\$1,099,000	\$2,627,000	do.....	\$2,358,000	\$2,539,000

The foregoing figures, when challenged, were confirmed by the chief economist of the Bureau of Labor Statistics in testimony before the Senate Finance Committee. In the course of his testimony the chief economist pointed out that Mr. Richberg's figures had been adjusted to the census, and were therefore superior to a number of other statistical reports not so adjusted.

Let us now take up some unemployment statistics about which the gentleman from New York had so much to say yesterday.

Comparisons of unemployment statistics with employment statistics are generally confusing.

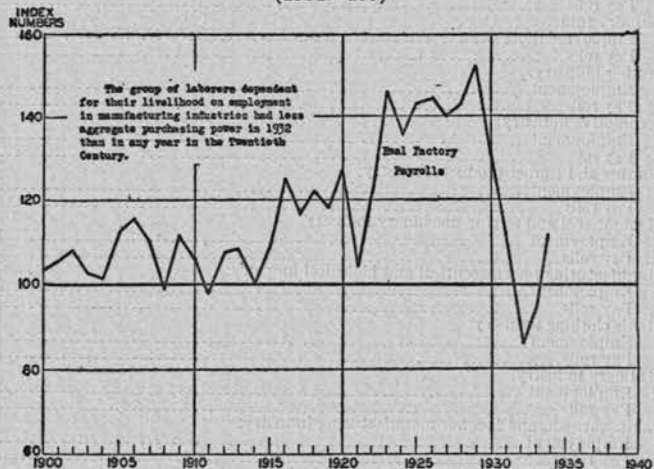
In considering unemployment statistics, account must be taken of the fact that as a result of the normal population growth the number of available employables increases by about 400,000 a year. Thus the number of employables increased by some 800,000 from March 1933 to January 1935. Furthermore, seasonal influences make unemployment figures very misleading. The real test of success of N. R. A. is the number of men actually put back to work and not unemployment guesses derived by juggling with population statistics and seasonal highs and lows in employment.

As I recall, the gentleman from New York stated that while there was some increase in wages, he said it was more than absorbed in the increased cost of living. False conclusions frequently have been drawn from comparisons between trends in pay rolls and trends in the wholesale-price index. The real test of improvement in the lot of the workingman is to be found in comparing trends in pay rolls with trends in the cost of living. On the basis of such a comparison the improvement in real wages since March 1933 is striking. Between March 1933 and March 1935 total real monthly pay rolls—after adjustments to increases in cost of living—rose \$91,180,000, a gain of over 50 percent. In the same period monthly real factory pay rolls increased by \$68,800,000, a gain of over 62 percent. Here, again, you will note that the emergency centered in manufacturing. In the depths of the depression real factory pay rolls had dropped almost 15 percent lower than at any time since 1900.

In other words, the group of laborers dependent for their livelihood on employment in manufacturing industries had less aggregate purchasing power in 1932 than at any other

time in the twentieth century. This is brought out vividly in the chart printed as exhibit B.

EXHIBIT B
REAL FACTORY PAY ROLLS, 1900-1934
(1914=100)



Source: 1900-1927, Census Bureau; 1928-34, computed from Bureau of Labor Statistics data.

Let us take up the increase in pay rolls for some 60 major industries. The above exhibit is likewise significant in connection with pay rolls in some 60 major industries. In the following chart, exhibit C, there is shown a dramatic record of improvement in hourly and weekly pay rolls.

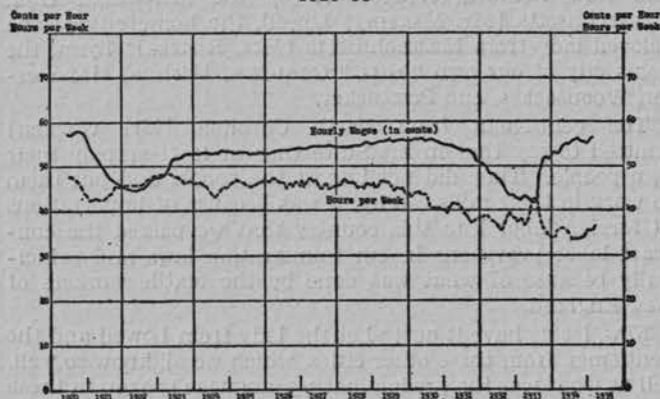
From the beginning of the depression down to March 1933 hourly wages and the length of the average working week had both declined steadily; there was a progressive shortening in the average working week. That was due to the declining rate of operations. Since N. R. A. the length of the working week had continued to decline despite the rapid increase in production, but hourly wages have steadily risen.

As a result the average weekly wage in manufacturing industries has remained about the same although the length of the average work week has been markedly reduced. Furthermore, this average weekly wage is paid to some 1,982,000 more manufacturing employees.

The gentleman from New York talked about "business activity." Let us take the New York Analyst index of business activity. According to it, business activity fell from a high of 110 in 1929 to a low of 52 in 1932. In March 1933 it was 58. In March 1935 the index had risen to 86.1.

EXHIBIT C

HOURLY WAGES AND WEEKLY HOURS IN MANUFACTURING INDUSTRIES, 1920-35

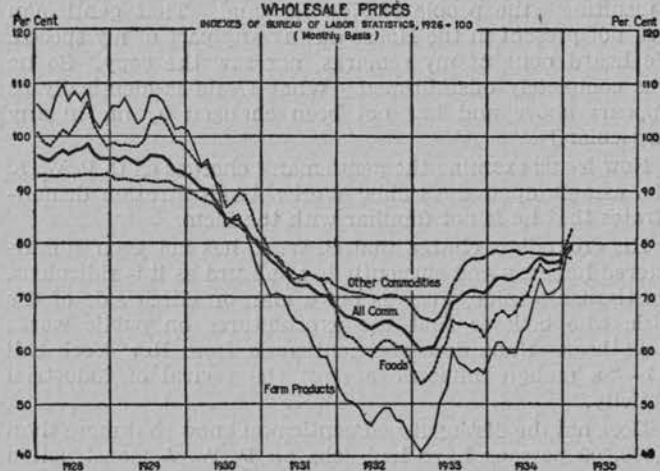


Source: Bureau of Labor Statistics and National Industrial Conference Board.

Much was said about price adjustments. Responsible and informed opinion recognizes that the really significant facts about prices are the relationships between different prices, and, of course, the relationship between price and pay roll. The improvement in real wages I have already discussed.

The following chart, exhibit D, shows how the balance has been restored among the different prices.

EXHIBIT D

WHOLESALE PRICES
INDEXES OF BUREAU OF LABOR STATISTICS, 1926=100
(Monthly Basis)

In February 1933 the index of wholesale prices for all commodities was at a low of 59.8 (1926=100). In the same month, farm prices had reached a low of 40.9. The price index of industrial commodities, which are the commodities subject to N. R. A. (described in chart as "Other commodities"), had dropped to 66. (The low in industrial prices was reached in April—65.3.)

In February 1935 the index for all commodities had increased to 79.5, farm products to 79.1, and industrial products to 77.4. In other words, the price of farm products rose more than twice as much as industrial products, thus bringing the two groups of commodities back into balance. It is particularly important to note that industrial prices leveled off in the fall of 1933 (when the codes began to take effect) and have remained level since then. As a result, industrial prices which were well above the average in February 1933 were below the average in February 1935. In other words, in relation to the price of all commodities, industrial goods in February 1935 were cheaper than at any time since February 1933.

SMALL ENTERPRISES

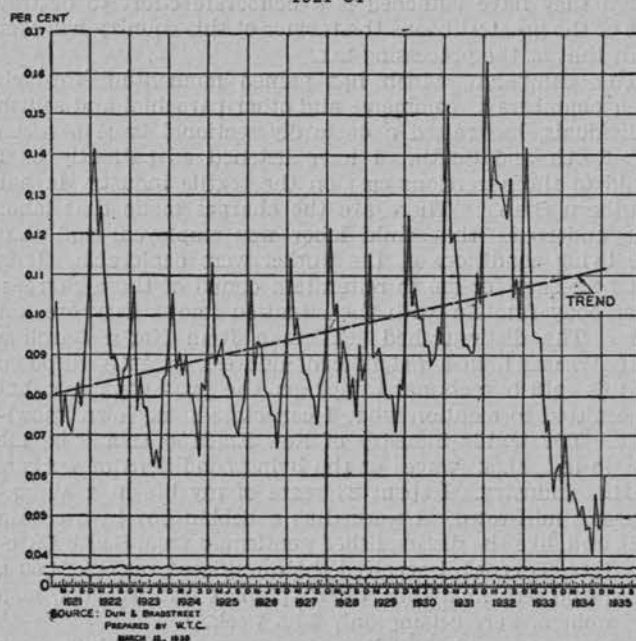
The record of N. R. A. in regard to small enterprises is clear except to those who prefer loud noise and confusion to facts.

First. The 40 years since the beginning of the antitrust laws have witnessed the most intensive increase in concentration of wealth that the Nation has ever seen. In the year 1909 there was 1 manufacturer to every 332 persons in the country. In 1929 there was 1 manufacturer to every 914 persons. Thus concentration of control had trebled during this interval. This was caused in large measure by the practices of destructive price cutting, unfair discrimination, and loss leaders which the N. R. A. has been effective in preventing. During the depression this trend was intensified. In 1929, 200 large corporations owned 49.2 percent of all corporate wealth. Two years later, in 1931, 200 corporations owned 55 percent of all corporate wealth.

Second. Now consider the trends since N. R. A. This is best brought out by the record of insolvencies. The chart marked "Exhibit E", based on Dun & Bradstreet reports, shows that the trend in insolvencies was steadily upward from 1920 to 1933. That is, the percentage of commercial failures to the total number of concerns in business increased steadily, on the average, during that period. The movement was highly irregular—each boom period was marked by a low in the insolvency rate and each slack period marked by a peak in the insolvency rate. From 1933 on, however, the basic trend is reversed. The rate of insolvencies had declined steadily since then. At the end of 1934 the rate of insolvencies was actually markedly lower than the rate during the 1929 boom.

EXHIBIT E

PERCENT OF COMMERCIAL FAILURES TO TOTAL CONCERNS IN BUSINESS, 1921-34



Dun & Bradstreet figures likewise show that the decline in insolvencies has been to the benefit of all classes of enterprises, but that the decline has been somewhat more marked for small enterprises than for large. (See exhibit E.)

These figures constitute a sufficient answer to Congressman SNELL's charge that—

This major policy of the new deal has operated to the economic death of hundreds of small business and industrial concerns, bankrupted their owners, and driven their employees onto the streets.

However, to complete the picture, I desire to supplement these figures by expressions from small business men. On April 13, W. A. Hollingsworth appeared before the Senate Finance Committee as the unchallenged representative of

some 750,000 small retailers who handled tobacco products. In sworn testimony he stated:

The code of the retail tobacco trade was conceived by the little man, initiated by the little man, operated for the little man, and is administered and managed by the little man.

He added:

The N. R. A. is rehabilitating thousands of small merchants—and if its protecting arms are lifted and the lean and hungry wolves of ruthless price cutting are turned loose upon them again, what slaughter will take place.

On the same day, John A. Good appeared as the representative of 58,000 retail druggists. In sworn testimony he stated:

If the N. R. A. is going to be done away with and let big business have it, we had better look forward to a formula somewhere in the tax plan so that the taxes can be paid by them, because the little business man cannot go out and earn any profits.

He likewise stated:

I think if you repealed the N. R. A. and took away all of the protection, you would see an orgy of cutthroat competition that will put lots of the small drug stores out of business.

So much for the N. R. A.

The gentleman from New York in his complaint about conditions under the N. R. A. referred principally to the textile industry. Of course, he was referring to that part of the industry in the East and chiefly in New England. We have heard much of that complaint recently from representatives of that section; for instance, the gentlewoman from Massachusetts [Mrs. ROGERS] and the gentleman from the same State [Mr. MARTIN]. That particular industry in that section has obviously launched a deliberate campaign to accomplish two results; first, a high protective tariff, of which they were always the chief beneficiaries under Republican administrations; and, second, and more important, this campaign they have launched is a deliberate effort to destroy one of the greatest boons the farmer of this country has ever had; that is, the processing tax.

This campaign, which has gained momentum through their chambers of commerce and other parochial and selfish individuals, has raised a dastardly sectional issue between the North and South. I have listened as patiently as I could to the aspersions cast on the textile industry in our Southern States. There are the charges made that labor was underpaid, that child labor was employed, and that the living conditions of the worker were deplorable. It is not necessary for me to reiterate a denial of those charges. Everybody familiar with the situation knows they are not true. The distinguished gentleman from North Carolina [Mr. WARREN], in a magnificent address, recently disposed of this selfish sectional attack on the processing tax, but he omitted to mention what I can state of my own knowledge. The textile industry of New England should be the last to talk about wages or the living conditions of workers in that industry. I spent 23 years of my life in a Massachusetts mill town. I worked as a bobbin boy in a cotton mill, and, like the distinguished gentleman from South Carolina [Mr. TAYLOR], I received the munificent sum of \$1.50 a week, and this at a time when spinners and weavers, men and women, were getting only \$6 a week.

I have seen company houses, row on row. I have seen company stores; I have handled the company pay tokens. I have seen whole rows of workers living in those company houses thrown in the street with all of their belongings because of some labor dispute. It does not lie in the mouths of the mill operators of New England or the steel operators of Pennsylvania or the mine operators of Pennsylvania, the chief beneficiaries of a high protective tariff, supported for 50 years by a high protective tariff, to make such charges about conditions in the South. Nor could such a complaint come with good grace from the gentleman from New York, who spoke yesterday. It is not over 20 years ago that, under Democratic leadership in the Legislature of New York, the canners were forced to abolish in that country the same conditions that are now charged to the South and which do not exist. In your canneries in upstate New York you were

employing children and you were employing women in child-birth for 20 hours a day and paying them starvation wages.

It was due to the leadership of a great Democrat that this condition was abolished not so long ago. This great Democrat was Alfred E. Smith. [Applause.]

I often think of those mill towns in Massachusetts and New England, which I knew so well—Taunton, Fall River, and New Bedford, represented by the gentleman from Massachusetts [Mr. MARTIN]; Lowell, the home city of the beloved lady from Massachusetts [Mrs. ROGERS]; Lynn, the home city of our own "BILL" CONNERY; Nashua, Manchester, Woonsocket, and Pawtucket.

The gentleman from North Carolina [Mr. WARREN] omitted to say that in his State they at least employ their own people. They did not import the people and put them to work in their mills. Why, it was because of importations of foreign labor into this country that we passed the contract-labor provisions in our immigration laws and principally because of what was done by the textile workers of New England.

Now, let us have it out! Let the lady from Lowell and the gentlemen from these other cities, which we all know so well, tell us what was the predominating language spoken in these cities 25 years ago. It was not English. Those people were fine, decent, religious, law-abiding, ambitious people, a credit to their communities, many of them rising to high place and becoming mayors and governors of some of those States, but their forefathers had been brought into New England by the textile magnates because of the low wages they could offer them and the long hours they could work them. So enough of that sectional talk!

[Since making the foregoing remarks, it has been brought to my attention that the gentleman from Massachusetts [Mr. TREADWAY] has spoken from the floor and charged me with "insulting" the people of New England. That gentleman was not present in the House during any part of my speech. He heard none of my remarks, nor saw the copy. So he was completely misinformed. What I said is identically as appears above and has not been changed by me in any particular.]

Now let us examine the gentleman's charges as to P. W. A. His assault upon the Public Works Administration demonstrates that he is not familiar with the facts.

His groundless charge that P. W. A. has not been administered honestly and efficiently is as absurd as it is ridiculous. Partisanship aside, there is not a man on either side of the aisle who believes that the expenditures on public works have been—what does the gentleman from New York call it?—"a malign influence against the revival of industrial activity."

Does not the distinguished gentleman know that more than 2,000,000 persons have had jobs on P. W. A. construction sites, that more than 17,000 projects have been completed or are under construction and that more than 110,000,000 man-weeks of employment have been provided? Does this record sound like "a malign influence against the revival of industrial activity?"

The simple fact is that the public-works program not only checked the precipitous plunge of construction activities in the United States during the past 4 years, but reversed that trend. These are not figures furnished by P. W. A. I quote from a recent issue of Engineering News Record, a recognized technical publication. The Engineering News Record said:

Estimates place the total of all construction in 1934 at \$3,104,000,000, a 27-percent increase over the previous year's volume. * * * Public works alone are responsible for this gain.

Federal construction in 1934, including both contract and force account operations, was the greatest in the peace-time history of the country, exceeded only by the tremendous war volume of 1918 * * * .

State and municipal construction is estimated at \$1,800,000,000, a 52-percent gain over 1933. P. W. A. financing was responsible for most of this, though revival of the municipal bond market reached unexpected proportions and led to construction issues at some \$385,000,000 * * * .

Commenting on the 1935 outlook, the Engineering News Record said:

* * * All indications point to a maintained rate of increase. Public Works will provide the greatest share, though there are encouraging signs of a slow revival of private construction.

Does this sound as though P. W. A. has been a "malign influence against the revival of industrial activity"?

P. W. A. continued to provide the greater part of building construction employment in the country for the first quarter of 1935. The F. W. Dodge Corporation, nationally recognized reporting agency, reported that publicly financed construction contracts awarded in 1934 in 37 States east of the Rocky Mountains showed an increase of 43 percent over 1933.

Is there any "malign influence against industrial activity" here?

Certainly not, and the gentleman from New York knows it.

He goes on to say that "P. W. A. in reality has constituted the greatest existing obstacle to industrial recovery." He says that it has invaded practically every field of private enterprise as competitor to legitimate and honestly conducted industry and business.

Stuff and nonsense! In all my years in this House I do not believe I have ever heard such a wild and ridiculous statement.

Now, ordinarily the gentleman from New York is careful in what he says. Usually he checks his facts. I do not believe that he would deliberately mislead this House. And yet he comes in here and solemnly declares that P. W. A. has been an obstacle to recovery.

The absurdity of such a statement is apparent to all of you. Everybody, including the gentleman from New York, must know that business and industry generally have shared with labor and benefited from the expenditure of P. W. A. funds.

The country is dotted with P. W. A. projects. Many thousands of contracts have been awarded. Steel has been bought. Lumber has been bought. Cement, iron, brick, lead, copper, wire, paint—virtually every construction material that is produced in this country has been and is being used in this gigantic construction program. Mines, quarries, mills, and factories have been kept going by orders for P. W. A. projects. And yet the distinguished minority leader says P. W. A. has been an obstacle to recovery.

In his final desperate thrust, the gentleman from New York says that P. W. A. has been influenced by political motives, that it has allocated funds from a political standpoint.

If the gentleman knows what he is talking about, why was it that \$5,000,000, not including C. C. C. or road money, was allotted for projects in the gentleman's own Thirty-first Congressional District of New York?

Does the gentleman subscribe to his own theory that these allocations to relieve unemployment in his own district smell of the pork barrel?

Does the gentleman say that the more than a score of projects in Essex, Clinton, Franklin, and St. Lawrence Counties are a "malign influence blocking recovery"?

Is it the desire of the gentleman from New York that P. W. A. and the new Works Relief Administration get out of his district and keep out?

Did the gentleman "play politics" with the President or with Secretary Ickes when his district received more than \$5,000,000 in loans and grants from the public-works fund?

Some of the projects in the gentleman's district already have been completed, but if he does not like the "smell of the pork barrel" in his own district why does he not say so?

I do not believe that it is the policy of the Public Works Administration to force projects on a community against its will.

P. W. A. from the beginning adopted a very wise public policy in making public by announcement every allotment made.

Now the gentleman professes here that he has no use for P. W. A. and its "malign influence." Let us see how the gentleman's district has fared.

Federal projects

Lake Placid, post office.....	\$78,650
Plattsburg, barracks.....	11,068
Malone, post office.....	138,172
Canton, post office.....	69,750
Canton, weather station.....	1,097
Massena, post office.....	60,500
Ogdensburg, dredging harbor.....	183,700

Mind you, there are four post offices in this list. But this is not all. Here are the non-Federal allotments that have been made for the ungrateful minority leader:

Ausable Forks, schools, loan and grant.....	\$234,000
Pottersville, school, loan and grant.....	130,000
Keene, school, loan and grant.....	180,000
Lake Placid, school, loan and grant.....	300,000
Schroon, school, loan and grant.....	289,800
Plattsburg, water mains, grant.....	6,000
Rouses Point, streets, loan and grant.....	32,000
Plattsburg, waterworks, grant.....	42,000
Malone, sewage-disposal plant, grant.....	10,000
Saranac Lake, waterworks, loan and grant.....	16,000
Tupper Lake, high school, loan and grant.....	300,000
Canton, sanitary sewer, loan and grant.....	50,000
Ogdensburg, bridge, loan and grant.....	2,800,000

The truth is, and everybody knows it, P. W. A. has been and is free of politics. Political considerations have never dictated the allotments, swayed the decisions, or influenced appointments in P. W. A. And for the minority leader at this late date to arouse himself to an irresponsible political frenzy that causes him to make such a wild charge is almost beyond belief. I assure the gentleman that were it not for the important place that he occupies in this House I would not have answered him. As for P. W. A., the people know the facts, and the gentleman's political sound-off does not fool anybody.

So much for the P. W. A.

The gentleman had something to say about C. W. A., and, as I gathered from his speech, he made two points: First, he said there were 5,000,000 more on the relief rolls today than in July 1933. He deliberately picked July 1933, just as he picked August 1, 1933, to talk about N. R. A.; but if he had taken the comparable date, if he had taken the real date of March 1933, when we took office, compared with March 1935, then the truth, the undeniable truth, would be found to be that not one single, solitary person more was on the relief rolls in this March than in March 1933.

He said something about "graft" in the C. W. A. That charge has been all exploded. There was a grand total of 750 charges in the entire conduct of C. W. A. When they were boiled down, there were 240 charges founded, of which 163 did not involve any criminal conduct. Seventy-seven cases involving possible criminal violation were turned over to the United States attorneys for possible criminal prosecution. Seventeen of these resulted in conviction. A hundred and twelve of the 751 cases referred to are still under investigation or are pending in court.

When it was considered that the sum of \$939,000,000 was spent throughout the country under the C. W. A. program, and that there were more than 70,000 persons engaged in administering the millions of transactions in spending those funds, the number of complaints and charges are surprisingly small. That disposes of those rumors as to C. W. A.

Mr. Chairman, it would take too much of my time and too much of the time of this Committee to refer to the miscellaneous charges bulked together in the speech made yesterday by the gentleman from New York [Mr. SNELL]. Nothing this administration has ever done could possibly be acceptable to him or his colleagues. Anything progressive or in the interest of any considerable group of our people is so contrary to the principles of the Grand Old Party that they are "deplorable." He took a certain pride in some bureaus or organizations now functioning which were initiated in the last Republican administration. I think he referred to the R. F. C. and the home-loan bank. But in talking about the R. F. C. under Mr. Hoover, which loaned

money only to banks and insurance companies and railroads and mortgage companies, he was not talking about the R. F. C. of ours today, which is lending money to small business men, which is rehabilitating small business and industries.

That is quite different from the R. F. C. of Mr. Hoover, which was chiefly concerned in making loans to the Messrs. Dawes and the Pennsylvania Railroad. [Applause.]

The Federal land bank: Does the gentleman point with pride to that, and does he want to compare it with our Home Owners' Loan Corporation, which has already saved 850,000 homes to the home owners of our Nation?

Mr. Chairman, it is the same "Grand Old Party" of "Rugged individualism!" It has been many years since we have been treated to one of those delightful talks by the gentleman from New York [Mr. CROWTHER] about "bread lines" and "soup kitchens" during the Democratic administrations.

We have missed those delightful speeches. We used to enjoy them very much, and we have been awaiting another talk like that, so we might make a comparison between the bread lines and soup kitchens of 1893 and 1929-33. Rugged individualism! Look at those long lines and you will see to what state "rugged individualism" brought our people. That selfish policy founded on the theory of every man for himself is responsible for the millions of ragged individuals we today have to take care of. [Applause.]

The Republican theory that every man must by his own effort alone work out his own salvation has resulted in millions without any salvation, but down to the depths of starvation. It has been our duty to meet this distressful situation which we inherited after 4 years of neglect. We believe we have done our best. What we have accomplished, history will record. [Applause.]

The CHAIRMAN. The gentleman from New York [Mr. O'CONNOR] has used 50 minutes.

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. DARROW].

Mr. DARROW. Mr. Chairman, it is my desire to bring to the attention of the House, if I may, and particularly to the attention of my good friend the distinguished Chairman of the Rules Committee [Mr. O'CONNOR], a concrete illustration of the serious effect that the N. R. A. and the new-deal policies are having upon some of our industries in their efforts to compete with foreign competition.

Mr. Chairman, American industry is being seriously threatened by foreign competition, not only by foreign trade agreements and what under present conditions are ridiculously low tariff rates, but in addition the increased costs of production imposed on our manufacturers by strict compliance in operating under the provisions and regulations governing the National Recovery Act.

If there has been any feature of the N. R. A. which has had practically universal approval, it has been what is generally designated as "fair-trade practice", which, if enforced, is the strongest defense against what is commonly known as "chiseling." So far as industry is concerned, this without doubt was one of the main purposes of the N. R. A. It would, therefore, seem it should be the purpose of the National Recovery Administration to give prompt attention to complaints filed by our industries in the manner required, so that no unnecessary delay may be entailed and that prompt relief might be accorded when their complaints have been established.

In this connection I wish to present, as an example, the situation in which one of our industries in Philadelphia, manufacturers of optical goods and goggles, faces by reason of increasing importation of goggles from Japan while they are awaiting action on a complaint filed with the Imports Division of the National Recovery Administration.

I am informed that since the National Recovery Act has been in force over 35 American industries have filed complaints with the Imports Division of the National Recovery Administration, under paragraph 3 (e) of the act, against the sudden increase of imports from abroad, chiefly from

Japan. Among these is the sun-goggles industry, whose complaint was filed in September 1933, and after an investigation by the Imports Division of the National Recovery Administration the President directed a public hearing to be held in this case by the United States Tariff Commission. At this hearing, which was held on July 18, 1934, it developed that in 1932 sun goggles were imported from Japan totaling 349 dozen; and in 1933 this increased to a total of 97,888 dozen. Subsequent data reveal that importations of sun goggles from Japan again increased in 1934 to 224,098 dozen.

From a total of less than 1 percent of domestic production prior to the National Recovery Act, importations of sun goggles from Japan have now surpassed 24 percent of the total American production of this commodity, whereas in some months, notably October 1934, the importations from Japan were in excess of the entire production of all American factories combined for that month.

These importations of sun goggles from Japan are being sold at prices which are considerably lower than the costs for similar styles of the American manufacturers working under their N. R. A. code, and either the importations must be radically curtailed or additional heavy unemployment will ensue in this industry. At the present time domestic manufacturers should be at the peak of their production for the current goggle season. Instead, they are compelled to reduce the hours of labor and to dismiss workmen from their jobs. It is manifestly unfair to expect the American manufacturer to continue to pay code wages when the market is being flooded by Japanese merchandise produced with child labor earning several cents per day, and adult labor paid at the rate of a few cents per hour.

American styles and display cards are expertly copied by the Japanese at prices which spell ruin to the American manufacturer. I have here a sample goggle marketed by our Philadelphia firm on a display card, and another goggle marketed by the Japanese mounted on a similar card. At a quick glance it would appear both goggles are identical. So far as style and appearance of the goggles are concerned they would, without close examination, appear to be the same. However, the most manifest unfair practice is the fact that the display cards are identical in form, in printed type, in placement of printed matter and color—the Japanese have made an exact copy of this American manufacturer's card, with one minor exception—the name of the article—and even this is printed in the same style. The card also contains a cut of a woman wearing the goggle, which is an exact reproduction from the American card, even to its sharpest lines.

That is what I claim is manifestly intended to deceive the American public by making them think they are buying American-made articles. The only difference is, in very small type at the very bottom of the card, where the statement appears "Made in Japan."

Mr. TREADWAY. Will the gentleman yield?

Mr. DARROW. I yield.

Mr. TREADWAY. In connection with the exhibit which the gentleman is showing of the imitation, is it not a correct statement to say that the glasses and the entire outfit were manufactured first in this country and there was sufficient time elapsed to allow a copy to reach Japan?

Mr. DARROW. They were manufactured, and these cards were made in this country and then taken to Japan and copied exactly.

Mr. TREADWAY. I thought it might be well to have the RECORD show that at this point.

Mr. DARROW. I thank the gentleman for his suggestion.

This unfair Japanese competition is, of course, at prices which spell ruin to the American manufacturer; and although it has been 20 months since the complaint was filed by this industry, no relief has been granted to correct the demoralizing effects of these skyrocketing importations and the undermining of the domestic price structure.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. DARROW. I yield.

Mr. FITZPATRICK. Will the gentleman state what is the difference in prices?

Mr. DARROW. I will give that in just a moment.

A curtailment of the imports from Japan of this commodity to the monthly average in effect prior to the introduction of the N. R. A. code seems to offer one solution to this problem; and if this is promptly consummated, the result will be a restoration of confidence and reemployment in this industry, as well as added employment to an ever-widening circle of suppliers of raw material to these manufacturers.

This, of course, is only one of the many American industries which are threatened by Japanese competition in particular. If the life of these industries is to be spared, action must be taken promptly by the administration in Washington, on whose mercy they are wholly dependent. They have a right to expect the Government's cooperation and protection, especially since they have fully met the requirements of the Government in their operation under the N. R. A.

Now, as to the cost of these goods, there are quite a good many different styles, of course, and it would take considerable time to go into the detail of that, but in the exhibits that have been shown here, the Japanese selling price in this country is \$9 per gross. The American cost of manufacturing that same grade is \$9.36 per gross. Comparison of other grades of sun goggles which are in competition with each other are where the Japanese selling price is \$8.40 per gross the American cost is \$8.86 per gross; \$10.20 per gross against \$17.80 per gross; \$10.20 per gross against \$17.20 per gross; and \$18 per gross against \$28.75 per gross.

The Japanese selling prices include import duties and transportation charges and are those charged the syndicate stores through whom the bulk of these imports are sold. The American costs include labor, material, and factory overhead, and do not include selling or advertising expenses or salesmen's commissions. They are the actual cost of production at the factory.

Mr. REED of New York. Will the gentleman yield?

Mr. DARROW. I yield.

Mr. REED of New York. I listened rather attentively to the gentleman's statement. Did the gentleman describe the difference in wages between this country and Japan?

Mr. DARROW. Only in a general way.

Mr. REED of New York. Would the gentleman object if I gave him the comparative wages, just briefly?

Mr. DARROW. I would be very glad to have the gentleman put that in the RECORD at this place.

Mr. REED of New York. Industrial wages in Japan, according to figures collected in December 1934, were as follows:

Rayon operatives receive 17 cents a day, and women cotton spinners 20 cents. In hosiery mills men get 37 cents and women 18 cents; lathe turners get 58 cents a day; molders and foundries, 57 cents; carpenters, 51 cents; stonemasons, 60 cents; bricklayers, 61 cents; and day laborers, 31 cents. The Japanese male spinner gets 3½ cents an hour for a 10-hour day, and a woman spinner gets about 2 cents an hour.

Mr. DARROW. I thank the gentleman from New York [Mr. REED].

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. DARROW] has expired.

Mr. POWERS. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, before beginning the remarks I wish to make at this time, I want to refer to the last explanation that I have heard of the reason for the textile depression. It is perfectly astonishing to hear a gentleman of the intelligence of the gentleman from New York [Mr. O'CONNOR] rise on this floor and say that the textile depression in New England is the result of the employment of cheap labor in that region and lack of interest in behalf of American citizens—that people up there do not speak our language.

I would like to have the gentleman from New York look over the statutes of the State of Massachusetts and other

New England States and compare them with any statutes regarding the health and well-being of employees in mills and textile institutions.

We in New England have pioneered in health laws. We have pioneered in hours of labor. Our health and labor laws cover women in employment, night work in mills, and every detail having to do with health, sanitary conditions, and inspection of factories.

As for the type of men and women employed in these establishments, I say they are typical of the right type of American citizens. So I resent the intimation that the citizens employed in the textile establishments in Massachusetts and New England are not of our very best type of citizens; and I resent the insinuation that the manner in which they are cared for under our laws is not the very best type of care. To give that as an explanation for the textile depression is the limit of Democratic demagoguery; and, as I said, I resent it.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. MARTIN of Massachusetts. Does not my colleague agree with me when I say that we of New England are not apologizing for the people who came to New England 40 or 50 years ago?

Mr. TREADWAY. We are not apologizing for them or for those who came either before or since.

Mr. MARTIN of Massachusetts. They are good, honest, thrifty people and have helped build up our country.

Mr. TREADWAY. The gentleman is absolutely correct. For my good friend the gentleman from New York [Mr. O'CONNOR] to make a statement such as he did, that the depression was due to the type of citizen, forsooth, that we were encouraging to be employed in our factories and our mills, is the last word in logic from a leading Democrat, for he knows one of the major factors in the depression is the flood of cheap foreign importations, not the goods made here or the people employed in their manufacture.

Now, Mr. Chairman, I desire to revert to the few remarks I wish to make at this time. I do not expect to say a new thing. I am going to make a few quotations and a few comparisons. I want to call the attention of the Members to promises and to compare those promises with performances. So it will be necessary for me to make some very definite quotations, but they will be authoritative and of a type that I think will bear the careful inspection of the Members of the House.

My first quotation is from the Democratic platform of 1932. I quote:

We believe that a party platform is a covenant with the people to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

That was part of the platform which the then candidate, the nominee of that convention, flew to Chicago to accept. Governor Roosevelt in his speech of acceptance on July 2, having kept the convention in session several days, I believe, in order to make the speech, said:

The platform which you have adopted is clear. I accept it 100 percent.

There is no effort, therefore, to squirm from this clear covenant with the people in the platform.

In looking over the platform, however, we do not find any suggestion in it that Congress would be called upon to surrender virtually all its powers to the Executive. Immediately the Democratic Party came into power we were asked to delegate the congressional power to the President of the United States to do with as he saw fit. Why, if this was a clear-cut covenant with the people on which he was running for President, did not that platform call attention to the fact and give the people some chance to say whether or not they favored that sort of delegation of congressional authority to him? There was no clear statement along this line. Nor do we find that the policies of this country were to be dictated by a professorial "brain trust" not responsible to the people.

It would have been the part of clear out-and-out frankness with the people to have told them that when elected to office he expected to throw out everybody who had had any experience in the departments and install second-grade college professors and establish a "brain trust" such as is running the country today. We do not find any reference to that in the platform. Nor do we find any reference to the fact that business was not going to be given a fair show.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield, although I know the gentleman will make some caustic remark.

Mr. McFARLANE. I would like for the gentleman to give us an idea of who he thinks should have administered the Government, the Wall Streeters? Their rule of 50 years has wrecked the country.

Mr. TREADWAY. I shall be very glad to answer the gentleman. In the first place, I would not have started with Wall Street. I would have started with a much more experienced type of man to fill the position than the men who have been selected.

Mr. McFARLANE. The overwhelming majority of the people in the United States do not agree with the gentleman's line of thought.

Mr. TREADWAY. Yes, yes; that is true; I admit that an overwhelming majority of the people did vote for Mr. Roosevelt for President; but you did not give them a frank statement of what you were going to do or what you wanted to do in case you were elected. I will also state that "the overwhelming majority" to which the gentleman refers was obtained by promises and not performances. It has dwindled tremendously.

Mr. PIERCE. What happened in 1934? Did the people endorse him then?

Mr. TREADWAY. Yes.

Mr. PIERCE. Did they accept him?

Mr. TREADWAY. Yes. The Democrats have been very extravagant with the people's money in order to get that endorsement. [Applause.] That is the reason they received the endorsement, and that is what you are going to try to do next year, now that you have \$4,880,000,000 to spend freely and as you see fit. Anybody can put their hand into the dough bag and get the money. That is what you are going to try to do next year. We know the game perfectly well. There is not any question about what you did then and there is no question but what you are going to do it again, but if the people are wise they are not going to fall for it.

Mr. McFARLANE. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Texas.

Mr. McFARLANE. What would the gentleman have us do? Let us have the gentleman's program.

Mr. TREADWAY. I will give the gentleman the program. Do not get too excited or too anxious and do not get ahead of my talk. The gentleman is really anticipating what I am coming to.

Mr. McFARLANE. Is that so?

Mr. TREADWAY. Yes.

Mr. McFARLANE. I was hoping the gentleman would get there before nightfall.

Mr. TREADWAY. I will get there before my time is up if I am not interrupted too much.

Mr. HOEPEL. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from California.

Mr. HOEPEL. Does the gentleman know that we are giving the people a new deal because in my district, for instance, I have a Republican postmaster who has resigned and who is clamoring to be relieved, yet Mr. Farley keeps in office the Republican postmaster when there are several Democrats to take the job.

Mr. TREADWAY. That is the difficulty. There are so many willing Democrats that Mr. Farley will make enemies if he picks any one of them. I know lots of instances of

that kind. I know of dozens of post offices occupied by Republican postmasters because the Democrats do not dare to make a selection of one Democrat when there are dozens of them that want the job.

Mr. EKWALL. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Oregon.

Mr. EKWALL. Is it not true they do not want to relieve the Republican undoubtedly on account of his efficiency?

Mr. TREADWAY. Well, the Democrats are not looking so much for efficiency, as far as I can observe. They do not expect to have any efficiency in office. Of course, if the gentleman is correct, it is an exception to the regular Democratic rule.

Mr. Chairman, the people were entitled to know just what was in the Democratic platform in plain words. Where was there any information that every business in this country was going to be put under strait-jacket regulations supervised by departmental clerks in the city of Washington? Who ever thought or dreamed, when they were voting the Democratic ticket in 1932, that every industry in the country today would be asked to submit to a code system?

Why, objections to the code and the effort to get some practical suggestions properly made up filled the Washington hotels for months, and I believe are still doing so. This was in an effort to get a practical way in which business could be carried on. I do not see any reference of that kind in the Democratic platform, which was the promise of the Democratic Party to the people, and on which they were elected in 1932.

What suggestion is there in that platform that the rights of States should be usurped and that Washington would undertake to control the legislation of States and dictate to the States what they must do in order to get the benefits of this grab bag of public money? I do not see any reference of that kind in the Democratic platform that that is what they intended to do.

We do not see any reference to the fact that this administration intended such tremendous economic and social reforms, both words misnomers, because there is no economy about them. That is as certain as gospel. There is no economy in these reforms, nor are the social reforms of any consequence whatever. We find no reference whatsoever to them in the Democratic platform.

In other words, the platform is one of omission of what they were actually going to do, rather than actual promises to the people as to what they would do.

Mr. ARNOLD. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Illinois.

Mr. ARNOLD. The gentleman is complaining about the condition in reference to codes. Is the gentleman now speaking for the 90 percent of the business men in various activities who have voluntarily worked out these codes, or for the 10 percent of chiselers who have made business ethics impossible throughout this country?

Mr. TREADWAY. I may say to the gentleman from Illinois that the question, to my mind, is so ridiculous I am surprised the gentleman would ask it.

Mr. ARNOLD. Well, let us have the answer.

Mr. TREADWAY. I think it is ridiculous from this viewpoint: The gentleman from Illinois intimates that 90 percent of the business people have voluntarily submitted themselves to the code system. Notice the word "voluntarily." Find me a business man who voluntarily came to Washington to help write a code governing his method of doing business. He just does not exist. Of course, it is not voluntary. It is forced on them by your administration.

The gentleman mentions 90 percent. I will accept the gentleman's figure. I do not know as to the number actually operating under the code today, but I have a great many of them in my district, and wherever there is a small industry employing a few people, say in a local community, you will not find one of those but what will say that every code that is written is an oppression of the worst character against carrying on their business.

Mr. ARNOLD. Is the gentleman speaking now with particular reference to the local automobile dealers throughout the country?

Mr. TREADWAY. No; I am not.

Mr. ARNOLD. I thought not.

Mr. TREADWAY. I am not referring to automobile dealers. I am referring to my own experience in corresponding with my own constituents, who certainly are very much upset at the code regulations. Further, may I say that today you are aware that the Government is being besieged to change the codes and make them practical so that the business people may live and exist under them. There is no question about that fact.

Mr. HEALEY. Will the gentleman yield?

Mr. TREADWAY. I yield to my colleague from Massachusetts.

Mr. HEALEY. At the outset of the gentleman's remarks he referred to the splendid social and labor regulatory laws that are in effect in the gentleman's State.

Mr. TREADWAY. Yes; and in your State; our mutual State.

Mr. HEALEY. I believe the gentleman will admit that for some 20 years now there has been a migration of the textile industry from the gentleman's State, and from my State, to States having less stringent regulatory laws?

Mr. TREADWAY. Certainly.

Mr. HEALEY. Because the capital invested in the textile mills was in search of a cheaper labor market. Now, will not the gentleman admit that the Democratic administration accomplished something when it set up a code of regulation establishing a minimum wage in the textile industry and also eliminating child labor in that industry?

Mr. TREADWAY. I agree with the gentleman and I may say further that efforts to secure those very results have been made for years and years by Republicans as well as Democrats. The gentleman is aware of that, of course. We have tried to get a constitutional amendment that would accomplish this very purpose in respect to doing away with child labor everywhere and equalizing the wage scale in the various sections of our country. No doubt we are in hearty accord upon these subjects and I agree with the gentleman and do not hesitate to admit the facts about child labor and a minimum-wage scale. I am not saying that the minimum-wage scale is correct as it is now adjusted, but the child-labor proposition, under the code system, is most excellent. If there are good things I shall not hesitate to praise them just as much as I shall criticize the bad things.

Mr. WOODRUFF and Mr. HEALEY rose.

Mr. TREADWAY. I am afraid I shall have to arrange with the gentleman in control of the time to get further time, because I have hardly gotten started upon what I expected to say and half of my time is already gone.

I yield now to the gentleman from Michigan.

Mr. WOODRUFF. The gentleman's colleague from Massachusetts has called attention to the fact that as time has gone on the textile manufacturers in Massachusetts have found it increasingly difficult to compete with the textile manufacturers of other sections of the country, and I take it he means the South.

Mr. TREADWAY. Undoubtedly.

Mr. WOODRUFF. The gentleman is certainly familiar with the minimum wage scales under the code. He must be aware of the fact that the textile manufacturer of the South has a lower minimum wage scale than the textile manufacturer in Massachusetts?

Mr. TREADWAY. There is a differential there and let me further call the gentleman's attention to the fact, which he so well knows, that while the minimum may be protective, I am not finding fault with domestic competition; my fault is to be found with foreign competition, very largely.

Mr. WOODRUFF. That is my principal objection, I will say to my friend from Massachusetts.

Mr. TREADWAY. Of course, I know the gentleman's views, but I will say that there evidently is not a sufficient differential in certain sections of the country between the

minimum wage and the maximum wage to take care of the additional cost in northern textile mills.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes; this is the last is it not?

Mr. HEALEY. Yes; this is the last. The gentleman, I think, will admit that the minimum wage established by the N. R. A. code in the southern section of the country represented an increase of 100 percent, so therefore the minimum wage paid in the textile industry in that section before the N. R. A. codes were adopted was about \$6.50 per week, and this was raised by the N. R. A. code to \$13 a week as the minimum wage; I think the gentleman is willing to admit that this was a long step in the right direction and constitutes a definite accomplishment of this administration.

Mr. TREADWAY. That the Republican administration started. You cannot put any reform through overnight, and do not take credit to yourselves that you did it, either.

Mr. WOODRUFF. What I was about to say was this. We will agree with the gentleman's colleague from Massachusetts that it was a step in the right direction, but it was a mincing step, it was a hesitating step, and inasmuch as they were trying to correct this situation, why did they not take a full vigorous step and establish the minimum wage of the South in exactly the same amount as they established it in the North?

Mr. TREADWAY. That is a question the gentleman would have to ask them to answer, not me.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. ARNOLD. At the rate the gentleman's party was going toward the abolishment of child labor, how soon does the gentleman think they would have accomplished that purpose, and is it not much better that the purpose was accomplished when it was?

Mr. TREADWAY. Oh, in answer to the first question of my colleague from Massachusetts, I admitted there were good features in the code system, including these features you are speaking of, but you have mixed so many rotten things with it that your average is mighty low.

Mr. ARNOLD. May I ask this further question? If it had not been for the codes establishing a minimum wage in the textile industry, would not your industries of New England been drawn to the South under the old-wage schedules?

Mr. TREADWAY. Gracious me, it could not have gone down any worse than it has been doing with your codes. Our mills never were running on as short time as they are today. So, do not take too much credit for your code or we may come back on you with respect to your minimum wage.

Mr. ARNOLD. The fact that wages in the South have been doubled has relieved you to that extent.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield to my colleague from New York.

Mr. REED of New York. There has been a lot of noise made about the restriction of child labor under the code. As a matter of fact, there are child-labor laws on the statute books of every State of the Union, and they were there before the code was put into operation, with the exception of two States, Georgia and Mississippi.

Mr. TREADWAY. The gentleman is correct and I think I practically touched on that very matter in the opening of my remarks in criticizing the remarks of the gentleman from New York [Mr. O'CONNOR].

Mr. McFARLANE and Mr. LORD rose.

Mr. TREADWAY. I have done pretty well by the gentleman from Texas, and I think perhaps I should let some of my other colleagues have a chance, and I yield to the gentleman from New York.

Mr. LORD. Mr. Chairman, I was interested in the discussion of child labor. The Congress submitted to the people some years ago for the States to vote upon a child-labor amendment to the Constitution and yet in this House,

as well as in the Senate, we are employing boys of some 12 years of age. I wonder why we are not under the N. R. A. here.

Mr. TREADWAY. The patronage here is preferable to the N. R. A. system. Now let me proceed to call attention to platform promises against performance. It is understood I am quoting each time from the Democratic platform.

We advocate an immediate and drastic reduction of governmental expenditures.

That is a clear-cut statement in the platform in plain English. They say the people are entitled to know. What are the performances? The Democratic Party has increased the actual expenditures in the fiscal year of 1933 from \$5,000,000,000 to \$7,000,000,000 in 1934.

Budget estimate of expenditures for 1935 is \$8,500,000,000, and same amount for 1936.

These figures do not include the billions of contingent liabilities that have been incurred, such as the guaranty of farm-loan bonds, two billions; guaranty of home-loan bonds, two billions; authority to H. O. L. C. to issue one and a half billions of bonds; insurance of mortgages under Housing Act, two billions; and so forth.

The gentleman from New York told us that we had been balancing the Budget. That looks very much like it when we have increased expenditures by three and one-half billion dollars. Still the platform said that they advocated immediate reduction in Government expenditures.

Here is another extract:

We advocate the elimination of extravagance.

That is a wonderfully attractive plank to go to the voters. President Roosevelt, in one of his campaign speeches, accused the last Republican administration of being the greatest spending administration in peace time in all history.

Well, it might have been in all our history up to that time but certainly it was a piker when we look at the expenditures and the extravagance of the present administration. The figures I have quoted show that the expenditures of the Democratic administration are 40 to 60 percent greater than the last Republican administration, and now this doubtful distinction of being the greatest spending administration in all history has come back and is resting on the Democratic doorstep today. [Laughter and applause].

Here is another plank:

We advocate the immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus.

Why, that was one of the clear cut words in the contract that people are entitled to know about. They advocate the abolition of useless commissions and offices, consolidating departments and bureaus.

What is the performance? The creation of fifty-odd alphabetical bureaus. There were hardly enough letters in the alphabet to combine into these various bureaus. Increases in the number of civil employees from 563,000 in February 1933 to 685,000 in March 1935. Most of these 122,000 additional employees are patronage employees, put on by the Democratic Party, and still this wonderful platform calls for the abolishment of useless commissions and the consolidating of departments and bureaus.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. BULWINKLE. Would the gentleman mind telling the Committee which of these alphabetical commissions which he talks about he would abolish?

Mr. TREADWAY. It would take me a much longer time to do that than my friend would yield me.

Mr. BULWINKLE. But the gentleman stated it was wasted, and I am asking the gentleman to tell to the House which ones of them he would abolish.

Mr. TREADWAY. Practically all of them, I would say to the gentleman, and the Republican Party will see that they are abolished when we get back into power next year.

Mr. BULWINKLE. All right, the gentleman will abolish all of them.

Mr. TREADWAY. I said practically all of them. I am not saying there is not some good in some of them. You cannot have so much chaff without having a little bit of wheat. You would have to find something worth while with all of these different things that you have combined here. There must be something good somewhere.

Mr. BULWINKLE. Cannot the gentleman say which ones he would abolish and which ones he would not?

Mr. TREADWAY. I have said I would abolish practically all of them, so that there would be 122,000 less Democratic officeholders. The only really worth-while one is the R. F. C., established under President Hoover.

Mr. BULWINKLE. Has the gentleman thought sufficiently which ones he would abolish?

Mr. TREADWAY. I do not have to think. I have no chance of abolishing them for nearly 2 years. Two years from now we will answer the gentleman's question seriatim.

Mr. BULWINKLE. But I am asking the gentleman now.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. POWERS. Mr. Chairman, I yield 15 more minutes to the gentleman from Massachusetts.

Mr. TREADWAY. Balancing the Budget is my next topic. The Democratic platform read as follows, and I am quoting from that:

We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate Executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

Then Mr. Roosevelt, in one of his campaign speeches said:

It is my pledge that rigid governmental economy shall be forced by a stern and unrelenting administration policy of living within our income.

Delightful! The performance is as follows: A deficit for the fiscal year 1934 of \$3,630,000,000; an estimated deficit for 1935 of \$4,297,000,000, and an estimated deficit for 1936 of \$4,000,000,000.

Mr. Chairman, if \$4,000,000,000 of deficit is living within a fixed income, what would be a real deficit? But that is what they promised, and the other is what they have actually performed.

I quote now from high Democratic authority, a speech made in the Senate on March 19, in reference to the \$4,880,000,000 works bill. Senator GLASS, a former Secretary of the Treasury, said:

I still maintain the view that the appropriation contained in the joint resolution would bring us too near the point of impairment of the public credit. I have said already that an impairment of the credit of the United States to the point of 10 percent would so impair the credit of the banks as to render 90 percent of them practically insolvent.

There is the viewpoint of a former Secretary of the Treasury as to what this deficit is doing to the general credit of the country. Let us see what the currency plank of the Democratic platform is:

We advocate a sound currency to be preserved at all hazards.

And still one of the President's first official acts was to take the country off the gold standard. Later he repudiated the gold clause in United States bonds and currency. He repudiated the just debt of the United States Government as well as private individuals and corporations, in not living up to the terms under which those bonds were written. It is no wonder that people are scared. Later he reduced the gold content of the dollar to 59 cents and he has the power to reduce it still further.

Last night I was quite amused at the defense of that change of values by the distinguished Secretary of the Treasury, Mr. Morgenthau. For a mess of nonsense and useless statement I recommend that address over the radio made by the distinguished Secretary of the Treasury. I hope some of our Democratic colleagues will see to it that it is put into the RECORD, because it is a choice bit of literature.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I regret that I have been interrupted so much that I cannot yield more.

Mr. RANKIN. I merely wanted to ask unanimous consent to insert the speech in the RECORD.

Mr. TREADWAY. I think it would be fine to do that. I am sure that the Republican side would greatly appreciate having that very amazing address in the RECORD.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to extend my remarks by inserting the speech of the Secretary of the Treasury made last night over the radio.

Mr. MILLARD. Mr. Chairman, I make the point of order that that is a request that must be made in the House and not in the Committee of the Whole.

The CHAIRMAN. The point of order is sustained.

Mr. TREADWAY. I want to quote the Democratic platform on unemployment and old-age insurance:

We advocate unemployment and old-age insurance under State laws.

Bear that in mind. That is the only reference to unemployment and old-age insurance in the Democratic platform. The social-security bill sets up a strictly Federal system of compulsory old-age annuities, and imposes pay-roll taxes on employers and employees to pay the costs, a new kind of taxation on a tax-burdened country, probably unconstitutional, and evidently it is admitted so by the Democratic administration because they do not bring the bill up in the Senate.

The unemployment-insurance provisions of the bill not only coerce the States into enacting unemployment-compensation laws, but at the same time impose Federal standards. So the performance on that issue is absolutely contrary to the terms of the Democratic platform.

Here is another extract from the platform:

We favor effective control of crop surpluses, so that our farmers may have the full benefit of the domestic market.

Was that not fine and splendid? What did they do? Here is the performance: Farm crops have been destroyed to such an extent that we are now importing many agricultural products. Tariffs have been reduced on a number of farm products and other reductions are contemplated under pending reciprocal trade agreements, the purpose and effect of which is to give foreign producers a larger share of domestic markets. But the promise made in the platform was to control surplus stocks so as to keep the domestic market for the agricultural products of this country.

Taxes: In the first campaign speech on July 30, 1932, Mr. Roosevelt said:

Our party sees clearly that not only must Government income meet prospective expenditures but this income must be obtained on the principle of ability to pay. This is a declaration in favor of graduated inheritance and profits taxes and against taxes on food and clothing, whose burden is actually shifted to the consumer.

Here is the performance: The Democratic Party has imposed burdensome processing taxes on the necessities of life, falling most heavily on those least able to pay. That could be elaborated on in a speech as long as the time of the House would be in session today. It is a self-evident truth that the kind of taxes that have been levied have been against the people least able to pay, and on the very necessities of life, food, and clothing.

Now, the platform advocates stronger and impartial enforcement of the antitrust laws to prevent monopoly and unfair trade practices and the revision thereof for the better protection of labor and the small producer and distributor.

The actual performance is suspension of the antitrust laws under the N. R. A., the creation of monopolies, and the oppression of all kinds of small business. Compare the promises in the platform with the performances after securing office.

Now, here is an interesting plank:

We condemn the improper and excessive use of money in political activities.

I want to repeat that. That is extremely interesting to me—

We condemn the improper and excessive use of money in political activities.

No doubt that was very enticing to many voters when they read that Democratic platform and realized that it was a covenant with the people that they condemn the use of money in political activities. What is the performance? The Federal Treasury has become the campaign chest with which to entrench the Democratic Party in power at least as long as the money lasts. The taxpayers' money is put into the chest and passed out under Democratic auspices, in spite of the fact that in their party platform they condemn the excessive use of money in politics.

Mr. HOEPEL. Will the gentleman yield?

Mr. TREADWAY. No. I am sorry I cannot. I only have a short time remaining.

Mr. HOEPEL. I would like to give the gentleman some information.

Mr. TREADWAY. We have plenty without any additional from the gentleman. This will answer one inquiry that was made of me a few moments ago, and I want to be sure to get it in, realizing that there are others entitled to the floor. This answers the inquiry of the gentleman from Texas [Mr. McFARLANE]. Now they want to know what I think we ought to do, and I think the Republicans would do most of it if given the power. Of course, we are continually asked. Criticism was made of the brilliant speech made by the minority leader yesterday that he offered no constructive program. That is no criticism. It is praise.

Why should we offer a constructive program when we have but 1 vote out of every 4 in this House? If the people will see to it that a good, active minority comes into Congress, no matter which party is in power, then there will be constructive work by the minority. Today we are handicapped, and people are getting mighty sorry that we are, too. Every mail brings letters, editorials, and comments on how they wish there could be a change made.

Let me give you one little illustration: I received a letter a day or two ago from a distinguished constituent who had made an offer for quite a large contract for interlining for coats used to make us look square-shouldered.

The price was very satisfactory to the customer, but the customer wrote back that on account of the chance to get the price of interlining reduced coming from foreign countries under the reciprocal-tariff arrangements, he could not accept the offer. What better illustration do you want than that? Do you think the hands in that mill would be very happy to know that they lost that order on account of this great effort to have a reciprocal tariff in order to bring imports from foreign countries to compete with our own home labor?

My idea of a constructive program would be to live up to most of the items in the Democratic platform I have just read: (a) Reduction of governmental expenditures; (b) elimination of extravagance; (c) maintenance of the Nation's credit by balancing the Budget—both of them; (d) stabilize the dollar and insist on a sound currency; (e) enforce the antitrust laws; and (f) eliminate Government competition with private business.

If the Democratic Party, now two and a half years in power, had carried out some of those promises to the American people made in the platform adopted in Chicago in 1932 there would not have been this howl that is going up all over the country today against the Democratic administration.

Now, let me offer a few additional proposals: (a) Repeal the reciprocal tariff law. That is the first constructive suggestion I would offer if the Republican Party were in power; (b) repeal the processing taxes; (c) abolish tax-exempt securities; (d) concentrate on recovery and leave a lot of this foolish reform legislation for the future. Let us recover before we reform; (e)—and there is no bigger offer to the constructive program of the future than this (e) on my program—leave business alone; let business, private enterprise, have a chance to breathe and live and have life

injected into our various communities; (f) restore to the three branches of the Government the authority vested in them by the Constitution.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. In just a moment. For the life of me, I cannot see how any self-respecting, 100-percent, trained industrial business man can agree with the gentleman from Illinois when he says that business voluntarily has accepted these regulations coming to them from the "brain trusters" in Washington. That is not the kind of business people we have in Massachusetts; I do not think he has them out in Illinois either. Our people are trained business people and they want to attend to their business, to make an honest living, and to furnish employment for American citizens. That is what we want in this country today, less "brain trusters" and more private business.

[Here the gavel fell.]

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. My time has expired.

Mr. BULWINKLE. I will get the gentleman 2 additional minutes if he wants them.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, my distinguished friend and colleague the gentleman from New York [Mr. O'CONNOR] in his speech today referred to me and to the district which I represent, and I think that unconsciously he misquoted me. He intimated that I had said in a speech the other day that in the South now at the present time there are conditions of child labor and low wages. I did not say that in my speech the other day. I said that a few years ago they had child labor in the South, long hours of labor and very bad wage conditions.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Gladly.

Mr. BULWINKLE. I wish to say to the gentleman, representing as I do a southern State, that there has been no child labor in North Carolina for many years, and that the cotton-mill men of my county proposed a compulsory school law in order that the children of North Carolina might go to school instead of to work.

Mr. CONNERY. I am glad to hear my friend from North Carolina say that. There have been southern States, as he knows, of course, in which they did have child labor and extremely low wages; and organized labor had a very difficult time attempting to organize those southern States in the interests of shorter hours and decent wages.

The gentleman from New York spoke about the N. R. A. I think the gentleman made a very effective comparison of conditions since the inception of N. R. A. with conditions before that time. Before we had the N. R. A. the mill situation in New England and wage conditions in particular were very bad. While we had no child labor, we did have low wages and the speed-up and the stretch-out system in our mills, the same as they have now in the South; and today, although wages are a little better in the North, we have the speed-up and the stretch-out systems in both the North and the South. N. R. A. put the textile industry upon a 40-hour week, and that gave us in New England a break which we had never had in years, because previously the southern mills had longer hours, sometimes up to 60 and 70 hours a week, as against our 48-hour law in Massachusetts.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. COLDEN. What does the gentleman mean by the speed-up and the stretch-out systems?

Mr. CONNERY. The stretch-out system works this way: Where a man formerly was supposed to tend one to three looms in a mill they suddenly put him in charge of six looms, which in many cases is ruinous to health.

The speed-up system is the system whereby the general operations of the plant move at a faster pace, the machines are speeded up. That is practiced not only in the textile

industry but generally in the automobile industry and in almost all other industries. It was brought out in testimony before our committee that although wages in certain industries were raised from \$4.50 up to \$5 a day, which is one of the highest wages paid in industry, they speeded up the machines the men were using so that they did almost twice as much work as formerly. Then the manufacturers spread the word over the country that they had granted their employees great increases in wages, but were very silent as to the speed-up system they had installed.

I am for N. R. A. I am for it because it did away with child labor. It did away with so-called "yellow-dog contracts" whereby a man would have to promise in writing that in consideration of getting his job he would not strike during the time he was employed in the factory and that for a year after his employment in the factory ceased he would not come near the factory if there was a strike to picket or attempt to hinder that factory in any way. The contract also contained a promise that he would do practically everything he was told to do by his boss without regard for any of his rights as a citizen. In other words, it was slavery. The N. R. A. did away with child labor and the yellow-dog contract. Then it put the power of the United States Government behind labor in its right to organize, recognizing that labor had the right to organize.

Then in section 7 (a) of the N. R. A. the right of labor to bargain collectively through representatives of their own choosing was endorsed. Those four things alone in the N. R. A. would justify its existence and have been the greatest boon to labor that we ever had in perhaps 150 years of the existence of the United States. There are other phases of N. R. A. with which I entirely disagree, but those four points to which I have referred are epoch making.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from New York.

Mr. MARCANTONIO. In referring to section 7 (a), of course, the gentleman does not believe that section 7 (a) is being enforced now?

Mr. CONNERY. No.

Mr. MARCANTONIO. Nor has it been given the meaning which the Congress gave it when enacting it into law?

Mr. CONNERY. No. Over in the Senate there was offered an amendment which would permit company unions, when the N. R. A. matter was up for action over there. Senator WAGNER, of New York, and Senator WHEELER, of Montana, made speeches against the amendment, and in their speeches they made it very clear that the Senate intended section 7 (a) should outlaw company unions. That amendment was defeated. Then the bill became law. An Executive order was issued making it very plain what section 7 (a) stood for. The next day a statement was given out to the newspapers in direct contradiction to the Executive order. This statement was given out by Mr. Richberg, and that statement is responsible for all the unrest that we have in labor today and for the strikes. I know that, because we have had all of this testimony before our committee.

And while we are on that subject, may I pause at this point to say that the gentleman from New York [Mr. MARCANTONIO] is a very valuable member of the Committee on Labor. May I also say that the Wagner labor-relations bill and its companion, the Connery bill, which we reported a few days ago, put teeth in section 7 (a). In other words, that is what the whole bill is about. It puts teeth into section 7 (a) and gives the National Labor Relations Board the power really to enforce section 7 (a). That is what the Wagner-Connery bill calls for.

Mr. KENNEY. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from New Jersey.

Mr. KENNEY. Have the hearings on the Wagner-Connery bill been printed yet?

Mr. CONNERY. The hearings will go to the Printer tomorrow. They are being prepared now. I may say also that the Secretary of Labor came before our committee, and Mr. Francis Biddle, Chairman of the National Labor Rela-

tions Board, and testified in favor of the Wagner-Connelly bill.

Mr. McCORMACK. Will the gentleman yield?

Mr. CONNERY. I yield to my good friend from Massachusetts.

Mr. McCORMACK. The gentleman earlier in his speech referred to some other parts of the speech. Will the gentleman advise what part of the speech he has reference to?

Mr. CONNERY. The gentleman from New York [Mr. O'CONNOR] mentioned the foreign element having been brought into the United States and into New England to work in our mills. I thought he spoke in a rather disparaging manner in that regard and as if immigrants to the United States, who came to this great land of the free and the home of the brave, had no right to go to New England and had no right to work in the textile industry. I want to say that in the city of Lawrence we have 43 nationalities represented. Those people and their sons and daughters are some of the finest American citizens that you can find any place in the United States of America. [Applause.] I do not think the gentleman from New York had any right to refer to those people in the disparaging tone he used.

Mr. Chairman, this is not a partisan matter, and it is not a North and South matter, as the gentleman from New York tried to make out. The gentleman from North Carolina [Mr. BULWINKLE] and Members from the other Southern States know what is going to happen to their textile industry down there. They will close unless a very serious situation is remedied. It is not a question of the mill owners. If the mills do not run, the workers do not work. If the workers do not work, their wives and children do not eat or they have to go on welfare; and I am just as much interested in the workers and the wives and children of the workers in North Carolina, Georgia, Alabama, or Mississippi, or Tennessee as I am in the workers in Massachusetts. It may be said that this is just talking to please my colleagues from the South, but I think anyone who has been before the Committee on Labor will bear me out in the statement that I and every member of that committee are interested in all of the people of the United States and not in the people of any particular section of the country.

I agree with some of the things which the gentleman from New York [Mr. O'CONNOR] said about the textile industry.

[Here the gavel fell.]

Mr. LUDLOW. I yield the gentleman 5 additional minutes.

Mr. CONNERY. I agree that the textile industry under the Republican tariff got protection and is now getting protection. I agree that Mr. Andrew Mellon's aluminum concern got protection under the tariff and should not have gotten it. I think there are other big interests getting tariff protection which should have no tariff protection whatsoever, do not need protection, but under the system in which we have legislated here in reference to our tariff problems there was no chance to vote on separate items. To protect your own district you had to vote for the whole bill or vote against the whole bill. So we have evils in the tariff and we have good in the tariff.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. CONNERY. I yield to my colleague from Massachusetts.

Mr. MARTIN of Massachusetts. May I inquire if the gentleman agrees with the thought expressed by the gentleman from New York that we are overprotected at the present time?

Mr. CONNERY. Not on textiles; no. Not on shoes; no. We had 6,000,000 pairs of shoes come into the United States before the tariff bill was passed. We have stopped that at least.

Mr. MARTIN of Massachusetts. The gentleman rather implied that we were overprotected at the present time. He certainly does not agree with that.

Mr. CONNERY. I do not agree with it so far as textiles are concerned, but there are other things like the Aluminum Trust and others which should not have any protection at all. We know there are evils as well as good points in the tariff.

Mr. MICHENER. In other words, the gentleman is not overprotected on anything produced in the gentleman's district?

Mr. CONNERY. Shoes and textiles are all that we are protected on and I just stated that we had 6,000,000 pairs of shoes come in from Czechoslovakia underselling us on the American market. This was at a time when 3,000 shoe workers in Lynn were walking the streets. So we were not overprotected there. As to textiles, you can see what the mills in my district are up against at the present time with Japanese imports taking away their market.

Mr. CRAWFORD. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I should like to ask the gentleman, who is Chairman of the Labor Committee, if he feels that we are over-protected on any commodity which has heretofore been primarily produced in this country and which is now absorbing the United States market by being shipped into this country from other parts of the world? Are any of those commodities over-protected?

Mr. CONNERY. I think some of them are. But may I say, under our laws we exclude Asiatics, not because of their color but because of their cheap-labor conditions, and then we allow them to send into our country the products of their cheap labor, unlimited hours of work, and almost incredibly low wages, to compete with and undersell our own products in our own markets, and actually encourage them to trade with us under the plea that we must protect our export trade. American workers should not lose their bread and butter to stimulate imaginary foreign trade. If the gentleman will get a copy of my bill (H. R. 6993) which is now pending before the Ways and Means Committee, the gentleman will find this bill provides that wherever the total landed costs of any commodity or article coming into the United States are less than the cost of the production of a similar article or commodity produced in the United States, that article shall be barred from the United States. [Applause.]

Mr. CRAWFORD. That will answer my question provided—

Mr. CONNERY. That covers your Japanese situation, your farm situation, and everything else.

Mr. CRAWFORD. That answers my question provided you include in the cost of production a reasonable, living standard for the man who works in this country, whether on the farm or in the factory.

Mr. CONNERY. That is understood, of course. We are trying to protect the wages of the workers of the United States as well as the interest of the farmers. They are bringing in wheat from the Argentine and from Brazil now. Other foreign farm products are being brought in and therefore the idea of protecting the farmer is going out the window. I look forward in the very near future to see the farm Representatives of this House stand up here and ask for the passage of a bill like the Connery bill which will protect the farmers and the workers of this country against foreign importations.

Now, in regard to textiles, the Democratic Members of New England in the House here after a conference with Secretary Hull and Secretary Roper asked the President to appoint a Cabinet committee to look into this question and discuss this matter of the importations of Japan, the A. A. A., and the textile situation in general, to find a solution for the problem. The President appointed a Cabinet committee consisting of Secretary Hull, Secretary Roper, Secretary Perkins, and Secretary Wallace. They have been holding hearings on the matter, and it is not a question of the North or the South. Representatives from the southern mills and representatives of southern workers have been before this committee, as well as representatives of northern mills and workers, and when the committee makes its report to the President I am hopeful we will get an adjustment of this matter which will be fair and equitable to North, South, East, and West. But I resented today the remarks of the gentleman from New York [Mr. O'CONNOR] in reference to

the "foreigners", as he called them, who have come to New England.

Also, the gentleman from New York did not mention the fact that when he worked in a mill at the wages he spoke of—\$1.50 a week, I think he said—and then my friend from South Carolina [Mr. TAYLOR] the other day said he got 5 cents a day when he worked in a mill in South Carolina—the gentleman from New York [Mr. O'CONNOR] did not mention the fact that the people of Massachusetts long ago revolted against these conditions and put a 48-hour law on the books and provided minimum wages in Massachusetts, and in your N. R. A. you have a follow-up of this theory in order to protect all the workers of the country.

Now, I hope this Cabinet board, which has been appointed by the President, in its report will take care of this matter. Otherwise, we are going to lose eventually the great majority of our textile factories in the entire country.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman from Massachusetts 2 additional minutes.

Mr. CONNERY. We are going to lose a great industry in the United States, and lose it to whom? If we lost our factories in New England to Alabama or any other Southern State, at least some Americans would be getting work; but when we are going to lose these textile mills to Japan, Germany, or England, and have our American workers walk the streets because of this sort of policy, then I say it is time for us to wake up and take care of America.

Now, I may go too far in the minds of some of you when I say that I am for America first, last, and always, and let the rest of the world take care of itself. [Applause.] I am in favor of buying American goods. I am in favor of an adjustment which will mean decent wages for the industrial workers of America. I am in favor of a decent price for farm products, but until the farmers and the workers in Congress and outside of Congress get together and through their organizations throughout the country work out their problems in harmony you will have the farmer getting nothing for his products and you will have the worker ground down to an impossible, nonliving wage. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Chairman, a little while ago my good friend from New York, who was born in my district and whose folks are splendid constituents of mine, made reference to my activities in behalf of the textile industry. I think when his speech was delivered it was the voice of the gentleman from New York, but it was the reflection of sentiments of some of the administration officials rather than his own.

The gentleman is living in the past when he talks about labor conditions of a good many years ago. We are concerned with present conditions. That is the trouble with some of the Democratic leaders at the present time. They are living too much in the past; they do not understand the sentiment of the American people at the present time. The people today do not care what happened 4 or 5 years ago. They are chiefly interested in what the Democratic Party is doing at the present time to put the people back to work. That is the real issue, and no smoke screen can conceal the issue.

The American people do not intend to countenance any system which means that for all time they must live on a dole. They demand work at real wages, a living wage, and a saving wage. We who come from New England, who are fighting to save our industries and keep men at work, are performing a real service. Mention has been made of some of the early immigrants of my section.

I am glad of the honor to defend the splendid people who make up my congressional district in Massachusetts. They came from every part of the world; they came from England, they came from Ireland, they came from Canada, from Portu-

gal and Italy—all came to the country with the determination to live honestly and contribute to the upbuilding of the country of their adoption.

Mr. O'CONNOR. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman.

Mr. O'CONNOR. Did not the expert weavers of the world come from Manchester, England?

Mr. MARTIN of Massachusetts. Yes; and they became valuable members of this Nation and contributed to the development of the industry in New England.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. DUNN of Pennsylvania. Does not the gentleman think that all this propaganda about foreigners is bunk, that they are responsible for many crimes and labor disturbances, and that if we shall provide unemployment insurance and old-age pensions a lot of this disturbance would not exist?

Mr. O'CONNOR. The gentleman from Massachusetts did not hear what I said.

Mr. MARTIN of Massachusetts. Oh, yes; I did.

Mr. O'CONNOR. I am not talking about the gentleman from Massachusetts who is speaking; I am talking about the gentleman from Massachusetts [Mr. TREADWAY]. He came on the floor and someone told him something that I said. What I said was that these people that were imported from Canada to work in our mills were the finest, most decent, religious, ambitious, law-abiding citizens we ever had.

Mr. MARTIN of Massachusetts. When did the gentleman say that?

Mr. O'CONNOR. I will not change a word in my speech. I said that these mills in New England imported labor to the detriment—

Mr. MARTIN of Massachusetts. In what way?

Mr. O'CONNOR. They imported them; and they were prosecuted for violation of the contract-labor laws.

Mr. MARTIN of Massachusetts. Mr. Chairman, I believe there is a studied effort on the part of officials of this administration to discredit New England. Certainly they plainly tell us where we stand. I am going to recite three different instances, all presenting evidence which tells us in the language of the boy on the street where we are probably going to "get off." The other day a distinguished member of the President's Cabinet, Mr. Wallace, went up to Maine and delivered an address that will always be remembered by everyone who lives in New England. The gentleman from North Carolina [Mr. WARREN] shortly afterward rose here with a carefully prepared address, and he continued along the same line as Mr. Wallace. I am told, and I say this from hearsay, though I think on fairly good authority, that the President of the United States thought so well of Mr. WARREN's speech, mainly an attack on New England, that he sent a letter which conveyed his congratulations. Now comes the gentleman from New York. He rises here and delivers an address which unquestionably was prepared, and it is along the same line.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes. I do not want to do anybody an injustice.

Mr. O'CONNOR. There was nothing in my speech that was not prepared between last night and this morning after I got a copy of the speech of the gentleman from New York [Mr. SNELL], except for some figures furnished to me by some of the departments. Every word in the speech was my own, except those figures.

Mr. MARTIN of Massachusetts. It is unfortunate that the gentleman's remarks seem to be of the same tenor of the others, and also, if I recall, he went out of his way to praise the speech of the gentleman from North Carolina [Mr. WARREN].

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. No; I will not.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Not now. Why should not New England come here and express what is for her own welfare? Why should not we from New England protest against the processing tax which is a 50-percent tax on one industry? We know the industry cannot live weighted down with this unfair tax, and we would fail in our obligations to our own constituents if we did not rise and fight to give them a chance to live.

Mr. ARNOLD rose.

Mr. MARTIN of Massachusetts. The gentleman will pardon me, but I cannot yield. In the other speeches made this afternoon no one yielded, and I think I have been more liberal than anyone else.

Mr. ARNOLD. I am sure the gentleman has not yielded to me.

Mr. MARTIN of Massachusetts. I yield to the gentleman from Illinois.

Mr. ARNOLD. Does the gentleman believe that New England should be the chief beneficiary of the tariff and then object to giving a corresponding benefit by the processing tax to the agricultural sections of the country? Does the gentleman demand special favor for New England?

Mr. MARTIN of Massachusetts. We of New England do not ask special favors from anyone. We are willing to stand on our own feet and compete with the rest of the country. We say you should not single out any one industry, and when I talk about the textile industry I am talking about the South as well as the North. We say that you should not impose a burden on one industry it cannot stand and, generally, I believe is unconstitutional. If it ever goes to the high court, I believe you will find you cannot assess one industry for the benefit of another group. No; we do not want any advantage, but we have the right to say this great American market should be protected. We have a right to demand industries paying an American wage shall have an opportunity to live. This administration is preventing the American worker from living when it permits all these Japanese imports to pour in here. These imports take jobs away from the American people. I am for protecting the industries in New England, and I want also to protect the industries of Pennsylvania, the Carolinas, the sugar men of the West, and all others. I would give protection to all American industries wherever located. We of New England have a right to ask that any system of Government regulation of business should so regulate it that all sections of the country are on a parity. What is wrong about that? Why should not a man in New England who is competing for the home market expect an opportunity on an equal footing with competitors in the South? Is there anything wrong about that? Only yesterday a gentleman from Illinois came to see me and he told the same story of the New England business man, that he could not compete with the lower wage scales in the South.

Let me give you a few figures:

The Government study, made in August 1934, shows the average loom fixer in the North, for a full 40-hour week, earns \$25.92, while in the South the average pay is \$20.28. Female weavers in the North, according to the Government report, average \$17.40 for a full 40-hour week, while the southern women weavers average \$15.28.

Male weavers in the North average \$17.68, and in the South \$16.04. Picker tenders in the North average \$16.28 as compared to \$12.52 for the same workers in the southern mills. Slubber tenders in the North get \$19.52 per week, while in the South the average wage is \$14.96. Speeder tenders in the North receive \$16.08 for female operators as compared with \$14.12 in the South. Male speeder tenders in the northern mills average \$18.16, while in the South they get \$14.72.

Women spinners in the northern mills average \$15.12, against \$12.84 in the South. Warper tenders in the North get \$15.96, while in the South the average wage is \$13.32. Doffers in the North average \$17.28 per week, while in the South they earn \$13.96. Oilers average \$14.48 in the northern mills and \$12.60 in the southern plants.

Truckers, watchmen, and laborers averaged from 25 to 30 percent more in the northern mills than in the South.

In brief, it is estimated the difference in wages paid in the North amounts to \$40,000,000 more annually than corresponding wages in the southern mills. This is \$40,000,000 which southern manufacturers take out of the pay of their employees with which it is possible to shade prices below the price at which the northern competitor can sell. In the spirit of fair competition this situation should not be permitted to exist with the sanction of those who form the codes. This is an unfair advantage. Someone says it has been so in the past. That is true; but we have entered a new era. We have entered an era where the Government is regulating business, and when the Government regulates business it should not discriminate against any section of the country. All sections should stand on a parity.

Mr. CONNERY. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CONNERY. The gentleman from Illinois [Mr. ARNOLD] asked if we wanted special favors in New England. Under the tariff both the southern mills and the northern mills got the same rate of duty, did they not?

Mr. MARTIN of Massachusetts. Yes.

Mr. CONNERY. But during that time, until we had the N. R. A., we had a 48-hour law in Massachusetts and higher wages, and we were competing with them unequally, and now all we are asking is a square deal.

Mr. MARTIN of Massachusetts. Yes.

Mr. DINGELL. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. DINGELL. Is it not true that these advantages, so far as the South is concerned, were even greater prior to the N. R. A. than they are now?

Mr. MARTIN of Massachusetts. I would not hesitate to say I believe that is true, but that is not the question. The question is that now, for the first time, the Government is regulating business. It is regulating hours; it is regulating wages. When the Government attempts to supervise industry certainly it is just and fair that we should all be on an equality. I say to you, whether you are Democrats or Republicans, whether you come from the North or the South, ultimately water reaches its level. Either the southern wage scales must go up or the northern wage scales will go down. That is inevitable. I, for one, want to see the scales of the workingman, whether he be from the North or the South, raised, because I believe that higher wages will mean increased purchasing power and greater benefits to all the American people. It contributes to a better civilization.

Mr. McFARLANE. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. McFARLANE. Would the gentleman have us enact or write a different code for his section and a different code for the South?

Mr. MARTIN of Massachusetts. If the gentleman had listened carefully to what I said, he would not make that inquiry. I said I wanted all to be on a parity; the same code in New England, the same code requirements in Alabama.

Mr. McFARLANE. Well, are we not on a parity now?

Mr. MARTIN of Massachusetts. No. We have a code, but there are differentials in the code. That is what I am protesting against.

Mr. RABAUT. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. RABAUT. The gentleman knows that the N. R. A. has brought about some good.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. MARTIN] has expired.

Mr. POWERS. Mr. Chairman, I yield the gentleman from Massachusetts 2 additional minutes.

Mr. RABAUT. For instance, in the cotton-stocking industry, they were getting a salary of something like \$5. On the minimum wage it brought the cost of stockings to twice their former price. Certainly that increase in money went to labor.

Mr. MARTIN of Massachusetts. The gentleman does not regret that, does he?

Mr. RABAUT. No. I am for it.

Mr. MARTIN of Massachusetts. Would the gentleman not go a step farther and go higher?

Mr. RABAUT. Yes.

Mr. MARTIN of Massachusetts. That is all I want the gentleman to do. Now, we in New England might well question the insidious move to create support for the A. A. A. legislation with several thousands of farmers trekking to Washington, farmers who are supposed to be in distress and need help from the Government; spending money on a trip to urge legislation that they seek. I do not believe that is fair to the American people who pay the bill. These farmers should keep the money and spend it for their own welfare and the welfare of their families at home, rather than pay railroad fare and food bills away.

Mr. ARNOLD. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. ARNOLD. I am wondering if I understood the gentleman correctly. The gentleman said it was not fair for the American farmer to come down here to look after his own interest.

Mr. MARTIN of Massachusetts. No, I did not. He has a right to come here, but I do not think anyone who is receiving relief money from the Government should spend that money to come to Washington to influence legislation. I would not approve a man on F. E. R. A. paying his carfare and the price of a Pullman ticket to come to Washington, when that money was given by the Government for him and his family to live.

Mr. ARNOLD. Does not the gentleman think that the American farmer is entitled to a corresponding tariff, through the processing tax, to that of the manufacturing industries of this country?

Mr. MARTIN of Massachusetts. I want to help the American farmer. I have said, with regard to the processing tax, I did not desire to take any relief from the farmer. I am willing he should have relief. I was willing to let the President of the United States take it, through the power he has, out of the relief fund. I have said that on the floor of the House. I believe he could remedy an injustice if he did so.

Mr. ARNOLD. I understood the gentleman was opposing the processing tax and trying to have it repealed.

Mr. MARTIN of Massachusetts. I am opposed to the processing tax as it now stands and with the burden falling as it does on a staggering industry.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. MARTIN] has again expired.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from California, a member of the committee, Mr. DOCKWEILER.

Mr. DOCKWEILER. Mr. Chairman, I shall avoid speaking upon any controversial question. I shall confine my remarks entirely to a phase of the bill that we are considering, the subject matter of our Congressional Library.

Every Member of Congress, while he is privileged to be here by virtue of the votes of his constituency, has many other privileges that he does not perhaps fully appreciate. One of those privileges is that he has at his command at all times, the conveniences and facilities of one of the great libraries of the world.

In 1800 the first law was passed by Congress appropriating the rather modest sum of \$5,000 to commence the Congressional Library. In subsequent years that appropriation was increased. The first bill entitled that library, "The Library of the Clerk of the House." Two years thereafter it was entitled "The Congressional Library." We all know that since that time, during the last 135 years, the Congressional Library has grown to be something that we Americans are quite justly proud of.

It might be well for us to know what our Congressional Library does. Oftentimes, like myself, Members neglect to read the testimony of what our agents who are conducting the business of our legislative establishment are doing, and we take an appropriation bill more or less for granted. This year we are appropriating \$115,000 for the purchase of new books, new periodicals, and new manuscripts for the Con-

gressional Library. Thirty thousand dollars of this sum, of course, is spent for continuations of periodicals that were previously subscribed for and, consequently, in the full sense of the word these are not new purchases, but the balance of this sum is taken by the Librarian and devoted, as best he can, to the purchase from time to time of private libraries that are thrown upon the market.

The one division of the Congressional Library in which I am more particularly interested than any other is the law division. It was only a few years ago that the Congress directed any attention to purchasing books for the law division. We find law books here in connection with our legislative establishment; the Supreme Court has a little law library between the Senate and the House; we have off the House Chamber a little library where law books are to be found, but the major portion of our law library is in a certain wing over in the Congressional Library. It took the appearance and the testimony of several Supreme Court justices who appeared several years ago before the committee to direct attention to this need. At that time the first appropriation was made—\$50,000. The appropriation has been continued up to the present time and is continued in the pending bill.

Because of the reputation of the Congressional Library, and the fact that the American people, particularly the American school children, know its worth and view it as a great institution, people have left as gifts to the Congressional Library their very fine collections. On page 148 of the committee hearing is a snatch of testimony I should like to read. Dr. Putnam there states:

Of course, the most notable gift in recent years was the bequest of Mrs. John Boyd Thatcher, which included nearly a thousand fifteenth-century books, autographs, and some other material. The appraisal of that for purposes of inventory reached between three and four hundred thousand dollars. I suppose that is the most important single gift of material, but we are receiving numerous gifts in the course of each year.

From the past record and the history of the Congressional Library it is quite likely that as the years go on and as our civilization becomes more entrenched and our Republic becomes more intensified in its cultural activities, the Congressional Library will loom up as the great central depository of all sorts of the best manuscripts, books, and works in America.

Our Congressional Library undertakes some very odd functions that we might not think of. One of those functions is the purchase of books for the adult blind. There are two types of books used by the adult blind. Two-thirds of the books are printed in the Braille system, which we all understand to be a method of embossed printing of dots, which are read by the touch of the fingers; but there is another kind of book being collected by the Library for the use of the blind, called "talking books." These are becoming more popular than the Braille. A talking book consists essentially of a phonograph record of a substantial novel or a work of good quality. A master record is made, of which duplicates are sent throughout the United States and deposited in 22 libraries in the most populous centers, so blind people may fill their recreational moments by hearing these records of current books of good quality. The machine used by the blind person to transcribe this book record costs approximately \$42 and is a combination phonograph and radio. Because of the work of the Congressional Library on this single phase of helping the blind, small charitable societies have been formed in many parts of the country through which money has been raised to purchase these machines for use in institutions for the blind. If you want to do a good work in this country, one that is unusual and not often heard of, I would suggest that in your communities you develop charitable societies along the lines indicated for the purchase of some of these transcribing machines for the use of the blind. The value of this system lies in the fact that more than one person at a time can enjoy the recitation of a good novel or a good scientific work. Many people sitting within range of the sound of the transcribing machine can enjoy the latest fine works of literature.

The Congressional Library, among its other activities, includes what is called a "legislative reference service." The legislatures of most of the States of the country meet every 2 years. At the conclusion of these sessions many laws have been passed, distinct laws in each State. The legislative reference service of the Library of Congress collects the laws passed in the 48 States of the Union and publishes them according to certain headnotes and indexes so that we Members of Congress, or the members of the public entitled thereto and interested in the subject, can write to the Congressional Library and secure or borrow that volume. Under one headnote or title is to be found every piece of legislation touching the subject that has been passed by any one of the 48 legislatures of this Republic.

Another very important service rendered by the Congressional Library is in connection with the Union Catalog. Testimony touching this subject matter appears at page 143 of the committee hearings. Several years ago John D. Rockefeller, Jr., gave the Congressional Library \$50,000 per year for 5 years in order that this fine work could be commenced.

What is this Union Catalog? You may live in North Dakota and in your reading you might discover some very fine work referred to that you cannot procure in your own library. In fact, you do not know just where it does exist. You write the Congressional Library. You will be informed that the certain work may be found in the library, say, in Cincinnati, or it might be found in a library in San Francisco, or in the regular library at the University of California. This is called the "Union Catalog." It has today as many as 8,000,000 titles and has indexed 14,000,000 locations. The clearing house for this information is here in Washington at the Congressional Library. You cannot get the same information by writing to a library that is cooperating in the making of this Union Catalog. They cannot furnish you the information. They contribute their list of titles to the main office or clearing house, the Congressional Library, hence you must write the Congressional Library, and you will find where the book may be located and procured if you are interested in so doing.

This is a service primarily to the legislative establishment. The history of legislation shows that the Congressional Library is our institution primarily. It is there for the service of Congressman and Senators. Then the law part may be used by the Supreme Court, and the other establishments of the Government are entitled to use it, the public coming in fourth. Of course, there is no discrimination, because at all times a single book is not always wanted, so the public can be served as well as the legislative establishment. But it is there primarily for us to use.

Mr. McFARLANE. Will the gentleman yield?

Mr. DOCKWEILER. I yield to the gentleman from Texas.

Mr. McFARLANE. I have listened to the splendid address of the gentleman, and I would like to know if the gentleman has given thought to the advisability of furnishing, say, 50 or more sets of United States Code Annotated Statutes to the Library as a circulating medium, whereby we, as legislators, can find the law and have it available as and when we want it in our office? We are legislating here without having the law before us. Does not the gentleman believe this would be advisable?

Mr. DOCKWEILER. I received a communication from a Member on that subject, and while it might be advisable, it would be quite expensive at this time, in view of the comparatively small amount we give our Librarian to purchase books. I may say that I think it would be a very nice thing to have, but it is expensive.

Mr. McFARLANE. We are daily passing on legislation of the most technical sort; yet we do not have available to us the law or the annotated statutes themselves as and when we want them for our convenience in looking carefully into the law as it exists and in determining what it ought to be. There would be little expense involved as these volumes are available for about \$1 each. I think it would be a great help to us if we had available the annotated statutes so that we could go carefully into these matters daily, which is our duty.

Mr. DOCKWEILER. Of course, the gentleman understands he may call up a clerk in the office of the Congressional Library and a page will bring the book over to him immediately.

Mr. McFARLANE. I may say to the gentleman that I have tried that, but the volumes have not been available. They have a very limited supply over there. I have had it frequently happen that someone else has the book.

Mr. HARLAN. Will the gentleman yield?

Mr. DOCKWEILER. I yield to the gentleman from Ohio.

Mr. HARLAN. The gentleman from Texas mentioned the annotated statutes and the letter I got concerned Rose's notes. To what does the gentleman refer?

Mr. McFARLANE. Both. I have in mind now the annotated statutes. The gentleman from West Virginia [Mr. RAMSAY], as I understand it, has a bill pending before the Library Committee at this time covering Rose's notes as well as the statutes.

Mr. HARLAN. There is a set of those over in the library of the old House Office Building.

Mr. McFARLANE. There is only one set over there and they are not available to the different Members who may be studying at night, or at other times when the library is not open or available to us.

Mr. DOCKWEILER. I am glad the gentleman from Texas brought up the particular item because it emphasizes again the fact that every Member of Congress must always remember that the Library is for his service and not for the public. It is primarily for the service of the legislative establishment and was created by law to serve the legislators in the preparation of the law of the land. If you find that somebody else is using the books who has not the primary right, then you may demand that those books be made available in your office in helping you to prepare the law of the land.

Mr. KENNEY. Will the gentleman yield?

Mr. DOCKWEILER. I yield to the gentleman from New Jersey.

Mr. KENNEY. We have a new archives building now and presumably there will be a research bureau there. I was wondering if the gentleman has considered whether the services of the Library of Congress will be lessened or the Archives Building will be something in addition to the service rendered by the Congressional Library?

Mr. DOCKWEILER. We had very little testimony touching that subject, particularly as to whether or not the original Constitution and Declaration of Independence should be transferred. There was a little more discussion on the subject of what would be the duty of the Archivist, but I think it will be supplemental to the Congressional Library, because primarily the Congressional Library is our agency; whereas we intend that the Archivist and his functions will be in the nature of a national public agency. I again repeat that, under the law, the Congressional Library has the right to expect to receive trust funds for the purchase of certain types of books and under that trust fund, now called the "Library of Congress trust fund", there has accumulated by trust gifts from time to time a total amount of about \$700,000.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. DOCKWEILER. Of course, many of these gifts in trust are for special purposes, but I mention this item so that the country may know that there is this legally constituted trust fund to which they can leave their moneys if they so desire for the furthering of the cultural purpose of having some of the great manuscripts and fine books accumulated here in Washington.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. DOCKWEILER. I yield.

Mr. HARLAN. I would like to know if the gentleman has considered the advisability of using the fund that Justice Holmes left the United States, so that, instead of having it simply melt away in the General Treasury, we might use the fund to establish such a library over there, dedicated to Justice Holmes, as he would very greatly appreciate himself,

if living, in respect of legal research or something of that kind?

Mr. DOCKWEILER. I may say to the gentleman from Ohio there was incidental discussion of that matter and I have seen the form of a bill that has been prepared by one of our colleagues which will direct that this particular sum of money be devoted to a special use, say, in law library work in the law library of Congress. Either such a bill has been introduced or I have seen it in preparation. [Applause.]

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, it is pretty hard at this juncture to state who are the forgotten men, whether they are the unemployed, amounting to 11,500,000, or whether they are the 125,000,000 consumers, or whether they are the men and women hitherto engaged in the textile industry who have lost their jobs and have been put out on the streets to join the army of the unemployed.

If I were to suggest an answer I would say that the forgotten men are those who are unemployed through the direct action of the new-deal policies such as the textile workers and those engaged formerly in the cotton industry. I rose today to speak because the Philippine people, according to the press, have decided to adopt the commonwealth plan of autonomy for 10 years by an overwhelming vote before assuming complete independence.

It may interest some of you southerners to know that the Philippines have been our greatest single export market for cotton goods—by far our single, largest market, and that 2 years ago we did 75 percent of all the importation of cotton goods into the Philippines and that after 2 years of this new deal international socialism and international free trade and long-distance visionary methods of the State Department, Japan is doing 75 percent and we are doing less than 25 percent, a complete reversal of textile trade with the Philippines.

Now, the Philippines are not a foreign country. The Philippines are still under the control of the United States. We buy \$85,000,000 worth of goods from the Philippines. We buy about 90 percent of all they produce, and we only sell them about \$18,000,000 worth of goods as compared with the \$85,000,000 we buy from them.

The Filipinos are intelligent. They naturally want to preserve this trade. They want the good will of the United States and of the American people, and they have considered themselves up to now as part of the United States. So the Philippine Congress offered to protect the American textile trade and cotton-goods imports into the Philippines by protective duties so that we would hold this market which we have had for many years, and what happened? Inconceivable as it may sound, they made the offer to protect our own industry, the second largest industry in the United States, employing 450,000 American wage earners, and the State Department, through the Secretary of State, turned thumbs down on the offer of the Philippine Congress to protect our own industry and our own textile export trade with the Philippines. I do not know that you can use strong enough language. It comes nearer being a treasonable act to American wage earners and to American industry than anything I have known of in the 15 years I have been in Congress, and I defy anybody to show a single act of any administration that compares with it in any way at all—but this is the situation and those are the facts.

As I came into the House this morning the gentleman from Florida [Mr. GREEN] got up and congratulated the farmers for coming up to Washington to seek certain extensions of benefits received from the Government. I wonder if he represented the tomato farmers of Florida. I wonder if he represented the early spring vegetable producers of Florida who are up in arms at the competition with Cuba. What he referred to, very largely, I assume, is the fact that a lot of cotton farmers and cotton producers have come up to Washington in order to continue the 12-cent cotton benefits.

Now, let me tell you this. Lenin, who was the leader of the Russian Communists, and a trained observer of human

frailties, said that the capitalists will commit suicide for a temporary profit, and this is exactly what the farmers are doing. The cotton farmers of the Southland are willing to commit suicide for temporary profit. As long as they can get 12-cent cotton they do not care about the future. They do not care about the loss of the cotton-export markets of the world, the real wealth of the South, and they do not care whether the South is ruined or not in the future provided the temporary benefits continue at the expense of the consumers and the taxpayers.

It is unmistakable; it spells ruin to the entire South. The reduction of 25 percent in cotton production obviously increases unemployment and adds thousands to the relief rolls in the South—those that pick cotton or are engaged in ginning, compressing, transporting, or shipping cotton.

Cotton was king. Up to now cotton has always been king in the South to such an extent that the South did not ever believe that there could be any war between the North and the South because other nations would intervene on account of their necessity for cotton. They thought they controlled the world. Today, what do you see? You see you have lost 50 percent of the world cotton markets under the new deal, under these visionary theorists, international socialists, and free-trade crystal-gazers.

What are they doing? The Southland is following these impracticable pied pipers—the Wallaces, the Tugwells, and Ezekiels—in a dance of death, to its financial and economic destruction.

Of course, you people from the South do not dare to say a word. You are afraid of the cotton farmers; you are afraid because they are making a temporary profit; you are afraid to tell them the truth, to tell them that they are facing ruin within 20 months.

The South is a good part of the United States, and when you destroy its welfare you affect the entire country.

Nothing can stop it unless you Jeffersonian Democrats get on your feet and tell some of these visionary theorists, these international socialists, that you have had enough of this new-deal dance of death. It is time that the South spoke for itself, and it ought not to be necessary for me, a northerner, to get on the floor and tell the people of the South what they are facing and what is going to happen.

Why, as you continue subsidizing 12-cent cotton we have lost 50 percent of the world cotton markets while foreign countries, such as Brazil, India, Egypt, China, and Soviet Russia, have produced 3,000,000 more bales and taken the market away from us in the past 2 years, and you are going to lose the entire world market for cotton within the next 2 years.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Illinois.

Mr. ARNOLD. Can the gentleman tell us how much this country has lost in foreign trade by reason of the retaliatory tariff walls which were caused by the high-tariff policy in this country?

Mr. FISH. The gentleman knows that I am not going to discuss the tariff situation with him today. I began by discussing the tariff situation in the Philippine Islands, and I told the gentleman and the rest of the Members of Congress that we lost the Philippine market because the State Department refused to permit the Filipinos to give us protection when they offered it.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield? I want to challenge that statement the gentleman has made.

Mr. FISH. I cannot yield any further.

Mr. McFARLANE. Will the gentleman yield for a question? I want to correct your statement.

The CHAIRMAN. The gentleman declines to yield.

Mr. FISH. The gentleman from Texas seems to dispute my statement about the loss of Philippine textile trade. Here are the figures: In March 1932 the United States sold 5,677 packages of cotton textiles to the Philippine Islands and Japan 1,027. In March 1933 we sold 12,499 packages and Japan 1,225. In March 1934 the United States sold only 1,880 packages, whereas Japan sold 5,800, and in March of

this year the United States sold in cotton textile packages to the Philippines 1,340 as against Japan's 8,000. It is more than 75 percent. It is a vanishing market, and it will vanish completely in the near future.

The entire trade will vanish within 6 months unless the Philippine Congress, which meets in July, gives us the duties they offered to give us and which were refused by the State Department. Unless they give us those duties in July we will not have any textile business left with the Philippine Islands. There is no answer to that. Those are the facts, undeniable, unpleasant, and very obstinate. I rose to present them today, because the Filipinos have adopted a new form of government. They are still ready to act in July, but they will not act, of course, if our Government puts thumbs down and turns over this trade to the Japanese labor at 20 cents a day as compared with our free labor. That is what has happened. Our labor in the textile industry has been sacrificed on the altar of free trade and the visionary long-distance policies of the Secretary of State. There is no more estimable gentleman in the world than Mr. Cordell Hull, but he is a free trader and an internationalist. His long-distance visionary free-trade policy will go into effect in 5 years, when all the textile mills, North and South, are shut down and Japanese labor has taken over our markets. That is what we are facing, and it is no wonder that the gentleman from Massachusetts and some gentlemen from North Carolina and other States are worried. That is the issue before the Congress at the present time. Are we going to permit the State Department to say to the Philippines, you cannot protect American goods. Are we going to remain silent? Is it not time for you people who represent the textile industry, to say to the Philippines, we buy practically all of your goods and we are entitled to some protection for our own second largest industry? That is what it comes down to. Yet when anybody gets on the floor of this House on the minority side and stands up for the textile industry or says anything about the cotton industry there are always those who doubt the figures. Is there anybody on the Democratic side, is there anybody representing a cotton State who does not know that we have lost 50 percent of our export trade in cotton? Is there any one who does not know why we have lost it? If there is I would like to have that gentleman answer me.

Mr. McFARLANE. I will answer the gentleman. If we have lost any export trade in cotton, it is because of the Hoover tariff policy and the Republican Party policy generally of building up a tariff wall that forced us to lose the market. That is responsible for any loss of cotton market for us, and the gentleman knows it. Any losses suffered were because of the policy which his party has pursued.

Mr. FISH. And that is what the gentleman has to say, is it? That is his complete answer? It is very far from complete. We had the cotton market of the world 2 years ago, and we have had the cotton market of the world for many years, and have always had it under Republican administrations, but we are exporting less today than at any time since the Civil War. Yet here is a man from a cotton State that gives a ridiculous answer of that kind. That is not an answer. It is only a puerile attempt to answer a serious charge, to say that it was because of the Hoover administration or protective tariff some years ago. The cotton market has been lost in the last 2 years, and you will lose it all if you continue the unsound and unworkable new-deal policies. But that is the kind of an answer we get from a cotton man from a cotton State, which State will be more completely ruined than any other by the total loss of the cotton export trade.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. Does the gentleman think the cotton farmers are getting too much for their cotton at the present time?

Mr. FISH. I am not opposed to the farmers getting everything they can get out of this administration or any other, but I say this. When you put the cost of cotton so high that you lose the world market for our greatest surplus exportable crop, you are ruining the farmer eventually and

the entire South, because we cannot continue to pour out of the Treasury \$250,000,000 a year to these farmers to reduce the cotton crop. We have spent \$500,000,000 for reduction of the cotton crop and to buy 12-cent options. The gentleman knows this country has not enough money to continue any such policy, and for temporary profit we are losing the world market. The cotton bounty cannot be continued more than a year and by that time the world markets will be lost and difficult to regain.

Mr. BOILEAU. Would the gentleman advocate a reduction in the price of cotton temporarily?

Mr. FISH. What I advocate is that we should take over the surplus cotton and sell it for what we can get; not destroy the cotton or 25 percent of it or any amount of it; but sell it in the world's market and get what we can out of it and give it back to the farmers. We should try to preserve the world markets; not destroy them for our exportable surplus.

Mr. WOODRUFF. Will the gentleman yield?

Mr. FISH. I yield.

Mr. WOODRUFF. As a matter of fact, when we reduced our production of cotton in this country, with a view to reducing our sales abroad, did we not, by that very act, say to all cotton-producing countries of the world, "Here is our foreign market. Take it"?

Mr. FISH. Of course. The whole policy has been for the benefit of the foreign producer in order to get our markets and they have gotten our foreign markets. Our farmers have got a temporary benefit out of the Treasury of the United States and mortgaged their future or, worse, destroyed their own permanent interests.

The CHAIRMAN. The time of the gentleman from New York [Mr. FISH] has expired.

Mr. SIROVICH. Will the gentleman yield?

Mr. LUDLOW. I yield the gentleman from New York 1 additional minute, Mr. Chairman.

Mr. FISH. I yield to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. What I want to ask my distinguished colleague is this: 7 years ago and 9 years ago I heard this very same argument that the gentleman is making on the floor now, for the benefit of the cotton growers of our country. Two bills were passed, called the "McNary-Haugen bill", with the principle of debenture and equalization. I voted for those bills and they passed both the House and the Senate, but two Republican Presidents vetoed those bills.

Mr. FISH. I think the gentleman was right. I think we have got to go back to the McNary-Haugen bill or bounty plan for export, but certainly that is not what you have done. This administration has destroyed the world markets for our cotton and wheat exportable surplus.

Mr. SIROVICH. But a Republican President destroyed that by vetoing those bills.

Mr. FISH. That does not excuse the new-deal administration for losing the markets that we still had.

The CHAIRMAN. The time of the gentleman from New York [Mr. FISH] has again expired.

Mr. LUDLOW. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, I would like to state to the gentleman from New York, in view of the fact that he seems to favor an export debenture plan, that in a bill which the Committee on Agriculture will recommend to the House probably next week, known as "amendments to the Agricultural Adjustment Act", there is a provision which I recommend to the gentleman's earnest consideration.

Mr. FISH. I am for that kind of a provision.

Mr. BOILEAU. That will encourage exports by taking 30 percent of the money that we collect from tariff duties on other commodities and placing that in such a way as to benefit agriculture by encouraging exports of surplus agricultural commodities.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. LUDLOW. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. SNYDER], ranking member of the subcommittee.

Mr. SNYDER. Mr. Chairman, I shall use 10 minutes of my time now and reserve the remaining 20 minutes for the closing debate on this bill Thursday or Friday.

I took some time to check up in the RECORD last Sunday to see what portion of the time spent on the floor by Members in speaking was devoted to constructive addresses and what portion was devoted to fault-finding addresses, without offering any constructive policies. I find that the average is about 29 to 1. About every 29 minutes is devoted to fault finding, without any constructive policy, out of every 30 minutes.

We have listened to quite a bit of that in the last speech especially.

I do not intend to take up any time today to discuss the legislative appropriation committee bill, except on one feature, and that is the Botanic Gardens. I think I will talk about flowers, trees, and beautiful gardens for 10 minutes, in order to take the minds of those who are here away from millions and millions.

Someone well said:

The riches of a commonwealth
Are free strong mind and hearts of health;
They are more to her than gold or grain,
The cunning hand and cultured brain.

However, we cannot help but think of Shakespeare and his Shylock day after day when we are talking of money and millions, millions and money. Mr. Chairman, there is more to be thought of than millions at this particular time. I am thinking of the heritage we are going to hand down to our children and our children's children. I am thinking of those things which go to bring about environment that will be a rich heritage to those who follow us.

To me, the Nation's Capital, and this 126 acres that belongs to the Capital, should be the most beautiful spot in the world. I want to commend the Republican side for their foresight. It was a Republican administration that brought about the building of the Botanic Gardens, and now we want to cooperate with them and they with us in bringing about a situation that in the space of 10 or 15 years will make the United States Capital the most outstanding and most beautiful spot in the world.

I would like to ask how many of you have ever been in the Botanic Garden? I asked one Member who had been here for 2 years, and he said he had never been near the Botanic Garden. I asked the same Member if he had ever been in the Congressional Library. He said he had never been inside the Congressional Library.

The Botanic Gardens, recently completed, are rapidly taking on an interior as well as an exterior that is commendable and commensurate with the rest of the environments up and down Constitution Avenue and here on Capitol Hill. With the completion of the Mall, First Street, and Maryland Avenue we have access to the Botanic Garden from all sides.

I do not know if you are familiar with Poplar Point or know where it is, but it is a tract of 12 acres that was purchased some years ago under the Republican administration—a good buy, by the way. The purpose is to utilize this tract of land to raise enough trees and shrubbery to transplant on Government property instead of having to pay out thousands and thousands of dollars each year to bring trees and shrubbery in from the outside. This is rapidly taking shape, and we have to give the Architect of the Capitol, Mr. Lynn, and his force a great deal of credit. Our thanks, too, are due Mr. Bardsee, the botanist, for bringing about these improved floral displays.

Just recently on a Sunday afternoon 5,200 people visited the Botanic Garden to see the floral display of azaleas. Congressmen now are putting on their list of things to be seen by their constituents the Botanic Gardens. When your constituents come here and want to know what they can see in a short time, by all means include the Botanic Gardens as well as the Library of Congress.

What a desolate place Capitol Hill would be were all the trees and shrubbery to be taken away. It would be as bad as the Midwest section and north Texas that has recently been devastated by the dust storms. What a beautiful sight right now this May as one approaches the Capitol and through the beautiful trees sees the dome of the Capitol reaching heavenward. Nature here has given us a setting that Washington intended should be perpetuated on down through the years. The beauty can be preserved through the years and be made more beautiful each year, my friends, simply by taking care of what Nature has given us.

In closing I ask the cooperation and support of every Member of Congress to bring about conditions that will make the Botanic Garden and the Capitol Grounds the most beautiful setting of any capitol in the world.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield.

Mr. DUNN of Pennsylvania. The gentleman spoke of Congressmen who had not seen the Botanic Garden. I would like to say that I have been there four times since I have been a Member of the House. It is the most beautiful place I have seen in my 27 years of blindness.

I would like to ask the gentleman if he knows how I can get back my plants from the Botanic Garden? In other words, we used to be able to beautify our offices with plants and flowers. I was successful one year in obtaining some plants for my office, but this year I am unable to get them.

Mr. SNYDER. I will have to answer the gentleman by suggesting that he consult with the Architect of the Capitol, Mr. Lynn. I am sure Mr. Lynn can answer the gentleman.

Mr. DUNN of Pennsylvania. Can the gentleman tell me what I can do to persuade him to give me back my plants?

Mr. ZIONCHECK. Mr. Chairman, if the gentleman from Pennsylvania will yield, I think the Committee on the Library has charge of that. A resolution was passed 2 years ago preventing any Member of Congress from receiving any plants or shrubs from the Botanic Garden. The Appropriations Committee has no jurisdiction whatsoever over legislative matters.

Mr. DUNN of Pennsylvania. But I am trying to find out how I can get back my plants.

Mr. ZIONCHECK. The gentleman will have to consult the gentleman from Illinois [Mr. KELLER], Chairman of the Library Committee.

Mr. DUNN of Pennsylvania. Then, I will see the gentleman from Illinois. I thank the gentleman.

Mr. SNYDER. Mr. Chairman, I yield back the balance of my time.

Mr. POWERS. Mr. Chairman, I yield 1 hour to the gentleman from Massachusetts [Mr. TINKHAM].

Mr. TINKHAM. Mr. Chairman, I ask unanimous consent to extend and amend my remarks, and also to add at the end of my remarks a letter to the State Department written by Matthew Woll, vice president of the American Federation of Labor, and also vice president of the Civic League.

The CHAIRMAN (Mr. WEST). Is there objection to the request of the gentleman from Massachusetts?

Mr. ZIONCHECK. Mr. Chairman, I am constrained to object to the insertion of a letter from Matthew Woll to the Secretary of the Treasury, the Secretary of State, or any other secretary.

Mr. TINKHAM. Mr. Chairman, on November 16, 1933, the United States of America recognized the Union of Soviet Socialist Republics. This recognition was a conditional recognition based upon several specific and exact pledges made in writing on behalf of the Union of Soviet Socialist Republics by its People's Commissar for Foreign Affairs, Maxim Litvinoff. These pledges were accepted complacently at face value by the international socialists now in control of the Government of the United States. All of these pledges have been wholly repudiated.

The pledges purported to protect the United States from further communistic activities, and to guarantee against a

continuance of the Communist organized effort to overthrow the Government of the United States and to substitute for the American form of government, a representative democracy with guaranties of the rights to property, the Soviet form of government known as the "dictatorship of the proletariat."

The repudiation of these pledges not only threatens the public safety of the United States, but is subversive of her social, economic, and political institutions, and destructive of her very existence.

Because of the repudiation of the pledges made on behalf of the Union of Soviet Socialist Republics, on January 3, 1935, I introduced a resolution in the House of Representatives proposing that the Congress recommend the severance of diplomatic relations with Soviet Russia. I then officially requested the Chairman of the Committee on Foreign Affairs to set a date for a hearing on the resolution. At the end of several weeks a hearing was set for Tuesday, March 26. Competent witnesses came to Washington from various parts of the country to support my proposal with much indisputable documentary evidence. On the very morning of the date set for the hearing, after the witnesses were assembled at the Capitol prepared to present their evidence to the committee, the committee refused to hold the hearing or to accept the evidence unless I should agree not to refer on the floor of the House to any evidence that might be presented to the committee, even such evidence as was already in my possession.

The committee was plainly hostile to the resolution and obviously opposed to its favorable consideration. I therefore declined to subscribe to the apparent intention of the committee to suppress all evidence of the repudiation of the pledges upon which United States recognition was conditioned, to put it under seal, and to refuse to let the American people know the truth. The resolution was in the public interest. It involved the public safety of the United States. The people of the United States were entitled to know the facts.

Among the pledges given on November 16, 1933, by Maxim Litvinoff on behalf of the Union of Soviet Socialist Republics to obtain United States recognition were the following:

To refrain and to restrain all persons in Government service and all organizations of the Government or under its direct or indirect control, including organizations in receipt of any financial assistance from it, from any act overt or covert liable in any way whatsoever to injure the tranquillity, prosperity, order, or security of the whole or any part of the United States, its territories, or possessions, and, in particular, from any act tending to incite or encourage armed intervention, or any agitation or propaganda having as an aim the violation of the territorial integrity of the United States, its territories, or possessions, or the bringing about by force of a change in the political or social order of the whole or any part of the United States, its territories, or possessions.

And—

Not to permit the formation or residence on its territory of any organization or group—and to prevent the activity on its territory of any organization or group of or representatives or officials of any organization or group—which has as an aim the overthrow or the preparation for the overthrow of, or the bringing about by force of a change in, the political or social order of the whole or any part of the United States, its territories, or possessions.

Actual and indisputable evidence of the repudiation of these pledges was first laid before the State Department by Mr. Matthew Woll, acting president of the National Civic Federation and vice president of the American Federation of Labor, in a letter dated February 7, 1934, supplemented by a written memorandum accompanied by supporting documents. Further evidence of the repudiation of the Litvinoff pledges was submitted to the House Committee Investigating Un-American Activities at its hearing in New York on July 12, 1934, and at its hearing in Washington on December 17, 1934. The committee received and now has in its possession original and undisputed documents which show beyond reasonable doubt that there is in this country an organized movement seeking to prepare itself to seize and to destroy this Government by the use of force and to substitute for it the Soviet form of government known as the "dictatorship of the proletariat"; and that this movement is directed

and controlled by the Communist International, a political organization which has been, and still is, located in Moscow within the territory of the Union of Soviet Socialist Republics and controlled by the Soviet Union.

In a report which the Committee Investigating Un-American Activities made to the House of Representatives on February 15, 1935, there appears the following:

In December 1934 it (the House Committee Investigating Un-American Activities) held a series of public hearings at Washington, D. C., at which representatives from various organizations and agencies that have recently been investigating communism presented statements of their findings accompanied by one or more recommendations.

The Communist Party of the United States is not a national political party concerned primarily and legitimately with conditions in this country. Neither does it operate on American principles for the maintenance and improvement of the form of government established by the organic law of the land.

The nature and extent of organized Communist activity in the United States have been established by testimony and the objectives of such activities clearly defined. Both from documentary evidence submitted to the committee and from the frank admission of Communist leaders (cf. Browder and Ford, New York hearing, July 12, 1934) these objectives include:

1. The overthrow by force and violence of the republican form of government guaranteed by article IV, section 4, of the Federal Constitution.

2. The substitution of a Soviet form of government, based on class domination to be achieved by abolition of elected representatives, both to the legislative and executive branches, as provided by article I, by the several sections of article II of the same Constitution, and by the fourteenth amendment.

3. The confiscation of private property by governmental decree, without the due process of law and compensation guaranteed by the fifth amendment.

4. Restriction of the rights of religious freedom, of speech, and of the press as guaranteed by the first amendment.

These specific purposes by Communist admission are to be achieved not by peaceful exercise of the ballot under constitutional right, but by revolutionary upheavals, by fomenting class hatred, by incitement to class warfare, and by other illegal, as well as by legal, methods. The tactics and specific stages to be followed for the accomplishment of this end are set forth in circumstantial detail in the official program of the American Communist Party adopted at the convention held at Cleveland on April 2 to 8, 1934.

The "manifesto" and the "resolutions" incite to civil war by requiring one class "to take power" by direct revolutionary process and then assume dictatorship over the country in the manner followed by the Communists in the Union of Soviet Socialist Republics, which is frequently mentioned as a guiding example.

In pursuance of the revolutionary way to power, the program instructs members of the party to obtain a foothold in the Army and Navy and develop "revolutionary mass organizations in the decisive war industries and in the harbors." The trade unions should be undermined and utilized as recruiting grounds for revolutionary workers. How faithfully these particular injunctions have been executed was demonstrated by Navy officers appearing before the committee and by officials of the American Federation of Labor.

The American Communist Party is affiliated with the Third International, which was created by officials of the Soviet Government and is still housed in Moscow with governmental approval and cooperation. This affiliation is not one of general sympathy or broad uniformity of purpose and program; it is of a definitely organic character involving specific jurisdiction on the part of the governing body over the Communist Party of the United States.

The executive secretary of the Communist Party of the United States testified to this committee that his party was "a section of the Communist International"; that it participates in all the gatherings which decide the policies of the Communist International and sends delegates to the various conferences in Moscow. This admission is confirmed by the records available.

Let us examine some of the documentary evidence which the Committee on Foreign Affairs of this House refused to hear on March 26 last in support of the resolution proposing the severance of diplomatic relations with Soviet Russia. Let us see what are the damning facts concerning the repudiation of the pledges made to the United States Government on behalf of the Union of Soviet Socialist Republics to obtain United States recognition.

The Communist Party of the United States, with headquarters at 50 East Thirteenth Street, New York, N. Y., is the American section of the Communist International, a World Communist Party located at Moscow. This fact is plainly stated in the title of the Daily Worker, the party's official English language publication. The objects of the Communist International and the duties of its various sections are defined by the constitution and rules of that body. These will be found in a pamphlet entitled "Program of the

Communist International", which is published by the Workers Library Publishers at 50 East Thirteenth Street, New York City. On page 88 of this pamphlet we read:

As the leader and organizer of the world revolutionary movement of the proletariat * * * the Communist International * * * fights for the establishment of the world dictatorship of the proletariat, for the establishment of a world Union of Socialist Soviet Republics. * * *

The second paragraph of the International Constitution, on the same page of the same document, shows that the orthodox Communist Party in each country is known as a section of the Communist International. Its supreme governing authority is "the world congress of representatives of all parties (sections) and organizations affiliated to the Communist International." (See paragraph 8, page 90 of the constitution.) This congress, which meets periodically in Moscow, "discusses and decides the program, tactical and organizational questions connected with the activities of the Communist International and of its various sections." Between congresses an executive committee "gives instructions to all the sections of the Communist International and controls their activity." (See paragraph 12, page 91 of the constitution.) The extent of this control is made clear by paragraph 13 of the constitution, which declares:

The decisions of the E. C. C. I. (the executive committee of the Communist International) are obligatory for all the sections of the Communist International and must be promptly carried out. The sections have the right to appeal against decisions of the E. C. C. I. to the world congress, but must continue to carry out such decisions pending the decision of the world congress.

And by paragraph 16 of the constitution, which provides:

The programs of the various sections of the Communist International must be endorsed by the E. C. C. I. * * *

In order to keep the executive committee of the Communist International in close touch with the parties in the several countries, it is empowered by paragraph 22 of the constitution:

To send their representatives to the various sections of the Communist International * * * Representatives of the E. C. C. I. are especially obliged to supervise the carrying out of the decisions of the world congresses and of the executive committee of the Communist International.

It thus appears that an organization known as the Communist International, located at Moscow within the territory of the Russian Government and controlled by the Soviet Union, has as its object the overthrow of existing governments in all other countries, including our own; has as its agency in each country a section known as the Communist Party of the given country, and that such Communist Party is subject to the direction and control of the executive committee of the Communist International residing at Moscow.

It should scarcely need argument to convince any reasonable person that the Communist International is an organization or group or, at the very least, representatives or officials of an organization or group, within the meaning of the Litvinoff pledges. Nor should it be necessary to point out that if this organization continued to function after the Litvinoff pledges were given to the United States and if the Russian Government made no attempts to limit its activities, then those pledges were violated.

What are the facts?

In mid-December 1933, one month after the Litvinoff pledges were given to the United States Government, the executive committee of the Communist International openly met at Moscow, under the walls of the Kremlin, and adopted resolutions designed to instruct its various sections upon the means they must employ and the activities in which they must engage in order to prepare to overthrow by force the governments of their respective countries. These resolutions pointed out:

There is no way out of the general crisis of capitalism other than the one shown by the October revolution, via the overthrow of the exploiting classes by the proletariat, the confiscation of the banks, of the factories, the mines, transport, houses, the stocks of goods of the capitalists, the lands of the landlords, the church, and the crown.

These resolutions, known as the Thesis of the Thirteenth Plenum of the Executive Committee of the Communist Inter-

national, were published in English in the January 13, 1934, edition of the Daily Worker, the official organ of the Communist Party of the United States; and in the February issue of the Communist, an official monthly publication of the Communist Party of the United States. The October revolution referred to in this quotation is, of course, the Bolshevik revolution of 1917. It should be unnecessary to recall that this revolution was not a mere political overturn as the result of a general election or plebiscite, but rather was the result of a bloody civil war prosecuted by an organized and ruthless minority. These are facts of which we may take judicial notice. Here is an advocacy of the overturn of government by force, violence, and unlawful means.

The resolutions referred to closed with the following order:

The plenum of the E. C. C. I. (the executive committee of the Communist International) obliges all sections of the Communist International to be on their guard at every turn of events, and to exert every effort without losing a moment for the revolutionary preparation of the proletariat for the impending decisive battles for power. (See p. 144 of the February issue of the Communist.)

Here is a specific instruction from a Moscow organization to the sections of the Communist International, of which the Communist Party of the United States is one, that they must exert every effort to prepare the proletariat for the decisive battles for power. Here the American Communist Party receives an order from Moscow to work for the overthrow by force of the Government of the United States.

If there were any doubt as to what means are intended and for what preparations are to be made, they are removed by the statement in the Communist International, the English-language organ of the Communist International. On page 87 we read:

The general strike and armed uprising are the only road for the proletariat in its struggle to put an end to the domination of capital and conquer power and establish socialism.

Such instructions were, in fact, received in the United States from Russia subsequent to the Litvinoff pledges and were approved by the central committee of the Communist Party of the United States at a meeting held in New York City on January 16, 1934. That committee adopted a resolution at that meeting which opens with the following paragraph:

The eighteenth meeting of the central committee, C. P. U. S. A. (the Communist Party of the United States of America) fully accepts and endorses the analysis of the present world situation and the decisions of the Thirteenth Plenum of the Executive Committee of the Communist International. (See p. 178 of the February 1934 issue of The Communist.)

The Thesis of the Thirteenth Plenum adopted by the executive committee of the Communist International at its meeting in Moscow in mid-December 1933 in its opening session declares:

The tremendous strains of the internal class antagonisms in the capitalist countries, as well as of the international antagonisms, testify to the fact that the objective prerequisites for a revolutionary crisis have matured to such an extent that at the present time the world is closely approaching a new round of revolution and wars.

In reviewing the American situation, the resolution adopted by the central committee of the Communist Party of the United States at its meeting held in New York City on January 16, 1934, states:

Clearly, Roosevelt's program, with its Fascist and war objectives, is also leading to the sharpening of all class antagonisms throughout the country and is placing on the agenda, here also, the problem of the revolutionary way out of the crisis, the revolutionary seizure of power by the toiling masses, the proletarian revolution. The objective prerequisites for a revolutionary crisis are maturing. (See p. 179 of the February 1934 issue of the Communist.)

The militant program of the Thirteenth Plenum, thus approved by the central committee of the Communist Party of the United States, was later approved also by the Eighth National Convention of the Communist Party held at Cleveland, Ohio, April 2-8, 1934. This convention constitutes the supreme governing body of the Communist Party in this country. In one of the resolutions adopted to carry out the decisions of the executive committee of the Communist International we find the statement:

All members of the party must, in their day-to-day work in the fight for the demands of the workers, point out convincingly and insistently that only the destruction of the capitalist system, the establishment of the dictatorship of the proletariat, of the soviet power, can free the millions of toilers from the bondage and misery of the capitalist system. (See p. 453, May 1934 issue of the Communist.)

For the general instruction of those not familiar with communism, the party has prepared a booklet published by the Workers' Library Publishers, 50 East Thirteenth Street, New York City, entitled "Why Communism?", which has run through many editions. On page 44 of the March 1934 issue it is stated:

We Communists say that there is one way to abolish the capitalist state, and that is to smash it by force. To make communism possible the workers must take hold of the State machinery of capitalism and destroy it.

The most concise statement I have yet seen of the program planned by the Communist Party for the overthrow of our Government appears in the election program adopted by the party for the congressional and State elections last fall. I quote from page 23 of the election platform of the Communist Party of New York State, 1934. It says:

The revolutionary way out of the crisis begins with the fight for unemployment insurance, against wage cuts, for wage increases, for relief to the farmers—through demonstrations, strikes, general strikes leading up to the seizure of power, to the destruction of capitalism by a revolutionary workers' government.

This then is the road the Communist Party has chosen to follow. In doing so the head of its Agit Prop Bureau (agitation propaganda bureau) points out to new members that:

Lenin maintained, the only way in which we can make the situation for capitalism really hopeless is by defeating the efforts of the capitalist class to find a capitalist way out of the crisis—that is, by arousing the widest masses to organized resistance against the capitalist offensive, by developing in the daily struggles of the proletarian counteroffensive, and by convincing the masses of the need of a revolutionary way out of the crisis. (See p. 20 of the booklet entitled "The Communist Party in Action", by Alex Bittelman, published by the Workers' Library Publishers, 50 East Thirteenth Street, New York.)

Mr. Walter Lippmann, in the New York Herald Tribune of February 5, 1935, observes:

A free nation can tolerate much and ordinarily toleration is its best defense. It can tolerate feeble Communist parties and feeble Fascist parties as long as it is certain that they have no hope of success. But once they cease to be debating societies and become formidable organizations for action they present a challenge which it is suicidal to ignore. They use liberty to assemble force to destroy liberty. When that challenge is actually offered, when it really exists in the judgment of the sober and the well informed, it is a betrayal of liberty not to defend it with all the power that free men possess.

The question is, Are these plans and purposes of the Communist International and its American section, the Communist Party of the United States, merely the vaporings of a debating society?

Let us see what the Communist Party is actually doing in this country to carry out its objectives.

The evidence presented before the House Committee Investigating Un-American Activities has made it perfectly plain to any sober and intelligent student that the activities of these organizations have become much more real than mere debates, plans, or hopes. That evidence shows beyond reasonable doubt that active measures are being taken on many fields to recruit sufficient Communist strength to make the attempt to overturn our Government by force. These preparatory efforts may not yet have been sufficiently fruitful to present grave danger of such an overturn at once, but the facts do show that they constitute a constant threat in times such as these, and that with an aggravation of our present economic situation they would become a great peril to the maintenance of our Government. In fact, the evidence does show that they are at present a constant threat to the industrial peace of the country and already have provoked and have protracted some of the most violent and bloody industrial disturbances in this country during the past year.

In the resolutions of the thirteenth plenum, adopted 1 month after the giving of the pledges by Maxim Litvinoff,

the executive committee of the Communist International made these demands upon its various sections:

(a) That the content and language of agitation and the press must henceforth be addressed to the broadest strata of the proletariat and the toilers, showing the face of the Communist Parties in both agitation and in mass action (demonstrations, strikes, and other mass actions).

(b) Securing within the shortest time possible a decisive turn to the work in the factories, concentrating the forces of the party organization in the decisive enterprises and raising the political level of the leadership given by the factory nuclei to the daily class struggles.

(c) Putting an end to the opportunist, defeatist, neglect of trade-union work, and in particular work inside the reformist trade-unions.

(d) Really developing mass work among the unemployed.

(e) Intensifying revolutionary work in the rural districts.

(f) Increasing mass work among women.

(g) Putting an end to the narrowness of the Y. C. L. (the Youth Communist League).

(See pp. 141-142, February 1934 issue of the Communist.)

Since United States recognition of the Union of Soviet Socialist Republics the Communist Party of the United States has devoted itself intensively to carrying out these unequivocal orders of its superior at Moscow, and Communist activities in the United States have been greatly increased.

It has been indicated that the Communist Party relies primarily upon the general strike as an effective weapon for destroying our Government. Obviously, if this weapon is to be effective, that party must have control of large masses of individuals, particularly wage earners. It is using every means at its command to gain such control. On the industrial field the steps taken by it are threefold:

First. It is organizing the unorganized, unskilled, or semi-skilled workers into revolutionary industrial unions;

Second. It is organizing militant rank-and-file oppositions within the recognized unions of the American Federation of Labor; and

Third. It has created councils among the unemployed workers and those upon relief.

All of these activities are directed by an affiliated agency of the Communist Party, until recently known as the Trade Union Unity League, with headquarters at 80 East Eleventh Street, New York City, and now known as the Committee for the Unification of Trade Unions. Already a large number of such revolutionary industrial unions have been organized under Communist leadership, each with its own periodical publication, each with the object of using the strike for political purposes when the appropriate moment comes. A large number of rank-and-file organizations have already been created in unions of the American Federation of Labor which are guided by special publications, of which the A. F. of L. Rank and File Federationist is typical.

The part played by these various agencies in the great industrial disturbances of the past year is frankly admitted in official Communist publications. For example, the serious Auto-Lite strike in Toledo, Ohio, last April was Communist-led and the violence was traceable directly to the activities of the Communist groups there and affiliated unemployed councils. The part played by these bodies in that strike is frankly told in the July 1934 issue of *The Communist*. On page 640 of that issue it is stated:

Above all, the Toledo workers went through 10 days of intensive political training in which the class lines were sharply drawn.

What the Communists meant by political training is made clear, for the article proceeds:

While it is true that the fighting did not yet involve machine-gun shooting (although there were plenty in evidence) or heavier weapons, nevertheless the whole line-up of workers against the capitalist State, and the methods of struggle in a hitherto typical middle-sized industrial city is very symptomatic. The quick development from isolated strike struggles to bloody mass battles involving the bulk of the working population, shop workers, unemployed, Negro, women, and quickly spreading to the general strike preparations, such as we have seen in Toledo, is something new in the situation (p. 642).

Similar evidence is available showing the Communist leadership in the violence which characterized the strikes in San Francisco, Portland, Minneapolis, Centralia, Gastonia, Woonsocket, and elsewhere.

The progress made by the party in this particular field of effort may be measured by the fact that in these organizations the Communists have already recruited approximately 500,000 persons throughout the country. To give consideration to the Trade Union Unity League alone, a resolution of the Eighth Convention of the Communist Party of the United States, held April 2 to 8, 1934, referring to the last year, says:

The T. U. U. L. (the Trade Union Unity League) unions, which recruited some 100,000 new members, led strikes of some 200,000 workers. (See p. 463, May 1934 issue of the Communist.)

It thus appears that the Communist Party of the United States is not simply a debating society but has advanced materially in the direction of preparing itself to use violence as the means of seizing and destroying the powers of government.

It is a shocking commentary upon the somnolence of the American people that they have permitted the Government itself to become an accomplice of the Communist Party in building these revolutionary industrial unions. I refer to the interpretations of section 7 (a) of the National Industrial Recovery Act which have forced reluctant employers to recognize and to deal with representatives of revolutionary industrial unions and which have sanctioned the coercion of reluctant employees into membership in such unions. It is scarcely credible but it is a fact that the full powers of Federal Government have been used to encourage, to aid, and to abet the forging of instruments designed for its own destruction.

A typical example of this is the Government pressure brought to bear upon a large clothing dealer in New York City, Samuel Klein. The union involved is the Office Workers Union which "is affiliated with the Trade Union Unity League." (See p. 8, November 1934 issue of the Office Worker.)

Let me read an editorial from the Daily Worker of February 4, 1935, which describes the result of Klein's appeal to the National Labor Relations Board:

The strike of the S. Klein clothing store workers, who have been out since November 17, has been settled with gains for the workers. The over 60 workers fired for membership in the Office Workers Union are to be on the preferential list for rehiring; the strikers receive 5 weeks wages for the time lost, and Gertrude Lane, secretary of the union, has a certified check for this; a deposit is placed in a bank, and will be forfeited if Joseph Brodsky, noted labor attorney, decides that Klein at any time breaks the agreement.

It should be known that Joseph Brodsky is the attorney for the International Labor Defense, a mass organization of the Communist Party of the United States. In this instance, the power of the National Government has been used directly to forward the Communist program for the overturn of government by force.

During the past year the policy of the Communist Party in the industrial field has undergone a very marked change. Heretofore the party has attacked the American Federation of Labor as a fascist and reactionary organization. But the large number of recruits taken into the unions affiliated with that body, who formerly have been unorganized, and a changing temper in the growing groups of wage earners throughout the country generally has lead the Communist Party to change its attitude toward the American Federation of Labor. It is now devoting the major part of its energy toward organizing and gaining control of the revolutionary rank-and-file oppositions within the unions affiliated with the American Federation of Labor.

In speaking of this change of policy, Alex Bittelman, in the March 1935 issue of the Communist, referring particularly to criticisms of the conservative leadership of the American Federation of Labor, says:

We must do it, not as outsiders but as part of the unions, fighting for a different policy than the reactionaries and trying to convince and win the workers for our class-struggle policies as against the class collaboration reactionary policies (p. 256).

For this reason the A. F. of L. Rank and File Federationist is now being widely circulated. This change in front is so marked that at the convention of the Trade Union Unity League, held about 2 months ago in New York City, it was decided to terminate that organization in its present form. The report of the convention, published in the Daily Worker of March 18, 1935, says:

With this convention the Trade Union Unity League, as it has been constituted, was terminated, in line with the struggle which has been going on for months, with considerable success, for merger of the unions affiliated to the T. U. U. L. (the Trade Union Unity League) with the American Federation of Labor unions. (See p. 1 of the Mar. 18 issue of the Daily Worker.)

In other words, the work of Trade Union Unity League will now be carried on under the name "Committee for the Unification of Trade Unions."

As evidence of the progress made in "boring within" the conservative unions, I quote from an editorial in the Daily Worker for February 5, 1935. The editorial states:

Strike preparations must be made now. The unorganized steel workers must be brought into the American Federation of Labor now, before the present busy production season is over. The rank and file in the American Federation of Labor auto locals must act now to build their unions and prepare the strike.

This solicitude for recruiting American Federation of Labor unions in these fields would not be shown by the Communist Party of the United States unless it felt confident that it would have a controlling voice in them.

A separate organization directly affiliated with the Communist International is the Young Communist League. One of the sections of the Communist International is the national League of Communist Youth, popularly known as "Communist Youth International." Its relation to the parent body is defined in paragraph 35 of the Constitution and Rules of the Communist International.

The Young Communist League of the United States is the American agency of the Communist Youth International. Its program is published in a pamphlet by the Young Communist League of America, 43 East One Hundred and Twenty-fifth Street, New York City. It says:

The Y. C. L. (the Young Communist League) is the school of communism for the toiling youth, but "the growing young generation can only learn communism by linking up every step in its training and education with the incessant struggle of the proletariat and the toiling masses against the old exploiting society" (p. 34).

Its task is to organize within its ranks not only the advanced elements but the broad masses of the toiling youth (p. 35).

The program of this organization is frankly not confined to legal measures. On page 40, the program says:

The Y. C. L. (the Young Communist League) does not limit its activity to the framework of "legality" ordained by the bourgeois. In its struggle against capitalism, the Y. C. L. is continually compelled to combine its open legal activity with illegal and semi-legal work and therefore to overstep the limits laid down for it by bourgeois legality.

The membership book of the league contains the following pledge and rules:

Upon joining the Young Communist League, I pledge to be a loyal fighter for the everyday interests of the working class and the toiling youth. To further do all in my power to learn and become a conscious leader amongst the young workers, wherever I may be, in the struggle against the boss class and for the establishment of a workers' and farmers' government.

The rules follow:

- "1. Every member must be active in the unit.
- "2. A member must pay dues regularly to the unit.
- "3. He must join his trade union and be active there.
- "4. Every member in the shop should work for the building of a unit in the factory.
- "5. A member should attend fraction meetings of the trade union or organization of which he is a member.
- "6. The member should read working-class literature, subscribe to the Daily Worker, and attend study circles and classes, to become more developed and trained in the working-class movement."

This is by no means a paper organization. It is active in schools and colleges throughout the country, in factories, and in shops. It has aided and encouraged demonstrations against military service, against the R. O. T. C. and the

defensive measures of Government. On page 13 of "A Program for American Youth", adopted at the seventh national convention of the league on June 22-27, 1934, will be found the following statement:

Through the application of the united front the Y. C. L. (the Young Communist League) in the last year helped to develop an antiwar youth movement, organized a whole series of antiwar conferences and actions and in the past 3 years succeeded in transforming Memorial Day into a traditional day of struggle against war and fascism.

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield.

Mr. PARSONS. Is the gentleman quoting newspaper articles conveying this information or does he have the specific information from direct investigation?

Mr. TINKHAM. All that I have quoted is contained in documents that are here on this table.

In January 1934, two months after the Litvinoff pledges were given to the United States Government, a full meeting of the executive committee of the Young Communist International met at Moscow. A pamphlet published by the Young Publishers, the official printing house of the Young Communist League in this country, post-office box 28, station D, New York City, contains the report made to this meeting by V. E. Chemadanov, who is secretary of the Young Communist International and chairman of the Russian delegation.

In this report appears the following:

The masses of the toiling youth can and must be won to the side of communism, through developing the propaganda of Leninist teachings among them, through mobilizing them for economic and political fights, through leading them to the barricades under the leadership of the Communist Party (p. 41).

It should be quite apparent that this report issued to the American party, as well as others of a similar nature, constitutes a clear violation not only of the spirit but also of the letter of the Litvinoff pledges.

A very considerable amount of progress has been made by this organization among the agencies formed in connection with it. The Young Pioneer deserves especial mention. It is a sort of preparatory school for the Young Communist League. The New Pioneer, a monthly publication, is gotten out in its interest, and is designed to stimulate class hatred among very young children. These have been organized into troops similar in formation to the Boy Scouts. Summer camps for Young Pioneer troops have been conducted in various parts of the country. It is claimed that the membership in them has trebled the last 2 years, increasing from 4,000 to 12,000. (See p. 12 of A Program for American Youth.)

In passing, it should be said that each Communist organization has its youth section which is actively engaged in circulating destructive propaganda as well as affording amusement and entertainment for children of wage earners.

As a part of the work of preparing for the forceful overthrow of government, the Communist Party has recognized the imperative need of trained leadership. To that end, it has established a large number of workers' schools in the principal industrial centers throughout the United States. These schools are under the guidance and direction of the Workers School located at 35 East Twelfth Street, New York City. Its purpose is described in the foreword of its winter term announcement, as follows:

The Workers School is not an academic institution. It participates in all the current struggles of the working class. It takes part in strikes, campaigns, and demonstrations; it supplies speakers, agitators, and organizers; it stimulates working-class educational and cultural movements and various studies; and it cooperates with workers' fraternal and cultural organizations in the establishment of forums, classes, and study circles (p. 2).

The foreword also says:

From a mere handful in 1923 our registration grew to 6,000 in 1933-34.

It is still growing rapidly.

Following are only a few of the workers' schools affiliated with this Communist organization:

Name of school	Location	From the Daily Worker (date of issue)
Harlem Workers School, Wm. Burroughs, director.	200 West 135th Street, New York City.	May 2, 1934
Los Angeles Workers School.....	Workers Cultural Center, 230 Spring Street, Los Angeles, Calif.	Do.
Boston Workers School.....	919 Washington Street, Boston, Mass.	Do.
Summer Workers School (under the Workers School of New York).	Camp Nitgodaiget and Camp Unity.	July 24, 1934
Chicago Workers School.....	Central School with branches on Northwest Side and South Side of Chicago, South Chicago and Gary, is located at 505 South State Street.	Aug. 14, 1934
Northwest Side Workers School.....	Northwest Side Workers Center, Chicago.	Aug. 14, 1934
South Chicago Workers School.....	9133 Baltimore Street, Chicago....	Do.
Cleveland Workers School.....	1524 Prospect Avenue.....	Do.
Brownsville Workers School.....	1855 Pitkin Avenue, Brooklyn, N. Y.	Sept. 11, 1934
Workers School, Peoria.....	725 1/2 South Evans Street, Peoria, Ill.	Do.
Philadelphia Workers School.....	908 Chestnut Street, Philadelphia, Pa.	Nov. 20, 1934
Functionaries School.....	Schenectady, N. Y.....	Do.
Washington Workers School.....	513 F Street NW., Washington, D. C.	Do.

This institution has associated with it a large number of subsidiary organizations designed to stimulate interest in the school, to cater to the social life of the student, and to increase its registration. Among these may be mentioned Friends of the Workers School, a Students' Council, the Theatre of the Workers' School, and the Workers' School Forum. The purposes and functions of these organizations are mentioned in the winter term announcement.

Mr. Matthew Woll, in his testimony before the Congressional Committee Investigating Un-American Activities, on December 17, 1934, called attention to an extraordinary state of affairs. Mr. Woll said:

In carrying out this workers' educational program, the Communist movement has received substantial aid from an unexpected quarter. I refer to schools established this year under the Division of Emergency Education Projects of the Federal Relief Administration.

Mr. Woll also pointed out that these schools were designed to bring together unemployed teachers and unoccupied working-class students at the taxpayers' expense. He testified that the Federal Bureau at Washington issued suggestions for the organization, curricula, and teaching to be carried on in these schools; that it issued a bibliography entitled "Books, Pamphlets, and Other Materials Recommended for Libraries of Training Centers for Workers' Education and Teachers of Workers' Education." He called attention to the fact that on page 2, under the head of "Labor Papers", the first four recommended for use in connection with the schools were: New Leader, 7 East Fifteenth Street, New York, Socialist; Labor Action, 112 East Nineteenth Street, New York, American Workers Party, a schismatic Communist group; Workers' Age, 51 West Fourteenth Street, New York, Communist opposition, representing the Trotsky section of revolutionary communism; the Daily Worker, 50 East Thirteenth Street, New York, Communist.

Mr. Woll also said:

We thus find the Federal Government itself recommending that unemployed teachers use periodicals whose object, with the exception of the first mentioned, is to teach their readers how to destroy our Government by force and violence. To be sure, other books, pamphlets, and documents are recommended by the Bureau, but a very large percentage of these present the point of view of the class struggle.

As recently as Saturday last the press reported that the Federal Grand Jury Association for the Southern District of New York had charged that Federal Emergency Relief Administration funds were being used "to finance classes in communism" and to teach some 20,000 students "how to bring about a general strike, to seize and operate industry, particularly munitions plants, and how to overthrow the Government and establish a Soviet Union."

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield.

Mr. DUNN of Pennsylvania. Who made that statement?

Mr. TINKHAM. That was made only last Saturday by the Federal Grand Jury Association for the Southern District of New York.

Mr. DUNN of Pennsylvania. I thank the gentleman.

Mr. TINKHAM. It is, of course, impossible for me to give a full description of the actual activities being carried on by the Communist Party pursuant to the orders received from Moscow. I should fail, however, to give a true picture if I neglected to point out that, in addition to the direct party agencies, it has caused the creation of and directs the activities of auxiliary and subsidiary organizations.

Among the auxiliary organizations may be mentioned the International Workers Order, with headquarters at 80 Fifth Avenue, New York City, which is ostensibly a mutual-benefit association providing sick benefits, life insurance, and medical services, and so forth, to its members at low cost. It has, however, following the provisions of its bylaws, organized "agitation and cultural activities among its members with a view to creating amongst them an understanding of the need of these struggles to break down amongst them illusory barriers of race, creed, and color; to establish amongst them the practice of class solidarity, and to develop in them working-class consciousness, and, finally, to win them for the struggle for a workers' and farmers' government in America." (See p. 6 of the constitution and bylaws of the organization.)

Considerable progress has been made in developing this organization in recent months. Its membership has jumped from forty to sixty thousand.

Another organization of national scope is the International Labor Defense. This is a section of the International Red Aid of Moscow and is described as:

"A broad nonparty organization based on the class struggle which aims to defend all workers who are being persecuted by the capitalist government and various other agencies of the employing class for their participation in the class struggle by rendering legal aid, moral, and financial support to these workers and their dependents by wide publicity, organizing mass demonstrations of support and protest, both here and abroad." (See p. 10 of the Constitution and Organization Resolution, adopted at its fourth national convention, held in Pittsburgh, Pa., December 29-31, 1929, which is still in force.)

The national headquarters of this organization is at 80 East Eleventh Street, New York City. Its official organ is the Labor Defender.

The Friends of the Soviet Union, with headquarters in the same place as the International Labor Defense, is still another auxiliary organization whose purpose it is to win the interest and support of non-Communists in the Russian Soviet Union and in its aspirations for world domination. It is the American section of the International Friends of the Soviet Union, located at Amsterdam, Holland.

Among its specific purposes outlined in a leaflet entitled "Who Are the Friends of the Soviet Union?" we find, on page 8:

To mobilize all elements who are sympathetic to the Soviet Union for the struggle against the war preparations of the imperialists.

In commenting upon this purpose, Mr. Matthew Woll called attention to its significance in the light of an editorial in the Daily Worker of June 13, 1934, which said:

Civil war against "our own" Government, to work for the defeat of American imperialism in the next war, no matter whether it is "defensive" or "offensive"—that is the only truly revolutionary policy—in the interests of the working class.

Soviet Russia Today is the official organ of this organization. In July 1934 it claimed a monthly circulation of 24,000.

Among the subsidiary organizations designed to recruit the strength of the Communist Party, one of particular importance is the League of Struggle for Negro Rights, which is intended to spread Communist propaganda among the Negro population in our country and which is actively engaged in doing so.

Earl Browder, the executive secretary of the Communist Party of the United States, said in his report to the eight-

eenth plenary meeting of the central committee of the party on January 16, 1934:

It is necessary to say a few words about the most general aspect of the struggle for Negro liberation and the efforts to give this struggle organizational form in the League of Struggle for Negro Rights. * * * It is necessary to give first place also to the development of such organizations as the Share-Croppers' Union. But the necessity for emphasis upon these basic forms of organization in no way relieves us of the duty of organizing the general liberation movement of the Negroes, as we have outlined these proposals for the building of the League of Struggle for Negro Rights and its paper, the Liberator. This is one of the tasks of the day for the entire party organization. That means developing mass activities, not leaving it on paper, not leaving it in the realm of abstract propaganda, but developing tasks for the local organizations upon the basis of the general program laid down." (See p. 171 of the Communist, issue of February 1934.)

The headquarters of this organization is 2162 Seventh Avenue, New York City.

Still another subsidiary organization is the National Student League, which is an outgrowth of the activities of the Young Communist League and of the Communist Party generally. A resolution on "The Winning of the Working-Class Youth Is The Task of the Entire Party" was adopted at the national convention of the Communist Party held at Cleveland in April 1934. In this resolution we find the following:

While building the National Student League as the broadest revolutionary mass student organization, they (referring to the Communist Party) must bring forth the independent role of the Young Communist League and recruit the class-conscious students for its ranks. (See p. 487, May 1934, issue of the Communist.)

The intimate relationship between the Young Communist League and the National Student League is made perfectly clear in "A Program for American Youth", already mentioned. On page 21 it says:

The Y. C. L. (the Young Communist League) must work to build the National Student League into a broad mass organization. Every section and district committee must apply the principles of concentration and control tasks to the organization of the N. S. L. (the National Student League) in the schools in its local city, especially in the high and evening schools, where the students are in greater numbers proletarian in origin.

This organization has been growing rapidly, and it appears that as long ago as December 1933—

The N. S. L. (the National Student League) has 50 active functioning groups throughout the United States. There are 44 groups not N. S. L. (National Student League), but under N. S. L. leadership. We also have contacts in 35 colleges, making a total of 129 colleges and universities in which the N. S. L. has influence. (See p. 57 of the National Student League Year Book for 1933.)

These figures, of course, do not include the high-school section, on which there seem to be no statistical data available.

The official national publication of this organization is the Student Review, a monthly magazine.

There are, however, a number of district organizations issuing newspapers, and some of the college chapters also issue student newspapers.

It is interesting to note that the National Student League also maintains a school at 257 Seventh Avenue, New York City, formerly at 114 West Fourteenth Street. Its bulletin describes its purpose to be: (1) To bring before the students an understanding of the foundations of society; (2) to bring to the fore the day-to-day issues which face the students. In view of the Communist affiliations, it is quite evident what these are.

Besides the organizations which I have mentioned as being directly affiliated with the Communist Party or subsidiary to it, there are others which may properly be described as United Front organizations in which the Communist Party of the United States has a dominating influence. Perhaps the most active of these at the present time is the American League Against War and Fascism, of which Earl Browder, executive secretary of the Communist Party, is the active vice chairman. The national headquarters of this body is located at 112 East Nineteenth Street, New York City. It is made up of Communists and some Socialists. It also has its youth section. The Communist Party takes a vital interest in its promotion.

At the eighth convention of the Communist Party of the United States in April 1934, a resolution on "The Winning of the Working Class Youth" was adopted. In paragraph 5 of this resolution we find the following:

The party and league (referring to the Young Communist League) must guarantee an immediate improvement of the anti-militarist and antiwar activity. * * * (b) a broad united-front movement of youth must be built around the American League Against War and Fascism. Broad city and State conferences of youth against war and fascism must be organized and antiwar committees set up in shops, ports, neighborhoods, and mass organizations. (See p. 485 of the Communist, issue of May 1934.)

This organization held its second national congress at Chicago, Ill., on September 28-30, 1934, at which the total number of delegates registered was 3,332, the number of youth delegates being 749. (See p. 22 of the proceedings of that convention.)

In the September 1934 issue of *Fight*, the official publication of this organization, Earl Browder asks the question: "What progress have we made in carrying out the program?" He mentions a few outstanding measures:

1. The growth of the youth section and its activities, which have extended and activated the broad united front to include about everything healthy and living in its field—student-strike movement, a national youth-day series of mass demonstrations, dozens of conferences, publications, etc.
2. The women's committee, and especially its mass campaign for election of the broad delegation to the Women's World Congress Against War and Fascism in Paris.
3. The growingly successful publication of the monthly journal, *Fight Against War and Fascism*, which has won a secure and honorable place for itself purely on its merits.
4. The mass demonstration and parades on August 4, the twentieth anniversary of the World War, which in some places, as New York City, revealed an unexpected degree of mass interest and active support for the American League and disclosed really great potentialities (p. 5).

The manifesto of the American League Against War and Fascism, adopted at the Chicago convention, reveals its purpose, which is as follows:

To support the peace policies of the Soviet Union for total and universal disarmament, which today with the support of the masses of all countries constitutes the greatest and most effective opposition to war throughout the world; to oppose all attempts to weaken the Soviet Union, whether these take the form of misrepresentation and false propaganda, diplomatic maneuvering, or intervention by imperialist government.

The stand of the youth section of the league is made amply plain in the Youth Manifesto Against War and Fascism. On pages 6, 7, and 8 of that document you will find the pledge of its membership. I need quote only the first article:

1. We pledge to fight the efforts to militarize our generation. We will fight against all open and concealed efforts to train young people for war.

The last line of defense of democratic government in case of serious internal disorders is the National Guard and the Regular Army and Navy. For this reason, so long as these bodies remain loyal to their oaths, the chances of the overturn of our Government by force and violence are remote. None recognizes this fact better than the Communist Party of the United States, and for this reason intensive efforts are being made to spread the Communist doctrine and to win support for the Communist program in military, naval, and National Guard circles. This activity follows the specific instructions received by the Communist Party from the executive committee of the Third International subsequent to the giving of the Litvinoff pledges to the United States Government as a condition of recognition. Those instructions order the various sections of the International to "intensify political educational work in the Army and in the Navy." (See p. 140 of the February 1934 issue of the Communist.)

In obedience to this instruction, the Communist Party has established nuclei in the Army, Navy, and in several navy yards. The *Soldiers' Voice*, the *Shipmates' Voice*, and the *Navy Yard Worker* are clandestinely circulated among enlisted men. Booklets are published by the Workers Library Publishers, the official publishing house of the Communist

Party of the United States, intended to encourage insubordination in Army, Navy, and National Guard circles.

In the Litvinoff pledges there was an engagement on the part of the Russian Government—

To refrain and to restrain all persons in Government service and all organizations of the Government or under its direct or indirect control, including organizations in receipt of any financial assistance from it, from any act overt or covert liable in any way whatsoever to injure the tranquillity, prosperity, order, or security of the whole or any part of the United States or its possessions. * * *

Let us refer once more to the resolutions of the Thirteenth Plenum held at Moscow one month after the giving of the Litvinoff pledges. These resolutions contained the following statement:

It is necessary to unfold before the toilers of each country a program which, basing itself on the experience of the great triumphs of the Soviet workers and collective farmers on all fronts of the class struggle and Socialist construction, should, while making allowance for the peculiar conditions of the different countries, show what the Soviet power will give them in their own country.

In defining the meaning of "soviet power" the Plenum says:

The soviet power is the state form of the proletariat dictatorship.

It appears, therefore, that an important part of the program for preparing the proletariat of this country for the overthrow of our Government includes the presentation of enticing pictures of what soviet power gives to the proletariat in Soviet Russia. In furtherance of this program, a large number of propaganda documents have been and are still being printed in Russia under Government supervision and sold in the United States by the International Publishers, of 381 Fourth Avenue, New York City. A very considerable number of these documents are printed in the English language for use in English-speaking countries.

A typical example of this "made in Russia" propaganda is a booklet entitled "Youth in the Soviet Union." In this booklet we read on page 9:

How, indeed, can capitalism find occupation for youth and afford it access to the heights of science, technique, and art when capitalism itself is in the throes of a crisis of unprecedented severity, when it is constantly cutting down production, when crisis and unemployment are the necessary and inevitable consequences of the capitalistic method of production, when world capitalism is in a state of general crisis, which, despite occasional periods of temporary stabilization, is leading capitalism to ruin and collapse? No; it is beyond the power of capitalism to find a place in life for youth, the more so in the epoch of imperialism, the epoch of general crisis.

Many booklets of this same type, published in Russia in the English language, are being imported into this country in direct violation of the engagement entered into by the Union of Soviet Socialist Republics at the time of its recognition by the United States Government.

Obviously, what I have said is not sufficiently full to give a complete picture of the extent of which these Communist activities are being carried on throughout the United States. They do show, however—

First. That the Communist International, acting upon Russian territory and controlled by the Soviet Union, has, since the giving of the Litvinoff pledges, directed the Communist Party of the United States and the Young Communist League of America to use every available means to prepare for the forceful overthrow of our Government, by propaganda and the organization of revolutionary trade unions, leagues, committees, and groups, and for the substitution in its place of a soviet form of government to be affiliated with the Union of Soviet Socialist Republics.

Second. That the Communist Party and the Young Communist League of America have accepted this militant program and are using every effort to recruit their strength for that purpose, and that they have been aided and encouraged by section 7 (a) of the National Industrial Recovery Act and through funds dispensed by the Federal Emergency Relief Administration.

Third. That this action on the part of the Communist International is a complete repudiation of the Litvinoff pledges.

Fourth. That the publication in the English language in the Union of Soviet Socialist Republics for use in the United States of books and pamphlets attacking our form of government and their shipment to this country also constitutes a complete repudiation of the Litvinoff pledges.

The evidence discloses that there has been an organized Nation-wide, systematic and rapidly developing attempt to undermine the institutions of the United States and to overthrow its Government. An official committee of the House of Representatives has certified to the truth of this statement.

This evidence discloses also that since the recognition by the United States of the Union of Soviet Socialist Republics there have been a great increase in communistic activities and an enhancement of the prestige of those in control of them.

This undisputed evidence from Russian and American sources shows that the Union of Soviet Socialist Republics promotes these activities to undermine the institutions of the United States and to overthrow its Government in complete repudiation of the pledges which it gave to obtain United States recognition.

Since the Russian Government has failed to respect the pledges upon which United States recognition was conditioned, diplomatic relations with the Soviet Union should be severed at once.

Refusal of those in authority to sever diplomatic relations with the Soviet Union places a serious responsibility upon the Congress of the United States.

Officials of the United States Government are bound by their oath of office to "defend the Constitution of the United States against all enemies, foreign and domestic." An official of the Government who violates his oath of office is subject to impeachment.

In the light of the evidence now in its possession it becomes the duty of the Congress to determine whether or not officials of the Government who refuse to take action to defend the Constitution against a foreign enemy, and who permit public funds to be expended to teach subversive doctrines and to forward a program to overthrow the Government are subject to impeachment.

[Here the gavel fell.]

Mr. TINKHAM. Mr. Chairman, I should greatly appreciate it if the gentleman from New Jersey would kindly give me an extension of time.

Mr. ZIONCHECK. Mr. Chairman, I am going to object to any extension on the ground that the gentleman already has consumed 1 hour. For him to consume more time would be unfair to the other Members who desire to speak. I am sure there will be no objection to his extending his remarks in the Record.

Mr. TINKHAM. Mr. Chairman, I requested unanimous consent to extend my remarks at the time I began to speak.

The CHAIRMAN. Under the rules, the gentleman may not speak more than an hour unless it is by unanimous consent, and objection has been raised. Without objection, the gentleman will be allowed to revise and extend his remarks.

There was no objection.

Mr. ZIONCHECK. I thoroughly enjoyed the address and have no objection to the gentleman's proceeding further, except in the matter of fairness to other Members who want to speak.

Mr. LUDLOW. Mr. Chairman, I yield 20 minutes to the gentlewoman from Indiana [Mrs. JENCKES].

Mrs. JENCKES of Indiana. Mr. Chairman, at this time I wish to address the House of Representatives relative to a subject which appears to me as one which should receive the consideration of all Americans, especially every Member of Congress. As my address will be very short, I do not wish to yield any of my time, and I hope I will not be interrupted until I have concluded. I wish to talk to you about our native American citizens, the Indians. Regrettably there are no Indians in my State of Indiana, but my interest in these first Americans is deep and sincere and goes back to stories of my childhood days that were told by my parents

about my paternal ancestor, Judge Henry Vander Burg, who was one of the first Federal judges in that great Northwest country where live so many of these virile people.

It is a recognized fact that great injustices have been perpetrated upon these people. History has distorted facts in many instances until today the word "Indian" calls up in the minds of most people a whooping, yelling savage. Few people stop to consider that the Indians received the Pilgrim Fathers and helped them through that first cold, hard winter; that the friendly relationship then existing between these two noble races was symbolized in the first Thanksgiving in America.

People overlook the fact that the Indian gave all that he had to give, his food, his land, even his form of government; that he played a vast and heroic part in the establishment of our American ideals of democracy; and that it was only when he saw the incoming hordes pushing him ever westward that he rebelled and fought—fought for his homeland and his very existence as a race.

Certainly, it would seem, that for all these people have contributed to our national well-being, they should be given just consideration. I had been led to believe that conditions were improving for the Indians. Although I had never had the pleasure of knowing many of them personally, those whom I knew were intelligent Americans comparing most favorably with all other of our citizens.

Recently some astonishing facts have been called to my attention by the Indians themselves.

I am amazed to learn that in this year, 1935, the Indians as a race, are kept separate and apart from other citizens and are still continued in the status of incompetent wards; that their person and their property is subject to the control of a bureau to which Congress has delegated the power of guardianship; that notwithstanding the fact that all Indians were declared citizens by special act of the Congress in 1924, that previous to that time many of them had always had the right of citizenship, through the enabling act which made Oklahoma a State in the case of Oklahoma Indians and by the ancient Treaty of Guadalupe Hidalgo made with Mexico in the case of all the Indians of the Southwest; notwithstanding all of this, that today many of them are denied the privilege of exercising their rights as voting citizens of America, and that many more of them are continued under the dual role of wards and citizens; that in many of these cases, although they exercise their rights as voting citizens in all elections, and although they have sufficient funds and resources to maintain all their own affairs, they are yet held powerless to have one word to say about the expenditure of their money or the employment of the people who manage or mismanage their affairs.

Does it seem possible that today in this great country, which has always been the haven of hope for all oppressed people, that our own native citizens are held in the bonds of slavery? That this race of proud, free people has been reduced through oppression to a state of serfdom and helplessness, in many instances, and are denied their God-given birthright to progress as a free people in this land of freedom? Can this be true of free America?

And just how are the affairs of the Indians being administered by this Bureau of Indian Affairs? I have been making inquiries about this matter. From February 11 up to and including April 19 of this year, in this Congress the Indians themselves are complaining bitterly before a subcommittee of the House Indian Committee, our worthy colleague, Hon. ABE MURDOCK, chairman, against the methods being pursued today.

These Indians, who are sincerely concerned about the future of their race, requested these hearings and have presented the evidence before this subcommittee of the House Indian Committee. They have alleged that the present Commissioner of Indian Affairs, in the conduct of his office, is guilty of maladministration, misuse of public funds, sedition, and communism.

If the things revealed before this subcommittee be true, then they should become the concern of every patriotic American who is interested in the maintenance of our American ideals of democracy.

For instance: The Indians alleged that the Wheeler-Howard Act which the present Commissioner propagandized through the last Congress under the guise of bestowing self-government upon the Indian citizenship of the United States not only does not grant them self-government but that it goes farther toward entrenching Bureau control of their affairs than any previous legislation of Congress; that in the face of the Citizenship Act of 1924 this bill is unconstitutional; they further allege that it had its origin and was sponsored as early as 1932 by the American Civil Liberties Union, whose headquarters are located in New York City.

Their contention is that this organization is one of the most active communistic organizations in the United States and that all legislation flowing from that source is decidedly communistic. The Indians further contend that the Wheeler-Howard Act is being administered largely through Indian Bureau and Interior Department officials, now or formerly identified with the American Civil Liberties Union. They point out the fact that a former State secretary of this organization, testifying before the subcommittee, has stated that the Democratic Party has taken over the full legislative program of the Civil Liberties Union in his State; and the further fact that Commissioner Collier has expressed great and sincere admiration for Roger Baldwin, one of its leaders who was imprisoned for draft dodging during the war and who has testified before a congressional committee that the American Civil Liberties Union upholds the right of a citizen or an alien to advocate force and violence, murder and assassination in the overthrow of government.

If these amazing things be true, then they become a matter of grave concern, not alone for the Indian but for the citizens of the Nation as a whole. Are we to allow this kind of administration of Indian affairs to continue in the face of the facts that the wealth of the Indians, which is under the complete control of this Federal bureau, amounts to more than a billion dollars and is located in some 22 States of our Nation; that this bureau has direct control of the life and conduct of some 340,000 of our native American citizens and that it regularly employs more than 5,000 people, and now, through the emergency relief work, thousands of others; that it spends annually between twenty and thirty millions of dollars of our taxpayers' money through direct appropriations from Congress and through allocation of relief funds has spent more than \$44,000,000 additional money during the last year or so? Americans, I say to you, Shall we allow this to continue?

Fellow Members of the House, I ask you if you are aware of some of the other things that are being put into operation by the present Indian Bureau officials? The Indians tell me, that before this subcommittee it has been disclosed that Commissioner Collier spent some \$1,500 taken from the educational funds appropriated by Congress for the education of Indians to bring Dr. Moises Saenz, a citizen of Old Mexico, here to this country to visit our Indian reservations and to tell us how to deal with our Indian citizens; that the Commissioner stated before the committee that he thoroughly approves of the Mexican school system and considers it almost the most perfect in the world. Americans, what is wrong with our own educational system that we cannot apply it to our native American citizens?

The Indians tell me further that the Commissioner of Indian Affairs, in his effort to secure passage of the Wheeler-Howard Act, went before Indian audiences and conducted a campaign of propaganda designed to arouse race prejudice and hatred; called former high officials of the Government liars and crooks; told the Indians that it had been the policy of the Government for many years to rob them; that he constantly advised them to take control of their own affairs and expressed the hope that the Mexican system of Indian government would prevail here; and held forth to our native American citizens the fallacy that they, too, should "recapture their lands" and take "over control of their government." If these things be true, it is greatly to the credit of the Indians that there has been no general uprising with loss of blood thus far.

And, incredible as it seems, the Indians tell me that the Commissioner, in pursuing his policy of further segregating

the Indians and putting his alleged communistic schemes in effect, is spending public money, through P. W. A. allocation, to build a "Navajo world." They say that what he terms as the "Navajo capitol" is located in Arizona, just about 35 miles north of the city of Gallup, N. Mex.; that although it is not yet completed, some \$950,000 has been spent; that around this "capitol" are located 47 "community centers", or day schools, costing approximately and conservatively estimated, about \$1,000,000 for construction alone, to say nothing of a well for each center, the total cost of which is about \$350,000 more of public money. The Navajo Indians themselves do not want this "capitol." They are complaining about it and the day schools. Yet the Commissioner spends more than \$2,000,000 to further his own ideas and plans.

Of all the un-American ideas, this one of a separate racial capital in America, the melting pot of the world, would seem to be the worst, and our taxpayers are paying for this.

The Indians allege that here in these "community centers" the Commissioner, over the protest of the Navajo Indians, is putting into operation the Mexican school systems; that he has two women employed there organizing these "community centers"; that one of them has spent 10 years in Mexico studying the upheaval caused by the "social revolution" in that country, and that the other one has a distinctly Mexican background. The Indians say that they have no desire to become Mexicans or adopt Mexican ideas; that they wish to be Americans.

Perhaps the most astonishing thing that the Indians tell me about what has been revealed before this subcommittee is the fact that the Commissioner of Indian Affairs has persuaded a man who was a native citizen of Turkey, and who had been in this country for close to 20 years, to take out his first citizenship papers so that he could be placed in charge of the Indian land program of the Federal Emergency Relief Administration. This man will have the control and direction of the vast amount of money which the Commissioner hopes will be expended to provide land for landless Indians, ultimately about \$154,000,000, so he stated before the Appropriations Committee of this House. I was horrified to learn that such a thing could have taken place at this time, when thousands of our American citizens are without the means of providing for the bare necessities of life. Fellow Members of the House, the employment in a high governmental position of this man, who has never thought highly enough of our American Government and institutions to make an effort to become one of us until he was out of work, is an outrage and an injustice to every American.

My colleagues, these things are told to me by the Indians themselves—native American citizens, who are being denied the rights which we grant, for the mere asking, to all others who come to our shores. These Indians wish to continue to be Americans. They wish to help maintain the ideals of America established by Washington, preserved by Lincoln, and advocated by all patriotic Americans of all times. They recognize that the only way for the Indian to go is forward, step by step, and side by side with other Americans.

The marriage of John Rolf and Pocahontas, to my mind, has always symbolized the correct solution of the Indian problem, the dawn of America. The races of the Old World come to America and are swallowed up, lose their racial or national identity, and become what? Americans!

Shall we continue to deny to our native Americans this right? Shall we continue to spend the millions upon millions of dollars of the taxpayers' money furthering this un-American system of segregation which has been pursued in the past and which has been a stumbling block and a detriment to the Indians and to America?

None of us here today are responsible for the wrongs committed by our ancestors, but surely the responsibility for correcting these present wrongs which the Indians have called to our attention rests squarely upon the shoulders of every Member of this Congress.

My dear colleagues, these American Indians are appealing to us for help. Their appeal is reasonable. They only ask to be treated as Americans. With pardonable pride they point out that their race has always voluntarily answered the call to the colors in defense of this, their native country;

that more than 12,000 of their number served in the recent World War. In the face of all that they tell us, can we afford, as Americans, as Members of the Congress, to deny them this help?

As just a little help to them in their furtherance of their efforts to be Americans I am introducing today a bill to grant a group of conscientious, intelligent, native American citizens a Federal charter of incorporation for an all-Indian organization.

Only a few organizations have been accorded this high honor. All of them have been real American organizations. As a matter of simple justice, I call upon every Member of this House of Representatives to support this legislation.

I thank you. [Applause.]

Mr. ZIONCHECK. Will the gentlewoman yield?

Mrs. JENCKES of Indiana. I yield to the gentleman from Washington.

Mr. ZIONCHECK. Did the gentlewoman vote for the Wheeler-Howard Act during the last session of Congress?

Mrs. JENCKES of Indiana. I am not sure whether I did or not.

Mr. ZIONCHECK. I am quite sure that the gentlewoman from Indiana did not at that time protest against this act. Everything she is complaining about now with reference to the Indian Commissioner has to do with his trying to carry out the provisions of that act.

Mrs. JENCKES of Indiana. The Indians themselves were misled as to the effect of the legislation. I prefaced my remarks by saying that my contact with the Indians this year has developed more than any time before, and I have had honorable, upright Indians tell me this story. I have quoted their story in my address today.

Mr. ZIONCHECK. Is it the gentlewoman's understanding that each tribe must vote to come within the purview of the Wheeler-Howard Act?

Mrs. JENCKES of Indiana. Yes; that is true, but they are not given the opportunity to vote. The thing that the Indians have brought to me by way of complaint is that they are not given the opportunity to express their own wishes in the matter. For instance, take the Navajo settlement. That is just being pushed on them.

Mr. ZIONCHECK. I happen to be a member of the subcommittee of the Appropriations Committee having to do with the Interior Department bill, and this whole matter was gone into. If the gentlewoman will read the hearings and the testimony of Mr. Collier and the others on this subject she will be enlightened.

Mrs. JENCKES of Indiana. Does the gentleman mean the testimony given before the Indian Affairs Committee this year?

Mr. ZIONCHECK. No. It was not the Indian Affairs Committee. I refer to the subcommittee of the Appropriations Committee having to do with the Interior Department appropriation bill.

Mrs. JENCKES of Indiana. Last year's appropriation bill?

Mr. ZIONCHECK. No; this year—1936.

Mrs. JENCKES of Indiana. The information I have gathered is from the committee hearings before a subcommittee of the Indian Affairs Committee.

Mr. ZIONCHECK. Yes; but if the gentlewoman will look at the hearings had by the subcommittee of the Committee on Appropriations I think she will be enlightened.

Mrs. JENCKES of Indiana. I will refer to those hearings. [Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. Young].

Mr. YOUNG. Mr. Chairman, I desire to speak briefly in regard particularly to the inferior Federal judiciary of our country. Before doing this, let me voice my protest against the power now exercised by the Supreme Court of the United States in setting aside by a mere majority vote and declaring unconstitutional, by a vote of 5 to 4, laws passed by the representatives of the people in the Congress of the United States and approved by the Chief Executive elected by the

people. I personally favor enactment of a law providing that no law may be declared unconstitutional by a Supreme Court except by a decision of at least three-fourths of the judges thereof. In other words, by a 7-to-2 decision as the Court is now constituted. No constitutional amendment is necessary to provide this. All that is necessary is for the Congress to exercise powers rightfully belonging to it by passing a law directing that at least three-fourths of the judges of the Supreme Court must concur in declaring any act of Congress unconstitutional, otherwise such act of Congress shall continue as the law of the land. Section III of the Constitution declares as follows in referring to the powers of the Supreme Court:

In all other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions and under such regulations as the Congress shall make.

Now, I pass on from this august tribunal, which is law-maker, court of last resort, and executioner combined in one, to matters pertaining to the inferior Federal courts of our country, over which the Congress has and should exercise direct and complete power and control.

Impeachment, particularly as applied to the Federal judiciary, is an expensive, unwieldy, and well-nigh impossible process. The congressional committee investigating three United States district judges of Illinois listened to testimony of a shocking character. It is my well-considered opinion, after studying the report and the hearings of charges involving United States District Judge Charles A. Woodward, James H. Wilkerson, and Walter C. Lindley, that these three Federal judges were guilty of offenses involving moral turpitude and have shown themselves utterly unfit to occupy the high judicial positions to which they were intrusted. It is unfortunate that impeachment proceedings were not brought against them. Recently the gentleman from Illinois [Mr. DIRKSEN] made charges on the floor of the House against United States Circuit Judge Alschuler. I listened to the charges he made. I know nothing of the facts. I therefore express no opinion. My purpose in taking the floor is to deny the statement frequently made that United States judges are appointed for life. The facts are that the Constitution of the United States provides that Federal judges "shall hold their offices during good behavior." If the makers of the Constitution had intended this to mean life tenure, they would have so written. It is my judgment that instead of resorting to the unwieldy and almost impossible process of impeachment proceedings by the House of Representatives and trial before the United States Senate, sitting as a court of impeachment, the Congress should define good behavior as it relates to the Federal judiciary. Then a tribunal should be provided to hear charges brought against any Federal judge that his judicial conduct does not constitute good behavior, and if and when such charges are sustained this tribunal should have the power and authority to order the removal of such Federal judge or provide such other punishment as is fitting.

The inferior Federal judges of this country are, as a class, arrogant, domineering, and tyrannical.

In the conduct of trials, United States district judges too frequently usurp the functions of juries and conduct trials in a high-handed and arbitrary manner.

Federal judges too frequently have become, not a group of public servants but a group of public dictators and tyrants and without responsibility to anyone. Federal judges were not meant to be lawmakers, judges, and executioners all in one, and without responsibility to the people of the country. Usurpation of dictatorship of the Federal courts of our land will perhaps only be checked, either by appointment or election, of Federal judges for a limited time, say, 6 years, instead of appointment during good behavior.

Tyrannical and arbitrary conduct on the part of Federal courts in this country is not a product of recent years. The Democratic national platform in 1896 stated:

We denounce arbitrary interference by Federal authorities in local affairs as a violation of the Constitution of the United States and a crime against free institutions, and we especially object to government by injunction as a new and highly dangerous form of

oppression by which Federal judges, in contempt of the laws of the States and rights of citizens, become at once legislators, judges, and executioners.

The present Chief Justice of the United States, Justice Hughes, a few years ago, criticized the late Federal Judge Lowell, of Massachusetts, for language of the Federal judge in his instructions to a jury. Judge Lowell, in his charge to this jury, said:

And now I am going to tell you what I think of the defendant's testimony. You have noticed, Mr. Foreman and gentlemen, that he wiped his hands during his testimony. It is a rather curious thing, but that is almost always an indication of lying. Why it should be so we don't know, but that is a fact. I think that every single word that man said, except when he agreed with the Government's testimony, was a lie.

Misconduct of this sort by a Federal judge makes a travesty of trial by jury.

The Constitution of the United States, article III, provides:

The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish. The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, and shall, at stated times, receive for their services a compensation which will not be diminished during their continuance in office.

There is apparently no authoritative judicial construction of the meaning of the expression "during good behavior", as used in the Constitution, article III, section 1, defining the tenure of judges of the "supreme and inferior courts." Two cases cited on the point stop short of real definition:

(1) *Kentucky, etc., Bridge Co. v. Louisville & Nashville R. R. Co.* (37 Fed. 567). Here one question was whether the Interstate Commerce Commission was an "inferior court"; and the court, noting the fact that the Commissioners were appointed for fixed terms said that even if the Commission were such a court, the individual members were not judges holding during good behavior, to whom the judicial power of the Government could constitutionally be intrusted.

(2) *Howard v. United States*, (22 Ct. of Claims, 316). The real question was whether the territorial courts were inferior courts of the United States; and having decided that they were not, it followed that a judge of such a court was not a judge protected by the good behavior clause, but a civil officer subject to removal, etc.

A great many people seem to believe that, like Moses on Mount Horeb, they are treading on holy ground if they consider making judges accountable to the people. I honor the judiciary. My father served for many years as a trial judge in Ohio.

The Temple of Delphi was scarcely more sacred to the ancient Greeks than is the Federal judiciary to many of our fellow citizens. I respect and admire just and honorable judges. Nevertheless, the Federal judiciary is not sacrosanct. Thomas Jefferson wrote: "Judges are as honest as other men, and not more so." Jefferson also wrote: "Whenever a free people should give up in absolute submission to any department of the government, retaining for themselves no appeal from it, their liberties are gone." I lay down this doctrine, no matter how good a judge is, no matter how learned a judge is, he is not capable enough to be entitled to retain his office if the majority of the people do not want him as a judge and have lost confidence in him.

The Federal judges of our country with notable exceptions have, as a rule, usurped powers and functions and too frequently have made a mockery of trial by jury. This right of trial by jury is one of the most sacred rights known to our laws. It has long been regarded a bulwark of our liberties. The Declaration of Independence, for one thing, indicted the English Crown for denying us, in many instances, the right of trial by jury.

If it be true, as Blackstone suggests, in his Commentaries on the Law of England, that Greece and Rome declined and disappeared as great nations because they knew not of the right of trial by jury, let it not be said that we destroyed ourselves as a great nation because we threw away this right.

Congress should repeal retirement pay for Federal judges. Federal judges should not be considered a privileged class. In fact, it would be well to abolish altogether all the inferior

Federal courts. Twenty Federal judges have retired on full pay and are receiving \$222,500 per annum. These judges had a lifetime job. It is too much of a good thing to require the public to support them now they are retired. There appears no more justification for retiring a Federal judge on full pay than there is for retiring many other public officials and employees who have contributed industry, intelligence, and loyalty in the public service. It is termed retirement pay. It is, in fact, a pension.

I have introduced in this Congress a bill to abolish the retirement pay of all Federal judges. It is H. R. No. 5616. It is my hope that the Judiciary Committee will vote out this bill and that it will become a law.

Those retired United States judges still "feeding at the public trough" as recipients of pensions are as follows:

United States circuit judges:	
Albert B. Anderson.....	\$12,500
George W. Anderson.....	12,500
Wilbur F. Booth.....	12,500
Arthur C. Denison.....	12,500
William H. Hunt.....	12,500
George T. Page.....	12,500
A. S. Van Valkenburgh.....	12,500
R. W. Walker.....	12,500
United States district judges:	
C. F. Amidon.....	10,000
George M. Bourquin.....	10,000
John R. Hazel.....	10,000
John M. Killitts.....	10,000
Jeremiah Neterer.....	10,000
Duval West.....	10,000
Robert T. Ervin.....	10,000
John E. Sater.....	7,500
United States Court of Claims:	
Edward K. Campbell.....	12,500
Samuel J. Graham.....	12,500
United States Customs Court, Israel F. Fischer.....	10,000
Supreme Court, District of Columbia, Wendell P. Stafford.....	10,000

One of these, United States District Judge John M. Killitts, of Toledo, tried to go through bankruptcy. He is indebted to the liquidator of a defunct Toledo bank for more than \$100,000. Thousands of Toledo school children placed their savings in this bank. Ex-Judge Killitts obtained \$105,000 of this money upon his unsecured note. The bank failed. The school children lost their savings. The judge never repaid the \$105,000. He kept his "swag." He still draws \$10,000 each year as a retired United States judge. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Texas.

Mr. BLANTON. I agree with the gentleman with reference to the abolishment of retirement pay, but the gentleman should come down to my district in west Texas and try a case down there in the Federal court. I would rather try a case down there in the Federal court than in the State court. You can get a quicker action and you can get just as fair a trial as anywhere in the world. It is only a question of who is appointed on the bench.

Mr. YOUNG. I may say to the gentleman from Texas that we have some very high-class Federal judges in Ohio also whose ability and integrity cannot be questioned.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman from Alaska such time as he may desire.

Mr. DIMOND. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein brief excerpts from a letter as reported in the press yesterday written by Hon. Cyrenus Cole, of Cedar Rapids, to the Secretary of Agriculture and also brief excerpts from some Government bulletins published under the supervision of the Department of Agriculture concerning farming in Alaska, and particularly in the Matanuska Valley regions.

The CHAIRMAN. Is there objection to the request of the gentleman from Alaska?

There was no objection.

Mr. DIMOND. Mr. Chairman, yesterday my attention was called to references in the press with respect to a letter written by Hon. Cyrenus Cole, of Cedar Rapids, Iowa, former Member of the House of Representatives, to the Secretary of Agriculture, in which he denounced the homestead set-

tlement project now being set up in the Matanuska Valley, Alaska, and referred to the settlers as "subsidized and deluded trekkers" and "victims of professorial dreamers." The only reason I feel impelled to refer to this letter is on account of the reputation and standing of Mr. Cole, since he formerly served in the House of Representatives, and on account of the great number of misstatements of fact embraced in his letter.

As a preliminary, it may be well to say that the Government, through the F. E. R. A., is now aiding in the settlement of 200 families, embracing approximately 1,000 persons, in the Matanuska Valley, which is situated in the southern part of the main body of Alaska about 36 miles north of the city of Anchorage and 150 miles from the seaboard terminus of the Alaska Railroad at Seward, Alaska. These families, I am informed, have been chosen from the States of Wisconsin, Michigan, and Minnesota. They were all, when so chosen, on relief, or entitled to relief, and so it was the duty of the Government in any event to take care of them in some fashion.

The individuals embraced in these families are reported to be sober and industrious people and that their present plight is the result not of anything they did or failed to do, but of the adverse circumstances which have overwhelmed so many excellent people in recent years. The plan of settlement has been well thought out, and in detail, by the administration. The project is not being entered into in a haphazard manner or without thought. Surely if these people are to be helped at all it is much better to help them get in a position to hereafter help themselves, even though the initial cost may be a little greater. In the long run there will be a saving of Government funds, a saving of human effort, and the saving of the self-respect of these citizens of the United States.

Mr. Cole is quoted as saying in his letter addressed to Hon. Henry A. Wallace, Secretary of Agriculture, in part, as follows:

I have been shocked by the glaring publicity that writers paid for by the Government have been giving to what is styled the "migration to Alaska." At Government expense a thousand men, women, and children are now on their way to the northland—and how many more are to follow them?

In 1923 your father, Henry C. Wallace, and I made tours of Alaska; he as a member of the Harding party and I as a member of a congressional investigating committee. We both looked at the country through Iowa-born agricultural eyes. He may have been more favorably impressed than I was, but I recall that he said to me one time, "Sometime, now far away, when our lands have become exhausted we may have to go up there to coax food from the soil, but I hope I will never have to go there to follow a plow with a mosquito net over my head."

The ghost writers of the Government, who may all have college educations, in word pictures and with ordinary pictures, are depicting the Matanuska Valley as another Garden of Eden. But the men who have such visions of milk and honey may never have seen that Alaskan valley as your father and I saw it in 1923.

May I recall some of the things we saw there? A thin soil hardly more than a foot of which is thawed out in summertime, with a thousand feet of frozen ground under it, for Alaska underneath still belongs to the glacial era of the world's history. On this soil all kinds of vegetation make a quick and prodigious growth while the sun beats on it for 20 or more hours each day. But these quick-growing products are seldom matured and retain too much moisture. An Iowa woman in Fairbanks told me they always get their winter potatoes from Seattle.

Moss grows everywhere. The reindeer does the best he can with it, but he cannot make beefsteaks out of nothing. It is not a grass country, and when hay is made the grass has to be cured on racks, for left on the ground to cure it would rot. But if grass is grown, as they say it can be, the mosquitoes will see to it that the cows do not give contented milk.

There is much more to the same effect, and little, if any, of it correct. The whole picture is grossly distorted. Some of the statement is to an Alaskan rather amusing, for Mr. Cole says that when he was in Alaska in 1923 he traveled through this region, and "out of one shack came a man and a woman who stared at us with the blankest and most hopeless eyes I have ever seen—eyes that haunt me still." This is quite poetical—and of course, I do not know to whom the author refers—but, in any event, I have lived in Alaska for more than 30 years and I have never seen the "blank, hopeless stare", as Mr. Cole describes it, in the eyes of any man or woman in Alaska. In fact, Alaskans generally are so

hopeful and so optimistic that these sentiments amount to a positive virtue.

I am quite familiar with many portions of Alaska, including the Matanuska Valley. The area of the Territory is so great that I think no man living is familiar with all parts of it. Let us take up some of the items contained in Mr. Cole's statement.

He refers to the ghost writers of the Government who have painted such pleasing pictures of the Matanuska Valley as another Garden of Eden, and he says he has been shocked by the glaring publicity that writers paid for by the Government have been giving to what is styled the "migration to Alaska." This, as far as I have been able to find out, is all imagination or propaganda, and no ghost writer of the Government has given out any statements concerning Alaska except as based upon experience and upon official records of the various departments of the Government, kept over a series of years. It is true that newspapers all over the United States have shown a deep interest in this subject, and I suppose that I personally have talked with a dozen reporters and hundreds of other people concerning this colonization plan. In every case I have furnished facts as known to me and I am confident that the Government officials under whose supervision this plan has been brought into being have done the same thing. None of us has used any extravagant adjectives, and if any glowing words were embraced in newspaper articles or otherwise they were not supplied by any of us. We have tried to tell the truth about this matter as we knew it, and that is all there is to that.

Reference is made in this letter to "a thin soil hardly more than a foot of which is thawed out in summertime, with a thousand feet of frozen ground under it." This statement is entirely incorrect. There is not a word or a syllable or a letter of truth in it, except that soil exists in the Matanuska Valley. To the best of my knowledge, no permanently frozen ground can be found in the Matanuska Valley, although there is permanently frozen ground in the Tanana Valley, and in many other parts of Alaska. The soil of the Matanuska Valley is not thin but, on the contrary, it is deep and fertile. It may be that if one searched hard enough he could find a place in Matanuska Valley where the soil is thin, but generally the opposite is the case. I have seen pits dug more than 6 feet deep in the Matanuska Valley and still in the bottoms is rich black loam. Of course, in this valley, as elsewhere, the soil is not of uniform thickness but generally it is rich and fertile and deep. As I have said before, there is no permanent frost in the valley so far as I am aware and I have been unable to find any record of any.

The letter continues, "Moss grows everywhere. The reindeer does the best he can with it, but he cannot make beefsteaks out of nothing." It is quite true that in the wooded portions of the valley moss grows beneath the trees, but I distinctly recall that near my home in the State of New York was quite an extensive forest or woodland on the top of what is known as "Nose Hill", on the north side of the Mohawk River, in Montgomery County, and I distinctly remember as a boy finding on Nose Hill moss almost everywhere on the ground beneath the trees. So far as my experience goes, the same is true in all wooded portions of the country; one will find more or less moss in the forests. But, of course, when the trees are cut down and the stumps are pulled and the ground is cleared, the settler always burns the moss before he attempts to cultivate the land. That has been done on several thousand acres already in the Matanuska Valley, and the fact that moss originally covered the soil where the primeval forest still grows upon it does not make the soil any less fertile. This moss seems to be dragged in as a sort of bugaboo in order to scare people, or to make the project seem impossible of success.

Reference is also made to looking "at the country through Iowa-born agricultural eyes", and finding it impossible. Well, the same thing used to be said of Iowa and North and South Dakota and Colorado and Kansas and Nebraska and Oregon, and, in fact, the entire part of the country west of the Mississippi by some people of the East. The western region was declared by many people to be incapable of habi-

tation, to be worthless and useless, and the persons so condemning all of the western country spoke with the wisdom of men who had never left the Atlantic seaboard. Such statements make me wonder sometimes whether the pioneer spirit which made America grow has entirely departed from our people. When men look at any part of the country through any peculiar or local or parochial or sectional "eyes", then it is apparent that those men have lost entirely the spirit of adventure or they are wholly incapable of seeing new lands in their true aspect.

Before we proceed further let us see from official record what Alaska, and particularly the Matanuska Valley, really is. I have here copy of a bulletin entitled "Information for Prospective Settlers in Alaska", issued October 15, 1923, revised October 15, 1930. This bulletin is also known as "Circular No. 1 of the Agricultural Experiment Stations in Alaska", prepared under the supervision of the United States Department of Agriculture. It is authoritative and authentic, in fact, to my mind, it is ultraconservative. No extravagant hope or promise is here held out to the settlers of Alaska. If anything, the good features of the country are minimized and special stress has been placed upon its difficulties. This circular tells us the following:

Most of Alaska lies between the same parallels of latitude as Norway, Sweden, Finland, and one-third of Russia, which have a population of over 10,000,000. Alaska embraces about 570,000 square miles of territory. It has been demonstrated both at the Government experiment stations and by hundreds of settlers scattered over the country that the Territory has agricultural capabilities of considerable range. Information as to this can be obtained in the annual reports of the Alaska agricultural experiment stations. In recent years considerable publicity has been given to the agricultural possibilities of the Matanuska and the Tanana Valleys. These regions have fertile soil and are well suited to the production of certain kinds of foodstuffs. The Government railway traverses both valleys and has made them accessible to settlers. Other areas, less favorably located, can be brought under cultivation with comparative ease.

Further on page 2 we have a table of annual precipitation and mean and extremes of temperature at various places in the coastal region of Alaska. We find by reference to this table, for example, that the annual average precipitation at Ketchikan, Alaska, over a period of years has been 157.97 inches, very heavy. But at Cordova it has averaged 144.79 inches; that 80 miles away at Valdez it has been 52.73 inches; while at Anchorage, which is within 36 miles of the Matanuska Valley, the average annual precipitation over a period of 13 years has been 14.80 inches. We find further on from this circular and from other official records that the average annual precipitation in the Matanuska Valley over a period of years has been about 14 inches. On pages 4 and 5 of the circular we find the following with respect to the interior of Alaska:

In the interior, on the other hand, the growth of native trees and shrubs is not so luxuriant, but more nearly approaches that of normal crops of grass and grain in the States. While the fall rains interfere with the curing of the crops, there is generally sufficient dry weather to harvest them without much loss.

The summers are sometimes uncomfortably warm in the interior; the temperature at Rampart has occasionally reached 96° F., but these hot spells are also of short duration.

Alaska is estimated to contain approximately 65,000 square miles of good land which can be made available for agriculture. The principal productive areas are found in the Matanuska Valley, the Tanana Valley, the Kuskokwim Valley, and the Yukon Valley. There is another considerable body of agricultural land north of the Tanana River, between the Tanana and Fortymile, and more particularly along the South Fork of the Fortymile River. It has been estimated to contain 750,000 acres. This will probably prove to be one of the most productive regions of Alaska when developed. This large area has as yet no transportation facilities worthy the name. The Bates Rapids in the Tanana River, some distance beyond Fairbanks, are of such a nature that only small and very powerful boats can pass them, and due chiefly to this cause there are very few boats that pass to the upper Tanana.

Further on, beginning on page 6 of the circular, there is quite an extensive statement with respect to the Matanuska Valley. We find in this reference to the character of the soil, to crops and drainage, and to various other matters, a part of which only I will read:

The good agricultural lands, such as the benches, hillocks, and ridges, are largely occupied by the Knik loam soils, which mostly have well-established drainage, even in localities far removed from streams. All these soils are gravelly in the substratum, and for this reason possess as nearly perfect internal and downward drainage as is possible.

Ditching is not necessary, except when it is desired to give an outlet to the lower depressions. The deeper loams, such as the typical Knik loam, hold sufficient moisture, especially with proper soil management, to meet the requirements of all crops in ordinary seasons. It is estimated that 75 percent of the more valuable farming land of this region is well drained and capable of conserving ample moisture for crop needs.

Good water for domestic use is obtainable on all farms. Some farmers obtain their water from creeks and others have to dig wells ranging from 15 to 60 feet deep.

CROPS

Cereal crops, such as spring wheat, oats, and barley, grow well in the Matanuska Valley. The yields per acre for the past 6 years have been 22 bushels for wheat, 51 bushels for oats, and 24 bushels for barley. Potatoes yield more than 200 bushels per acre on good soil. The usual time for seeding cereal grains is about May 15, and the harvesting time is about September 1. Growth during the period soon after seeding is usually comparatively slow, owing to the dry weather. The moisture in the ground resulting from the melting snow is sufficient to germinate seed, and light showers later cause a rapid plant growth.

Spring wheats of the earliest types can be matured. Difficulty is sometimes experienced in curing the shocks in the field, owing to the moist fall climate. There is little demand at present for spring wheat in the immediate neighborhood, but as soon as a sufficient quantity can be grown it will likely be shipped to Fairbanks for milling.

Barley has proved to be valuable as a grain feed. It grows well in all the upland soils, and can be used as a forage and as a grain crop. As a grain crop it takes the place of corn for fattening hogs and cattle.

Winter rye can be grown successfully. It is sown the latter part of July and matures in August of the following year, occupying the field for two seasons.

Root crops like mangels, carrots, rutabagas, and sugar beets yield abundantly. These crops are used to supplement silage or to take the place of silage where the farmer is not equipped with a silo.

Peas for canning yield heavily. As soon as a cannery is established, this crop will undoubtedly be grown extensively, since climatic conditions apparently are especially favorable for its growth.

The most important legumes grown by the farmers in the Matanuska Valley are field peas and annual vetches. Perennial legumes are not very successful, since they are heaved out of light soil by frost in winter.

LIVESTOCK

Successful farmers are centering their operations around dairying. A hardy breed of dairy cattle has been produced for the region by crossing the Holstein with a hardy strain of Galloway cattle. One of the cross-bred animals produced more than 12,000 pounds of milk during one lactation period. In addition to being hardy, these cattle are good rustlers and are easily kept in good condition.

It will be observed that wheat, oats, barley, rye, and most of the ordinary vegetables can be well grown and be matured. Reference is made in this statement to the yield of oats at 51 bushels per acre. This is very modest indeed, because we find by reference to the report of the agricultural experiment stations for the year 1926 that the yield of the best varieties of oats to the acre were as follows: Swedish Select, 87.5 bushels per acre; Leader, 85.5 bushels per acre; and Climax, 74.8 bushels per acre.

I wish to refer somewhat more at length to the 1926 report, for this was the last report made by Dr. C. C. Georgeson, for many years in charge of all of the agricultural experiment stations in Alaska. Dr. Georgeson, who has now been gathered to his fathers, had probably a greater and more comprehensive knowledge and vision of the agricultural possibilities of Alaska than any other man. He speaks in this report particularly with respect to the Matanuska Experiment Station in part as follows:

The summer of 1926 was typical of Matanuska. Spring began early. The last frost in spring occurred April 28, and the first killing frost in the fall, October 7, making a frost-free period of 182 days. Summer frosts, such as are peculiar to the northern tier of States and Canada, have not been found to occur at Matanuska in 9 years.

ARTICHOKES

White Jerusalem artichokes were seeded May 5 on a 1-acre plot. The stand was nearly perfect and the plants grew well. The tops attained a height of 6½ feet. Half of the crop was cut for silage. The yield was at the rate of 14.67 tons per acre. The other half of the crop was cured for forage, the tops being cut by hand

and shocked like corn. The air-dried crop was at the rate of 3.8 tons per acre. Both sheep and horses relish artichoke forage and will leave oat hay for it.

A tenth-acre plat of artichokes planted in 1925 survived the winter with a protection of only a light covering of coarse manure. The tonnage of the tops indicated a yield of 16.8 tons per acre. The stalks grew vigorously and attained a height of 7 feet by August 10, when they were cut for silage.

MANGELS

The variety, heavy cropper, was planted May 19 on an acre plat. The crop grew vigorously and produced fair-sized roots which were smooth and stood well above the ground surface so that the mangels could easily be pulled by hand. The crop was harvested October 5 and 6 and yielded at the rate of 22.84 tons. Root crops are expensive to grow because they require much hand labor. Otherwise they might well be important as a source of feed for livestock in Alaska.

RUTABAGAS

Rutabagas which were grown on a 1-acre plat yielded 13.32 tons. The dry weather in early summer somewhat stunted growth.

TURNIPS

Petrowski turnips which were grown on 1½ acres of newly broken land yielded 14 tons.

CARROTS

Danvers half long was planted on a tenth-acre plat but made stunted growth until the rains increased. Carrots are especially good for horses.

One thing that contributes largely to the satisfactory results obtained by the real farmers and by the agricultural experiment stations in the Matanuska Valley and at other places in the main body of Alaska is the length of the sunlit days. At Fairbanks the longest day, June 21 of each year, gives sunlight for 21 hours 54 minutes; in the Matanuska Valley on June 21 sunlight is enjoyed for more than 20 hours. For a period of at least 6 weeks in the summer in all of that region of Alaska there is continuous daylight. The great number of hours of sunlight during midsummer, of course, contributes mightily to the growth of all crops and grasses. It is true that sometimes the harvest season is accompanied by cool weather and showers, which interfere with the curing of the hay and grains, but as stated in the official reports to which I have just referred, these conditions can be taken care of and happen only occasionally. Grain such as wheat and oats have been matured and threshed year after year. We find a reference to that in another bulletin put out by the Department of Agriculture showing that in 1920 the Matanuska Station threshed approximately 2,000 bushels of grain; that—

in 1930 two local farmers, A. A. Shonbeck and John Buggs, purchased a threshing machine and began growing oats for grain. Results obtained at the station show that early varieties can be depended on to ripen in this region. A number of farmers in the Matanuska Valley are now growing oats for grain and for hay.

So far as the fertility of the soil and the climate are concerned, the settlement now being established in the Matanuska Valley has everything to recommend it. The same can be said of the care with which the plan of settlement has been worked out. There is one element upon which the success of the settlement depends which cannot be known definitely at this time, and that is the human element. If the settlers who are aided in locating in this valley are of the hardy, industrious, sober, and pioneer type, then the settlement is bound to succeed. I think they are of that type, because the administration has used care in their selection. But if they are not—if they are lazy or improvident or just helpless, that is to say, if they have not the initiative and the knack of doing work, and particularly of farming, then, of course, the outlook is not too bright. Altogether I think the administration is entitled to vast credit for undertaking a measure of this kind. It is endeavoring to make these people self-supporting. It is not intended that any of the agricultural products shall be exported to the United States. But there is an ample market right at hand in the cities and mining camps of Alaska for everything that can be produced by these settlers. Nor will other farmers, or anyone else, be injured by the setting up of this settlement, because these 200 families, embracing nearly a thousand people, if they succeed, as I am confident they will, will be able, through their success, to purchase other products from other parts of the United States; their purchasing power will be greatly

augmented; and so, with their success the entire country is to that extent benefited.

I anticipate that these farmers will confine their efforts very largely to dairying and raising of cattle, sheep, and hogs for the local markets. That is indicated by the work at the Matanuska Experiment Station and by the work of other successful farmers in the Matanuska Valley.

Comment has been made upon the action of the Government in sending 300 C. C. C. workers to Alaska to aid in setting up this settlement. I had hoped and had urged that the unemployed of Alaska be put on this work. However, the F. E. R. A. officials in charge were convinced that substantial reasons existed in using the C. C. C. workers from the United States since no sufficient organization of such C. C. C. workers exists in Alaska and it was feared by the officials here that if the unemployed men of Alaska were used to aid in this settlement, there was danger they would all quit in the early summer if they were able to secure employment in the mines or in fishing, and that apprehension does not exist with respect to the C. C. C. workers sent in from the United States. Of course, I suppose that neither I nor any other one individual approves of every conceivable detail of this plan of settlement, but differences of opinion as to minor matters usually exist as to all other public and private plans and projects. Even in Congress no individual Member can have his own way all the time. Generally speaking, however, I approve definitely the plan. It is sound and statesmanlike, and I believe it will be successful; and, while like every other intelligent man I welcome criticism, I do wish that the critics would stick to the facts when they talk about it. Of course their conclusions are their own business, but the facts with relation to soil and climate and topography and agricultural experiments and markets and every other material factor involved in this settlement are shown by the official records and are available to all.

The letter, to which I have adverted to some length, illustrates what I said the other day on the floor of the House with reference to Alaska and to the fact that some men may travel through the Territory and when they leave it may not know any more about it than they did before they entered.

Reference has been made in this letter to a statement attributed to former Secretary Wallace under President Harding, the father of the present Secretary of Agriculture. I saw Secretary Wallace when he visited Alaska in 1923 and talked with him at length about the farming possibilities in the Territory. He certainly expressed to me no such sentiments as are attributed to him in the letter mentioned. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman from Texas [Mr. McFARLANE] such time as he may desire.

CANDIDATE FISH ANSWERED ON COTTON EXPORTS AND PHILIPPINE TARIFFS ON TEXTILES—FACTS REGARDING COTTON EXPORTS

Mr. McFARLANE. Mr. Chairman, I rise at this time to answer some of the remarks which the gentleman from New York [Mr. FISH] made on the floor of the House this afternoon.

First, I call the attention of the Members of the House to the facts regarding cotton exports.

The Agriculture Department's 10-year average of the exportation of cotton from 1923 to 1934 and from 1932 to 1933 is 7,900,000 bales. Cotton exports 1933-34 was 7,534,000 bales. The real loss began in August 1934, running through March of this year, exports being 3,588,000 bales. The 10-year average through March 1935 is 6,344,000 bales. The above losses were suffered because of the high Republican tariff.

We would have lost the cotton exports back in the early 1920's if the Republicans had not entered into a policy of loaning the taxpayers' money to these foreigners so they could buy our cotton. We really have not lost our cotton exports, these foreign countries at the present time are playing a poker game, thinking that they can buy at a lower price. The exports have not been cut down 50 percent but only 40 percent as above shown, the consumption being cut

down only 28 percent. They have been using up the stock purchased back in 1932 at low prices, on the 6-cent cotton furnished by the Republicans. Now the foreign countries think they can play a poker game, and have about used up their stock.

It seems to me that the gentleman from New York ought to get his figures straight before he comes on the floor to make a political speech further seeking nomination for the Presidency.

FACTS REGARDING PHILIPPINE TARIFF POLICY

I further want to call attention to a statement regarding the Philippine tariff situation. The gentleman from New York said that the State Department, through the Secretary of State—

Had turned thumbs down on the offer of the Philippine Congress to protect our own industry and our own taxable export trade with the Philippines.

He said further:

I do not know that you can use strong enough language. It comes nearer being a treasonable act to American wage earners and to American industry than anything I have known of in the 15 years I have been in Congress, and I defy anybody to show a single act of any administration that compares with it in any way at all—but this is the situation and these are the facts.

In answer to this outburst, I call your attention to a statement issued last fall by Secretary Hull. This is not a new question the gentleman is raising. I want to read from this statement issued recently by Hon. Cordell Hull, Secretary of State, regarding proposal for tariff increases in the Philippine Islands which were under consideration in the fall of 1934:

I believe you and your correspondent will welcome a fairly full statement of the situation in the Philippine Islands as it is understood in this Department. There was a move there for a general tariff revision providing for large increases in a great many items, increases ranging from 100 percent to more than 800 percent in the case of the textile schedules. But this bill, which had been drawn up by a committee in close cooperation with representatives of American exporters, was never introduced into the Philippine Legislature. Certain Filipino interests sponsored the bill frankly for the purpose of gaining support in the United States for the continuance of a special and preferred position for Philippine commodities in the American market. It is understood, however, that other interests did not favor it, basing their opposition particularly on the ground that it would increase the cost of living of Filipinos, especially those of the lower classes. Neither this Department nor any other department of this Government took any part in this controversy or sought to intervene in it.

There was only one way in which the opinion or point of view of this Government became a factor in the situation. Since tariff legislation in the Philippines requires the approval of the President before it can become law, the Governor General of the Philippine Islands followed the usual practice in such cases, requesting the War Department, and through it other agencies of this Government, to comment upon the proposed legislation.

In framing a response to this request, agencies of this Government were bound to keep in mind a number of considerations. As you know, the political relations of the Philippine Islands and the United States are in a period of transition and future trade relations between the two countries remain to be defined. At the time the proposed tariff revision was being considered a special committee of Congress was preparing to go to the Philippine Islands to discuss the economic problems involved in the existing Philippine independence legislation, and intensive studies of Philippine-American trade relations were about to be launched. Furthermore, this Government was giving serious consideration to trade relations with other countries which might be vitally affected by decisions concerning the trade relations of the Philippine Islands.

These and other considerations led this Department and other executive agencies of this Government to come independently to the same conclusion and as a result the War Department transmitted to the Governor General the considered judgment of these agencies that comprehensive tariff legislation in the Philippine Islands could best be considered after further study of all the factors involved and in connection with the development of an inclusive plan for the continued relations between the United States and the Philippine Islands.

You will note that this Department took no independent action and that in fact the joint action was limited to an expression of opinion.

As suggested above, the comment of agencies of this Government was only one of many factors in the situation. This comment in itself did not necessitate a change in the plans of the Filipino committee. The interplay of all factors, however, did lead the committee to drop the original bill, largely on the ground of lack of time to fully consider such a general and far-reaching revision of the tariff and to introduce in the Philippine Legislature

a bill much restricted in scope and providing only for moderate increases in certain schedules of the tariff. This bill was never referred to this Government for comment, and it was not brought to a vote by the Philippine Legislature.

Finally, I wish to say that I consider it desirable to have an early definition of the future trade relations between the United States and the Philippines, and this Department is actively interested in the development of a constructive long-range plan for these relations. Progress has been made, and I believe that soon after the return of the congressional committee which has been visiting the Philippine Islands it will be possible to launch such a plan, with the consent of Congress and in agreement with the Philippine authorities. In the meantime, I should add, this Department has not offered objection to temporary measures designed to give protection or relief to the American textile trade in the Philippines during the period in which a general program is being worked out. You understand, of course, that action of this nature can be taken only by the Philippine Government itself.

Sincerely yours,

CORDELL HULL.

These are the facts in answer to the statements made by the gentleman from New York [Mr. Fish] this afternoon.

Mr. LUDLOW. Mr. Speaker, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 8021, the legislative appropriation bill, 1936, had come to no resolution thereon.

DAVID LEVINSON AND ROBERT MINOR

Mr. HEALEY. Mr. Speaker, I submit a privileged report from the Committee on the Judiciary on House Resolution 219.

Mr. Speaker, inasmuch as the facts sought by the resolution are incorporated in the committee's report, I move to lay the resolution on the table.

Mr. MARCANTONIO. Mr. Speaker, I object to that.

The SPEAKER. Will the gentleman withhold that while the Chair lays before the House a message from the President of the United States?

Mr. HEALEY. I withhold it, Mr. Speaker.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—FRANK R. CARPENTER, ALIAS FRANK R. CARVIN (H. DOC. NO. 185)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, House of Representatives bill no. 1565, entitled "An act for the relief of Frank R. Carpenter, alias Frank R. Carvin."

This bill provides that Frank R. Carpenter, alias Frank R. Carvin, shall hereafter be held to have received an honorable discharge from the military service on June 20, 1902, the purpose being to give him, as to the future, the rights, privileges, and benefits conferred by any law upon honorably discharged soldiers.

The Secretary of War advises that the official records of the War Department show that this ex-soldier, after serving one 3-year enlistment in the Army and being honorably discharged, reenlisted and, after serving a matter of 9 days, deserted the service; that no record has been found of the return of the soldier to his command, or of any report of his whereabouts or the cause of his absence having been made by him. Opposed to this there is only the soldier's statement, made in connection with his application for relief, that he has no recollection of reenlisting and must have done so while under the influence of liquor. Yet the official records show that he actually served some 9 days after reenlisting.

Enactment of H. R. 1565 into law would, in effect, constitute a legislative pardon for a man whose status is now that of a deserter and place him on a par with those who rendered services of a character which earned for them honorable discharges. I cannot subscribe to this.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 13, 1935.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. HILL of Alabama. Mr. Speaker, I move that the bill and the veto message be referred to the Committee on Military Affairs and ordered printed.

The motion was agreed to.

FARM CREDIT ACT, 1935

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, to amend the Farm Credit Act of 1933, and for other purposes, with a House amendment, insist upon the House amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. JONES, FULMER, DOXEY, HOPE, and KINZER.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3808. An act concerning the incorporated town of Seward, Territory of Alaska; and

H. R. 6718. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 3808. An act concerning the incorporated town of Seward, Territory of Alaska;

H. R. 6718. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes; and

H. J. Res. 254. Joint resolution providing for an investigation by the United States Public Health Service of the plumbing and sanitary systems in Federal Government buildings.

THE WORK-RELIEF PROGRAM

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech delivered by myself recently before the first Regional Institute on Government at Albany, N. Y.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address which I delivered at the First District Regional Institute on Government, Women's Division, Democratic National Committee, at Albany, N. Y., May 8, 1935:

I feel that I am extremely fortunate in being a party to this splendid gathering of women who are representative of democracy in three of our great Eastern States. You may be assured that I was genuinely happy to receive the kind invitation to address you and feel that I had been singularly honored.

The life of a Member of Congress, contrary to the aspect portrayed by some of our humorists, is not exactly that of the well-known Mr. Riley. The average Member, during a session, works from early morning until nightfall and in some instances later than that. Those of us who may be classed as seasoned veterans, who have served several terms and know the hazards of assuming obligations that will overtax our strength, endeavor to restrict speaking engagements to only the most important. I place this occasion in the latter category because of the regard I have for our Molly Dawson, and because of her great work in the cause of democracy. All of us who know her inspiring work, I am sure, are just as impressed with her qualities of leadership and courage as I am. Without her vision and direction this and similar meetings all over the country would not be. She has worked tirelessly and well for the women of the country, and is more than deserving of the help and inspiration you can give her by your interest.

All of you present here this afternoon represent divisions and subdivisions of a great political party, the dominant political party of the Nation. The political party that is making a colossal effort to free the Nation from the merciless yoke of economic distress that prior to March 4 threatened to work its destruction. You who are gathered here are the generals, the colonels, the majors, the captains, and the lieutenants of the vast army that has been mobilized by our great President to drive from the Nation's borders the invading forces of economic depression. Ultimate success, final victory, just as surely depend upon your intelligent grasp of national problems, upon your unselfish devotion to the great cause, as does that of the officer who leads an army into battle.

Recently our President, who is the Commander in Chief of this campaign against depression, mapped out and placed into effect plans for a strenuous drive against the enemy—a drive that should sever the yoke for all time. A plan to spend \$4,000,000,000 on work relief, which is an investment in human life and character. It will be spent, of course, for many material projects, but the result will be to preserve the morale of our people in these last stages toward what we all hope and expect will be economic recovery. I refer to the much publicized \$5,000,000,000 work-relief plan. The amount involved actually totals \$4,880,000,000, but the five billion figure is that most generally used in reference to the law.

Now a program of this character, involving, as it does, the expenditure of a large sum of money, as well as ramifications of immense proportions, is certain to be difficult of comprehension to some citizens, and particularly to those not directly affected by its benefits. And then our Republican friends still waiting, like Mr. Micawber, for "something to turn up" in the form of campaign fodder can be relied upon to raise the cry of "stop spending"—a cry that was voiced by the head of the United States Chamber of Commerce only a week or so ago and still remains about the only stock in trade of Republican spellbinders who perceive party prestige fading away to the vanishing point.

Upon you and others in similar positions throughout the Nation rests the responsibility of presenting the work-relief plan in its true light. With you reposes the duty of acquiring an intelligent grasp of its various benefits, of charting its progress in your particular area, and of equipping yourself with data necessary to defend it against unjust and biased attack from selfish political interests.

Briefly, the new law is designed to give employment to those in want and so furnish a psychological need that the dole could not meet and at the same time to produce material results either in engineering construction or white-collar work. These measures are of two kinds. President Roosevelt, in his last speech, said, "The first is to make provisions intended to relieve, to minimize, and to prevent future unemployment. The second is to establish the practical means to help those of us who are unemployed in this present emergency. . . . This is a great national crusade to destroy enforced idleness which is an enemy of the human spirit generated by this depression." It makes available the sum of \$4,000,000,000 for "made" work and eight hundred and eighty million for completion of direct-relief activities. It is estimated that it will furnish work to 3,500,000 idle, and assist materially in our already unmistakable march toward recovery. Its various projects probably will reach the peak of activity in November of this year. In other words the project will be going full blast by that date. It is important to note also that disbursements for the most part will be made as loans rather than as grants.

And in answer to "doubting Thomases" who have assailed loans made through the R. F. C. and to farmers it is appropriate to note the fact that 2,000 farmers paid their loans in full during the month of February; that 83 percent of the same class met their interest payments on land-bank loans; and that 53 percent of the loans extended by the R. F. C. have been repaid. I mention these facts to illustrate the fallacy of assertions that money loaned by Government for projects that supply jobs is "thrown away." Any of you who were depression sufferers and who were not, any of you who may have known the horror of unemployment or of want, know well that money expended to alleviate human misery is not money "thrown away." I think that women should be particularly interested in the President's determination to eliminate enforced idleness, because, as he says, it is "an enemy of the human spirit." I assume that many of you have been in close contact in the last 5 years with individuals and families who have been wounded by the depression. You have seen fathers leave their homes in the morning to search for work, returning empty-handed that night to a cold and dreary house. You have seen mothers economizing and scraping and smiling through their tears to keep up their men's courage. You have seen children so bereft of food and clothing that they could not attend school and had no heart to play. In short, you have seen at close range that "enemy of the human spirit" insidiously undermining the real resources of a nation's courage, character, and hope. And when courage, character, and hope are gone, God help the Nation.

From this standpoint, the expenditure of \$4,000,000,000 is more than a program to erect bridges, to build roads, to dam up streams, to save our forests, to rehabilitate our farms, and to reestablish business and industry on a sound basis. It is, as I said at the beginning, an investment in human life and character which will pay dividends long after those bridges and roads have crumbled. To some it may appear that \$4,000,000,000 is a lot of money for any government to spend, but it is a comparatively small sum if it will conquer those enemies which have brought physical want and spiritual dejection into our midst. It is a crusade without cost.

The cry of "wild expenditures" was raised by our Republican friends at the last election. Many of their spellbinders went so far as to predict national bankruptcy. The answer to all of that, of course, is available from market reports in daily newspapers. Government bonds are above par and the Treasury Department has stated that despite the increase in public debt the Government is paying less interest on that indebtedness than it paid a year ago. And then, my friends, we have a war on our hands—a war with an uncompromising enemy—an enemy that gained a firm foothold during 12 years of Republican misrule. It takes money to win a war, colossal sums of money. Surely no patriotic citizen thought the large sums expended during the late European war were not justified, and no patriotic American citizen, with compassion for the sufferings of his fellow man will believe the expenditures of large sums of money to win the present war against the economic evils that assail us are not justified.

There is another aspect to this great program which should appeal to women. Almost since the founding of the Republic, America has grown in a haphazard sort of way. In the early days there was little need to husband our resources because what they needed was development. Then, for many years we recklessly partook of the material comforts which material progress gave to us. There was no thought or plan behind our social, economic, and industrial expansion. America was a large and comfortable but ramshackle house.

Within the last 5 years, however, that house has failed us, due partly to inherent weaknesses and partly to our own careless housekeeping. Only too vividly we have seen once fruitful soil blowing away before our eyes. We have seen slums in both city and rural districts become the breeding places of crime and disease. We have built railroads through streets where children play and we have permitted death traps to exist at rural crossings. By imprudent management we have allowed our farms to lose their fertility and the farmers their markets. We have neglected to conserve or utilize to their full capacity our forests, our rivers, and our soil. We have been lazy, careless, short-sighted. We have, like bad housekeepers, let our house run down. It needs renovating. It needs cleaning. It needs rebuilding if it is to remain the dwelling place of a happy people. This \$4,000,000,000 program which the President has inspired is designed to furnish a social, economic, and material housecleaning that has been long overdue. To clean our house on that scale requires work—hard work. But I am sure, and I know the President is sure, that the American people have not lost their capacity or their willingness to work when there is work to do. There has been some criticism, largely political, of this administration's expenditures for relief. Some have said that we are creating a nation of mendicants and destroying the fiber of the American people. To my mind, this is one of the most senseless and most cruel charges which has ever been made against a nation in distress. That is what I call playing politics with human misery.

The President's plan is grounded upon the common-sense principle that in order to create jobs and thus relieve human misery certain definite work projects must be created. If private industry and private charity were not able to provide the basic needs of life, it was incumbent upon the Nation to step in. To my mind that is one of the duties of government. Our people, however, much prefer to work than to remain on relief rolls. The President's \$4,000,000,000 program is meant to provide work rather than relief. And the people's response to this new choice has been immediate and wide-spread. It is complete refutation of those who suggest that the American people prefer a relief basket to a pay check. Wherever agencies for the employment of men and women in this work program have been set up, they have been crowded all day long with men and women, old and young, seeking the chance to work, which ought to be their right.

This program is no vague, hastily conceived project of economic theorists or dreamers as some would make you believe. Although the details of this great work giving employment have not been completed, the President has carefully thought out its fundamentals. Let me read to you the six principles which must govern every approved project:

1. All projects must be useful.
2. All projects must be of a kind that will permit a large proportion of expenditures to go into human wages.
3. Projects which promise ultimate return of a large part of the cost to the Federal Treasury will be emphasized.
4. Money allocated for each project shall be spent promptly and not held over until later years.
5. Projects must be the kind which will give work to the people now on relief rolls.
6. Projects will be allocated to committees or relief areas where the number of people on relief rolls show that they are most needed.

This plan places the money appropriated at the disposition of 50 bureaus and agencies of the Government, not to be expended at the will of these various bodies but only under supervision of an allotment board of 22 members, of which Secretary of the Interior Ickes is chairman. Men have been chosen with experience in this kind of work. They have nothing new to learn, because they have already met the problems which will confront them. With the exception of creating three new agencies, the President has assigned the work of construction to departments already in existence. This will save time and money and prevent duplication. In some instances it will simply mean an expansion of the work which a department already performs. Because of the administration's experience in sponsoring and directing work and work-relief projects in the past, it can combine efficiency and

speed in getting under way. The President has said that he expects to put three and one-half million people back to work and that the peak of construction will be reached by November. Among the projects that will be launched under the plan are those for eliminating dangerous grade crossings, for rural electrification, for highways, irrigation, reforestation, soil and coast erosion prevention, flood control, housing, additional Conservation Corps quarters, and aid to white-collar and clerical workers.

In the President's insistence that work be provided in proportion to the need of the various districts, he has insured that it will be allocated where it shall do the most good. But there is one feature of reconstruction on this scale which is not generally understood. Spending of this sort cannot be done on a selfish, parochial, or political scale. The money spent for a dam in the West benefits the workers of the East as well as the inhabitants of the reclaimed areas in the vicinity of the project. You may not know it, but a great percentage of the money which built the Boulder Dam was spent for turbines and other electrical equipment manufactured within a few miles of Albany. A great deal of the material used beyond the Mississippi and even beyond the Rockies came from the Atlantic seaboard. Lumber to be used in erecting modern homes in our metropolitan slum areas was grown in the Northwest and processed by the lumbermen of the coast. The railroads which transport manufactured materials in this great movement provide jobs for people living in all sections of the country. In view of this interplay of economic forces, I can think of no way in which money can be more effectively spent for the good of all the people.

As students of government, you will undoubtedly want to know the details of the set-up for handling the largest peace-time expenditures which any nation has made in all history.

First, there is the Division of Applications and Information, which has been formed as a new division of the National Emergency Council. This division will act as a clearing house for projects presented to it by local and State and Federal officials and agencies and by civic organizations. No matter what the source of the suggestions may be, this division will first receive all plans calling for the expenditure of work-relief funds.

Every plan submitted will first be classified and checked. It will then be subjected to the most rigid scrutiny before determining its feasibility, its usefulness, and its service as an instrument of employment. Trained experts will investigate its legal, financial, and engineering phases. Once the project has been questioned from all these standpoints, it must then stand another test. It must be of such a nature that it can be fitted into the ultimate purpose of providing useful employment to people on relief. Mr. Frank Walker, who many of you undoubtedly know as an extremely capable business man, will have charge of this Division of Applications and Information. This Division, I may add, has already begun its work, although it was not created until April 23.

When Mr. Walker's division has studied the projects submitted to it, it will pass them on to the Works Allotment Division. On the basis of the studies already made and information which it will possess itself, the Works Allotment Division will then recommend the projects to the President for his approval. The Works Allotment Division is headed by Harold L. Ickes, Secretary of the Interior, and consists of a score of Cabinet members and officials who have been closely associated with problems of relief and recovery for the last 2 years.

In addition to these Government officials, there will be representatives of business, labor, agriculture, banks, and local interests. When Mr. Walker's group and Mr. Ickes' group have thoroughly examined each project presented to them, you can be certain that they will possess the qualifications which the President has set up. Even then, however, the President will pass upon all proposals for work relief and decide what shall be undertaken and what shall not. After he has approved a project it will then be transmitted to the particular Government agency under which it falls and that Department will undertake the work.

In order to distribute work on the basis of human needs, the President has created a specific division to handle this problem. It is called the "Works Progress Division" and it is headed by Harry L. Hopkins, whose accomplishments as the Administrator of the Federal Emergency Relief Administration you all know. To assist him he will have the United States Employment Service and the Procurement Officer of the Government, Rear Admiral C. J. Peoples. The Employment Service will supervise reemployment of people on work relief who desire to return to private employment or who are needed in private employment. Admiral Peoples will supervise the purchase of the vast store of materials which will be needed for this program.

The Works Progress Division will also supervise the projects in the field. It will determine the amounts of security payments which will be made for various parts of the country. It will check projects at all times and report on the progress which is being made. Its field chains will investigate prospects for additional work and make recommendations. It will try to insure that, wherever possible, people shall be put to work on projects located near their homes.

Not only will the many branches of industry mentioned above benefit by these expenditures but the benefits will be reflected in allied and dependent industries. And most important of all there will be work, plenty of work for those to whom the word "job" almost became a myth during the past 4 years. The needy will be placed in a status of self-reliance, will regain confidence that slipped away when they went on relief rolls. Homes throughout the land will be brighter and the road ahead will be a happier and more cheerful one than any time the dread depress-

sion fastened its tentacles about the economic structure of the Nation.

The work-relief plan is a tremendous project, a real drive forward toward the objective of national, economic security. It must have the whole-hearted support and cooperation of all of the people of the Nation. You women gathered here are among those who must lead the legions that can attain to its objectives. You must acquaint yourselves with all of its ramifications; you must fight for it; you must instill in those to whom you are responsible the spirit necessary to make the fight. The President has asked you to help. You must not fail him, because this is your job as well as his—in a sense it is more yours because of your proximity to the problem.

We are going to win this fight. We're on the way up now but it remains for you to pass on all the information you have to those less fortunate than you who do not realize the great and practical and comprehensive program instituted to help us all. Pledge your support to the President now. Promise to help him. Give him your interest and your time; tell your neighbors of this plan and tell them to keep their courage and their faith in the greatest country in the world. We have a great leader, one who is interested in us and who holds our wants and needs close to his heart. Franklin Delano Roosevelt will continue to lead us out of the wilderness of despair into which we have fallen if we do our part. Cooperate with him, trust him, and sustain his plan to give to the people of this great country a new deal of security and justice.

DAVID LEVINSON AND ROBERT MINOR

Mr. HEALEY. Mr. Speaker, I submit a privileged report (Rept. No. 906) on the resolution (H. Res. 219) and move to lay the resolution on the table.

The SPEAKER. The Clerk will report the resolution. The Clerk read as follows:

House Resolution 219

Resolved, That the Attorney General of the United States is hereby directed to transmit to the House of Representatives at the earliest practicable moment the following information, viz:

First. Copies of all official information on file in the Department of Justice or in possession of its agents concerning the kidnapping of David Levinson and Robert Minor in Plaza Center of Gallup, N. Mex., on May 2, 1935.

Second. Whether any person or persons have been apprehended or taken in custody with the crime of kidnaping said David Levinson and Robert Minor; and if not, whether the Department of Justice has instituted and prosecuted an investigation of said kidnaping with a view to bringing to justice those guilty of the crime of violating the act forbidding the transportation of kidnaped persons in interstate commerce, or to any Territory of the United States, approved June 22, 1932 (U. S. C., ch. 271, title 18, sec. 408a), as amended by the act of May 18, 1934 (Public, No. 232, 73d Cong.).

Third. Name or names of any and all persons questioned in connection with said investigation and statements made by them.

Fourth. Whether or not said crime was completed within Navajo Indian Reservation, western New Mexico.

Fifth. Whether said Navajo Indian Reservation is under the jurisdiction of the United States Government; and if so, has not the Attorney General authority to prosecute those guilty of crime committed within said territory.

Mr. HEALEY. Mr. Speaker, I move to lay the resolution on the table.

Mr. MARCANTONIO. Mr. Speaker, I make the point of order there is no quorum present; and may I state that this matter, I feel, is quite important and I do not think it ought to come up at this time with about 20 Members present.

Mr. HEALEY. Mr. Speaker, I talked with the gentleman today and, as a matter of fact, I showed him that everything contained in the resolution and everything the gentleman asked for is in the report. Everything that the Attorney General has is in this report.

Mr. MARCANTONIO. No; there are certain questions in my resolution which have not been answered and I think we ought to have an opportunity to discuss them, which we would not have under your motion to table the resolution.

Mr. HEALEY. I understood from the gentleman he had no objection to this action.

Mr. MARCANTONIO. I have no objection to having the report on the resolution taken up, but with the present attendance here I submit it is not fair.

Mr. HEALEY. The motion is not debatable, anyway.

Mr. MARCANTONIO. The gentleman makes it not debatable by moving to table it.

The SPEAKER. The gentleman from New York [Mr. MARCANTONIO] makes the point there is no quorum present. Evidently there is not a quorum present.

ADJOURNMENT

Mr. LUDLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 26 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 15, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(Wednesday, May 15, 10:30 a. m.)

Committee will hold hearings on House Joint Resolution 236, to suspend issuance of nonquota immigration visas to persons born in the Republic of Mexico; and to suspend issuance of all nonpreference quota immigration visas, room 445, old House Office Building.

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Wednesday, May 15, 10 a. m.)

Subcommittee will hold hearings on bills H. R. 5269, H. R. 5273, and H. R. 5288, pertaining to placing the Post Office Department upon a basis of efficiency and economy, in the committee room, old House Office Building.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. STARNES: Committee on Immigration and Naturalization. House Joint Resolution 285. Joint resolution to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree to be held in the United States in 1935; with amendment (Rept. No. 887). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 7909. A bill to amend the act creating a United States Court for China and prescribing the title thereof, as amended; without amendment (Rept. No. 888). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLENBOGEN: Committee on the District of Columbia. H. R. 3641. A bill to amend section 559 of the Code of the District of Columbia as to restriction on residence of members of the fire department; with amendment (Rept. No. 890). Referred to the Committee of the Whole House on the state of the Union.

Mrs. JENCKES of Indiana: Committee on the District of Columbia. H. R. 6623. A bill to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want; without amendment (Rept. No. 891). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEMPSEY: Committee on the Public Lands. H. R. 6871. A bill directing the conveyance of certain lands to the regents of the University of New Mexico; with amendment (Rept. No. 897). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEMPSEY: Committee on the Public Lands. H. R. 7024. A bill to authorize the conveyance by the United States to the municipality of Hot Springs, N. Mex., the northeast half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, Hot Springs, N. Mex.; with amendment (Rept. No. 898). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEMPSEY: Committee on the Public Lands. H. R. 3814. A bill to further extend the period of time during which final proof may be offered by homestead entrymen; with amendment (Rept. No. 900). Referred to the Committee of the Whole House on the state of the Union.

Mr. DARDEN: Committee on Naval Affairs. H. R. 5532. A bill to provide for the acquisition of a portrait of Thomas Walker Gilmer; without amendment (Rept. No. 902). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Foreign Affairs. S. 312. An act for the relief of Lillian G. Frost; without amendment (Rept. No. 889). Referred to the Committee of the Whole House.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 4858. A bill for the relief of Edward Shippen West; without amendment (Rept. No. 892). Referred to the Committee of the Whole House.

Mr. HILL of ALABAMA: Committee on Military Affairs. H. R. 7902. A bill to provide a right-of-way; without amendment (Rept. No. 893). Referred to the Committee of the Whole House.

Mr. COSTELLO: Committee on Military Affairs. H. R. 5225. A bill to provide relief for disbursing officers of the Army in certain cases; without amendment (Rept. No. 894). Referred to the Committee of the Whole House.

Mr. FADDIS: Committee on Military Affairs. H. R. 7992. A bill for the relief of Archie J. McKee; without amendment (Rept. No. 895). Referred to the Committee of the Whole House.

Mr. TURNER: Committee on Military Affairs. H. R. 7509. A bill for the relief of Patrick Collins; without amendment (Rept. No. 896). Referred to the Committee of the Whole House.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H. R. 2476. A bill to grant a patent to Albert M. Johnson and Walter Scott; with amendment (Rept. No. 899). Referred to the Committee of the Whole House.

Mr. ROBINSON of Utah: Committee on the Public Lands. S. 377. An act to grant to the Utah Gilsonite Co. the right to use a water well on certain public lands in Utah; without amendment (Rept. No. 901). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. H. R. 2165. A bill for the relief of Charles A. Gettys; without amendment (Rept. No. 903). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. H. R. 2331. A bill for the relief of Lt. Comdr. G. C. Manning; with amendment (Rept. No. 904). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 2923. A bill for the relief of Misner Jane Humphrey; without amendment (Rept. No. 905). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 6341. A bill for the relief of William Robert Jackson; without amendment (Rept. No. 907). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 6708. A bill to authorize the presentation of a Distinguished Flying Cross to Lt. Col. Francis T. Evans, United States Marine Corps; without amendment (Rept. No. 908). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 3507. A bill for the relief of Frederick Harris; without amendment (Rept. No. 909). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 4047. A bill granting 6 months' pay to James Zanetti; without amendment (Rept. No. 910). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 4084. A bill for the relief of Charles D. Jeronimus; with amendment (Rept. No. 911). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 4092. A bill for the relief of Max Dole Gilfillan; without amendment (Rept. No. 912). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. H. R. 5099. A bill for the relief of Albert Henry George; without

amendment (Rept. No. 913). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 5620. A bill for the relief of Francis Leo Shea; without amendment (Rept. No. 914). Referred to the Committee of the Whole House.

Mr. McFARLANE: Committee on Naval Affairs. H. R. 6254. A bill for the relief of David N. Aiken; without amendment (Rept. No. 915). Referred to the Committee of the Whole House.

Mr. MAAS: Committee on Naval Affairs. H. R. 7110. A bill to authorize the President to bestow the Congressional Medal of Honor upon Brig. Gen. Robert H. Dunlap, United States Marine Corps, deceased; with amendment (Rept. No. 916). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. House Joint Resolution 179. Joint resolution authorizing the President to present in the name of Congress a Medal of Honor to J. Harold Arnold; without amendment (Rept. No. 917). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 8060. A bill for the relief of sundry claimants, and for other purposes; with amendment (Rept. No. 918). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Naval Affairs was discharged from the consideration of the bill (H. R. 3159) for injury sustained by Robert W. Krieger, and the same was referred to the Committee on World War Veterans' Legislation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER: A bill (H. R. 8049) establishing of a term of Federal court in Oakland, Calif.; to the Committee on the Judiciary.

By Mr. COLLINS: A bill (H. R. 8050) to authorize the acquisition of land for military purposes in San Bernardino and Kern Counties, Calif., and for other purposes; to the Committee on Military Affairs.

By Mr. JONES: A bill (H. R. 8051) to amend the Packers and Stockyards Act, 1921; to the Committee on Agriculture.

Also, a bill (H. R. 8052) to amend the Agricultural Adjustment Act, and for other purposes; to the Committee on Agriculture.

By Mr. McSWAIN (by request): A bill (H. R. 8053) to authorize the acquisition of land for military purposes in Bexar County, Tex., for use as an addition to Kelly Field Military Reservation, and to settle certain claims in connection therewith; to the Committee on Military Affairs.

By Mr. RAMSAY: A bill (H. R. 8054) limiting the decisions of the courts of the several States and of the United States relative to legislative acts of the Congress of the United States; to the Committee on the Judiciary.

By Mr. BLAND: A bill (H. R. 8055) to provide for economic studies of the fishery industry, market news service, and orderly marketing of fishery products, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CELLER: A bill (H. R. 8056) to provide for a census of unemployment, occupations, and population; to the Committee on the Census.

By Mr. FORD of California: A bill (H. R. 8057) to authorize and adopt certain Public Works projects for controlling floods, improving navigation, regulating the flow of certain streams of the United States, and for other purposes; to the Committee on Flood Control.

By Mr. PARSONS: A bill (H. R. 8058) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Gallatin County, Ill., and a point opposite thereto in Union County, Ky.; to the Committee on Interstate and Foreign Commerce.

By Mrs. JENCKES of Indiana: A bill (H. R. 8059) to incorporate the American Indian Federation; to the Committee on Indian Affairs.

By Mr. EAGLE: Resolution (H. Res. 221) directing the Secretary of the Interior to transmit to the House of Representatives a statement of the Director of the National Park Service concerning the destruction of trees in the proposed Union Square project and in the Mall; to the Committee on Public Buildings and Grounds.

By Mr. REED of New York: Resolution (H. Res. 222) directing the Secretary of the Interior to transmit to the House of Representatives a statement of the Director of the National Park Service concerning the destruction of trees in the proposed Union Square project and in the Mall; to the Committee on Public Buildings and Grounds.

By Mr. DOBBINS: Joint resolution (H. J. Res. 287) proposing an amendment to the Constitution of the United States defining the jurisdiction of the Supreme Court over questions involving the constitutional powers of the Congress; to the Committee on the Judiciary.

By Mr. JONES: Joint resolution (H. J. Res. 288) authorizing the Secretary of Agriculture to pay necessary expenses of assemblages of the 4-H clubs, and for other purposes; to the Committee on Agriculture.

By Mr. McSWAIN: Joint resolution (H. J. Res. 289) to reinter the bodies of Mary McDonough Johnson Daughtery and Sarah Philips McCardle Whitesides near the body of former President Andrew Johnson; to the Committee on Military Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, regarding relief to the boot and shoe manufacturers from unfair competition; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Commonwealth of Massachusetts, regarding national unemployment insurance; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KENNEDY of Maryland: A bill (H. R. 8060) for the relief of sundry claimants, and for other purposes; to the Committee on Claims.

By Mr. BOILEAU: A bill (H. R. 8061) for the relief of David Duquaine, Jr.; to the Committee on Claims.

By Mr. DUNCAN: A bill (H. R. 8062) granting an increase of pension to Elizabeth Thompson; to the Committee on Invalid Pensions.

By Mr. ECKERT: A bill (H. R. 8063) for the relief of Steve Bilik; to the Committee on Claims.

Also, a bill (H. R. 8064) granting an increase of pension to Mary A. Purvis; to the Committee on Invalid Pensions.

By Mr. FLETCHER: A bill (H. R. 8065) granting a pension to Lorella Roller; to the Committee on Invalid Pensions.

By Mr. GRISWOLD: A bill (H. R. 8066) granting a pension to Ella Foreman; to the Committee on Invalid Pensions.

By Mr. McKEOUGH: A bill (H. R. 8067) granting a pension to Leonia J. Cram; to the Committee on Invalid Pensions.

By Mr. MERRITT, of Connecticut: A bill (H. R. 8068) for the relief of Thomas J. Barbour; to the Committee on Military Affairs.

By Mr. RAMSPECK: A bill (H. R. 8069) for the relief of Mr. and Mrs. A. S. Mull; to the Committee on Claims.

By Mr. REILLY: A bill (H. R. 8070) to correct the military record of Earl Edward Brownlea; to the Committee on Military Affairs.

By Mr. WOLFENDEN: A bill (H. R. 8071) for the relief of DeForest Loys Trautman, lieutenant, United States Navy; to the Committee on Naval Affairs.

By Mr. ELLENBOGEN: A bill (H. R. 8072) granting a pension to Evangeline R. Butler; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8447. By Mr. FULMER: Resolution of the Charleston County Petroleum Industries Committee, supporting and urging passage of House Resolution 3660; to the Committee on Ways and Means.

8448. By Mr. HALLECK: Petition of citizens of Logansport, Ind., and vicinity, favoring enactment of bills pending in Congress for the regulation of carriers in interstate commerce; to the Committee on Interstate and Foreign Commerce.

8449. By Mr. HART: Petition of the House of Assembly of New Jersey, urging the President to use his good office to expedite the work as already prepared by the New Jersey State Housing Authority; to the Committee on Ways and Means.

8450. By Mr. HEALEY: Resolution of the General Court of Massachusetts, commending the President of the United States for his courage and leadership above mentioned, and earnestly and respectfully requesting the President and Congress to further the cause of removing private profits from war and from the manufacture of munitions by way of preparedness for war; to the Committee on Military Affairs.

8451. By Mr. HIGGINS of Massachusetts: Resolutions of the General Court of Massachusetts, commending the President of the United States for his courage in urging Congress to take the profit out of war, and requesting that the President and Congress take the profits out of the manufacture of munitions by way of preparedness for war; to the Committee on Military Affairs.

8452. By Mr. KENNEY: Resolution of the One Hundred and Fifty-ninth Legislature of the State of New Jersey, resolving that they memorialize Congress to pass suitable legislation authorizing the Secretary of War to bestow upon Nicholas Casale a gold medal of honor of such design as the Secretary of War may approve; to the Committee on Military Affairs.

8453. Also, resolution of the One Hundred and Fifty-ninth Legislature of the State of New Jersey, urging President Franklin D. Roosevelt to use his good office to expedite the work as already prepared by the New Jersey State Housing Authority; to the Committee on Ways and Means.

8454. Also, petition of the Board of Chosen Freeholders, Bergen County, Hackensack, N. J., urging full provision for at least 25 percent for secondary roads in the apportionment of the Federal allotment; to the Committee on Roads.

8455. Also, petition of Excelsior Council, No. 198, of Sons and Daughters of Liberty, of Fairview, N. J., urging upon Congress that they defeat House bill 6795, as House bill 9725 was defeated at the last session of Congress; to the Committee on Immigration and Naturalization.

8456. By Mr. LUCKEY: Memorial of the House of Representatives of the State of Nebraska, memorializing the Congress of the United States to make a complete investigation of the sugar-beet industry; to the Committee on Agriculture.

8457. Also, petition of the House of Representatives of the State of Nebraska, requesting the erection of a neuropsychiatric hospital for veterans in the city of Lincoln; to the Committee on World War Veterans' Legislation.

8458. By Mr. LUNDEEN: Petition of the adjutant general of Minnesota, urging passage of House bill 5720; to the Committee on Military Affairs.

8459. Also, petition of the board of directors of the Junior Association of Commerce of Minneapolis, Minn., urging the enactment of the Pettengill bill (H. R. 3263), repealing the

long-and-short-haul clause of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

8460. Also, petition of the Minnesota Bankers Association, opposing amendments to House bill 7617, providing for extension of branch banking privileges to national banks or coercing State nonmember banks to join the Federal Reserve System in order to continue as insured banks, and favoring an assessment of one-twelfth of 1 percent instead of one-eighth of 1 percent to be paid to the Federal Deposit Insurance Corporation; to the Committee on Banking and Currency.

8461. By Mr. REILLY: Joint resolution adopted by the Wisconsin State Legislature, memorializing the Congress of the United States and the President to adequately increase the protective tariff on butter; to the Committee on Ways and Means.

8462. By Mr. RUDD: Petition of the Central Trades and Labor Council of Greater New York and vicinity, concerning the Mead shorter-work-week bill (H. R. 6990); to the Committee on the Post Office and Post Roads.

8463. By Mr. SAUTHOFF: Joint resolution of the State of Wisconsin memorializing the Congress of the United States and the President to adequately increase the protective tariff on butter; to the Committee on Ways and Means.

8464. Also, joint resolution of the State of Wisconsin memorializing the President and Congress of the United States and the Administrator of the Federal Emergency Relief Administration to provide for the continuance of aid in lime and marl production; to the Committee on Ways and Means.

8465. Also, joint resolution of the State of Wisconsin, petitioning the National Emergency Council and the Works Allotment Board to create a mining works project in the dormant southwestern Wisconsin mineral area; to the Committee on Mines and Mining.

8466. By Mr. TINKHAM: Resolutions of the General Court of Massachusetts, commending the President of the United States for his courage in urging Congress to take the profits out of war, and requesting that the President and Congress take the profits out of the manufacture of munitions by way of preparedness for war; to the Committee on Military Affairs.

8467. By Mr. TRUAX: Petition of Union Grange, No. 2342, Butler County, Ohio, by V. D. Campbell, West Chester, Ohio, urging support of House bill 7160, providing sufficient revenue for agriculture extension and land-grant colleges; to the Committee on Agriculture.

8468. Also, petition of Mr. and Mrs. Charles V. Disney, Manila Camp, No. 50, United Spanish War Veterans, Cleveland, Ohio, urging support of House bill 6995, restoring benefits to Spanish War veterans, their widows and dependents; to the Committee on Pensions.

8469. Also, petition of the National Federation of Post Office Motor Vehicle Employees, district no. 1, State association, by their financial secretary, Earl C. Boyer, of Canton, Ohio, urging support of House bill 5583, as they believe that they are more able to give the Department and the public in general better and more efficient service than what they are now receiving by contract service; to the Committee on the Post Office and Post Roads.

8470. Also, petition of the Hancock County Corn-Hog Control Association, Findlay, Ohio, by Lester Fink, urging support of House bill 7160; to the Committee on Agriculture.

8471. Also, petition of Jemina Lavelly and other women of Galloway, Ohio, being interested in the extension work being promoted by the O. S. U. College of Agriculture, the United States Department of Agriculture, and the county farm bureaus, urging support of House bill 7160; to the Committee on Agriculture.

8472. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, commending the President of the United States for his courage in urging Congress to take the profits out of war, and requesting that the President and Congress take the profits out of the manufacture of munitions by way of preparedness for war; to the Committee on Military Affairs.

SENATE

WEDNESDAY, MAY 15, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, May 14, 1935, was dispensed with, and the Journal was approved.

CREDENTIALS OF SENATOR FROM NEW MEXICO

Mr. HATCH. Mr. President, I present the credentials of Hon. DENNIS CHAVEZ, appointed by the Governor of New Mexico to be a Senator from that State to fill the vacancy caused by the death of the late Senator Bronson Cutting.

The VICE PRESIDENT. The credentials will be read.

The Chief Clerk read as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that pursuant to the power vested in me by the Constitution of the United States and the laws of the State of New Mexico, I, Clyde Tingley, the Governor of said State, do hereby appoint DENNIS CHAVEZ a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the death of Bronson M. Cutting, is filled by election, as provided by law.

Witness: His Excellency our Governor, Clyde Tingley, and our seal hereto affixed at Santa Fe, N. Mex., this 11th day of May, A. D. 1935.

CLYDE TINGLEY, Governor.

By the Governor:

[SEAL]

ELIZABETH F. GONZALES,
Secretary of State.

The VICE PRESIDENT. The credentials will be placed on file.

Mr. HATCH. Mr. President, I am informed that the Senator designate [Mr. CHAVEZ] will arrive shortly to take the oath. He is not at this time in the city.

SENATOR FROM WEST VIRGINIA

The VICE PRESIDENT laid before the Senate a petition of sundry citizens of the State of West Virginia, praying for an investigation as to the eligibility of Rush D. Holt to be a Senator from the State of West Virginia in the Seventy-fourth Congress (oath not yet administered), and further that the seat referred to in the Senate be declared vacant so that the Governor of the State may immediately appoint a duly qualified person to serve as Senator from West Virginia until the next regular election, which was referred to the Committee on Privileges and Elections.

MESSAGE FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum, and move a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Radcliffe
Ashurst	Copeland	Lewis	Robinson
Austin	Costigan	Logan	Russell
Bachman	Coutzens	Long	Schall
Bailey	Dickinson	McAdoo	Schwellenbach
Bankhead	Donahey	McCarran	Sheppard
Barbour	Duffy	McGill	Shipstead
Barkley	Fletcher	McKellar	Steiner
Bilbo	Frazier	McNary	Thomas, Okla.
Black	George	Maloney	Thomas, Utah
Bone	Gerry	Metcalf	Townsend
Borah	Gibson	Minton	Trammell
Brown	Glass	Moore	Truman
Bulkeley	Gore	Murphy	Tydings
Bulow	Guffey	Murray	Vandenberg
Burke	Hale	Neely	Van Nuys
Byrd	Harrison	Norris	Wagner
Byrnes	Hastings	Nye	Walsh
Capper	Hatch	O'Mahoney	Wheeler
Caraway	Hayden	Overton	White
Carey	Johnson	Pittman	
Clark	Keyes	Pope	
Connally	King		

Mr. LEWIS. I desire to announce that the Senator from South Carolina [Mr. SMITH] and the Senator from Illinois [Mr. DIETERICH] are unavoidably detained from the Senate, and I repeat the announcement that the Senator from North Carolina [Mr. REYNOLDS] is absent on an official mission to the Virgin Islands.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from South Dakota [Mr. NORBECK] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hattigan, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 98) to authorize the acceptance on behalf of the United States of the bequest of the late Maj. Gen. Fred C. Ainsworth for the purpose of establishing a permanent library at the Walter Reed General Hospital to be known as the "Fred C. Ainsworth Endowment Library."

The message also announced that the House insisted upon its amendment to the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES, Mr. FULMER, Mr. DOXEY, Mr. HOPE, and Mr. KINZER were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a bill (H. R. 5159) to authorize the Postmaster General to contract for air mail service in Alaska, in which it requested the concurrence of the Senate.

The message also announced that the House had concurred in the concurrent resolution (S. Con. Res. 14), as follows:

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Finance of the Senate be, and is hereby, empowered to have printed 1,000 additional copies of the hearings held before the committee during the current session on the bill S. 1130, the Economic Security Act.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 21), in which it requested the concurrence of the Senate, as follows:

House Concurrent Resolution 21

Resolved by the House of Representatives (the Senate concurring), That the Speaker of the House of Representatives and the President of the Senate be, and they are hereby, authorized to sign a duplicate copy of the enrolled bill (H. R. 6084) entitled "An act to authorize the city of Ketchikan, Alaska, to issue bonds in any sum not to exceed \$1,000,000 for the purpose of acquiring the electric light and power, water, and telephone properties of the Citizens' Light, Power & Water Co., and to finance and operate the same, and validating the preliminary proceedings with respect thereto, and for other purposes", and that the Clerk of the House be directed to transmit the same to the President of the United States.

SUPPLEMENTAL ESTIMATE FOR LEGISLATIVE ESTABLISHMENT (S. DOC. NO. 61)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, United States Senate, fiscal year 1936, in the sum of \$12,750, which, with the accompanying papers, was referred to the Committee on Appropriations, and ordered to be printed.

AMENDMENT OF SO-CALLED "HARRISON NARCOTIC LAW"

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend sections 1 and 6 of the so-called "Harrison narcotic law", which, with the accompanying paper, was referred to the Committee on Finance.

ACTING ASSISTANT TREASURER

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, transmitting a draft

of proposed legislation to amend section 304 of the Revised Statutes, as amended, relative to the appointment of an Acting Assistant Treasurer of the United States, which, with the accompanying paper, was referred to the Committee on Finance.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Illinois, which was referred to the Committee on the Judiciary:

Senate Joint Resolution 15

Whereas a resolution authorizing the President of the United States to proclaim October 11 of each year as General Pulaski's Memorial Day in commemoration of the death of Brig. Gen. Casimir Pulaski is now pending before the present session of the Congress of the United States; and

Whereas October 11, 1779, is the date, in American history, of the heroic death of Brig. Gen. Casimir Pulaski which resulted from wounds sustained on October 9, 1779, at the siege of Savannah, Ga.; and

Whereas the States of Arkansas, California, Connecticut, Delaware, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, West Virginia, Wisconsin, and other States of the United States have, by legislative enactment, designated October 11 of each year as General Pulaski's Memorial Day; and

Whereas it is appropriate that the anniversary of this day be remembered with suitable and fitting patriotic and public exercises in commemoration of the heroic death of this great American hero of the Revolutionary War; and

Whereas the Congress of the United States has, by legislative enactment, designated October 11, 1929, October 11, 1931, October 11, 1932, and October 11, 1934, as General Pulaski's Memorial Day in the United States: Therefore be it

Resolved by the Senate of the Fifty-ninth General Assembly of Illinois (the house of representatives concurring herein), That this assembly respectfully importunes the Congress of the United States to pass and the President of the United States to approve, if passed, the General Pulaski Memorial Day Resolution now pending in Congress: And be it further

Resolved, That copies of this resolution be forwarded forthwith to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the Seventy-fourth Congress, and to each United States Senator and Representative from Illinois.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the Territory of Hawaii, which was referred to the Committee on Territories and Insular Affairs:

CONCURRENT RESOLUTION

Be it resolved by the Senate of the Territory of Hawaii (the House of Representatives concurring), That the Congress of the United States be, and it hereby is, urgently requested to amend the Hawaiian Organic Act so as to provide for an additional Delegate to the Congress from this Territory, the said additional Delegate to be elected for a term of 2 years in the same manner as in the case of the present Delegate to Congress from this Territory; and be it further

Resolved, That certified copies of this concurrent resolution be forwarded to the Secretary of the Interior, to each of the two Houses of the Congress of the United States, and to the Delegate to Congress from Hawaii.

The VICE PRESIDENT also laid before the Senate the petition of M. B. Eller, of North Wilkesboro, N. C., praying for the enactment of old-age-pension legislation, which was referred to the Committee on Finance.

He also laid before the Senate papers in the nature of memorials of several citizens of New York City and vicinity, remonstrating against the enactment of legislation imposing a special tax of one-half cent per gallon on heating oil, which were referred to the Committee on Finance.

He also laid before the Senate petitions of sundry citizens of the State of New Jersey, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualification of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate letters, papers, and telegrams in the nature of petitions from sundry citizens and veterans' organizations of the United States, praying for the enactment of the so-called "Patman bonus bill", which were ordered to lie on the table.

He also laid before the Senate a resolution adopted by a mass meeting held under the auspices of the Louisiana State

Federation of Labor, the New Orleans Central Trades and Labor Council, the New Orleans Building Trades Council, and affiliated unions, in the State of Louisiana, favoring the enactment of the so-called "Wagner labor-disputes bill" and the "Black 30-hour work-week bill", and also favoring the extension of the National Industrial Recovery Act and other legislation in the interest of labor, which was ordered to lie on the table.

Mr. WALSH presented a resolution adopted by a meeting of Regional District No. 2 of the Royal Order of Moose, at Salem, Mass., protesting against the imposition of the cotton processing tax and favoring the making of adequate tariff duties to protect the textile industry, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Greater Lawrence, Mass., remonstrating against a 48-hour work week and the importation of goods to compete with American industry, which was referred to the Committee on Finance.

He also presented petitions, and letters and papers in the nature of petitions, from sundry citizens of the State of Massachusetts, praying for the enactment of the so-called "Patman bonus bill", which were ordered to lie on the table.

He also presented memorials from the Andover Service Club, of Andover, and sundry citizens of Waltham, in the State of Massachusetts, remonstrating against the enactment of the so-called "Patman bonus bill", which were ordered to lie on the table.

He also presented a resolution adopted by Aerie No. 1445, Fraternal Order of Eagles, of Hyde Park, Mass., favoring the enactment of old-age-pension legislation, which was referred to the Committee on Finance.

He also presented petitions of Home City Lodge No. 793, Brotherhood of Locomotive Firemen and Enginemen, and Railroad Lodge No. 487, International Association of Machinists, both of Springfield, and B. and M. F. H. Lodge No. 1286, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, of Somerville, all in the State of Massachusetts, favoring the enactment of legislation extending the Emergency Railroad Transportation Act, which were referred to the Committee on Interstate Commerce.

PROCESSING TAX ON COTTON

Mr. GERRY presented a resolution adopted by the City Council of Providence, R. I., which was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Whereas the cotton-textile industry, upon which thousands of residents of the city of Providence are dependent for their livelihood, is in a serious plight and in danger of destruction as a result of the processing tax on cotton and lack of adequate protection against the importation of goods manufactured by cheap labor abroad; and

Whereas many mills in the State of Rhode Island and other New England States have been closed, never to open again, and it is quite probable that other mills will be obliged to close, and as a result thousands of people will lose their employment and the very existence of whole communities is endangered; and

Whereas the city of Providence is already experiencing the disastrous effects of the break-down of the cotton textile industry: Now, therefore, be it

Resolved, That the city council hereby petitions the President and the Congress of the United States to repeal the processing tax on cotton and to enact legislation which will give adequate protection to the cotton-textile industry against importations of goods manufactured by cheap labor abroad; and be it further

Resolved, That the city clerk is hereby directed to send copies of this resolution to the President of the United States and to the Senators and Representatives in Congress from the State of Rhode Island.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. BARBOUR. Mr. President, I ask unanimous consent to have appear in the CONGRESSIONAL RECORD in the proceedings of the day the telegram which I hold in my hand from Charles A. Peterson, commander Veterans of Foreign Wars of the United States, Department of New Jersey.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

The Department of New Jersey, Veterans of Foreign Wars of the United States, respectfully requests that you speak favorably for H. R. No. 1, known as the "Patman bill." We want you to know

that veterans' civil sentiment in your State is overwhelmingly in favor of the Patman bill. Never before has there been so much demand in your State for this piece of legislation. You are requested to read this telegram on the floor of the Senate this afternoon, so it can be recorded in the proceedings of that body.

Mr. WHEELER presented a telegram from R. E. Kelly, department commander for Montana, V. F. W., which was ordered to lie on the table and to be printed in the RECORD, as follows:

BILLINGS, MONT., May 14, 1935.

HON. BURTON K. WHEELER:

Just returned from a trip over the State, and find our entire membership and 90 percent of the other veterans in favor of Patman bill. Our membership believe that the passage of this bill would do more to return prosperity than any other measure yet adopted. Eighteen thousand veterans in Montana are anxiously watching this bill. I am authorized by department council of administration to thank you for supporting the Patman bill. Your further support will be highly appreciated. You may read this wire on the floor.

R. E. KELLY,

Department Commander for Montana, V. F. W.

Mr. HATCH. Mr. President, I have been asked to have read to the Senate a telegram from a gentleman of my State relative to the soldiers' bonus. I send the telegram to the desk and ask to have it read, and ask that it may lie on the table.

The VICE PRESIDENT. Without objection, the telegram will be read.

The legislative clerk read the telegram, as follows:

FARMINGTON, N. MEX., May 14, 1935.

HON. CARL A. HATCH:

Have interviewed practically all business people, individuals, school board, county commissioners, chamber-of-commerce officials, and many others who wired and wrote you support Patman bill, and no one has changed his mind, and all want to see this bill enacted into law and respectfully urge you to override veto if necessary. There is no doubt that 75 percent of people this State and Nation want the soldier paid, and they honestly and sincerely believe that Patman way the sane and best way to discharge this obligation. Again thanking you for your loyal support on behalf of 16,000 veterans of this State, and you know that 98 percent of them in dire need of their money. Please read this message on the floor of the Senate this afternoon.

CASH AUSTIN,

Commander Department of New Mexico,
Veterans of Foreign Wars of United States.

The VICE PRESIDENT. The telegram will lie on the table.

REPORTS OF COMMITTEES

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (H. R. 4239) authorizing the Secretary of Commerce to convey to the city of Grand Haven, Mich., certain portions of the Grand Haven Light-house Reservation, Mich., reported it without amendment and submitted a report (No. 623) thereon.

Mr. GORE, from the Committee on Inter-oceanic Canals, to which was referred the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes, reported it without amendment and submitted a report (No. 624) thereon.

INVESTIGATION OF INTERSTATE RAILROADS AND AFFILIATES

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S. Res. 71) authorizing an investigation of interstate railroads and affiliates with respect to financing, reorganizations, mergers, and certain other matters (submitted by Mr. WHEELER on Feb. 4, 1935), reported it with additional amendments.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 2826) to authorize the payment of \$2,388.61 that was due the Central Railway Co. of Arkansas under section 602 (a) of the Emergency Railroad Transportation Act of 1933; to the Committee on Claims.

By Mr. HARRISON:

A bill (S. 2827) for the relief of Margaret Scott Bayley; to the Committee on Claims.

(Mr. GEORGE introduced Senate bill 2828, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. WHEELER:

A bill (S. 2829) granting a pension to Patrick T. Tucker (with accompanying papers); to the Committee on Pensions.

By Mr. KING:

A bill (S. 2830) to repeal sections 1, 2, and 3 of Public Law No. 203, Sixtieth Congress, approved February 3, 1909; and

A bill (S. 2831) to amend (1) an act entitled "An act providing a permanent form of government for the District of Columbia"; (2) an act entitled "An act to establish a code of law for the District of Columbia"; to regulate the giving of official bonds by officers and employees of the District of Columbia; and for other purposes; to the Committee on the District of Columbia.

By Mr. SCHWELLENBACH:

A bill (S. 2832) to provide a preliminary examination of Goldsborough Creek, in Mason County, State of Washington, with a view to the control of its floods; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 2833) for the relief of Mrs. Jack J. O'Connell; and

A bill (S. 2834) to provide for the appointment of Ira E. Porter as a second lieutenant, United States Army; to the Committee on Military Affairs.

By Mr. OVERTON:

A bill (S. 2835) to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.; to the Committee on Commerce.

By Mr. TRUMAN:

A bill (S. 2836) to provide for insurance by the Farm Credit Administration of mortgages on farm property, and for other purposes; to the Committee on Banking and Currency.

By Mr. FRAZIER:

A joint resolution (S. J. Res. 130) making immediately available the appropriation for the fiscal year 1936 for the construction, repair, and maintenance of Indian-reservation roads; to the Committee on Indian Affairs.

SOCIAL SECURITY

Mr. GEORGE. Mr. President, I desire to introduce a bill and to make a very brief statement regarding it.

The bill which I introduce is offered as a substitute for title 2 and title 8 or so much of title 8 as is pertinent and necessary to title 2 of the social-security bill now pending before the Finance Committee of the Senate. I offer it at this time in order that it may be printed and referred to the Finance Committee for the consideration of that committee.

I desire to say that I do not submit this proposed substitute in a spirit of hostility to, or criticism of, the general objectives of title 2 or of the social-security bill, but by way of cooperating with what I deem to be the essential objectives of this proposed legislation.

The bill before the Finance Committee, which has already passed the House of Representatives, contains two distinct groups of provisions, and these groups deal with essentially different methods of financing and administration and should, in my opinion, be covered in separate bills.

There is the group of provisions which grants emergency benefits in cooperation with a State to meet present needs on the part of the indigent aged, dependent children, and crippled children, to promote maternity welfare, and to develop public-health service. These are emergency benefits, and it is, of course, hoped that the need for them will progressively decrease. A separate bill containing these provisions as they now stand would probably be approved by the Senate with little, in any, opposition.

The other group of provisions covers permanent industrial hazards in organized industry. These provisions should, in my opinion, be included in a separate bill, and it should be regarded as a permanent social-security measure,

and it is these provisions and some additional ones with regard to similar permanent hazards, which are embodied in the substitute bill I am now submitting.

These provisions are essentially reorganized in order to make this industrial protection plan less burdensome to industry, less burdensome financially to the Federal Government, and more effective in operation. The substitute bill aims to furnish social security without delay. It proposes to make the plan entirely self supporting, and no permanent increase in the public debt or any Federal taxes, which is in harmony with the President's expressed desire.

An emergency measure by which the Government, out of current income, pays relief benefits to the unemployed, is one thing, and may become a very dangerous thing. A permanent relief plan by which industry, as an operation cost, pays for the depreciation of human machinery is quite a different thing, and deserves the name of social security. Only that measure merits the title of "social security" which furnishes not only relief from unemployment but the means to prevent its recurrence.

I wish to make it clear that I think the proposed social security legislation is the most important submitted to this session of Congress in its far-reaching and permanent consequences to industry and to the general welfare. I am a convinced believer in its objectives, and the substitute now offered is offered as a better way, in my opinion, or at least as suggesting a better way, to secure permanent social security.

Mr. President, it is not my purpose to go into any discussion of the provisions of the bill I am introducing, but it is my hope that when it is in printed form, it may have the benefit of the scrutiny and criticism of the members of the Finance Committee.

While I think it may be critically important to adopt a social-security act in the near future, yet this measure involves a new national and industrial policy of such large consequences, extending over so long a period of years, that it seems eminently wise and advisable to exercise forethought, and to take sufficient time before final action to convince ourselves that the measure we finally adopt is sound and socially usable.

I, therefore, ask consent to introduce the bill, and request to have it printed and referred to the Committee on Finance.

The VICE PRESIDENT. Without objection, the bill will be received, printed, and referred as indicated by the Senator from Georgia.

The bill (S. 2828) to encourage industrial protection plans in private industry, and for other purposes, was read twice by its title and referred to the Committee on Finance.

HOUSE BILL REFERRED

The bill (H. R. 5159) to authorize the Postmaster General to contract for air mail service in Alaska was read twice by its title and referred to the Committee on Post Offices and Post Roads.

CHANGE OF REFERENCE

On motion of Mr. McNARY, the Committee on Pensions was discharged from the further consideration of the bill (S. 624) for the relief of Edward M. Brown, and it was referred to the Committee on Civil Service.

AWARD OF PUBLIC-BUILDING CONTRACTS

Mr. LONG submitted the following resolution (S. Res. 138), which was referred to the Committee on the Judiciary:

Resolved, That for the purpose of securing information so that the Congress of the United States may determine whether there is or is not need for legislation, and the nature and extent of such legislation as may be needed, the Judiciary Committee of the United States Senate shall conduct an investigation on the following matters, viz: (1) The awarding of building contracts and the works of public construction, including any and all matters and things connected with or growing out of the same; (2) the acts of officers of the United States and the agents of departments of the United States, either direct or indirect, in person or through their agents or emissaries, undertaking to influence awarding of contracts and the handling of public construction work in any manner calculated to show an unfair advantage, to favor contractors or materials or to allow changes or alterations in plans or specifications so as to show favoritism or make an undue profit; (3) the making, exhibiting, or giving away of things of value or the use of property or functions of the United States by any officer of the United States

for the purpose of paying private rewards or securing a profit to any Government officer or person; (4) the solicitation of funds from persons charged with crime by agents and officers of the United States, or by persons who were expected to become officers of the United States; and (5) the interferences with agents of departments of the United States in their efforts to make investigations into affairs of the United States and matters and concerns connected therewith; that the said Judiciary Committee or subcommittee thereof may make and conduct said investigations and hearings and may summons and compel the attendance of witnesses and compel the production of books and papers and employ agents as may be necessary for said investigation hereby authorized; that said Judiciary Committee or any subcommittee thereof shall have right to authorize the perusal of files and records having to do with matters covered in said investigations and hearings during the session of the Congress or during adjournment.

AUTHORIZATION TO SIGN DUPLICATE COPY OF AN ENROLLED BILL

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution from the House of Representatives which will be read.

The concurrent resolution (H. Con. Res. 21) was read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Speaker of the House of Representatives and the President of the Senate be, and they are hereby, authorized to sign a duplicate copy of the enrolled bill (H. R. 6084) entitled "An act to authorize the city of Ketchikan, Alaska, to issue bonds in any sum not to exceed \$1,000,000 for the purpose of acquiring the electric light and power, water, and telephone properties of the Citizens' Light, Power & Water Co., and to finance and operate the same, and validating the preliminary proceedings with respect thereto, and for other purposes", and that the Clerk of the House be directed to transmit the same to the President of the United States.

Mr. ROBINSON. I ask unanimous consent for the present consideration of the concurrent resolution.

The VICE PRESIDENT. Is there objection?

There being no objection, the concurrent resolution was considered and agreed to.

DISPOSITION OF LIGHTHOUSE RESERVATIONS

Mr. BULKLEY. Mr. President, I ask unanimous consent for the immediate consideration of Calendar 625, being House bill 7131.

Mr. McNARY. Mr. President, let us have the bill reported.

The VICE PRESIDENT. The bill will be reported by title.

The LEGISLATIVE CLERK. A bill (H. R. 7131) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes, reported from the Committee on Commerce with amendments.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. BULKLEY. Mr. President, there was a unanimous report from the Committee on Commerce. The bill merely authorizes the Secretary of Commerce to dispose of about 35 lighthouse sites. I do not know of any opposition to the bill.

Mr. McKELLAR. Mr. President, may I ask the Senator from Ohio if the report of the committee was unanimous?

Mr. BULKLEY. Yes; the report is unanimous.

Mr. McNARY. Mr. President, the Senator from Ohio spoke to me about the bill. Of course, I disapprove of the general practice, but under the statement made by the Senator from Ohio, I presume it is all right. I have no objection.

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 7131) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes, which had been reported from the Committee on Commerce with amendments.

Mr. BULKLEY. Mr. President, there are about a dozen committee amendments to this bill. All the amendments are to correct section numbers and errors in descriptions of property. I ask that they be agreed to en bloc.

The VICE PRESIDENT. Without objection, the amendments will be agreed to en bloc.

The amendments of the Committee on Commerce, which were agreed en bloc, were, on page 2, line 4, after the

word "section", to strike out "35" and insert "36"; on page 3, line 8, after the word "section", to strike out "35" and insert "36"; in line 18, after the word "section", to strike out "35" and insert "36"; on page 4, line 5, after the word "section", to strike out "35" and insert "36"; in line 21, after the word "minutes", to strike out "forty" and insert "ten"; on page 5, line 10, after the word "thence", to strike out "turning, runs south seventy-five degrees thirty-four minutes twenty seconds west to a stone bound; then"; in line 21, after the word "section", to strike out "35" and insert "36"; on page 6, line 14, after the word "section", to strike out "35" and insert "36"; in line 23, after the word "section", to strike out "35" and insert "36"; on page 7, line 7, after the word "section", to strike out "35" and insert "36"; in line 17, after the word "section", to strike out "35" and insert "36"; on page 9, line 9, after the word "section", to strike out "35" and insert "36"; in line 18, after the word "section", to strike out "35" and insert "36"; on page 10, line 9, after the word "section", to strike out "35" and insert "36"; on the same page, line 19, after the word "section", to strike out "35" and insert "36"; on page 11, line 6, after the word "section", to strike out "35" and insert "36"; in line 12, after the word "section", to strike out "35" and insert "36"; in line 22, after the word "section", to strike out "35" and insert "36"; and on page 12, line 20, after the word "section", to strike out "35" and insert "36."

The VICE PRESIDENT. There is a further committee amendment which will be stated.

The LEGISLATIVE CLERK. On page 13, line 4, after the word "transferred", it is proposed to insert "and the conditions imposed by section 36 of this act."

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

NEUTRALITY OF THE GOOD NEIGHBOR—ADDRESS BY JAMES BROWN SCOTT

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by James Brown Scott, president of the American Society of International Law on the subject of The Neutrality of the Good Neighbor before the twenty-ninth annual meeting, Washington, D. C., April 25, 1935. This request is accompanied by an estimate of the cost from the Government Printing Office.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE NEUTRALITY OF THE GOOD NEIGHBOR

Who is our neighbor? Everybody. Who is the good neighbor? Everybody who does right, helps others to do right, and knowingly and conscientiously refrains from any and all wrongdoing.

Ladies and gentlemen, I have a twofold confession to make: First, as a Presbyterian I am, as you know, in the habit of referring to the New Testament for a standard of good morals; and, second, as a Romanist—that is, a teacher of Roman law—I have developed the habit of referring to Justinian's Digest for the foundations of law for the future.

Therefore the thesis which I have the honor to maintain this evening is that of the Emperor Justinian, to be found in the Authentic or New Constitutions of Our Lord the Most Holy Emperor Justinian, Sixth Collection, issued some 14 centuries ago under date of the Seventh of the Kalends of July 529 A. D. [June 26], "Title XIV, Concerning Arms."

"Chapter I. * * * desiring to prevent men from killing each other, we have thought it proper to decree that no private person shall engage in the manufacture of weapons, and that only those shall be authorized to do so who are employed in the public arsenals, or are called 'armorers'; and also that manufacturers of arms should not sell them to any private individual. * * *

"Chapter III. Therefore, God directing our thoughts, we decree by the present law that no private individual, or anyone else who-soever shall, in any Province or city of our Empire, have the right to make or sell arms, or deal in them in any way, but only such as are authorized to manufacture them can do so, and deposit them in our armory. * * *

"Chapter IV. But in order that what has been forbidden by us to private persons and all others may become clear, we have taken pains to enumerate in this law the different kinds of weapons whose manufacture is forbidden. Therefore, we prohibit private individuals from either making or buying bows, arrows, double-edged swords, ordinary swords, weapons usually called hunting knives, those styled "zabes", breastplates, javelins, lances, and spears of every shape whatever, arms called by the Isaurians

"monocopia", others called "sitinnes", or missiles, shields, and helmets; for we do not permit anything of this kind to be manufactured except by those who are appointed for that purpose in our arsenals, and only small knives which no one uses in fighting shall be allowed to be made and sold by private persons."

Here we have a clean-cut statement of a complete governmental control of the manufacture of arms and munitions, the only exception being what we would today call, I opine, "penknives" for the sharpening of pencils or the removing of blots from a manuscript.

There is a generally recognized law of neutrality, but it is an old law—much younger than that of Justinian but yet an outworn law—adequate to circumstances which once existed but which no longer obtain. Since law should be in touch with actual conditions, it should change with changing circumstances, the circumstances in the case of neutrality being that, terrible as have been the wars of our century, those of tomorrow will be wars in which the entire populations of the belligerents will be directly engaged or affected, instead of being only remotely touched by war—as was the case when the existing law of neutrality came into being. But before considering what these circumstances are, it is desirable to refer to a more fundamental circumstance and its consequences.

It is unfortunately a fact that treaties ending wars are imposed rather than negotiated, although the forms of negotiation are ordinarily observed. But as in politics, so in war: to the victors belong the spoils—a precedent not established but followed by Brennus, when demanding a larger amount of gold from the defeated Romans as he threw his sword on the balance of the scales. Woe to the conquered! Force is not permissible in the making of agreements between man and man; unfortunately it prevails between nation and nation, especially in treaties ending war. In this regard, nations large and small are tarred with the same brush, but precedents of the larger nations appear to have the greater vogue in the international community. Two of these may be mentioned in passing.

In 1856 the Crimean War was ended by a treaty negotiated in Paris by the representatives of the belligerents. One of the terms of the victors was that Russia should keep no armed vessels on the Black Sea. In 1870, Russia took advantage of the Franco-Prussian War to denounce—that is to say, abrogate—the Treaty of Paris insofar as the prohibition of Russian ships of war on the Black Sea was concerned. This action aroused protest, and the signatories of the Treaty of Paris, meeting in London to consider the issue thus raised, signed a remarkable pronouncement on January 17, 1871, declaring it to be the public law of Europe that treaties could not be abrogated, nor their provisions changed, without the consent, amicably obtained, of the parties to the treaties. To this declaration France formally adhered on March 30 of the same year. Within a few months, the German Empire negotiated a treaty of peace with France—with which country Germany had been at war—by the terms of which France was to pay the then enormous sum of 5,000,000,000 gold francs (1,000,000,000 gold dollars) within a period of 3 years, during which German troops were to occupy a certain portion of France. Within 18 months the entire indebtedness was liquidated to the satisfaction of the German Empire. The treaty was thus lived up to by both the contracting parties—and both, it is to be noted, had also signed the declaration formulated at the London conference.

On the 10th day of January, 1920, the so-called "Treaty of Versailles" went into effect, the contracting parties being, on the one hand, Germany, and, on the other, the majority of the European powers signatory of the Declaration of London, which had prescribed that treaties could not be modified without the consent of the parties amicably had. The 15 years which have run since the 10th day of January, 1920, may truly be considered a period both of the making and of the remaking of treaties.¹ Why, then, make treaties, if they are to be made and remade but to be violated? For the violation of any treaty is not merely a violation of its terms but a repudiation of that good faith which is the essence of all agreements, whether they be words of mouth, written contracts, or solemn treaties.

The point which we have especially in mind is the question of good faith, which we venture to call the life of international relations, and the violation of which sounds the death knell of all friendly relations, whether between men or nations. Good faith, in short, is the essential trait of the good neighbor.

In no phase of international intercourse is good faith more essential than in the law and the practice of neutrality. Now neutrality permits nations to remain neutral in a war to which they have not declared themselves to be parties, and to carry on the commerce of peace in all commodities with all other neutral nations, and also with the belligerent nations, on the condition that each of the latter be treated impartially, that is to say, that the neutral nation does not limit its trade to one of the belligerents to the exclusion of the other but offers its wares to both alike.

There was a time, long since past but existing throughout the centuries, when a nation could not of right be neutral—"He that is not with me is against me"—but in the course of time,

the neutrals being many and the actual belligerents of the moment few (leaving out of account the so-called "world wars", of which there have been a number), each belligerent welcomed a neutral trading with it, although objecting to such neutral trading with its enemy.

The United States came into being, both on land and sea, on the 4th day of July 1776, and were engaged in their first war with Great Britain from that period until some 7 years later, when a treaty of peace was signed by the erstwhile belligerents—one of the few peace treaties in history which was really negotiated and not imposed. During this 7 years of war, several of the European states, annoyed by what they were pleased to consider the violations of their neutral rights by Great Britain, formed an international organization which came to be known as the "Armed Neutrality", of which the Empress Catherine, of Russia, was the leading spirit. Before it became a belligerent in the World War, the Government of the United States, it may be added, was much in favor of the policy of armed neutrality as a means of protecting its neutral commerce.

Now the hope of the founders of our Republic was that we would keep out of foreign entanglements, and, therefore, out of foreign wars. Nevertheless our first—and not our least—Secretary of State under the Constitution, Thomas Jefferson, declared as the neutral policy of the young Republic:

"Our citizens have been always free to make, vend, and export arms. It is the constant occupation and livelihood of some of them. To suppress their callings, the only means perhaps of their subsistence, because a war exists in foreign and distant countries, in which we have no concern, would scarcely be expected. It would be hard in principle and impossible in practice. The law of nations, therefore, respecting the rights of those at peace does not require from them such an internal disarrangement in their occupations." * * *

Thus was formulated the policy of the United States as a neutral—the fullest possible trade for neutrals that the law of nations allowed, meaning the greatest possible restriction in the list of contraband. When, however, the Government of the United States was a belligerent, it trimmed its policy to the "needs" of war as a vessel trims its sails to the winds, demanding an increase in contraband and the maximum restriction of neutral trade with belligerents. This shift of policy was admitted by Secretary of State Bryan in a letter of January 20, 1915, to Senator Stone, then Chairman of the Senate Committee on Foreign Relations: "The record of the United States in the past is not free from criticism. When neutral, this Government has stood for a restricted list of absolute and conditional contraband. As a belligerent, we have contended for a liberal list, according to our conception of the necessities of the case."²

Whatever our attitude toward commerce in times of war, neutrality was to be our policy when we were at peace. And we began early. Indeed, the United States gave to neutrality its statutory form and effect. For was not a proclamation issued—the first neutrality proclamation in the history of the United States—on April 22, 1793, by President Washington? In it, however, out of regard for France, he did not mention the word "neutrality." In the next year (1794), the first statute of neutrality of the United States—indeed the first statute of neutrality of any country—was passed and became a law. So anxious were we to keep out of war that the duties of neutrals were specifically defined both in the proclamation and in the act of Congress and appropriate penalties provided for their violation. It may fairly be said, therefore, that the United States has emphasized neutral duties as well as neutral rights; but it is the insistence upon rights of neutrality rather than upon duties which draws neutral nations into war.

Our neutral trade with Great Britain got us into a passing trouble with France, resulting in an undeclared war, an imperfect war, or, as stated officially, in a leading case,³ in a "prolonged series of reprisals"; our insistence upon neutral rights during the Napoleonic wars got us into a second war with Great Britain in 1812 to 1814; and likewise our insistence upon neutral rights in the recent World War caused the Congress of the United States to declare war on the 6th of April 1917 against the Imperial German Government, and on December 7, 1917, against Austria-Hungary. In all the other wars waged by foreign belligerents, between the date of our independence and our participation in the World War, the United States remained a neutral nation, able to maintain its neutrality.

What would seem to be the conclusion to be drawn from such instances? The answer is that we are confronted with a choice: In the future we must decide whether we shall have war without former neutral rights or peace with neutral duties, for no matter if it was possible for the United States to maintain, with two exceptions, their neutral rights in the past, circumstances have so changed that today it is difficult—and tomorrow it will be still more difficult—to have intercourse with belligerents and preserve our older form of neutrality. The world changes, and with it international relations, both of war and of peace. It is high time for us to examine the old conceptions of neutral rights and duties

¹ For an admirable statement on the making and remaking of treaties in Europe since the World War, see an editorial comment, A Pact of Non-Aggression, in the October 1933 number of the American Journal of International Law (vol. 27, pp. 725-32), from the pen of Mr. George A. Finch, managing editor of the Journal, assistant secretary of the Carnegie Endowment for International Peace, and assistant director of its division of international law.

² Secretary of State Jefferson to the British Minister, May 15, 1793, 5 MS. Dom. Let. 105; Am. State Papers, I. 69, 147; 3 Jefferson's Works, 558, 560—quoted from John Bassett Moore, A Digest of International Law (Washington, 1906), vol. vii, p. 955.

³ The American Journal of International Law (1915), vol. 9, p. 446.

⁴ Gray v. United States (decided May 17, 1886), 21 Court of Claims Reports, pp. 340, 375.

so as to see whether the neutrality of the past can reasonably be expected to be the neutrality of the future.

Centuries ago wars were largely dynastic or monarchical affairs, due to the ruler's hope of enlarging his territory at the expense of a brother sovereign, the underlying motive being the personal desire for increase of power of emperor or of king. Standing armies had come in, and standing armies were for the most part found to be sufficient for dynastic wars. There were ports of military and of naval equipment, and commodities destined for them passed directly into the hands of the military or naval authorities and were used for military or naval purposes. Commodities sent to nonmilitary or nonnaval ports reached the civil population and were consumed without passing to the military authorities.

At the present day commodities reaching any port of a belligerent, or entering by way of an adjoining neutral power, become fuel for the war machine, because war is no longer a matter of standing armies. The belligerents are, in very fact, nations in arms, and commodities, whether they be solely for warlike purposes or whether they be commodities intended for the peaceful population as in earlier times, are now likely to be commandeered by the government and handed over to the armed forces, leaving the civilian population to starve or to shift for itself.

There is another aspect of this question resulting from the increased dependence of nations, both belligerent and neutral, upon the products not of their own lands but of other lands. In a word, nations today live largely by foreign trade, where in the past they lived largely without it. At the present time few, if any, nations could long exist even in peace time without exchanging their commodities by means of foreign commerce. And warring nations are especially dependent on the commodities which reach them through the channels of international trade, for the belligerent cannot feed the civilian population, since the nation is under arms; that is to say, those who can bear arms are conscripted into the service and the supplies of food produced are diverted to the armed forces of the belligerent.

Then, too, objects which in the past did not have a warlike use have become, by the progress of science, usable for warlike purposes, with the result that contraband articles directly usable for war—and therefore imported for warlike purposes—and articles of conditional contraband (conditioned upon reaching a port of naval equipment and then the armed forces) have vastly increased in number and variety. They may pass directly to the armed forces, in the form in which they are imported, or they may go to war industries for use in the manufacture of articles susceptible of a warlike use; but in either event these articles are used for the purposes of war and their number is legion. In other words, almost all of the imports of the belligerent have become, directly or indirectly, instruments of war, and in consequence are viewed by the opposing belligerent as contraband of war, the items included within that classification being increased with every war.

The growth of this classification has been rapid beyond belief. In 1909, for example, at the London Naval Conference, there were three lists of commodities: absolute contraband, consisting of articles solely useful in war; conditional contraband, consisting of commodities susceptible of warlike use; and free commodities, considered as not capable of warlike use. The first article of this last list—insisted upon by the American delegation to the Conference—was raw cotton, which today is the very essence of explosives! Indeed it has been said, with more truth than humor, that the only commodity not susceptible of a warlike purpose is "ostrich feathers"; but human ingenuity may eventually convert an ostrich into contraband by using his plumage for camouflage. Warfare being now upon an unprecedented scale, and future wars likely to be still more unprecedented, and nations being unable to grow and produce the elements essential for the carrying on of future conflicts, it should be evident without argument that belligerent nations, not merely the large but the small ones—witness the Chaco war between Bolivia and Paraguay—are dependent upon supplies from the outside world, if they are to be enabled to carry on wars.

Without mentioning the resources of foreign nations—which for present purposes would be invidious—we are justified in saying that the vast territory and the immense resources of the United States of America have made our country and our people to no small degree the source of the world's sinews of war and therefore the base, as it were, of hostile operations of the future. For if the warring nations cannot produce their own supplies or obtain them elsewhere than through importation from the United States, that fact in a very real sense makes of the United States a base of hostile operations, which is inconsistent even with the most rudimentary conception of neutrality.

Nor is this all. War being on such a stupendous scale, the nations at war are not able to obtain the commodities essential for the prosecution of their wars without money borrowed from neutral countries; and of all neutral countries, the United States of America apparently is best in position to supply moneys for a warlike purpose. This is plain fact, not theory. Before the Government of the United States declared war against Germany and Austria-Hungary, in order to protect its neutral commerce, the people of the United States were supplying not only the materials and the manufactured articles by virtue whereof the belligerents were enabled to carry on the war, but also the moneys to purchase them. In a word, the United States was financing or subsidizing the war, and we have learned by experience after the war that, having accomplished their purpose, the belligerent nations are unable to pay their indebtedness. The result is that we have not merely been a base of hostile operations but, by furnishing to the

belligerent countries moneys for the conduct of warfare, we have been, while at peace, what might be called the supporters of war.

It cannot be gainsaid, much less successfully contradicted, that the Government of the United States declared itself to be in a state of war with the Imperial German Government because of Germany's violation of American neutral rights. The question arises and must have an answer: Are we to be dragged into foreign wars by a continuation of a policy of neutrality, a policy which brought us into a state of war with Great Britain in 1812, then the most powerful nation in the world, and which policy—in fact a veiled participation in the conflict—brought us into the World War against two of the countries which, before the outbreak of hostilities, were regarded as among the most powerful of nations? The remedy may be drastic; but the choice, it would appear, is between the drastic remedy and a still more drastic loss of human life.

In the conflict between commerce and human life, which is to prevail?

Let us consider, however briefly, what the protection of neutral rights of commerce really means. It means that certain manufacturers or producers of arms, ammunition, and, indeed, of all the various commodities which can be used in war, shall be permitted to receive enormous profits for the goods which they sell and export to the belligerent powers; and that this privilege of making money out of war is considered worthy of protection by the Government of the United States, even to the point of war. No commercial operation or profit can be weighed for a moment in the balance with human life. The profits protected under the law of neutrality are, in very truth, the profits from death. If a merchant trade in arms or ammunition indifferently with one or other of the belligerents, it is an indication that he is not interested in the triumph or failure of one or the other belligerent, or in the right or wrong of either side. Without having the United States as the base of hostile operations from which to obtain an ever-increasing supply of arms and ammunition, and, indeed, food-stuffs, would the World War have lasted as long as it did, or would the destruction of life have been so unbelievable? Can the American traveler visiting the graveyards in foreign countries put his hand on his heart and honestly say, "At least my country was not a party to this crime"?

Should the Government of the United States protect the trade of its citizens or residents in arms and ammunition and in all commodities (whose name, as we have said before, is legion) usable for warlike purposes?

Upon the answer depends in large measure the future of the United States, and the facts and their consequences should be well pondered before a decision is reached.

Ladies and gentlemen, I feel myself not only justified in stating but compelled to assure you that I do not discuss this matter from a purely academic point of view, inasmuch as during the entire period of our neutrality in the World War, from August 1914 to April 1917, I was Chairman of the State, War, and Navy Neutrality Board; and I therefore deem it appropriate to say that I am speaking under a deep sense of responsibility.

Without maintaining that money is the root of all evil, we know by experience that money got through participation, direct or indirect, in war is fraught with danger to life and to the soul. The Supreme Court of the United States has decided more than one case in which citizens of the United States have been taxed with and found guilty of trade with the enemy in a war to which the Government of the United States was a party. If during war some of our citizens would, for material profit, furnish commodities to the enemy of the United States, we can imagine how many more of our citizens would engage in furnishing supplies to one or other of the belligerents in a war to which the Government of the United States was a neutral, lured by even greater material profits which, according to statistics, are measured by incredible percentages and by hundreds of millions of dollars. Against this profit, however great, should be weighed the toll of human lives which follows in war's train. For in very truth, if we are not a party to the war in the technical sense of the word, are we not, in insisting on our traditional neutral rights, actually parties to the destruction of life—not to speak of property? Is this the role of the good neighbor?

Another and not unimportant reason why we should prevent American citizens and foreigners resident in the United States from manufacturing arms and ammunition and supplying foreign countries with them, is that these munitions might conceivably be used against us, if by any mischance we should become involved in war with a foreign nation whose arms and ammunition had been supplied by American manufacturers. The European press has recently had much to say of the munitions supplied, either in times past or during hostilities, by one or other of the belligerents to the enemy. The question, therefore, is not wholly academic.

What, then, should be the policy of the United States as an enlightened nation? Assuredly the Government of the United States should not make itself a party to wars in fact if not in form, as it does by permitting its citizens and residents to manufacture and to export commodities, the sole or indirect purpose of which is the destruction of the lives of persons who are not in the slightest degree our enemies. Nor should it become an actual party to the war for the mere protection of such commerce. If war we are to have, it should be strictly in self-defense, not in defense of commerce with belligerents, whether that commerce be in arms or ammunition, or in hitherto peaceful commodities such as we now know are useful for the continuance of warfare.

Now, in case of a war of self-defense, the Government of the United States would be in need of arms and ammunition. It should be in a position to supply that need itself so as to meet effectively any aggression which menaced its existence. If it be said that the manufacture of munitions and of other commodities usable in war is a private undertaking, and has been so treated in times past, an answer is that the Government of the United States has taken charge of the Postal Service of the United States, which was also in times past a private enterprise. If it be maintained that the exclusive governmental manufacture of arms and ammunition would be more expensive than manufacture by commercial firms, it may be said that the arms and ammunition manufactured by the United States would not be supplied to belligerents, because no neutral government as such can, even under the existing law of nations, lawfully supply belligerents with such commodities, and there would consequently be no question of meeting the competition of private industry in other lands.

The Government of the United States, as regards the much-discussed question of munitions, would thus be neutral in fact as well as in theory; and even if the cost of the manufacture of munitions under such circumstances should be greater, such munitions would, in any event, be made only for use against our enemies and not against our friends.

Although, under such an arrangement, our citizens would be prevented from manufacturing and trading in arms and munitions, they could still trade with the neutral nations in everything but arms and munitions; and, due to the fact that the belligerent nations would be for the most part unable to engage in exports, American merchants would have larger markets in other neutral countries, so that what our countrymen lost in the manufacture and sale of arms and munitions they would doubtless gain in the normal markets of the belligerents.

How could this policy, then, be inaugurated?

(1) By vesting in the Government of the United States the manufacture of arms and munitions and other commodities, if such there be, which the Government from time to time should consider as necessary solely for its defense;

(2) By denying the right to private citizens to manufacture any and all such commodities as are thus reserved for exclusive manufacture by the United States.

In the absence of treaties or other agreements providing what commodities are necessary in warfare, the Government of the United States should decide for itself what it considers to be commodities essential for the carrying on of war, and should deny to its citizens, and to foreigners within its jurisdiction, the right to trade directly or indirectly in such commodities with the belligerent powers. American citizens or foreigners subject to the jurisdiction of the United States might properly trade in all other commodities with the belligerents, but they would do so at their own risk and should be so warned by the Government of the United States in its proclamation of neutrality.

In this way the Government of the United States would be relieved of the dangerous task of protecting American commerce except in those cases where the belligerent interfered with legitimate trade from the United States to neutral countries. We readily admit that the belligerent may properly exercise the right of stopping and searching a suspected neutral vessel on the high seas for articles directly or ultimately destined to its enemy, but if no commodities destined directly or indirectly to the enemy are found in the cargo, and there is no other evidence of unneutral conduct, any further interference with the neutral ship is unjustified. In a word, no neutral vessel should, under any circumstances, be captured and taken into the jurisdiction of the captor unless such action has been fully warranted by the findings resulting from visit and search under the rules of international law.

Performance of neutral duties by the Government of the United States has kept us out of European wars. Insistence upon so-called "neutral rights" has more than once dragged us into European wars, and may do so again unless, like Washington, we lay the emphasis upon neutral duties rather than upon neutral rights.

May the neutrality of the future be based upon the impartiality of justice and humanity, and not upon the impartiality of profits wrong indifferently from the warring peoples. In a word, may the neutrality of the future be the neutrality of the good neighbor.

SALE OF "BABY BONDS" BY THE TREASURY

Mr. SCHALL. Mr. President, I ask unanimous consent to have printed in the RECORD a letter received by me from the Honorable Henry Morgenthau, Jr., Secretary of the Treasury, in reference to remarks made by me on infantile bonds, and my reply thereto.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, May 9, 1935.

HON. THOMAS D. SCHALL,
United States Senate.

MY DEAR SENATOR: It is my feeling that your remarks in the Senate on May 7, as reported in the CONGRESSIONAL RECORD, are likely to create an erroneous impression, with reference to the United States savings bonds, which I feel it my duty to correct.

Briefly and simply, the situation is that a bond of \$25 maturity value (and redeemable for that face value amount 10 years after its issuance and sale) can now be purchased for \$18.75. The redeemable value of the bond increases gradually during the 10-year period, and that value as of various dates up to maturity is clearly imprinted on the bond, so that purchasers are fully informed. The bonds cannot be resold by purchasers as they are not transferable.

Your remarks seem to me to create two equally erroneous impressions: First, that those who have purchased United States savings bonds have suffered a 25-percent depreciation in the value of the securities; and, second, that a Wall Street syndicate might purchase them in quantity and resell them for a higher price with a 25-percent profit.

Your statement that the bonds are "already infected 25 percent" seems to me a clear intimation that they have declined in value from \$25 to \$18.75 since issuance, which is, of course, not the case. Your statement that "one-fourth of their face is gone, eaten up" seems to me to create a similarly erroneous impression.

Your statement as to the possibility of profit to a Wall Street syndicate, through the purchase of United States savings bonds, is in error. The maximum amount of the bonds which can be purchased by any one person or for any one account is \$10,000 a year. But if such a syndicate could purchase \$25 maturity value United States savings bonds for \$18.75 they could not redeem them for \$25 until 10 years later. Your statement seems clearly to imply that they could do so immediately. To make an investment which returns a yield averaging approximately 2.9 percent per annum can scarcely be referred to as making "a rake-off of 25 percent."

While the Treasury welcomes well-founded criticism of its policies and activities, I feel that I should state the facts as to these securities, as there seems to be some misunderstanding as to them.

Respectfully yours,

H. MORGENTHAU,
Secretary of the Treasury.

MAY 14, 1935.

HON. H. MORGENTHAU,

Secretary of the Treasury, Washington, D. C.

MY DEAR MR. SECRETARY: I thank you for your letter of May 9, 1935, with regard to the "baby bonds" you are offering to small investors at the bargain price of \$18.75 for a \$25 bond—the bond being deprived of the customary privilege of being transferable as a liquid asset, and therefore a "frozen asset" unavailable to the investor in time of need during the 10-year period to maturity.

You raise the point that a Wall Street syndicate could not purchase these bonds in quantity for a "rake-off of 25 percent" because "they could not redeem them until 10 years later." Certainly you are not unaware—living in a city where Wall Street controls the finances and where for so many years Tammany Hall owned both the executive and legislative functions of the city government, as well as much of the municipal court, if not most of the machinery of local "justice"—that the syndicate system for handling supposed "nontransferable" equities has a hoary history.

If your experience has been in law or banking you scarcely can be unaware of that system, which applied to your 10-year "infantile" issue, would be, perhaps, as follows:

In time of urgent need, as in sickness and death in the family, unemployment and business failure, accidents and other disaster, such as may occur in the 10-year period of the average small investor, he must go to what is known in most large cities as a "shave shop" to part with his \$18.75 of saved earnings at such discount as the "shave shop" may exact.

The small investor signs a power of attorney to the "shave shop", makes it his fiduciary trustee, signs a mortgage contract of 10 years and one day to the maturity date of the 10-year bond. Thereby your Wall Street syndicate gets the \$25, including the \$2.90 per annum, and your small investor gets what his necessity and the greed of the "shave shop" may generously allow.

If we suppose that the small investor has a funeral in his family or loses his job, say, 2 years after paying you his \$18.75, and the "baby" equity has 8 years before the trustee can collect, then the "shave shop" which discounts the equity will charge at least 5 percent a year, or, in this case, a total of 40 percent, besides its administrative expense and overhead and a profit on the deal. Instead of a "25-percent rake-off", the amount of your advance bonus, it may run to any amount the "shave shop" agency of the syndicate is able to wring from the victim "sucker."

"Unmoral" is the term applied to it by your fellow townsman, Frank Vanderlip, the noted ex-banker, who, I believe, has formerly approved some of your administrative program. I am not surprised that he pronounces this one "unmoral." Behold the list of its immoralities:

It piles up as "frozen assets" for a period of 10 years the small savings of the country needed to finance industry, aid industrial employment, and pay taxes to support government.

It aims to undermine the Postal Savings System, which 2 years ago carried over \$1,000,000,000 to meet the emergencies of small investors, and every postmaster in the United States is made your agency to rape this billion for the support of a Federal bureaucracy.

It aims to undermine and demoralize the lifelong service of the mutual savings banks of the United States, which in 1932 numbered 594, had 12,500,000 depositors, and carried over \$10,000,000,000 in savings deposits.

Your glittering bait of \$18.75 for a \$25 bond, or a ground bait of 25 percent to hook the small investors to your Federal fish wagon, is just another phase—is it not?—of your Fabian plan for political control of the banking and savings of the 48 States and 3,000 counties—the savings which hitherto financed useful productive industry to employ American labor in conversion of raw materials into finished necessities of life.

Your bait of \$18.75 for a \$25 bond is likewise "unmoral" in destroying the parity of all American bond securities. It injects the "cut price" evil into the American bond standard, sets up "cutthroat competition" with all other securities—an evil which the Government pretends to be fighting under the 731 codes of the "blue-eagled" N. R. A. You demonetize gold and pay \$35 for an ounce, worth \$20.67, as a bonus to destroy the gold standard, and hang up a 25-percent bonus to destroy the bond standard, thereby placing all the foundations of American finance under the political control of a Federal Tammany Hall and, if your bank bill passes, a centralized banking system in which the new Fabius Maximus sits as president with you as cashier and Postmaster General Farley as bank teller at the receiving window.

For information, may I ask you this question with regard to the investment use to be made with the billions you hope to raise by this campaign through the 48,000 post offices of the United States?

Will these deposits be available for investment in the socialistic enterprises of the Delaware corporation to which, on October 16, 1933, you and H. A. Wallace, and Oscar Johnston, set your hands and seals under oath before John P. Wenchel, notary public of the District of Columbia, as set forth in the CONGRESSIONAL RECORD of February 6, 1935, the corporation which in article seventh is to "have perpetual existence", and of which you, Wallace, and Johnston, are the first board of directors with a resident office at no. 100 West Tenth Street, Wilmington, Del., with branch offices (see subsection "(1)")—

" * * * to carry on all or any of its operations and business without restriction or limit as to amount, in any of the States, districts, territories, or colonies of the United States, and in any and all foreign countries."

For information, I am asking if the investment deposits will be available for investment in the enterprises of this Delaware corporation having "perpetual existence" with a resident agent at no. 100 West Tenth Street, Wilmington, Del., and engaged in such socialistic enterprises as designated in the following subsection of the articles of incorporation:

"(1) To acquire by purchase, lease, or construction, or in any other manner, storage and other physical facilities for the handling, carrying, processing, manufacturing, storing, preparing for market, and marketing agricultural and/or other commodities, and/or other products thereof."

I heartily agree with you, Mr. Morgenthau, that criticisms should be constructive, and likewise that the answers should be constructive. And to that end I look forward to your further letter of enlightenment with regard to the investment of the deposit advances pursuant to your "infantile" bond issues with 25 percent of their face missing.

With best wishes.

Cordially yours,

THOS. D. SCHALL.

THE BIG FOUR "NEW DEALS"—ADDRESS BY SENATOR SCHALL

Mr. SCHALL. Mr. President, I ask unanimous consent to have printed in the RECORD a speech delivered by me in Chicago at the Chicago Bar Association luncheon, on May 13, 1935, together with an article from the Chicago Daily News of the same date.

There being no objection, the address and article were ordered to be printed in the RECORD, as follows:

About every third generation through history there is a relapse to some form of autocracy, when "government by men" is resorted to as a substitute for "government by law."

War, panic, depression, famine, and pestilence are the usual predecessors and handy pretexts for the autocratic cycle.

In time of "war or exigency", as provided in the constitution of the early Republic of Rome, a dictator could be chosen, whose will took the place of law. Thus Rome had its Sulla and Marius, its Pompey and its Caesars, its conquering eagles and its poverty, its deserted fields and its rabble of street beggars, following the dissolute Cataline and his reckless distribution of doles.

The term of a dictator under the Roman constitution was 6 months. A permanent dictator received the name of emperor. That is how the job of emperor came into political vogue. It was when the temporary dictator succeeded in his demand to have his autocratic tenure made permanent.

Some of the dictators of history are not so bad, but most of them are worse. All of them are characterized by certain marks of conduct and policy and viewpoint.

All the world dictators, Caesars, emperors, kaisers, tsars, down to the "new dealers" of today use conquering eagles to symbolize the fear they wish to create in the hearts of those they seek to subjugate.

Dictatorships imply suspension of constitutions. The denial of the Bill of Rights, except to favorites, a certain degree of censorship over the instruments of communication, the control of the highways, industries, and commerce, the domination of subject provinces and municipalities by the paternalistic power above, and

the consolidation of both executive and legislative functions in the eagle-bearing commander in chief of the army and navy, the purse strings, and affairs of state.

All dictatorships, moreover, demand control of the lives, liberty, and industries of the inhabitants; the supreme rights over property; the power to dispossess of property those who oppose the imperial will; the power to tax, which implies the power to destroy; the power to borrow without restriction or limit, which implies the power to pile up mountainous debt, which means the taxation of future generations to come.

In short, the badge of the eagle, the suspension of the Constitution, the absence of a dependable bill of rights, the subjection of the legislative powers to the will of the executive, the control of industry and commerce, the control of transportation and communications, the control of the tax power and appropriations, a high public debt and reckless expenditure, and the complete sway of the public forum to command the worship of followers—marks all the autocrats of history, from the Caesars and Charlemagne, William the Conqueror, and Napoleon, down to the "new dealers" of today in Rome and Berlin, the Union of Soviet Socialist Republics, and the United States of America.

World dictatorships are classified into two main types: First, those who maintain their dominance by physical force, the superior might of arms, the ruthlessness of slaughter; the sudden sweep of fire and sword upon the helpless peasantry and trembling townspeople.

Such was Sulla of Rome, the Hun chieftains of Mongolia, the Mohammedan chiefs of Asia Minor, some of the kaisers and tsars, and all Indian chiefs of uncivilized tribes. There is something of that in vogue still in modern times, as witness Chancellor Hitler and his storm troops, the soviet rule in Russia, and the machinations of the war lords in all countries.

But the more effective and seductive method is that of the so-called "Fabian school", the method of "gradual approach" by securing control and possession of the public resources and means of subsistence, the avenues of communication, the commerce and lands, the functions of government, and the power to tax, and then capture the imaginations of a subservient following by erecting huge public works and amassing a mountain of public debt chargeable to future generations, sometimes paid but usually passed along or defaulted or wiped out by revolution.

In 221 to 216 B. C., over a century before the birth of Julius Caesar, and 170 years before Caesar's assassination at the foot of Pompey's statue, Fabius Quintus, known to history as "Fabius Maximus", a renowned Roman general, five times consul, twice censor and dictator, was dictator of Rome during the Second Punic War. Hannibal of Carthage had conquered Spain, crossed the Alps, and given the Romans two defeats before his great triumph at the Battle of Cannae.

So Rome had both "war and exigency", the two conditions which under the Roman constitution provided for a dictator. Fabius Maximus defeated Hannibal by those famous tactics later known as the "Fabian method." He harassed the enemy by feints and artful dodges, destroying the bridges and food supplies, facing north while backing south, aiming west while retreating east, delaying and delaying the frontal attack, which earned for him the Roman title of "Cunctator."

Thereby he gradually undermined and harassed and starved the army of Hannibal into demoralization and ultimate defeat until Rome became world conqueror when its eagles surmounted Capua, Corinth, and New Carthage in the Third Punic War.

Fabius Maximus was the first "new dealer" of the dictatorships of Rome, before Christ, to lay the foundations of Rome's world conquest. That was about the time the Chinese began building the Great Wall against the Mongolian barbarians of the north. Two generations before Fabius, Euclid, the famous mathematician, had begun teaching at Alexandria and the Septuagint translation of the Old Testament had begun. It was not until a century after Fabius that Marius became temporary dictator, to be succeeded in turn by the bloody Sulla in the social war, and he in turn by Pompey and Crassus, and they in turn by Caesar, who crossed the Rubicon in 49 B. C.

It was not until 150 years after the administration of Fabius Maximus, that Cicero, the leading orator of the Roman bar, delivered in the forum his famous speech against the conspiracy of Cataline. It seems that Cataline was the first "left wing" leader of note in Roman history. He built up a powerful political following by gladiatorial shows, distribution of street doles, and organizing not only the street rabble and the underworld, but also the slaves, the unemployed, and the landless farmers who had fought the battles of Rome and been dispossessed both of their fields and of their means of livelihood. Cataline used the same dole system and publicity system, though on the smaller scale of 2,000 years ago, that is employed in the United States today, to buy the discontented and stir up the malcontents, and teach them all Rome owed them a living, and that he, Cataline, was their only Santa Claus and political savior.

Cataline, however, had not learned two angles of the political game which the Fabians of recent history have developed on such a vast financial, commercial, and publicity scale. Moreover, Cataline had not a position of power that would enable him to commandeer public revenue and official machinery, public debt and treasury deficits, and control the commercial forces of his day to put over any vast project of public doles and wholesale subsidy of the electorate.

The two angles which Cataline did not develop or had not the power to develop, which I here have specially in mind, are these:

First, he did not create the so-called industrial "emergencies" that would afford him the popular excuse for his "recovery" nostrums.

Second, he did not and could not plunge the country into the mire of treasury deficits, and he did not have access to the creation of mountains of public debt to give scope to his dole system. He neither created industrial "emergency" nor erected government bureaus to carry out the pretext of "recovery." As a "new dealer" Cataline was limited to the retail pioneer stage of a primitive era.

The Fabian cult has come down the centuries. In the time of Napoleon, we find the Rothschild family of seven brothers laying the foundation of their vast fortunes by financing Napoleon and then delivering him over to his enemies.

The Rothschild phase of "Fabian tactics" extended chiefly into the financial field. Banks are the credit instrument and foundation of all extended industry, commerce, transportation, public utilities, and even of the revenue and credit resources of governments in floating public debt. He who controls the banks comes very near controlling the business and government of modern society. Thus, when Roosevelt, in March 1933, employed the war-time act of 1917 to close all banks in the United States, most of which being solvent, he created the first new-deal emergency, affecting all industry and commerce and affording the Seventy-third Congress its plausible pretext for railroading into the statute book the various "emergency" acts drafted by the White House—such as the A. A. A., the N. R. A., and other alphabetical organizations. He now is bent on securing complete political control through his centralized banking bill. If he gets this over and continues the power of his N. R. A. the voice of Jacob will no longer be needed and the hairy hand of Esau will seize the stolen birthright.

The Rothschilds of the European capitals directed their "Fabian tactics" to the control of modern governments and business through financing wars and the war debts necessary to the building of navies and armies, arsenals and fortresses, the purchase of munitions and war supplies. No modern wars carried on by the large powers have been fomented without first consulting the Rothschilds and their financial branches and allies in Wall Street and the various financial capitals of the world.

Even in 1934, when the present war propaganda started here and simultaneously around the globe, Baron Rothschild, escorted by the American "contact man", Bernard M. Baruch, came over here as a guest of the White House for 2 weeks, then for 2 months in Wall Street and Washington, and then fishing with the President aboard the flagship *Nourmahal*. Can it be that the President feels that war is the only way out for the new deal? A scapegoat must be devised for the mountain of debt. Moreover, he may think war may be the only way to revive the so-called "heavy industries" and afford a profitable market for steel, copper, tin, lead, petroleum, and raw cotton for the manufacture of explosives.

Among the lieutenants and agents of this Rothschild, Wall Street, Lombard Street, Paris, and Tokyo aggregation of affiliated world finance, either wittingly or unconsciously, are the so-called "international bankers and brokers"—for whom Baruch acts as "contact man" between Europe and the United States, and between Wall Street and Washington. Baruch is the undoubted head of the administration "brain trust"—as he is the chief ambassador of the Fabian cult in the United States. He was chairman of the War Industries Board under Wilson. He has been "contact man" between the war powers of Europe and the United States, between Paris and Wall Street, between Wall Street and Washington, apparently, ever since.

In 1933 Baruch furnished his assistant, General Johnson, to the administration, to "crack down" American industry under the N. R. A., its "Blue Eagle", and 731 monopoly codes.

In 1934, when it was apparent that the N. R. A. was a "flop", Baruch began the war propaganda by publishing a book on the subject of commandeering industry and profits for the successful propagation of war, and incidentally the presumed "recovery" of the heavy industries. About that time he introduced Baron Rothschild to the White House.

In 1932, after Roosevelt had declared himself 100 percent for the Chicago platform, Baruch, during a week or more in early September, was a guest of Roosevelt at "Hide-away Park." After that visit Roosevelt denied the Chicago platform thrice before the cock crew and began unlimbering the new deal.

In Chicago, June 27, 1932, he was 100 percent for tariff revision by Congress, "with a fact-finding tariff commission free from Executive interference."

Today, he is for tariff making exclusively by the Executive, in a star chamber session at which American citizens have no right to a hearing and where tariff duties are raised or lowered by the Executive, free from congressional interference.

He was 100 percent for reduction of Government bureaus, and he would eliminate Government "extravagance" by "not less than 25 percent in cost of Federal Government."

Today he has created more peace-time Federal bureaus than all his predecessors combined, and he has piled up the costs of Government 100 percent.

He was 100 percent for a "Federal Budget annually balanced." In the 3 fiscal years ending June next, his accumulated Treasury balances in the red will exceed the deficit sum total of \$10,000,000,000 with a deficit aggregate of \$14,000,000,000 in 1936—the highest deficit mark of world history.

He was for the "protection of investors" who had been flim-flammed by foreign war powers and international bankers out of the bulk of \$15,000,000,000 invested by Americans in foreign bonds.

Congress authorized him in the Security Act of 1933 to create a commission under the auspices of the Federal Trade Commission to secure the fair settlement of these American loans abroad and protect American investors. Not only has nothing been done by the Government to carry out the will of Congress, but the administration has not lifted a finger to help investors against a certain loss of \$10,000,000,000 to \$12,000,000,000 and a gift of that amount to war powers abroad. He was 100 percent for "a sound currency to be preserved at all hazards."

What has he done to redeem that pledge? He has struck down the sound currency which we had had for 50 years, destroyed the gold standard, withdrew gold redemption from all American currency, reduced our 100-cent dollar to a supposed 59 cents, until the only currency standard of the United States is that of a fluctuating and unstable medium of exchange depending upon the exchange values in 60 principal countries—a fiat currency bobbing up and down and around on the flotsam and jetsam of foreign exchange.

He was 100 percent for "the sanctity of treaties and the maintenance of good faith and good will in financial obligations."

Within the past 60 days we have seen the administration, through its War Department generals, soliciting appropriations for the establishing of secret air bases along the Canadian border, at the same time that the State Department was unveiling the tablets commemorating the Rush-Bagot agreement of 1817 by which the United States and Canada for the preservation of American peace and good will agreed never to militarize our northern border. When the Canadians came down to the State Department the other day to demand an explanation of this duplicity, what did the White House do? It laid the blame upon Congress for publishing the testimony of the generals, and letting the people of the United States and Canada know what the new deal proposed to do to them.

So far as "good will in financial obligations" is concerned, this administration has permitted foreign war powers to default on \$12,000,000,000 of debts to the United States Treasury, a large part of which were incurred since the World War, and has never lifted a finger of protest.

Doubtless that was one of the themes on which Baron Rothschild and Barney Baruch spent so many weeks in conference as the guests of the White House and international bankers. It is significant that the Fabian spokesman of Great Britain, George Bernard Shaw, eulogist of the Soviet regime, came over here on April 11, 1933, on a flying visit, he explained, and at someone's expense appeared on the platform of the Metropolitan Opera House, New York City, to advise this country to do two things at once:

First. Scrap the Constitution of the United States.

Second. Scrap the World War debts owed the Treasury by Europe and federalize the banking power.

In July 1933 thereafter the administration created an industrial "emergency" by imposing with a blare of brass bands and street parades the first codes of the N. R. A. and "cracking down" on all American trade and industry. Within 4 months the industrial production of the United States had dropped 25 percent—although during the same period in 1932 industrial production had expanded normally 12 percent and Bradstreet's and the American Banking Association declared that the tide of recovery had definitely turned upward.

Likewise, in July 1933, the raid upon the farms was begun by the expenditure of hundreds of millions under the A. A. A.—the plowing under of 15,000,000 acres of growing cotton, the destruction of 6,500,000 hogs, the imposition of processing taxes to the present total of \$800,000,000. Taxes assessed and levied by a Government bureau in violation of the constitutional provision that all taxes are the legislative function of Congress.

Today the Treasury daily statement carries a fund of \$1,320,000,000 to subsidize farmers with cotton checks, wheat checks, tobacco checks, corn-hog checks, and checks for the producers of every imaginable crop to desert their farms, cut down their production, and help drought, disease, and bugs destroy the agricultural foundation of America, and thereby convert a self-reliant farm yeomanry into public charges and dole recipients, dependent upon a Federal imperial power—as in the time of Sulla, Pompey, Catiline, and the rest of the Roman dictators, and down through the Dark Ages when peasant serfs were dependent upon feudal barons for existence—or as exists today under the Soviet regime of the U. S. S. R.

You are familiar with the overwhelming economic disasters of the new deal. You know how Canada and Great Britain have expanded their production and balanced their budgets during the same period in which our production has crashed, and our Budget balance sunk into depths never before reached in our history.

You know how the legislative powers of Congress have been usurped by the Executive in violation of the Constitution and even of the old guarantees of Magna Carta dating from the thirteenth century. You know how our Bill of Rights has been emasculated by a system of licensed printing such as John Milton inveighed against in the days of the Stuart tyranny.

You have seen these phases of dictatorship, first, developing in the new deals over there, in Rome, Berlin, and Moscow, and by the Fabian method of gradual approach, by harassing methods, by "bold experiments", by use of scapegoats, by encroaching a little here and a little there, by gradually taking over the police powers

of the States, the commerce powers of the States, and the creation of 150 new crimes by edict, the violation of the due process of law, the gradual conversion of our boasted government by law into government by men—and by such men without knowledge or care of either law or business, either industry or the rights of liberty and property—a fabianized and tammanized Federal autocracy.

Gentlemen of the Chicago bar, there is no time on this occasion to go at length into the details of this great fiasco under the American flag. Do you not see the psychology and philosophy of the entire new deal—which is the oldest deal in Christendom? Is it not this?

To "crack-down" by the Fabian tactics of old all the industries and resources upon which the people rely for peaceful independent existence. To destroy their ability to support themselves as independent sovereign citizens. Thereby, by Government threats, by Government interference with their business, their liberty and property, and furthermore by enormous appropriations raised by mountainous debt, reduce an independent and proud free people to the status of subjects subsisting upon Federal subsidies and doles, even as in Rome in the days of the Caesars and the Catalines, or in Soviet Moscow.

You will note that the \$5,000,000,000 recently demanded by the White House, to be allocated by the Executive, is for the fiscal year 1937—an "emergency" forecast 2 years ahead. That the five billions amount to an average of \$100 per voter for the 40,000,000 voters in the United States. Moreover, that the first half of the fiscal year 1937 begins July 1, 1936, the beginning of the 1936 campaign—when the "allocator's" chief "emergency" begins.

It was 70 years from the dictatorship of George III and Lord North over the American colonists in violation of the principles of Magna Carta down to the dictatorship of the slave power in 1860 and the firing on Fort Sumter.

It was 70 years again from 1865 to 1935, when dictatorship is again in the ascendant, and when the Executive takes over the legislative function in Rome, Berlin, Moscow, Washington, the seats of the big four "new deals." American liberty and union under a Constitution of the people won in 1776 and again 1865. Why not again in 1936? Today there is in America only one true party—the party of, by, and for the people. Let us see to it that it does not perish from the earth, for the President has usurped the functions of our Republic, and is about ready, like Louis XIV, to declare himself the state. If he permits an election in 1936 and by it is reinstated, there will be no future elections, and the Republic of the United States may be only a matter of history.

[From the Chicago Daily News of May 13, 1935]

SCHALL LIKENS ROOSEVELT TO A ROMAN EMPEROR—HE SEES DOOM OF REPUBLIC IF PRESIDENT IS REELECTED

Likening Franklin D. Roosevelt to the Roman Emperor Cataline, Senator THOMAS D. SCHALL (Rep., Minn.) today told the Chicago Bar Association that "if the President permits an election in 1936 and wins, there'll be no future elections and the Republic of the United States may be only a matter of history."

"The President has usurped the functions of our Republic", the blind Senator said, "and is about ready, like Louis XIV, to declare himself the state."

SCHALL, in addressing the city's lawyers at a luncheon, declared that in every third generation through history there is a relapse to some form of autocracy, when government by men is resorted to as a substitute for government by law. He cited as the four dictatorships today those of Stalin, Hitler, Mussolini, and Roosevelt.

USE CONQUERING EAGLES

"All of the world dictators, Caesars, emperors, kaisers, tsars, down to the 'new dealers' of today, use conquering eagles to symbolize the fear they wish to create in the hearts of those they seek to subjugate", he said.

The Senator gave the bar association a generous sample of his knowledge of history, saying that the "Fabian school" of dictatorship is more effective and seductive than the fire-and-sword methods which he accredited to Hitler and his storm troops and the soviet rule in Russia. He described the Fabian plan as follows:

"The method of 'gradual approach' by securing control and possession of the public resources and means of subsistence, the avenues of communication, the commerce and lands, the functions of government, and the power to tax, and then capture the imagination of a subservient following by erecting huge public works and amassing a mountain of public debts chargeable to the future—sometimes paid, but usually passed along or defaulted or wiped out by revolution."

CATALINE WASN'T THOROUGH

SCHALL declared that Cataline, master of the Fabian principles, had not learned two angles of the politician game which his more recent successors have developed.

"The two angles", he continued, "which Cataline did not develop are these: First, he did not create the so-called 'industrial emergencies' that would afford him the popular excuse for his 'recovery' nostrums. Second, he did not and could not plunge the country into the mire of treasury deficits, and he did not have access to the creation of mountains of public debt to give scope to his dole system."

THE GOLD STANDARD—STATEMENT BY OGDEN L. MILLS

Mr. HASTINGS. Mr. President, I ask unanimous consent to have inserted in the RECORD a statement made by Mr.

Ogden L. Mills in reply to the radio speech of the Secretary of the Treasury relative to the gold standard.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am amazed at the charge made by Secretary Morgenthau on the radio last night that the failure of the last administration to abandon the gold standard as early as 1932 was "economic suicide", as well as his statement of the course of events which, beginning with Great Britain's departure from gold in September 1931, terminated in the abandonment of the gold standard by the United States in April 1933.

I am amazed because the facts do not support the Secretary's charge or statement.

The following is a summary of Mr. Morgenthau's analysis of what took place between the above-mentioned dates: Credit and currency difficulties came to a head in Europe in the spring of 1931; Great Britain suspended gold payments in September, other countries followed; "in January 1932, gold began to leave the United States in alarming amounts, which was fair notice to all concerned that our turn was next; the panic was knocking at our door, but nothing effective was done to avert it"; gold continued to leave until loss of gold, declining trade, falling commodity prices and unemployment resulted in the disaster of February 1933.

Anyone listening to or reading Mr. Morgenthau's statement was led to no other conclusion than that, beginning with England's abandonment of the gold standard, the process above described was continuous, with constant and uninterrupted loss of gold exerting unremitting pressure, and that the obstinate refusal of the administration then in power to abandon the gold standard at once was the underlying cause of the eventual panic and of the events that preceded it.

What are the facts? From the end of September 1931 to the end of June 1932 we did lose some \$800,000,000 in gold, due principally to the withdrawal of short-term balances of the French Government and of the Bank of France. By July 1932, however so effective were the policies pursued by the administration, such as unflinching adherence to payment of gold on demand, the securing of the Glass-Steagall measure, and the determined efforts to bring the Budget into balance, that the movement had definitely spent itself.

From July 1932 to January 1933 gold flowed back into this country uninterruptedly, in an aggregate amount of over \$550,000,000. In fact, taking the year 1932 as a whole, our monetary gold stock increased rather than decreased. During all of the summer and early fall of 1932 trade, business, prices, and employment all turned upward. In other words, the fight for the dollar and returning confidence had done the trick.

Why did Mr. Morgenthau, in what purports to be a recital of facts, fail to tell the American people of the great inflow of gold during the latter part of 1932, of the actual increase in monetary-gold stocks during that calendar year, and of the sharp upturn in business during the summer of 1932? Because these facts completely destroy his case.

We still gained gold in January 1933, but beginning in February, due to the growing tenseness of the banking situation in the United States, attributable to increasing uncertainty and fear as to the monetary policies of the incoming administration, we began to lose part of the gold we had acquired—one hundred and seventy-three million in February and ninety-seven million in March. In April, the very month in which we abandoned the gold standard, our monetary-gold stock actually increased \$29,000,000.

It was not the maintenance of the gold standard that caused the outflow of gold during the first 6 months of 1932; it was the fear on the part of foreigners that we might go off. It was not the maintenance of the gold standard that caused the banking panic of 1933 and the outflow of gold in the second and third months of that year, as is amply proven by all that took place during the summer and early fall of 1932; it was the definite and growing fear that the new administration meant to do what they ultimately did—that is, abandon the gold standard, and their refusal to cooperate in any way with the outgoing administration.

But, if as Mr. Morgenthau says, as early as January 1932, when gold began to leave the United States, "this was fair notice to all concerned that our turn was next"; if the ultimate crisis was due to the stubborn refusal of the then administration to take the necessary action, namely, the abandonment of the gold standard, then what is to be thought of the position of the Democratic Party, which, meeting in June 1932, under the leadership of Senator GLASS, pledged itself to the maintenance of the gold standard?

What is to be thought of the Democratic candidate for the Presidency, who, according to Mr. Morgenthau, must have realized that, from the standpoint of safety, we were already 6 months late in taking the necessary action, yet went through the entire campaign without ever disclosing to the country that the abandonment of the gold standard was the means of salvation? And what is to be thought of the now Secretary of the Treasury, who, viewing his country headed for disaster; knowing, as he now tells us, that the obvious remedy was unmistakably clear, never once gave the country the benefit of a word of warning?

Whether it was wise and necessary to abandon the gold standard in April 1933 is a matter as to which men differ. I hold that it was unnecessary and disastrous, and that we have not begun to pay the full consequences of the step taken at that time. Then and there it resulted in a breach of faith on the part of the

United States Government. There is such a thing as moral suicide. It is responsible for the growing fear and uncertainty that paralyzes recovery, for the added currency instability that throttles world commerce, for the careless disregard of the principles of sound public finance, and for the constant threat of a devastating inflation.

But this much is clear. The facts do not support Mr. Morgenthau's charge that the failure of the last administration to abandon the gold standard was responsible for our troubles. And the theory now advanced cannot be reconciled with the complete silence and the pledges repeatedly given during the campaign of 1932 by members of this administration.

It is hardly worth while devoting much attention to the Secretary's flimsy claim as to the great contribution to our foreign trade made by the monetary policy of the administration. It is true—though not universally true—that under certain conditions the depreciation of a nation's currency may stimulate exports for a brief period, and until other countries resort to this and other protective measures. But the fact is that during 1934 we exported fewer goods in terms of the depreciated dollar than we did in terms of sound gold dollars in the year 1931, "when things headed toward a crisis all over the world."

There is one statement of the Secretary's from which the country can derive considerable comfort. That the administration is willing to participate in the stabilization of currencies, which I understand must mean a return to currencies of a fixed gold content, is distinctly encouraging. But even in this connection I am disappointed that the Secretary did not see fit to mention one of the indispensable elements of permanent stabilization—a balanced Budget.

COLONIZATION OF ALASKA—LETTER FROM CYRENUS COLE

Mr. DICKINSON. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a letter written by Cyrenus Cole, a former Representative from Iowa, to the Secretary of Agriculture, with reference to the colonization of Alaska.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., May 10, 1935.

HON. HENRY A. WALLACE,

Secretary of Agriculture, Washington, D. C.

MY DEAR MR. SECRETARY: I have been shocked by the glaring publicity that writers paid for by the Government have been giving to what is styled the "migration to Alaska." At Government expense a thousand men, women, and children are now on their way to that northland, and how many more are to follow them? These subsidized and deluded trekkers are called the "new Pilgrim Fathers" by the official propagandists. I know that this movement is not under your direction, but as the spokesman for agriculture, can you not do something to check this thing?

In 1923 your father, Henry C. Wallace, and I made tours of Alaska, he as a member of the Harding party and I as a member of a congressional investigating committee. We both looked at the country through Iowa-born agricultural eyes. He may have been more favorably impressed than I was, but I recall that he said to me at one time: "Some time now far away, when our lands have become exhausted, we may have to go up there to coax food from the soil, but I hope I will never have to go there to follow a plow with a mosquito net over my head."

But before that necessity has arrived and while we are still plowing under crops, lest we produce too much for our needs and markets, the Government is spending millions of dollars to send people to that Alaska, and the Government's paid writers are luring them on. To encourage them, we are sending 300 C. C. C. boys along to help them clear the land and to build their log cabins, and out of an already depleted Treasury we are giving each of the 200 families a credit of \$3,000, which they have to promise to repay in 30 years. Of course, they will not keep this promise for they will find nothing up there to pay with. To lure them on the more, we are outfitting them with gasoline trucks, radios, doctors, nurses, dentists, and other impedimenta of civilization. Soviet Russia sends its victims to Siberia, but semi-civilized America is sending the victims of its professorial dreamers to a de luxe Siberia called "Alaska."

The ghost writers of the Government, who may all have college educations, in word pictures and with ordinary pictures, are depicting the Satanuska Valley as another Garden of Eden. But the men who have such visions of milk and honey may never have seen that Alaskan valley as your father and I saw it in 1923. May I recall some of the things we saw there? A thin soil hardly more than a foot of which is thawed out in summertime, with a thousand feet of frozen ground under it, for Alaska underneath still belongs to the glacial era of the world's history. On this soil all kinds of vegetation make a quick and prodigious growth, while the sun beats on it for 20 or more hours each day. But these quick-growing products are seldom matured and retain too much moisture. An Iowa woman in Fairbanks told me they always got their winter potatoes from Seattle. Moss grows everywhere. The reindeer does the best he can with it, but he cannot make beefsteaks out of nothing. It is not a grass country, and when hay is made the grass has to be cured on racks, for left on the ground to cure it would rot. But if grass is grown, as they say it can be, the mosquitoes will see to it that the cows do not give "contented" milk.

The propagandists, who are publicizing this migration, show us vine-clad cottages in Alaska. There are plenty of vines up there, but in nearly 500 miles from Seward to Fairbanks I saw few cottages of any kind, for few white men were living in all that distance. Out of one shack came a man and a woman who stared at us with the blankest and most hopeless eyes I have ever seen, eyes that haunt me still. They looked as if they had lived yesterday. What did they have to live for today? They also put trees in their pictures. The trees I saw were birches, aspens, and willows that spread their roots in the shallow soil that is thawed out each summer, and when their tops become a bit heavy they may topple over without the aid of the wind, for they can send no roots into the frozen soil.

It is to such a country that the much-blazoned new Pilgrim Fathers are being consigned by a bunch of dreamers who have found a new folly to exploit with millions of dollars that will have to be taken out of the pockets of the taxpayers. If we dealt justly with them, we would compel some of those altruistic and philanthropic dreamers to go and live with them and to hibernate with them like the bears. But they will not go where they are sending the men they are deluding. They will remain in Washington and live on \$10,000 a year, or at least on \$5,000.

I predict that the Government will have these new Pilgrim Fathers on its hands in perpetuity, and that eventually it will have to bring them all back, if they do not die, at public expense. How long and how many more such new follies are to be enacted at public expense? Have we not wasted enough at home without going up in Alaska to scatter other millions? If these farmers have to be rehabilitated, why not do it on the abandoned farms at home?

I am writing to you, Mr. Secretary, to appeal to you in the name of common sense and of the taxpayers, to do what you can to help stop this further wastage of both men and money. Surely you can say something to check this new folly.

Sincerely,

CYRENUS COLE.

CAN AMERICA KEEP OUT OF WAR?—ADDRESS BY SENATOR POPE

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the junior Senator from Idaho [Mr. POPE] before the Town Hall Club, in New York City on April 22, 1935, on the subject "Can America Keep Out of War?"

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Since Germany denounced the military clauses of the Versailles Treaty, perhaps no question has so filled the minds of the American people as that which we are to discuss tonight: Can America Keep Out of War?

That question has become exceedingly practical and its answer is of vital concern to every person in the United States. It has the attention of high officials in the Government. Resolutions to prohibit loans to warring nations and to prevent the issuance of passports to American citizens have been introduced in Congress. The State Department has been surveying the whole field of neutrality legislation.

Can the United States remain neutral in the event of a major war in Europe or Asia?

It may be well to examine, briefly, the principles of neutrality in the light of historic development. In the twelfth century a ban was placed on all trade by neutrals with warring nations, no distinction being made between combatants and noncombatants. Later the doctrine of neutrality was extended to permit neutrals to trade in war as in peace, except in contraband and with ports which had been effectively blockaded. In the European wars of 1613, 1780, and 1800 some neutral nations armed to defend such neutrality. Questions arising out of this doctrine were decided by prize courts of the belligerent countries. Obviously, decisions by these courts were unsatisfactory, and at the 1907 Hague Tribunal an effort was made to establish an international prize court. An agreement was reached to establish such a court, but the treaty was never ratified by the powers of the world. No such international court was ever created.

In 1856 the principal nations signed the Declaration of Paris, which codified maritime law on four points involving the rights of private property of neutrals.

In 1909 another effort was made to restate the principles of neutrality in the Declaration of London. This treaty was signed by the leading nations, but they never ratified it.

At the beginning of the World War Secretary of State Bryan proposed to the contending nations that they be bound by the provisions of the Declaration of London. This was agreeable to Germany and Austria, but declined by Great Britain, France, Russia, and Belgium.

In 1914, however, as a result of various compromises based on customs and treaties, neutrality had come to mean the status of nonparticipation in war with legal, impartial treatment of belligerents. To put it in the form of an understanding, neutral states agreed not to assist belligerents in military operations, and belligerents agreed not to impair the nonmilitary trade of neutrals. Such trade would extend to other neutral nations and to the civil population of the warring nations.

This is the same doctrine which, in the past, neutral nations had armed themselves to defend by war, if necessary. This is the doctrine upon which the United States insisted during the World

War. In spite of the fact that neutral rights and obligations were very well established in international law and generally recognized by all the nations of the world, practically all of them were violated by the belligerent nations during the war.

The twelfth century doctrine of banning nearly all trade and making no distinction between combatants and noncombatants was revived by Great Britain and Germany. Unreasonable sea zones were established and illegal blockades of neutral points were attempted. Neutral ships as well as belligerent merchant ships, upon which neutrals were rightfully traveling, were sunk without warning by submarines. Neutral ships were seized and sometimes destroyed. Contraband was extended to cover food and supplies to civil populations. Ships of neutrals were stopped for the purpose of taking persons off. The American flag was flown on belligerent ships as a ruse, and mines were planted in the high seas.

The only justification by the nations at war for this wholesale violation of neutral rights was that conditions had changed and that it was necessary for self-preservation. In defending the acts of Great Britain, Lord Birkenhead said:

"All the measures adopted may not be generally acceptable (to neutrals), but the broad policy pursued, it may be safely predicted, will be followed in another war by any naval belligerent to the fullest extent compatible with continued diplomatic relations with neutral states."

And Lloyd George said in his Memoirs:

"Nations fighting for their lives cannot always pause to observe punctiliousness. Their every action is an act of war and their attitude toward neutrals is governed not by the conventions of peace, but by the exigencies of a deadly strife."

Of course, the United States made repeated protests both to Great Britain and to Germany. Finally, we were drawn into the war as a result of violations of our neutral rights by Germany. After declaration of war, the claims of our citizens for damages were no longer asserted and at the end of the war they were, in effect, dropped without any admission by Great Britain or Germany that our rights had been violated.

Not a single disputed point raised during the war as to neutral rights has yet been settled. The status of such rights is now exactly the same as it was at the beginning of the war in 1914.

It is true that the League of Nations was established by the peace treaty and the Kellogg Peace Pact outlawing war has been adopted by all the great nations of the world. It is thought by some that these documents change the whole question of neutral rights and obligations. During the World War and since that time, under the League and the Kellogg Pact, the whole pre-Grotian concept of just and unjust wars has been revived. It is asserted that the obligations of members of the League make it necessary that they cooperate in determining the aggressor nation and in taking concerted action to prevent or stop war by assisting the nation invaded. During the last few months this principle has been applied in the Chaco war where Paraguay has been declared by the League to be the aggressor. Since that nation failed to accept a proposal for peace, an embargo of arms has been applied to Paraguay but not to Bolivia. The United States has not cooperated in that effort. There has been such talk, of course, about the part the United States should play in such efforts by the League. So far, the United States has gone no further than to give certain vague assurances of noninterference with League efforts.

Efforts have been made to modify the old concept of neutrality. Resolutions have been introduced in Congress repeatedly, beginning with one by Senator Burton in 1927, and ending with one introduced at the beginning of the Roosevelt administration. These embargo resolutions contained a provision giving to the President authority to place an embargo on arm shipments to "any nation or nations." In no case has such a resolution been adopted by Congress. This country has gone no farther than to provide embargoes against all belligerent nations.

One is safe in saying, therefore, that the United States is still holding the old principles of neutrality—that is, nonparticipation in military operations of belligerent countries, impartiality in attitude toward them, and insistence upon trade in war as in peace, except as to contraband goods and with effectively blockaded ports.

Under this ancient doctrine of neutrality the United States has never been able to stay out of a major European war. In 1793, in the war between France and England, John Adams issued his neutrality proclamation. Every possible effort was made by the Government to stay out of the conflict, but by 1797 Charles Cotesworth Pinckney expressed the prevailing sentiment of the American people in his famous statement, "Millions for defense, but not one cent for tribute", and George Washington was appointed Commander in Chief of the American Army and preparations for war went forward. Happily a truce was made in Europe and the United States did not actually engage in the war.

In 1812, after long years of desperate effort, the United States declared war against Great Britain for violation of neutral rights. The war of 1870, between France and Germany, being of short duration and neither nation being a maritime power, the United States was not drawn into the war. In 1917 the United States was again drawn into European conflict.

That the principles of neutrality, under which the United States was drawn into these European wars, are outmoded is the opinion of many eminent students of international law. Dr. James Brown Scott, for instance, said in 1934:

"There is a generally recognized law of neutrality, but it is an old law, adequate to circumstances which once existed but which no longer obtain. Since law should be in touch with actual conditions, it should change with changing circumstances; the circumstances in the case of neutrality being that, terrible as have been the wars of our century, those of tomorrow will be wars in which the entire populations of the belligerents will be directly engaged or affected, instead of being only remotely touched by war—as was the case when the existing law of neutrality came into being."

In spite of changed conditions, however, the United States still gives allegiance to this ancient doctrine of neutrality, and it seems certain that under it this country cannot stay out of a major war of extended duration, especially where one of the belligerents is a naval power.

The prevailing sentiment in this country now seems to be that this doctrine of neutrality must be modified by restricting to rights and liberties of the American people to avoid conflicts with belligerents. Very well, let us see what are some of the things that we must do and try to do to avoid such conflicts. I have made a list of such matters as occur to me. Doubtless there are many others.

First. It would be necessary to control radio stations, wireless stations, and the cables, in order to prevent their use by agents of one side or the other. It requires no argument to demonstrate that their use by such agents would create serious friction between this country and nations at war.

Second. Also necessary would be the prevention of enlistments by citizens of the United States and of other nations within our borders in foreign armies, as this caused trouble during the last war.

Third. Loans and extensions of credit not only to belligerent nations but to their citizens should be prohibited as such practice inevitably draws our great financial and business institutions into support of one belligerent or another, as it did during the last war.

Fourth. Merchant ships of belligerents should not be permitted to remain in our ports, as they become nests of activity in behalf of the nation to which they owe allegiance.

Fifth. The United States should do everything possible to prevent other nations from flying the United States flag on the high seas, as that was a constant cause of protest during the last war. Perhaps all that could be done would be to prevent such ships from entering our ports.

Sixth. Submarines and armed ships of belligerents should be prevented from entering our ports, as that caused trouble during the last war.

Seventh. The rights of American citizens and property in other nations should be abandoned. Of course, this would cause violent objection by newspapers and citizens who would severely condemn the Government for not protecting its citizens. But to stay out of the war such a position, it seems, would have to be taken.

Eighth. Passports should be denied to American citizens who desire to travel on the high seas, or, at least, let it be understood that they travel at their own risk. It is easy to see that the killing of our citizens, even if they are traveling at their own risk, would raise a clamorous demand in every section of the country that our Government take steps to protect its citizens.

Ninth. Airplanes should not be permitted to land on, or fly over, our territory for the same reason that submarines should not be permitted to enter our ports.

Tenth. An embargo on arms and munitions would have to be adopted. Exports of these commodities during the last war constituted one of the principal causes of our declaration of war. The story of our trade in munitions, together with credit extended to European nations for the purchase of implements of war is a long and complicated one. The danger and difficulty of adopting any policy with reference to such shipments is apparent at the outset. Suppose that a war arose between Germany and the allied nations, and the United States imposed an embargo on the export of war material to all belligerent nations. Since Great Britain controls the seas and Germany manufactures most of her own munitions, such an embargo would be of distinct advantage to Germany and of distinct disadvantage to the Allies.

Is that a policy of real neutrality? Would it meet the approval of the American people?

The same situation arose during the World War, and Secretary Lansing had this to say:

"The principles of international law, the practice of nations, the national safety of the United States and other nations without great military and naval establishments, the prevention of increased armies and navies, the adoption of peaceful methods for the adjustment of international differences, and finally, neutrality itself are opposed to prohibition by a neutral nation of the export of arms and munitions, or other munitions of war to belligerent powers during the progress of the war."

Without doubt, the nations, seriously handicapped by such an embargo, would object to such policy with a resentment which can only be engendered by the passion for self-preservation. While such a policy, it seems to me, must be adopted, it will be attended by difficulty and danger.

Eleventh. The dissemination of propaganda in the United States by foreign agents should be prevented. The same propaganda, however, by citizens and newspapers of the United States probably could not be legally prohibited. Our constitutional guaranty of freedom of speech and of the press would not permit this country to legally do what Holland did during the last war in passing a

law making it a criminal offense to incite hostile opinion against any belligerent nation.

Twelfth. Finally the greatest difficulty of all will arise in connection with foreign trade. There is no way except force for the United States to prevent the sowing of mines in the high seas, the seizure of neutral vessels and unarmed merchant ships, the extension of contraband lists to include every commodity to be shipped to the civil population, the removal and impressment of Americans into service, the drafting of American citizens abroad into service, and various other acts injurious to American citizens.

The placing of an embargo on American exports presents an almost unsurmountable difficulty. Manufacturers in the East, cotton farmers in the South, wheat farmers in the Middle West, with surpluses on hand, would protest to high heaven if foreign trade were stopped. Their surpluses would accumulate and would probably have the effect of a serious business depression. This would force a resumption of trade. It may be said that such exporters would be required to assume the risk of loss. This, again, would raise a clamor for Government protection of the rights of citizens engaged in legitimate trade under international law.

Some days ago I was speaking in a Pennsylvania town and had pointed out the things that would have to be done to keep us out of another great war. A young man arose in the audience and asked this question, "Since when have Americans who fought for their rights during the Revolutionary War, were ready to fight in the War of 1800, fought for them in the War of 1812, and in the World War, become so senile and cowardly that they will not fight for them in the future? Is a policy of surrendering their legal rights, ducking, and hiding consistent with American character?" I submit that by the time we do all the things which have been suggested above to stay out of war, there will be millions of Americans asking this question.

While I am perfectly willing to go as far as anyone in the adoption of measures to insure neutrality, I am firmly convinced that such a policy will be exceedingly difficult to carry out and probably would not prevent our participation in a major war.

I have long been convinced that another policy is better for our country to pursue. In every civilized community in the world another principle has been followed. Individuals remain armed until a collective system of law and order was established which gave them security. Then, they were ready to disarm and to trust to the power of the community, expressed in courts and peace officers, for their protection. No other way has been found in the history of the world to solve this problem. Individuals have never been able to isolate themselves, to hide in storm cellars, to run away from trouble, and have never been willing to surrender their rights as individuals. They will fight first. They always have.

As with individuals, so with nations. In my opinion, nations will never disarm until the power of collective effort gives them security. A world of law and order must precede the disarmament of nations. A means must be found for judicial settlement of disputes between nations, and a way must be found through concerted action of the nations of the world to prevent wars. This is the permanent way out. Only through such international cooperation and concert of action based upon understanding and good will can permanent peace be assured.

MESSAGE FROM THE HOUSE—DUPLICATE ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker, under authority of the provisions of House Concurrent Resolution 21, had affixed his signature to the duplicate copy of the enrolled bill (H. R. 6084) to authorize the city of Ketchikan, Alaska, to issue bonds in any sum not to exceed \$1,000,000 for the purpose of acquiring the electric light and power, water, and telephone properties of the Citizens' Light, Power & Water Co., and to finance and operate the same, and validating the preliminary proceedings with respect thereto, and for other purposes, and it was signed by the Vice President, under authority of the said concurrent resolution.

PHILIPPINE INDEPENDENCE

Mr. WAGNER obtained the floor.

Mr. TYDINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Maryland?

Mr. WAGNER. I understand the Senator desires to address the Senate on the question of Philippine independence?

Mr. TYDINGS. Yes; just for a few moments.

Mr. WAGNER. Very well, I yield to the Senator from Maryland.

Mr. TYDINGS. I thank the Senator.

Mr. President, yesterday in the Philippine Islands, by a vote of about 25 to 1, the constitution for the new Filipino Commonwealth was adopted by the people. This action cuts the last tie of the old order and really marks the beginning of local self-government in the Philippine Islands, the ultimate goal of which is complete independence.

Many Senators who have been there, and some who have not been there, question the wisdom of Philippine independence. There is much to be said against Philippine independence from the standpoint of either country, but in the few moments I shall occupy let me point out several factors which always must enter any consideration of the problem.

First, from the very moment we acquired the Philippine Islands down to this date every administration has said repeatedly, over and over again, that we were not staying in the Philippine Islands as a permanent policy, that we were there only until order could be established and a stable government set up under the Filipino people themselves, and when that occurred we would withdraw and return to them their unconditional sovereignty.

Obviously, if that policy was wrong, we cannot in honesty change it now, even if we wanted to do so. We have promised this for 30 years or more. If there is to be any change in the present and future status of the Philippine Islands in their relation to the United States, the suggestion for such change must come from them. It cannot come from us in view of the fact that the independence law is nothing but a crystallization of the promises we have made to the Filipinos for 30 or 35 years.

Whether or not this is going to be economically wise for the Filipinos is a different question. Much of the difficulty ahead has been pointed out to them, in detail, time and time again. As the author of the independence bill I went to the Philippine Islands last fall and there, before the constitutional convention and in a nation-wide broadcast in the Philippines, I tried to inform the people of the islands about the consequences of independence. In a few moments I will read the gist of that speech, to which I hope Senators may listen:

With the coming of independence the American market which I have shown has contributed so much to Filipino progress and prosperity will be closed to your people, except upon the payment of tariff taxes upon the products which you sell to us. Again, the problem of national defense, like all problems of national existence for independent nations, will become one alone for the new Filipino Government.

Fortunately, there is a period of from 10 to 12 years to prepare for and cushion the pending economic dislocation. In order that we may deal with this matter in an atmosphere of complete frankness and candor, I am taking the liberty to point out some of these difficulties in the hope that this may be helpful, and the hurtful economic consequences which would result from a nonconsideration of these matters may be reduced to the fullest extent.

This is a very pertinent part of my statement at that time:

Let me illustrate some of these trade and market difficulties which must be faced. Bear in mind that I have already pointed out that only last year you sold to the United States, free of any import taxes, 60 percent of the entire agricultural production of the Philippine Islands. Now, for the 3 years of 1931, 1932, and 1933 you sold to the people of the United States, commodities consisting of cane sugar, coconut oil, coconut meat, copra, oil cake and meal * * * and other items. During this 3-year period the total sales of these products to the people of the United States amounted to \$522,000,000, nearly all of which were sold without the payment of any tax to us whatsoever because you are now a part of the United States of America.

Listen to this, Senators:

Had you been then an independent country, during this same 3-year period you would have had to pay, like all other independent countries had to pay, upon this \$522,000,000 of products which you sold to us, import taxes amounting to \$440,000,000.

In sum, to state the same thing another way, instead of receiving, as you did, \$522,000,000 for the products you shipped us in 1931, 1932, and 1933, you would have received, after the payment of those import taxes, only \$82,000,000, a loss to Filipino producers and laborers of \$440,000,000 in that 3-year period.

I further pointed out that they sell to us 60 percent of their entire agricultural production every year:

Again, let us translate these large sums of Filipino money into more intimate and understandable values.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Nebraska?

Mr. TYDINGS. Certainly.

Mr. NORRIS. I am at a loss to know when the Senator is quoting from his radio speech and when he is not quoting from it. Is the Senator now reading from his speech?

Mr. TYDINGS. Yes; I am reading from the speech. This is another paragraph from the same address:

Again, let us translate these large sums of Filipino money into more intimate and understandable values. Your sale of Filipino products to the United States during the last 3 years has been 174,000,000 pesos a year. Now, assuming that there are 14,000,000 people in the islands, these sales are equivalent to 12 pesos per year for every Filipino man, woman, and child in your population. Allowing six persons to each Filipino family, these sales represent 72 pesos per year for every family in the Filipino Archipelago. Again, assuming that the average monthly pay for Filipino labor is 30 pesos per month, it means that from these sales of Filipino products to us you have received sufficient money to provide work for one person from every family in the Philippine Islands steadily for 2½ months out of each year.

Again, the money obtained from the sale of your products to us each year is equal to 3½ cavans of rice for every man, woman, and child in the Philippine Islands—

That is a very large measurement of rice—

or you have received sufficient money from the sale of your products to us to purchase, at 30 pesos each, 5,800,000 carabaos, or more than 2 carabaos for every family in the Philippine Islands.

I shall not quote further, but it must be said, with the wide publicity which these facts were given in the Philippine Islands through the radio hook-up, and the fact that the address was made before the constitutional convention in which were representatives from every nook and corner of the islands, that the Filipino people have been on notice as to what independence means. The address also has been printed in full in the press from one end of the islands to the other.

I felt it on my conscience, knowing there were grave difficulties ahead of those people after independence became an accomplished fact, if they had been led to believe that everything would be just as it was then and is now, to tell them some of the consequences of independence and to present matters in such terms that every man might understand.

Mr. McKELLAR. Mr. President—

Mr. TYDINGS. I yield to the Senator from Tennessee.

Mr. McKELLAR. Of course, I recall the speech made by the Senator. The Senator was as frank and open as a man could possibly be under the circumstances. I think it was most commendable. I think the Senator performed a great service. He has not read all of the address. I hope he will put it all in the RECORD at this point, or at the close of his speech.

Mr. TYDINGS. It has been put in the RECORD heretofore.

Mr. McKELLAR. I know it; but I think it ought to be put in the RECORD in connection with what the Senator from Maryland is now saying.

Mr. TYDINGS. Mr. President, well-wishers for the Philippine Islands often say that they think the Filipinos have made a mistake. That may be true, or it may not be true; but the fact remains that we promised them independence. They asked us to make good on that promise. We did make good on that promise in an independence law. They accepted that promise. The Philippine constitution has been written and has been ratified by the people. Obviously, there cannot be any change in our policy toward the Filipinos unless they themselves ask us to change that policy. Even then we might not do it; but, obviously, the invitation to change the projected course of events must come from them. We should be without honor and without logic if we were to promise them something for 35 years, and then give it to them and have them accept it, and then try to take it away from them. Whether it is good or bad does not enter into the question. The fact is that we must keep our word with the people of the Philippines.

There is much so be said in favor of keeping the Philippines as a part of our country. There is likewise much to be said against such a policy. Now that the Philippine constitution has been adopted in a plebiscite by a ratio of about 25 to 1, I desired to call these facts to the attention of the Senate, so that the Senate and our people in this country might know that the Filipinos have been apprised of what independence will mean to them, that they are not moving in the dark, and if they have pursued a wrong policy, our hands are clean. There has been no deception. The facts

have been laid on the table, and the United States has kept its word.

Mr. BORAH. Mr. President—

Mr. TYDINGS. I yield.

Mr. BORAH. I quite agree with the views which the Senator is expressing, but is there any move anywhere, either in the Philippines or here, to retrace our steps?

Mr. TYDINGS. Yes; but it is not as yet a pronounced movement. My thought is that as the transition period grows shorter there will be a vocal and perhaps a numerous support for a movement to change the present status as now conceived, in that there will be a proposal for some sort of dominion project, or for a larger measure of self-government. For my own part, however, I think that movement must be made now by those people if they expect us to consider it seriously. We are not going to wait until the very accomplishment of Filipino independence draws nigh and then considers it. We shall consider the adoption of the constitution and the inauguration of the new government, if I interpret it properly, as final. If the status is not to be final, if it is to be changed at all, it ought to be changed now, and not 6, or 8, or 10 years from now.

Mr. BORAH. I assume it will not be changed at all.

Mr. TYDINGS. I assume so, too, but I desired to put the country on notice that, so far as I can interpret the attitude of the United States, a definite policy has been pursued. If there is to be a change in that policy, the invitation to change it must come from the Filipinos. We do not agree to change it, but we will, of course, consider a proposal from them to change it, but if that proposal is not made now I do not believe America will even seriously consider it in the future. The time for action is now. The agreement is now being written. Both sides must make up their minds to accept the hardships as well as the benefits of complete independence. In my opinion the Philippine Islands are on their way to complete independence for there does not appear to be any unwillingness on the part of the Filipinos to embrace the hardships of independence if they can obtain the supposed benefits.

I thank the Senator from New York [Mr. WAGNER] for yielding in order that I might comment upon this matter immediately after the vote has been taken in the Philippine Islands, and so that I might set the people of that country straight as to the attitude of the United States toward any change in their future status as I see it.

I ask unanimous consent to have inserted in the RECORD at the conclusion of my remarks the statement which I made to the Filipino Constitutional Convention in Manila on December 22 of last year.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The address is as follows:

ADDRESS DELIVERED DECEMBER 22, 1934, BY SENATOR MILLARD E. TYDINGS, BEFORE THE PHILIPPINE CONSTITUTIONAL CONVENTION

Mr. President, gentlemen of the Constitutional Convention, and citizens of the Philippine Islands, I am grateful for your kind invitation to address this convention for it offers an appropriate opportunity to discuss our past common relationship and to consider the problems of the future incident to independence for the Philippine Islands.

For more than three decades our two countries and peoples, though separated by thousands of miles, have enjoyed economic and political union. During that period both countries have traveled far along the highway of progress. We are now approaching a permanent dissolution of our present relationship. Therefore it is fitting and wise that we counsel together and, in an atmosphere of an unalloyed truth and complete frankness, search for the means and measures most likely to achieve our avowed purposes.

HISTORICAL

The United States of America did not secure possession of the Philippine Islands by deliberate design. Our sovereignty here was a consequence of armed hostility, the cause of which was 10,000 miles distant from the city of Manila. At the conclusion of that conflict, through a series of unforeseen events, the Philippine Islands became a part of the territory of the United States.

However, at the very start of our sovereignty, a national policy was declared that our control and possession of the islands would be but temporary; that eventually, after law and order and a stable self-government were established over a period of years, we would relinquish all rights, control, and sovereignty over the Filipino

people. This national policy, uttered over 30 years ago, has been reiterated by every President of the United States since the administration of President McKinley.

In 1916 the Congress of the United States formally proclaimed it through the enactment of the Jones law.

This year upon the open, direct, and specific request of the Filipino people, who sent representatives to Washington to obtain it, the Government of the United States, in spite of the great difficulties attendant upon it, enacted a law which provides for complete and absolute independence for the people of the Philippine Islands within a definite and short period of time.

I repeat that this action upon the part of the American Congress was in line with continuously declared American policy of 34 years standing; but, more particularly, action was taken at this time upon the insistent request of the authorized representatives of the Filipino people who were sent to Washington to obtain the enactment of the independence law.

Following the passage of that law, commonly known as the "Tydings-McDuffie Act", its provisions were considered and discussed by the Philippine Legislature, which body accepted it for and on behalf of the Filipino people on May 1, 1934.

THE TYDINGS-McDUFFIE ACT

Naturally, in the enactment of any independence law there were many differing opinions for the disposition of the matter. There were those who thought that immediate independence was best; others wanted the independence question postponed for from 20 to 25 years, while still others held that independence should not be considered at all at this time.

After extensive hearings, the time limit of approximately 12 years from the date of the enactment of the law was thought to offer the best opportunity to carry out the national policy of the United States and to accede to the Filipino request for definite action.

The law itself, among other things, provides for certain mandatory provisions in the new Philippine constitution prior to actual independence; for submission of that constitution to the President of the United States for his approval; then for submission of the Constitution to the Filipino people for their approval; for matters affecting international treaties and property rights; for political relations of the islands with the United States pending complete independence; for recognition of Filipino independence and for the withdrawal of American sovereignty over the islands; for the neutralization of the Philippines; for notification to foreign governments of actual and complete independence; for tariff duties before and after independence; for Filipino immigration to continental United States; for the payment of the Philippine bonded indebtedness, which Philippine bonds were sold by the United States of America, and for other matters of equal import.

Like all legislative matters, the independence act may have its imperfections, yet it is doubtful if another could be drawn, which as a whole would better accomplish the objects desired and which would have been at that time acceptable to both the American and Filipino people.

THE EXPORT TAX AND PAYMENT OF PHILIPPINE BONDED INDEBTEDNESS

The export-tax provisions of the independence law seem to have evoked the most discussion in the islands. It is well to note that these export-tax provisions were inserted to accomplish the three following purposes: First, to settle accounts completely between the Philippines and the United States when actual independence is obtained so that the United States might not be kept in the position of morally guaranteeing the payment of another country's obligation, in which country it has no voice in the conduct of affairs; secondly, the payment of this debt will start the independent Filipino nation upon its way free of all indebtedness whatsoever, and hence place the new Filipino nation in the strongest position possible for the settlement of then existing independence problems and for conducting the affairs, both internal and external, of an entirely newly born country; third, for 5 years the export tax does not apply on Filipino products. These taxes begin and increase the sixth, seventh, eighth, ninth, and tenth years. After 10 years, while export taxes on Filipino products are no longer levied, import taxes will necessarily have to be paid by Filipino producers, many times greater than the export taxes, whenever the Filipino people send their products to the United States for sale there. Such taxes are now paid by producers of all other countries upon the entry of their products into the United States. Obviously, therefore, the imposition of the export taxes will commence to prepare the Filipino producer for the situation which will confront him when, as a citizen of an independent country, he desires to continue to sell his products in the United States. To make no provision for such a contingency and to have it all fall upon the shoulders of the Filipino producers at one time would be cruel and inhuman and cause hardships which a gradual infliction of such taxes will, to some extent, mitigate.

I repeat that to provide for all the manifold problems in an independence law was not easy. However, every attempt was made to do so with the aims of both nations in view and so as to accomplish the desired results in the shortest period of time and with the least injury to both people concerned.

THE RECORD OF THE UNITED STATES IN THE PHILIPPINES

Here in the presence of this convention, which is engaged in writing a constitution which it is hoped will be the aegis for a progressive, prosperous, and humane people, I cannot refrain, even at the price of immodesty, from feeling a deep sense of pride in the large and unselfish contributions and accomplishments which

the United States has made to the Filipino people. You have been given ordered and modern liberty without coercion; an unprecedented prosperity without exploitation; and, with these gifts, you have been furnished national defense of your property and people without any cost to, aid from, or responsibility of your provisional government of your people. Humanity and progress have marked our past relationship. America's real heart, real intention, and worth-while contributions are plainly written today in the law and order which prevails in these islands and in the prosperous contentment plainly visible in the faces of the Filipino people. I doubt if what has been done in the Philippine Islands has been matched before by any country in all the pages of the world's history.

ECONOMIC FACTORS IN THE PAST

We are now about to sever this dual relationship. At a not-far-distant date your country and mine will walk in separate highways down the corridors of the future. As you move through the transition period of the Commonwealth government and into the phase of complete and absolute independence the pathway at times will be difficult. Much of this difficulty is unavoidable. These difficulties are largely due to a new political economy which now becomes necessary upon the part of the Philippine Islands.

Since 1909 products produced in the Philippine Islands have been admitted free—that is, without the payment of any import taxes at all—into the United States of America. With actual independence these free markets will be closed, as they are now closed to all other countries except the Philippine Islands. This will call for a rearrangement of the economic life of the Filipino people. Let me point out how important these free markets are to the workers and producers of the Philippine Islands.

In 1933 the Philippine Department of Agriculture and Natural Resources stated that the total value of your entire agricultural production was \$284,000,000. It also reported that of this production \$174,000,000 was shipped and sold to the United States. In other words, 60 percent of the entire agricultural production of the Philippine Islands in the year 1933 was sold in the free markets of the United States and only 40 percent was consumed at home or sold elsewhere. Bear in mind that this agricultural production came from the Philippine Islands without the payment of any import tax whatsoever when it entered the United States. After independence this will not be the case.

For the past 25 years the Filipino people have had complete and easy access to the richest market in the world, and in that market you have enjoyed both a visible and invisible balance of trade. The visible balance of trade arising from the exchange of products between the Philippines and the United States, not including gold, amounts to about \$60,000,000 a year, over many years, which is in your favor. This shows that you have sold us \$60,000,000 per year more of your products than you have bought of products from the United States of America. This caused a flow of wealth from the United States to the Philippine Islands, which has made your people prosperous and which has raised the standard of living here to a point which, I believe, is higher than that of any other people in the Orient.

Moreover, it has permitted the Filipino people, with the encouragement and help and guarantees of the United States Government to build highways, construct railroads, build hospitals and improve health, create parks and playgrounds, establish a system of education so that the masses might taste of its benefits, to own lands and homes, and in general to provide your fellows with the luxuries in many cases and the necessities in most cases which are demanded by prosperous people everywhere.

During this period of time American officials and employees were being gradually supplanted in governmental offices by Filipinos, and while the whole progressive pattern was being woven you have not had to bear a single centavo of the cost of full and complete national defense and protection of the United States Army and Navy, which have been at your service. The officers and men and equipment of this military and naval establishment, supported entirely by the people and resources of the United States, cost the American taxpayer about two-thirds of every tax peso which he pays to the Government of the United States. They have been available, nevertheless, without financial cost to you to protect and defend the Philippine Islands whenever your territory was in danger.

ECONOMIC FACTORS OF THE FUTURE

With the coming of independence, the American market which I have shown has contributed so much to Filipino progress and prosperity will be closed to your people, except upon the payment of tariff taxes upon the products you sell to us. Again, the problem of national defense, like all problems of national existence for independent nations, will become one alone for the new Filipino government.

Fortunately, there is a period of from 10 to 12 years to prepare for and cushion the pending economic dislocation. In order that we may deal with this matter in an atmosphere of complete frankness and candor, I am taking the liberty to point out some of these difficulties in the hope that this may be helpful, and the hurtful economic consequences which would result from a non-consideration of these matters may be reduced to the fullest extent.

Let me illustrate some of these trade and market difficulties which must be faced. Bear in mind that I have already pointed out that only last year you sold to the United States, free of any import taxes, 60 percent of the entire agricultural production of the Philippine Islands. Now, for the 3 years of 1931, 1932, and 1933, you sold to the people of the United States commodities consisting

of cane sugar, coconut oil, coconut meat, copra, oil cake and meal, cordage of Manila hemp, cotton wearing apparel, cotton laces and embroideries, fiber hats, cigars and cheroots, tobacco, cabinet wood, pearl and shell buttons, pineapples, and other items. During this 3-year period the total sales of these products to the people of the United States amounted to \$522,000,000, nearly all of which were sold without the payment of any tax to us whatsoever, because you are now a part of the United States of America.

Had you been then an independent country, during this same 3-year period, you would have had to pay, like all other independent countries have to pay, upon this \$522,000,000 of products which you sold to us, import taxes amounting to \$440,000,000.

In sum, to state the same thing another way, instead of receiving, as you did, \$522,000,000 for the products you shipped us in 1931, 1932, and 1933, you would have received, after the payment of these import taxes, only \$82,000,000, a loss to Filipino producers and laborers of \$440,000,000 in that 3-year period.

Again, let us translate these large sums of Filipino money into more intimate and understandable values. Your sale of Filipino products to the United States during the last 3 years has been \$174,000,000 a year. Now, assuming that there are 14,000,000 people in the islands, these sales are equivalent to \$12 per year for every Filipino man, woman, and child in your population. Allowing six persons to each Filipino family these sales represent \$72 per year for every family in the Philippine Archipelago. Again, assuming that the average monthly pay for Philippine labor is \$30 per month, it means that from these sales of Filipino products to us you have received sufficient money to provide work for one person from every family in the Philippine Islands steadily for 2½ months out of each year. Again, the money obtained from the sale of your products to us each year is equal to 3½ cavans of rice for every man, woman, and child in the Philippine Islands, or you have received sufficient money from the sale of your products to us to purchase, at \$30 each, 5,800,000 carabaos, or more than 2 carabaos for every family in the Philippine Islands.

These illustrations show how much of the life and prosperity of the Philippine Islands is dependent upon the sale of your products to the people of the United States. They also show the great hardship which would come to the Filipino people, as a result of absolute and complete independence, when the sale of much of your products in the United States would become impossible if you would then be required to pay the import taxes which I have commented on before. They likewise show the justification of imposing the export taxes upon your products, commencing 5 years from now, so as to prepare the Filipino nation for the circumstances which will confront it when complete independence is obtained.

Further, it can be seen that it will be difficult for Filipino business men and institutions to obtain loans and capital to continue the development of your natural resources until you have demonstrated your ability to deal with the economic conditions I have mentioned and to set up a stable and workable political economy which will give to capital the element of safety which it requires in making investments.

Anticipating the full consequence of complete and absolute independence, it will be necessary to make such cost-of-production adjustment of the things which you produce and sell as will permit the Philippines to compete successfully with other countries producing similar products for sale not only in the United States market but in all the markets of the world.

That such cost-of-production adjustments are necessary can be illustrated by commenting on a single product which you export in great abundance. The present cost, c. i. f., to New York of sugar averages \$5.40 per 100 pounds, compared with the Cuban cost of \$3.80 per 100 pounds and the Javan cost of about \$2 per 100 pounds. The higher cost of producing Philippine sugar is due partly to lower production per acre as compared with Java, partly to higher wages, and partly to other factors. The cost of production perhaps could be reduced so as to permit competition with Cuban sugar only by severely cutting down capital investment, which is high in the Philippine Islands where most of the mills have been built when construction and material costs were high. It is doubtful, however, whether this alone would permit Philippine sugar to compete with that of Cuba and Java after you are an independent nation. Indeed, some informed Filipino economists have stated it will be necessary to reduce wages by at least 50 percent. The same effect could be obtained by devaluing the peso, but it should be stated that such an expedient is attended with other difficulties and may offer but temporary relief.

DIFFICULTIES OF IMMEDIATE INDEPENDENCE

Such economic dislocation as has been shown for the people of the Philippine Islands after independence, if unprovided for during the transition period, will result in great hardship throughout the islands, and for that reason a period of 12 years was selected in preference to immediate independence, although it was the desire of the United States to grant independence at once if the circumstances would have permitted such action to be taken. It is my own belief that persons in both countries who are conversant with economic factors, whatever their emotional, political, and spiritual impulses may be, will not, after a full examination of the facts, contend that immediate independence is the best solution of this problem. Certainly it is doubtful whether such a contention would be made by informed persons if they had the real welfare of the Filipino people at heart or if they did not wish to destroy all the

accomplishment of the Philippines while under the United States of America.

To grant complete and absolute independence to the Philippine Islands tomorrow, without giving time for the necessary readjustments, would destroy overnight the export trade of the Filipino people. At the same time there would be such a decrease in the national income of the Filipino people and such a material reduction in the sources of taxation that much of the education, health, transportation, and general prosperity of the islands would disappear and the new government would be forced to carry a load which, to say the least, would be extremely difficult for any nation to bear.

NATIONAL DEFENSE

With the withdrawal of sovereignty of the United States from the Philippine Islands and the accomplishment of complete and absolute independence by the Filipino nation the problem of national defense for the islands likewise must undergo a new consideration. When the flag of the United States of America comes down and there is raised the flag of the new Filipino nation the responsibility for your national defense passes from the hands of the United States to the new Filipino government. To expect the United States to bear responsibility for the acts of a nation over which it had no control whatsoever would be as illogical as it would be to ask the Filipino people, once they are independent, to defend the shores of the United States. Sovereignty and responsibility walk hand in hand. Without sovereignty there cannot be responsibility.

THE NEW FILIPINO NATION

I think the record will show that your speaker has on every occasion in the Congress of the United States been a champion of Filipino rights. Whenever matters affecting our mutual relationship have arisen I have tried, within the limits of my ability, to sincerely present the Filipino view and to safeguard, insofar as I might, Filipino interests. I have no intention at this time to alter that position. Because of my record in the American Congress toward Filipino matters, because of the great affection which I have for the people of the Philippine Islands, and because I wish you well in your new venture of nationhood, I have taken the liberty of pointing out the difficulties ahead. In the not far distant future the Philippine Islands will achieve complete and absolute independence from the United States. What does complete and absolute independence mean for any nation? Some contend that it means the right and privilege to govern itself. Does it not mean more than this in reality? Does it not mean that it must devise a wise political economy, so that from that economy it can produce sufficient governmental revenue to provide for the common defense, promote the general welfare, establish a system of education for the masses of the people, improve and safeguard their sanitation and health, build roads and foster other means of land and water transportation to assist in the exchange of their commerce, establish courts and provide sufficient police force to support and enforce the laws of the nation, and, in addition, to govern so wisely its people and commerce that the government will have sufficient revenue at all times to promote the mass progress of the people within its territorial limits and to adequately defend them against attack from without?

This is the goal to which the Filipino people aspire. You have asked for the opportunity to reach this goal and have stated you are ready to assume the responsibilities which go hand in hand with the privileges of an independent nation. You have stated that you are ready to undertake the solution of the attendant difficulties; that you are willing to bear the grave responsibilities of nationhood. Therefore the United States is beginning the termination of its sovereignty in the Philippine Islands. The people of the Philippine Islands are taking up the responsibilities of their future destiny.

The United States of America has kept its word. Its promise is approaching fulfillment. Your request for action has not been denied. It is presumed that you were just as sincere in making this request of the United States as the United States was sincere in making its promise to grant ultimate independence to your people.

I believe our contact with your people and temporary control over your destiny will prove in after years to have been one of the most unselfish and idealistic contact of one people with another. This fact, I hope, will find room for expression upon the future pages of Philippine history, and I believe the historian will say that my country has tried to be helpful and has improved immeasurably the well-being of the people of these islands.

I have welcomed this opportunity to address you and, through you, the Filipino people. I have tried to do so in a spirit of good will, sincerity and frankness. I have ventured to comment briefly upon your future problems, to explain why certain measures have been adopted and to point out the obstacles which yet lie ahead, so that hereafter it may be said that nothing was concealed from the people of the Philippine Islands. America, I am sure, will consider seriously in the future any proposal you may suggest, incident to independence, which will conduce to the welfare of the people of both countries.

Through the medium of open covenants openly arrived at, our union will be dissolved in an atmosphere of friendship and mutual understanding, to the end that, after independence, we may continue to carve out our separate destinies, still joined by the golden ties of mutual regard and good wishes one for the other. On behalf of my associates of the Mission and myself, may I publicly thank you all for your hospitality, your helpfulness, and kindness, and wish you Godspeed.

THE PRESIDENT'S DEFENSE OF THE FARM PROGRAM

Mr. LEWIS. Mr. President—

Mr. WAGNER. I yield to the Senator from Illinois.

Mr. LEWIS. I dare intrude myself upon the able Senator from New York to state that his address will be one of profound information to us; but I depart from its object to remind my brother Senators that the President of the United States is to be congratulated—relying upon the reports of the public press—for having, in his speech to the farmers' delegation, used what Emerson, treating of Shakespeare, describes as "the commanding word."

We read that the President of the United States bravely asserted to an aggregation of gentlemen visiting him in the White House, who are the representatives of farming interests, that there had been those throughout this country who, when alluding to the policies of the present administration and legislation generally, had been guilty of lying.

Sir, we note with gleeful satisfaction that by whatever soft name heretofore, out of consideration to policies noblesse, he had designated such utterances, the time had now come to give them their proper apothegm. They were lies and propagated by liars.

Mr. President, it is the history of legislation—it has ever been so with us, who recognize and remember our own experiences, and I refer to our honorable friends on all sides and both sides of the Senate and all legislators—that a class of individuals, busy projecting before the public and the country what they deem to be the content of a legislative measure and its purposes, usually indulge in the prophecy of sure destruction upon the property of the citizen and all the rights of American mankind.

Mr. President, Shakespeare has placed an observation in the mouth of one of his great players that "half a truth is worse than a whole lie"; and we on both sides of this Chamber, and I am sure the other honorable House, have been made the victim of such misrepresentations, not intentionally, let us believe, by some, but deliberately repeated and multiplied for deliberate uses and purposes by others who with considered object deceive those anxious over the subject. The President may not have been so polite last night in his strong characterization as under ordinary conditions has been his expression. He arose to the height where he adopted the words that the fourth estate, the representatives of Mercury in the press gallery, have heretofore labeled the "short and ugly word." In the use by the President he applied the appropriate one under the circumstances.

I pause to give, in the moment I am seizing from the eminent Senator from New York [Mr. WAGNER], one or two illustrations.

A certain class of men calling themselves financiers, in order to give themselves a respectable attitude and robe themselves with a commercial righteousness, have been publishing in the New York newspapers that this country is on its way to sure inflation, a course that is to destroy the credit of the Nation, rob all securities of their value, and reduce the worth of the Liberty bonds of the country to nothingness. They advertise in the public press that since we are on the eve of doing such infamy and will surely accomplish that fiendish purpose upon the Republic, they tender to the holders of the American Liberty bonds the opportunity to come into their office—"says the spider to the fly" [laughter]—and exchange their Liberty bonds, soon to be "debased", "discredited", and destroyed for valuable "securities", worthy and valuable and which will, of course, float to fortune those destined to unhappy fate and misfortune from inflation. It is asked that the possessors of the Government bonds exchange the Liberty bonds of their Government, securities which are soon to be destroyed by inflation, for the very secure and worthy "securities" which are to be tendered as exchange value by these gentlemen and their representatives.

Mr. President, let us recall that these advertisers of fraudulent seductions are of a kind with those who had been putting upon the people, in a period not long since and not altogether forgotten, a class of other "securities" that

robbed the widow of her very last pittance, the child of his inheritance, the man of his possessions, and the Nation of all its credit and honor.

These and their kind are they as portrayed by Aesop, telling how the fox said to the farmer, "Leave to us the chickens to care for—chickens are our specialty." [Laughter.]

Mr. President, these liars for 2 years have been charging that this Republic was on the eve of inflation; that our Nation is now about to follow the steps of Germany, and soon to yield to the financial destruction which surely will follow. This is asserted as penalty if our Government attempts any course whatever that runs against the trickery that accumulated vast profits through robbing the helpless and cheating the defenseless and the ignorant. These slanderers continuously multiplied these charges as to what this Republic is about to do that is to wreck its own people. It is now charged that Mr. Morgenthau, the Secretary of the Treasury, is to put a bomb under the gold deposits of the United States. He is to melt up its metal, burn up its securities, and leave the country in a condition where its house is destroyed and its children left perishing, bereft of hope and of a life of prosperity—all this intimated as ordered financial holocaust, to be brought about by our Government officials.

I congratulate the President of the United States that he has now found it agreeable to come out of that closet from which, of course, his office impelled upon him—that great courtesy, smiling indulgences, and sometimes too great deference. He has most timely yielded to the proper impulse to call these liars who slander their Government and misrepresent the legislative bodies of this country, that which they are, "deliberate liars."

We come to two illustrations.

There comes to us the intimation and charge that there is a labor bill, designated by the name of the distinguished proponent of the bill, the Senator from New York [Mr. WAGNER], and that by this we are on the eve—say these telegrams arriving this morning—of surrendering the Government to what are branded as "labor unions." The President is to abdicate his office, the legislature is to surrender its province, all business is to be sacrificed to its confiscation, finance discredited, all honor of the Nation yielded to terror, and everything in the Republic which gives it distinction before the world surrendered to discredit and disgrace. All this in obedience to the command of those who are to impose anarchy on the one hand, bolshevism all around, and destruction universal to American citizenship.

In the Holy Scriptures somewhere, through the mouth of one of the prophets, the observation is made, "All men are liars." Well applicable indeed it is to those who continue to pass their condemnations, if you please, and their maledictions upon anything that issues out of a legislative chamber.

And now another illustration, sir:

It is said that there is a legislative measure, called "an agricultural bill", by which we are to repose in the Secretary of one of the departments the power to sit in judgment as to when law of action is violated and the offender deprived of privilege to continue his offenses. It is cried out that such provision is tyranny, violation of liberty, where the Secretary of Agriculture is authorized to sit in judgment to decide who are the offenders against certain regulations and to suggest a form of punishment which can take from those who are now enjoying the privilege the continuous right to violate the law, cheat the farmer in the country, and rob the citizen of the city.

It is heralded that this provision of authority is unprecedented, is an unparalleled power put in the hands of this officer of Government—that this new endowment is a dishonor to the Nation, a discredit to the citizen, and a destruction of liberty. Ah, these "gents" who have been making these observations! I use the word "gents" because it fits the character of those individuals who scream their "indignation." They deserve just such characterization, those who fittingly, if there is anything gentle in them at all, never rise any higher than "gents." The word "gent" oftentimes

means the same as the Latin "gentium", the lowest order of protoplasmic propagated humanity. [Laughter.]

Now, may it please you, sir, and my eminent colleagues on the other side, I say that this provision now carried into the new agricultural bill is taken out of an agricultural law 35 years old, copied, if you please, without the change of a comma or the crossing of a "t", all in order that the new provision should be wholly within the language of the law of similar wording heretofore passed on by the Supreme Court of the United States, held by the Court legal and constitutional. The provision is copied literally from the law which my colleagues will remember as the Oleomargarine Act. By that a highly ranked Republican Congress reposed in the Secretary of the Interior the right to investigate the offender, and, as to the offense, denounce it to the country, and put a form of penalty on the social criminals, depriving them of the right to do business in violation of the law. That, with one or two other agricultural acts of a similar nature, passed on by the eminent brains of the best legislators of both bodies and having the signature of the President of the United States, is in one respect reincorporated. That is the act about which certain of my honorable constituents, of a very high order of intelligence and gentility, send me a wire with that usual ordinance many of my colleagues have received, "Vote against such a bill."

"Why?" There is no reason given.

"For what reason?" None is stated.

"What is wrong about it?" "Do not know."

To be followed up. Why? Because it contains, we are informed, provision for this power in the hands of an official heretofore never so intrusted in a free government.

Who do you think induced this honorable body of citizens to send such a message filled with absurdity and slander? Some one who imposed on them and who knew he was lying, knowing that body of commercial men had not had a chance ever to read the bill, who probably never had seen a line of it, but who could be induced to join in an act of dishonor against the Government because it was at a timely hour to lie against the administration and continue to misrepresent the President, dishonor the legislative body, fill the Nation with despair, strike down every hope of recovery, and in this, dishonor their Nation to the world, all this to the gratification of these malefactors if they could only discredit the administration in the minds of the public of America.

Mr. President, the hour fortunately has come when the President of the United States, in his high station, has found it agreeable, as I remark again, to use the commanding word to characterize these, whoever they are and wherever they are, of whatever party name or designation, who continue to misrepresent their Republic, who continue to misrepresent the United States Congress and pursue the privilege to slander those of the legislators trying to perform their patriotic duty. These the President designates as common liars. To the President our congratulations. The Senate says to him, may his tribe increase and his performance often be multiplied.

I thank my able friend the Senator from New York for yielding a moment to me, as I also thank the Senate.

SETTLEMENT OF LABOR DISPUTES

The Senate resumed the consideration of the bill (S. 1958) to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes.

Mr. WAGNER. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. WAGNER. Mr. President, the national labor relations bill does not break with our traditions. It is the next step in the logical unfolding of man's eternal quest for freedom. For 25 centuries of recorded time before the machine age we sought relief from nature's cruel and relentless tyranny. Only 150 years ago did this country cast off the

shackles of political despotism. And today, with economic problems occupying the center of the stage, we strive to liberate the common man from destitution, from insecurity, and from human exploitation.

In this modern aspect of a time-worn problem the isolated worker is a plaything of fate. Caught in the labyrinth of modern industrialism and dwarfed by the size of corporate enterprise, he can attain freedom and dignity only by co-operation with others of his group. This truism has been paid at least the lip service of universal opinion. It is on the page of every treatise and in the platform of every political party.

LEGAL BACKGROUND: THE ANTITRUST LAWS AND THE LABOR INJUNCTION

In fact, this simple idea has become so embedded in our habits of thought that we find it difficult to realize that only a little over a century ago our law denied workers the right to combine for the purpose of raising wages. In the Philadelphia Cordwainer's case, decided in 1806 (Common and Gilmore, Doc. Hist., vol. 3, pp. 59-249), it was said of such a combination:

This measure is pregnant with public mischief and private injury . . . tends to demoralize the workmen . . . destroy the trade of the city, and leaves the pockets of the whole community to the discretion of the concerned. If these evils were unprovided for by the law now existing, it would be necessary that laws should be made to restrain them.

Fortunately, it was not long before the law became more sensitive to life. The cornerstone of industrial liberty was laid in Massachusetts in 1842 by the great Chief Justice Shaw. In *Commonwealth v. Hunt* (4 Metcalf 111) he said:

We think, therefore, that associations may be entered into . . . and yet so far from being criminal or unlawful, the object may be highly meritorious and public spirited.

The classic modern statement was written by Chief Justice Taft in *American Steel Foundry v. The Tri-City Central Trades Council* (257 U. S. 184 (1921)). In that opinion trade unions received the following encomium:

They were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer. He was dependent ordinarily upon his daily wage for the maintenance of himself and family. If the employer refused to pay him the wages that he thought fair, he was, nevertheless, unable to leave the employ and to resist arbitrary and unfair treatment. Union was essential to give laborers opportunity to deal on equality with their employers.

As the increasing mechanization of industry and the flowering of the factory system built up larger and larger aggregates of capital, it became obvious that our cherished equality of opportunity could not be maintained merely by pious declarations or abstract guaranties of freedom. By the second half of the nineteenth century, the active intervention of the Government was necessary to prevent economic concentration from fostering economic despotism. In consequence, the year 1890 witnessed the enactment of the Sherman antitrust laws, designed to protect the laborer, the small business man, and the consumer from the power of combination and the greed of monopoly.

It is not my intent to debate at this time why the antitrust laws withered under sustained assault in the courts. Whether it was due to the formidable battery of lawyers that the powerful could gather, or to the subconscious prejudices that judges carried over from their former associations, or to the fact that the laws themselves were not in harmony with the technique of modern industry are matters of relatively little moment today. The important fact is that the laws failed.

In the very first prosecution which came before the Supreme Court, *United States v. E. C. Knight & Co.* (156 U. S. 1 (1894)), it was held that a combination embracing 98 percent of the sugar-refinery capacity of the country was not in restraint of trade because manufacturing was not commerce. This decision, based upon Webster's dictionary rather than upon economic reality, practically inhibited further action by the Government for a decade and created the impression that combines of industrial concerns were virtually impregnable.

Hope for the vindication of the law rose in 1911, when the Court ordered the dissolution of the Standard Oil Co., *Standard Oil Co. of New Jersey v. United States* (221 U. S. 1).

But the rule of reason enunciated in that famous case soon became a vehicle for substituting the economic opinions of the Court for the expressed policy of Congress. The copious expansiveness of the rule was portended in *United States v. United States Steel Corporation* (251 U. S. 417 (1920)). In writing the opinion of the Court which sanctioned that combine, Mr. Justice McKenna said:

The power attained was much greater than that possessed by any one competitor. It was not greater than that possessed by all of them.

Thus it was held in effect that a monster combination which controlled from 40 to 50 percent of the steel industry was not in violation of the public interest, since its holdings did not exceed those of all of its competitors. It was overlooked that a scattered field of small rivals might be completely overridden by a single adversary representing even 40 percent of the total national strength.

The Steel case was followed closely by *United Shoe Machinery Corporation v. United States* (258 U. S. 451 (1922)), which upheld restrictive tying clauses enabling one corporation to control more than 95 percent of the shoe-machinery business of the country. But the final quietus to the antitrust laws was given in *United States v. International Harvester Co.* (74 U. S. 693 (1926)). Here the Court elaborated its fine distinction between good and bad trusts, and said:

The law, however, does not make the mere size of a corporation, however impressive, or the existence of unexercised power on its part, an offense, when unaccompanied by unlawful conduct in the exercise of its power.

Thus the heavy hand of the courts paralyzed the enforcement of the antitrust laws. During the 40 years after their enactment an average of one person per year was imprisoned for violating their criminal sections, while only about \$2,000,000 in fines were collected. Under the provisions for confiscation of goods shipped in interstate commerce by concerns violating the law, only 40 cartons of cigarettes were seized, and these were returned. Walton H. Hamilton, a distinguished economist and lawyer, who has made extensive studies on this subject, testified before the Senate Committee on Finance last month:

In terms of its formal administration the number of cases is pitiful, the amount of fines assessed is pitiful, the number of people sent to jail for violation of this law is almost negligible as against the great course of the concentration of wealth which has occurred in this country in the last generation and a half.

When the final history of our times comes to be written, its most glaring paradox will be the manner in which the antitrust laws were swerved from the course marked out by Congress and were invoked to harass the activities of those very groups they had been designed to protect. It is interesting to note that another famous Federal statute, also enacted for the protection of the weak, was used even sooner in a manner foreshadowing future events. In the case of *Toledo A. & N. M. Railway Co. v. Pennsylvania Co.* (54 Fed. 730 (1893)), Judge Taft, later to become Chief Justice of the United States, held that under the Interstate Commerce Act of 1887 the Brotherhood of Locomotive Engineers could be enjoined from ordering employees to refuse to handle freight cars during the course of a strike. But the further extension of that act to the labor field was checked by the advent of the Sherman law.

Beginning in 1893, the lower Federal courts applied the antitrust laws regularly to the activities of labor organizations. This procedure was first sustained by the Supreme Court in the case of *Loewe v. Lawlor* (208 U. S. 274 (1908)), where it was said that Congress "made the interdictions include combinations of labor as well as of capital." This Danbury Hatters case, it is true, involved activities which were clearly interstate in their ramifications and powerful in their effects. But in short order notice was served of the meticulous exactitude with which the actions of employees were to be surveyed. Thus in *Gompers v. Buck Stove & Range* (221 U. S. 418 (1911)), the Supreme Court said that the antitrust laws prohibited restraints whether occasioned "by blacklist, boycott, coercion, threat, intimidation, and whether these be made effective, in whole or in part, by act, words, or printed matter." Meanwhile the lower courts maintained their vigi-

lance. Although peaceful picketing had come to be recognized as a legitimate and necessary incident to collective bargaining, the case of *Atchison, Topeka & Santa Fe Railway Co. v. Gee* (139 Fed. 582 (1905)) held that "there is and can be no such thing as peaceful picketing, any more than there can be chaste vulgarity or peaceful mobbing or lawful lynching." Certainly the rule of reason did not smile upon the aspirations of working people.

Vexed by the double frustration of its intent, an awakened Congress in 1914 passed the Clayton Act, declaring that labor organizations should be allowed to pursue their lawful and legitimate objectives, and that no injunction should be issued in a dispute between an employer and employees except when necessary to prevent irreparable injury.

But captious verbalisms by the Court soon rendered the Clayton Act as ineffectual as its predecessors. In *Duplex Printing Press v. Deering* (254 U. S. 443 (1921)), upholding an injunction against a secondary boycott by employees, Mr. Justice Pitney argued that Congress, in excluding from the provisions of the antitrust laws all lawful activities of labor organizations, had intended to exclude only those acts which had theretofore been lawful under the antitrust laws. This highly elliptical reasoning was reiterated in *American Steel Foundry v. The Tri-City Central Trades Council*, supra, declaring that the Clayton Act "introduced no new principle into the equity jurisprudence of those courts. It is merely declaratory of what was the best practice always."

Ironically enough, it was cases after the passage of the Clayton Act that marked the high-water mark of judicial hostility to labor organizations. In the Tri-City case an employee organization was denied the right to place more than one peaceful picket near the entrance to a building, and the Court added that "the name picket indicated a militant purpose, inconsistent with peaceful persuasion." In *Bedford Cut Stone Co. v. Journeymen Stone Cutters Association* (275 U. S. 37 (1927)) the issue was whether a small group of craftsmen might refuse to work upon stone shipped into the State from quarries in another State where non-union labor was employed. A secondary boycott had already been declared legal by high courts in New York and California. *Bossert v. Dhuy* (221 N. Y. 342 (1917)) and *Pierce v. Stablemen's Union* (156 Calif. 70 (1909)). But the Supreme Court found a violation of the antitrust laws and sustained an injunction. The voice of Mr. Justice Brandeis was heard in protest:

The Sherman law was held, in *United States v. The United States Steel Corporation*, to permit capitalists to combine in a single corporation 50 percent of the steel industry of the United States, dominating the trade through its vast resources. The Sherman law was held, in *United States v. The United Shoe Machinery Co.*, to permit competitors to combine in another corporation practically the whole shoe-machinery industry of the country, necessarily giving a position of dominance over shoe manufacturing in America. It would, indeed, be strange if Congress had by the same action willed to deny to members of a small class of workmen the right to cooperate in simply refraining from work, when that course was the only means of self-protection against a combination of militant and powerful employers.

While the courts were thus turning the heavy batteries of the antitrust laws against the activities of employees, they were spiking the statutes that Congress and the States framed expressly to protect these groups. In *Truax v. Corrigan* (257 U. S. 312 (1922)), an Arizona statute forbidding the issuance of a labor injunction except to prevent irreparable injury was declared unconstitutional by the Supreme Court. Mr. Justice Brandeis, accompanied by Justices Holmes and Pitney, dissented in the following language:

It was urged that the real motive in seeking the injunction was not ordinarily to prevent property from being injured nor to protect the owner in its use, but to endow property with active, militant power which would make it dominant over men. In other words, that under the guise of protecting property rights, the employer was seeking sovereign power.

In *Adair v. United States* (208 U. S. 161 (1907)), over the dissents of Mr. Justice Holmes and Mr. Justice McKenna, a statute seeking to outlaw the "yellow dog" contract was declared unconstitutional. Seven years later, when the State of Kansas tried to achieve the same result, it was thwarted by *Coppage v. Kansas* (236 U. S. 1 (1914)). It was in the

latter case that Mr. Justice Holmes supported Justice Day and the then Associate Justice Hughes in saying:

In present conditions a workman not unnaturally may believe that only by belonging to a union can he secure a contract that shall be fair to him. * * * If that belief, whether right or wrong, may be held by a reasonable man, it seems to me that it may be enforced by law in order to establish the equality of position between the parties in which liberty of contract begins.

ECONOMIC BACKGROUND: INDUSTRIAL CONCENTRATION AND THE DEPRESSION

These cases which I have cited are not mere records of mock trials in moot courts. They are the external evidence of sweeping political and economic developments completely out of line with our professed desires to make opportunity equally available to all.

The fragile resistance of the antitrust laws did nothing to prevent the compounding of business into larger and larger units. In 1909 there was one small enterprise or manufacturing establishment for every 250 people in the Nation; by 1929 there was only one for every 900 people. In 1904, over 50 percent of the manufacturers in the United States were small enterprisers, each producing less than \$20,000 worth of goods per year. By 1929, these small enterprisers had shrunk in number to 32 percent of the total. During the same span of time, producers of goods valued at \$100,000 or more per year rose from 16.9 percent of the total to 31.5 percent. And while only one-quarter of the workers in America were employed by million-dollar-a-year concerns in 1904, about three-fifths of the workers were employed by such concerns in 1929.

These technological changes doubled the productive capacity of the average worker between 1919 and 1933. In manufacturing alone, they increased his hourly product by 71 percent. They opened up new vistas of comfort and security to the average man. But despite reassuring discourse about profit sharing and employee participation in industry, the increasing size of business brought concentration of wealth in geometric ratio. By 1929, 200 huge corporations owned one-half of our total corporate wealth. Two years later, 100 general industrial corporations out of a total of 300,000 controlled one-third of the general industrial wealth of the Nation. As a natural corollary, the wage earners' share in the product created by manufacturing has declined steadily for nearly a century. Standing at 51 percent in 1849, it fell to 42 percent in 1919 and to 36 percent in 1933. The isolation of the individual worker has been reflected glaringly in the distribution of the Nation's goods.

The tremendous disparity between the few and the many became most pronounced in that glittering era which we regarded as the zenith of American prosperity. Between 1922 and 1929 the real wages of employees increased by slightly less than 10 percent. But during the same period industrial profits rose by 86 percent, while in the shorter span from 1926 to 1929 dividend payments mounted by 104 percent.

If we had succeeded in providing the minimum requirements of health and decency for every deserving person in the United States, we might have said that the maldistribution of income was a fair price to pay for our industrial efficiency. But we know that we suffered from the prevalence of poverty in a land of plenty. In 1929, 6,000,000 families, or more than 21 percent of our total population, had incomes of less than \$1,000 per year. About 12,000,000 families, or more than 42 percent of the total, earned less than \$1,500 yearly. Sixteen million families, or 60 percent of the people, had annual incomes below the \$2,000 per year necessary for the basic requirements of health and decency. And nearly 20,000,000 families, constituting 71 percent of all America, received less than \$2,500 a year. At the same time, in the highest income bracket, one-tenth of 1 percent of the families in the United States were earning as much as the 42 percent at the bottom. It is not surprising that in *America's Capacity to Consume*, the most complete study of family income ever presented to the general reader in this country, the statement is made without equivocation that during the past decade "inequality in the distribution of income has been accentuated."

Not only the preachments of moralists but also the teachings of economists have proved that this injustice wrought its hardships upon those who were temporarily favored as well as those who had been permanently neglected. The low level of income prevented the vast majority of consumers from draining the market of its flood of goods. This was particularly serious in an age of mass production, which had built 21,000,000 automobiles and over 20,000,000 radio sets. At the same time, the extraordinary concentration of income placed excessive savings in the hands of a few. While 60 percent of the families in America contributed only 1.6 percent to the total savings of the country, 2.3 percent of all families contributed 66½ percent to all savings, and 60,000 families at the top of the economic ladder saved almost as much as 25,000,000 families on the lower rungs. Corporate surpluses rose from \$8,500,000,000 in 1923 to \$16,000,000,000 in 1929. These accumulations of the few sought outlet through investments in plant facilities. Contrasted with the 10-percent rise in wages between 1922 and 1929, the production of machinery increased 91 percent and of capital equipment 70 percent. Production mounted beyond any possibilities of market absorption.

For a short while we staved off inevitable disaster by the pipe dream of installment selling and by lending Europe money with which to buy our own products. But when the domestic market finally closed to further investment, and foreign trade collapsed because our own people had no money with which to buy European goods, the crash came.

This thesis, which places the failure of purchasing power at the center of all explanations of depression, has long received recognition. It has been further substantiated this year in a stimulating book entitled *The Formation of Capital*, by Dr. H. G. Moulton. This volume states:

The base of the economic pyramid is the production of consumption goods. The demand for plant and equipment is derived from the demand for consumption goods * * * A slight shrinkage at the base of the pyramid very nearly eliminates the top * * * The primary need is a larger flow of funds through consumptive channels.

During 4 long years after the depression came we clung to the same policies which had brought the calamity and which were prolonging its ravages. While the level of wages dropped 60 percent between 1929 and 1932, property income fell only 29 percent. The remarkable report of the Research and Planning Division of the National Recovery Administration shows that while wages stood at 44 percent of the 1926 level in 1932, and the national income at only 62 percent of that level, dividend payments remained as high as 142 percent of that level. And day by day the downward spiral gained in momentum.

POLICY OF THE RECOVERY PROGRAM AND SECTION 7 (A) OF THE N. I. R. A.

It was only when over 15,000,000 people were unemployed, when banks were closed, when business was uprooted, and when our whole economic system hung perilously on the precipice, that we embarked upon a new program. This new program was projected in terms of recovery and reform. It was designated not merely to set the forces of revival in motion, but, above all, to eradicate permanently the evils that had done so much harm in the past.

The first hypothesis was that the interpenetration of all industries throughout the country, the nonconformity of economic organization to State lines, and the deep-seated and wide-spread character of the national calamity, made Nation-wide action essential. For the purpose of rationalizing production, outlawing cutthroat competition, and bringing order into the distribution of goods, not only were the antitrust laws in part suspended but the Government itself embarked upon the diametrically opposed policy of stimulating coast-to-coast cooperation among business men. It was thought that in this manner a permanent equilibrium of the various factors in industry might be maintained.

In addition, there was a second phase of the program which struck at the very core of the depression. Congress determined to fix wages and hours at a level that might, by reemployment and higher pay, spread adequate purchasing power among the masses of consumers and thus prime the

pump of business. Equally in the foreground was the intent to insure a decent measure of security and comfort to those who worked, while protecting the fair-minded employer from the cutthroat tactics of the exploiting few.

But the Government never for a moment proposed to set up a benevolent despotism, or to extend its arm into every nook and cranny of private business. It did not contemplate regulation of every scale of wages or supervision of every schedule of hours. Acting in an emergency, it desired only to create a solid foundation upon which might be built the mutual efforts of a revived industry and a rehabilitated labor. And if industry and labor were to act in unison, it was clear that they would need equal opportunities for intelligent and effective action. Just as industry was organized, so labor was to be allowed to organize. It was for this purpose that section 7 (a) was written into the National Industrial Recovery Act and reinforced last June by Public Resolution No. 44, providing for the election of representatives for the purpose of collective bargaining.

I think it may be safely said that whatever controversy now rages as to the wisdom of many phases of the recovery program, and of the National Industrial Recovery Act in particular, there is practically unanimous agreement in Congress that section 7 (a) was sound in inception, and that the right of employees to organize and bargain collectively through representatives of their own choosing should be safeguarded at all times. If Congress recognized that right for decades, Congress must shoulder the responsibility to protect it now that employers are more united than ever before in trade associations blanketing the entire country. The developments of the past two years have not given employees any guaranties to which they were not entitled. But the events of the past two years have intensified the social necessity of protecting these guaranties against repudiation.

THE BREAK-DOWN OF SECTION 7 (A) AND ITS ECONOMIC CONSEQUENCES

Nor is there any disagreement about the fact that section 7 (a) has collapsed. General Johnson, the first Administrator of the National Industrial Recovery Act, in testifying last month before the Finance Committee of the Senate, said:

I think section 7 (a) has substantially failed of its original purpose.

Mr. Francis Biddle, the brilliant Chairman of the National Labor Relations Board, on the same occasion referred to "the emptiness of a law which we know cannot be enforced." A very recent and exceedingly comprehensive study of the National Recovery Administration by the Brookings Institution says:

Section 7 of the Recovery Act is uncertain in purpose, vague in contents, and ambiguous in language.

This break-down of section 7 (a) has driven a dagger close to the heart of the recovery program. It was intended that the codes should be formulated with the "united action of labor and management." But with labor denied the opportunity to organize and bargain collectively, practically all of the codes have been conceived and drafted and presented for governmental approval by employers alone. This means that in the original formulation of the labor provisions no less than the trade practices, industry wrote the ticket. Labor came into the picture, not as the genuine party in interest that it should have been, but merely through the indirect representation of the Labor Advisory Board, an organ with no actual authority and with no bargaining power comparable to that of the trade associations.

The results of this defect are well illustrated by the difference between the normal run of codes and the few special codes formed by a process of collective bargaining. The normal codes usually provide a 40-hour week, while the special codes descend frequently to a 36- or 35-hour week. The special codes, such as in the coal, needle, and building trades, provide fairly scientific minimum-wage levels for the various skills, while the normal codes are generally filled with vague and uncertain exemptions and exceptions which make enforcement difficult and remove much of the legal force from the minimum-wage rates.

One specific example is particularly telling. The tobacco industry is one of the most profitable in the country; but since it has allowed collective bargaining no place, the increase in the average weekly wage between 1933 and 1934 was only 75 cents. But in the women's clothing industry, where section 7 (a) has been an actuality, the advance in pay was \$3. The average weekly earnings during the last year in the cigarette trade were \$11.84; in the women's clothing trade \$18.82.

The cumulative effects of these shortcomings are reflected in economic tendencies at the present time. Unemployment is as great as it was a year ago. Average weekly hours of work, which stood at 37¼ when the codes were established in the fall of 1933, stand at 37½ today. The real income of the individual worker employed full time is less than in March 1933. The average worker's income in 1934 was \$1,099, or \$813 less than the amount required to maintain a family of five in health and decency. The realignment of profits and wages, which we contemplated so confidently in the spring of 1933, has not taken place.

In December 1934, pay rolls registered only 60 percent of the 1926 level, while dividend and interest payments were fixed at 150 percent of that level. Total wages have risen only 28 percent in the past 2 years, while 840 large companies have increased their profits from \$471,000,000 in 1933 to \$673,000,000 in 1934, a gain of 42 percent. Net profits of 1,435 manufacturing and trading companies increased from \$640,000,000 in 1933 to \$1,071,000,000 in 1934, or 64 percent, while their annual rate of return rose from 2.7 percent to 4.5 percent.

Furthermore, the history of the past 2 years makes it clear that failure to maintain a sane balance between wages and industrial returns will be attended by the same fatal consequences as in the past. The rise of business activity to 89 percent of normal in the precode booms of April and July 1933 collapsed after July because no adequate purchasing power had been built up to sustain it. The rise to 80 percent of normal in April and May 1934 rested on a surer foundation because of the increase in purchasing power provided through reemployment in the fall of 1933 and through public spending.

If the more recent quickening of business activity is not supported by rises in wages, either we shall have to sustain the market indefinitely by huge and continuous public spending or we shall meet the certainty of another collapse. With the evil and the remedy in such clear relief, Congress cannot hesitate to atone the error of allowing section 7 (a) to languish.

WEAKNESSES IN THE PRESENT LAW REGARDING COLLECTIVE BARGAINING

A study of the weaknesses in the existing law brings the conviction that the remedy is neither obscure nor unattainable. The patent ambiguity and excessive generality of section 7 (a) has led to a proliferation of interpretations and counterinterpretations. Consequently both employers and employees have been denied their basic right to a clear and certain law.

Turning at once from substance to procedure, the greatest difficulty with section 7 (a) has been that the present National Labor Relations Board, the cardinal agency for interpreting it, has not been vested with enforcement powers. The Board, after hearing cases, may refer them with recommendations to the National Recovery Administration. As was demonstrated in the recent Colt case, it is that administration rather than the Board which exercises final discretion in determining whether the Blue Eagle shall be removed or whether Government contracts shall be canceled.

Of course, the National Recovery Administration has adequate enforcement powers. But everyone knows that the whole tendency of that organization has been toward conciliation and compromise with industry in order that codes of fair competition may be administered smoothly and continuously. This approach may be laudable in dealing with standards of fair competition that have been written and proposed by industry itself. But it is totally unsuited to the enforcement of section 7 (a), which is a mandate of Con-

gress, which becomes a crucial issue in those very cases where it is most flagrantly challenged, and which, like all analogous laws of Congress, must be vindicated by a judicial process. The confusion of the voluntarily submitted fair-practice provisions with section 7 (a) has put the Recovery Administration in the untenable position of conciliator and prosecutor at once. Not only has section 7 (a) been lost in the shuffle but the Recovery Administration itself has suffered from the misplaced burden. And this difficulty has been aggravated because, under present conditions, section 7 (a) is applicable only where there is a code of fair competition, which constantly puts recalcitrants in the position where they can threaten to surrender their codes in case section 7 (a) is enforced against them.

As an alternative, the present National Labor Relations Board may refer its recommendations to the Department of Justice for enforcement. But since the Board has no power of subpoena or investigation except in connection with elections, the records which it builds up are based in most cases upon the testimony of complainants alone, supplemented at best by the testimony of such witnesses as the defendant voluntarily presents. This makes it necessary for the Department of Justice in any event to make further investigations before bringing suit; and if the Department brings suit at all, it must commence entirely *de novo* in the courts, with the defendant having 30 days to answer, or moving to dismiss, or applying for a bill of particulars. Thus is defeated the very purpose of an administrative agency, which is to provide specialized treatment of the factual aspects of a specialized controversy.

Weak as it is, the present National Labor Relations Board has been subjected, in addition, to the corroding influence of various industrial boards, dealing according to their own lights with the same subject matter. At present from 13 to 15 boards have been established to handle 7 (a) cases, and over none of these has the national board jurisdiction, either as to fact or as to law. Since there are now over 100 codes which provide for the establishment of industrial boards, there exists the constant threat that dispersion of authority will transcend all reasonable bounds.

Quite aside from all question of scattered responsibility, these industrial boards are essentially unsuited to the handling of 7 (a) cases. Partisan in composition, living in an atmosphere of compromise and conciliation, they are well designed to adjust wage and hour controversies in accordance with the varying standards of different localities. The success of labor before an industrial board depends upon the strength of labor in that particular area. But section 7 (a) was written by Congress to protect the weak who could not protect themselves, and it was intended for universal application, not universal modification. The major effect of leaving its enforcement to a variety of industrial boards is to give the least protection to those who need it most.

Last June, in order to remedy the recognized weaknesses in section 7 (a), Congress passed Public Resolution No. 44. The main purpose of that resolution was to facilitate the holding of elections by the National Labor Relations Board; but a fatal loophole has rendered its effect nugatory. In providing that election orders of the Board might be reviewed in the courts prior to the holding of the election itself, the law afforded employers a shield to ward off action indefinitely. The most revealing commentary upon the joint resolution is contained in a letter disclosed by the Senate committee investigating munitions. Written last June by a vice president of one of America's largest corporations, it says:

My guess is that Congress will today pass the joint resolution proposed as an alternative to the Wagner bill, and that will end, for the time being, at least, many of our troubles in that respect. Personally, I view the passage of the joint resolution with equanimity. It means that temporary measures, which cannot last more than a year, will be substituted for the permanent legislation proposed in the original Wagner bill. I do not believe that there will again be as good a chance for the passage of the Wagner Act as exists now, and the trade is a mighty good compromise.

I have read carefully the joint resolution, and my personal opinion is that it is not going to bother us very much. For one

thing, it would be necessary, if the newly created boards are to order and supervise elections in our plants, that they first set aside as invalid the elections just completed.

I do not think this can be done. If, in 1935, our elections should occur in the second half of June rather than in the first half, the board would automatically be legislated out of existence before that date.

If they try to horn in on us in any situation in the meantime, I think we have our fences pretty securely set up. Therefore, and for other reasons, I am in favor of compromising by not opposing passage of the joint resolution. This, of course, is my own personal opinion. I have not yet had a chance to clear it with our people here.

NATIONAL LABOR RELATIONS BILL—ENFORCEMENT PROVISIONS

The present bill cures the defects in existing law. It clarifies and amplifies the provisions of section 7 (a), and it centralizes in a single permanent National Labor Relations Board the duty to protect the collective-bargaining rights of employees. The Board will, of course, have regional agencies throughout the country to handle violations initially at their source, and will be empowered to designate any existing industrial board for such purposes. In all cases, however, the findings and recommendations of these agencies will be transferred to the National Labor Relations Board for final action. After these appropriate hearings the Board will be empowered to issue orders forbidding violations of the law and making restitution to those who have been injured thereby. All such orders will be fully reviewable at the instance of any aggrieved party in the Federal courts.

The procedure set forth in this bill is so closely modeled upon other statutes, such as the Federal Trade Commission Act and the Interstate Commerce Act, that one is astounded to hear the charges circulated to the effect that this measure would sweep aside the courts and endow a new and queer kind of agency with dictatorial or arbitrary powers.

The power of the Board to hold elections is considerably clarified. An election is merely a preliminary determination of fact. There is no more reason why it should be subject to anterior court review than why a hearing should be deferred pending judicial action; but if any election is made the basis for an order of the Board related to an unfair labor practice, the whole procedure embracing the election will be fully reviewable in the appropriate Federal court.

UNFAIR LABOR PRACTICES

Let us turn now to the substantive provisions of the bill dealing with unfair labor practices. I wish to emphasize at the outset how limited these provisions are in their scope, how simple they are in their language, and how thoroughly they are grounded in long-established congressional policy.

The first unfair-labor-practice provision, in substance, forbids an employer to interfere with, restrain, or coerce employees in the exercise of their right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection.

This language follows practically verbatim the familiar principles already embedded in our law by section 2 of the Railway Labor Act of 1926, section 2 of the Norris-LaGuardia Act, section 77 (p) and (q) of 1932 amendments to the Bankruptcy Act, section 7 (a) of the National Industrial Recovery Act, and section 7 (e) of the act creating the office of the Federal Coordinator of Transportation.

Experience over a considerable period of time, however, has made it clear that these general declarations of freedom have little effect unless they are accomplished by a specific catalog of forbidden practices. Therefore, the succeeding four unfair-labor-practice provisions, without narrowing in any way the widest possible application of the first, enunciate with particularity the concrete acts which have been the most fertile source of trouble in the past.

THE PROBLEM OF THE COMPANY UNION

The second unfair-labor-practice provision deals with the so-called "company-union problem." It makes it unlawful for an employer to dominate or interfere with the formation or administration of any labor organization, or contribute financial or other support to it.

The intent here is to bring about in industry generally the same conditions which Congress decreed for the railways and businesses under trusteeship by the 1933 amendments to the Bankruptcy Act, the act creating the office of the Federal Coordinator of Transportation, and the 1934 amendments to the Railway Labor Act.

Anyone familiar with these laws will recognize at once that there is nothing in the pending bill which promotes a union monopoly, which places the stamp of governmental favor upon any particular type of union, or which outlaws the so-called "company union", if by that term is meant simply an entirely free and independent organization of workers who through their own volition confine their cooperative activities to the limits of one company. Nor is there anything in the bill which interferes with the benefits of pension or recreation plans when such benefits are extended equally to all employees, without discrimination tending to encourage or discourage union membership. The bill intends merely that those agencies designed to represent the workers for purposes of collective bargaining shall be free from the domination or even the interference of the other party.

The primary evil of the organization which is dominated or interfered with by the employer is that, sometimes because of express prohibitions, more often because of its intrinsic composition, it is not well suited to extend its cooperative activities beyond the bounds of a single employer unit. A thorough study of this subject has just been made by the Twentieth Century Fund, backed by an impressive array of scholars, employers, and professional men. It shows that even different company unions of the same employer rarely work in unity, and almost never is there even a loose and informal contact between company unions of different employers.

Limitations such as these run counter to the very core of the new-deal philosophy. Business men are being allowed to pool their information and experience in vast trade associations in order to make a concerted drive against the evil features of modern industrialism. If employees are denied similar privileges, they not only are unable to uphold their end of the labor bargain but, in addition, they cannot cope with any issues that transcend the boundaries of a single business. And under modern industrial conditions problems of wages and hours are regional or even national in scope. Order must exist everywhere if it is to exist at all.

In the second place, the employer who dominates or interferes with his workers sometimes, either by express provisions or more likely by subtle economic pressure, limits his employees' choice of representatives to those who work for him. A worker may be a complete master of his tools, but as a representative he is not an expert in industrial relations, and is likely to be entirely unable to take advantage of legitimate opportunities based upon knowledge of the labor market and general business conditions. More important, only representatives who are not subservient to the employer with whom they deal can act freely in the interest of the workers. Simple common sense tells us that a man does not possess this freedom when he bargains with those who control his source of livelihood.

The third defect of the company-dominated union is that it is supported, in whole or in part, by the employer. I cannot understand how those so well schooled in the doctrines of Americanism can sanction a practice whereby the person on one side of the bargaining table pays the attorney of those with whom he deals. Collective bargaining becomes a mockery when the spokesman of the employee is the marionette of the employer.

These few practices by no means cover the whole range of the abuses that constitute interference. The undue influence which the employer exerts over the supposedly free agent of his workers may take other forms. It may consist in employer interference with the formation of the constitution or bylaws of a labor organization. The essence of interference is that the workers' organization, instead of being absolutely free and independent as an organic entity, is subjected in some way to the employer's will.

The recent study to which I have referred affords ample evidence that the company union is the mere creature of the employer. Out of 125 company unions investigated, the plans for 53 of them were installed by executive order on the part of the employer. Only 22 of them were ratified by a representative vote of the employees. In only 10 cases out of 72 were the employees alone free to change their plan.

The severest indictment of these unions imposed from above is that they have blossomed forth since the passage of the very act which was designed to give workers full freedom of organization. According to the National Industrial Conference Board, the number of workers recruited into company unions rose from 432,000 in 1932 to 1,164,000 in 1933, representing a gain of 169 percent. More than 69 percent of the company unions now in existence have been inaugurated in the brief period since the passage of the Recovery Act.

Contrary to the argument that the company union has the virtue of insuring industrial peace, we know that this open entry of employers into the field of active organization of workers promotes strife and discord. Men versed in the tenets of freedom become restive when not allowed to be free. The sharp outbreaks of economic warfare in various parts of the country to a large extent attest the bitterness of feeling when company unionism raises its head. Most impartial students of industrial problems agree that the best records of mutual accomplishments have been made where the sham union has been driven from the scene, and where workers are free men in fact as well as in name.

PROBLEM OF THE CLOSED SHOP

While outlawing the organization that is interfered with by the employer, this bill does not establish the closed shop or even encourage it. The much-discussed closed-shop proviso merely states that nothing in any Federal law shall be held to legalize the confirmation of voluntary closed-shop agreements between employers and workers. This insertion is necessary to prevent repetition of those mistaken interpretations which have held that Congress intended to outlaw the closed shop when it enacted section 7 (a) of the Recovery Act.

I hold no brief for or against the closed shop, but there are some who believe that it is a device which at times may be necessary to advance and preserve the living standards of employees. It is legal in many States, and there is no reason why Congress should make it illegal in those places where public policy now sustains it.

The virulent propaganda to the effect that this bill encourages the closed shop is outrageous in view of the fact that in two respects it actually narrows the now-existing law in regard to the closed-shop agreement. In the first place, while today an employer may sign a closed-shop contract even with a minority group, the bill provides that he shall be allowed to negotiate such an agreement only with an organization which represents the majority of employees in the appropriate collective bargaining unit covered by such agreement when made. Secondly, the bill is extremely careful to forestall the making of closed-shop agreements with unions that are interfered with or dominated by the company, or with any organization that has been tainted at any time in the past by practices which are now declared to be unfair. The closed-shop agreement is to be allowable only when an organization has been free from its inception.

The third unfair-labor-practice provision makes it illegal for an employer, by discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization.

This provision is merely a logical and imperative extension of that section of the Norris-LaGuardia Act which makes the "yellow dog" contract unenforceable in the Federal courts. If freedom of organization is to be preserved, the employees must have more than the knowledge that the courts will not be used to confirm injustice. They need protection most in those very cases where the employer is strong enough to impress his will without the aid of the law. And it is perfectly

obvious that unfair pressure may be exercised by discrimination during employment as well as by actual discharge.

The fourth unfair-labor-practice provision, forbidding discharge or discrimination because an employee has filed charges or given testimony under this measure, is self-explanatory.

THE DUTY TO BARGAIN COLLECTIVELY

The final unfair-labor-practice provision makes it illegal for an employer to refuse to bargain collectively with the representatives of his employees.

Most emphatically this provision does not imply governmental supervision of wage or hour agreements. It does not compel anyone to make a compact of any kind if no terms are arrived at that are satisfactory to him. The very essence of collective bargaining is that either party shall be free to withdraw if its conditions are not met. But the right of workers to bargain collectively through representatives of their own choosing must be matched by the correlative duty of employers to recognize and deal in good faith with these representatives. The Government itself is held up to ridicule when the elections which it supervises are rendered illusory by failure to acknowledge their results. And needless to say, such a contradictory course generates perpetual discontent and strife.

Just what the duty to bargain collectively implies was clearly set forth by the present National Labor Relations Board in the *Houde Engineering Corporation* case, decided on August 30, 1934. There the Board said:

Without this duty the right to bargain would be sterile The incontestably sound principle is that the employer is obligated by the statutes to negotiate in good faith with his employee's representatives; to match their proposals, if unacceptable, with counter proposals; and to make every reasonable effort to reach an agreement.

The sound result which the Labor Board reached by interpretation of a vague law should be confirmed and protected by a clear definition of congressional policy.

PRINCIPLE OF MAJORITY RULE

Further to facilitate the procedure of collective bargaining, the bill embraces the principle of majority rule. It states that—

Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes shall be the exclusive representatives of all employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment.

Collective bargaining is not an artificial procedure devoted to an unknown end. Its object is the making of agreements which will stabilize employment conditions and promote fair working standards. It is well nigh universally recognized that it is practically impossible to apply two or more sets of agreements to one unit of workers at the same time, or to apply the terms of one agreement to only a portion of the workers in a single unit. For this reason, collective bargaining means majority rule. This rule is conducive not only to agreements, but also to friendly relations. Workers find it easier to approach their employers in a spirit of good will if they are not torn by internal dissent. And employers, wherever majority rule has been given a fair chance, have discovered it more profitable to deal with a single group than to be harassed by a constant series of negotiations with rival factions.

Majority rule makes it clear that the guaranty of the right of employees to bargain collectively through representatives of their own choosing must not be misapplied so as to permit employers to interfere with the practical effectuation of that right by bargaining with individuals or minority groups in their own behalf after representatives have been picked by the majority to represent all.

At the same time, majority rule recognizes minority rights. It does not ever imply that any employee can be forced to join a union, except through the traditional method of a closed-shop agreement with the employer. And since, in the absence of such an agreement, the bill specifically prevents discrimination against anyone either for belonging or for not belonging to a union, the majority will be quite

powerless to make an agreement more favorable to themselves than to the minority who remain without. In addition, the bill preserves the right of any individual or minority group to present grievances to its employer.

Anyone who analyzes the problems and who studies the history of industrial relations will be amazed at the current opposition to majority rule. Certainly it cannot be claimed that the rule is lacking solid precedent. It has been applied regularly by governmental agencies and recognized repeatedly by laws of Congress. It was followed by the National War Labor Board created by President Wilson in the spring of 1918. It has been applied consistently by the Railway Labor Board created by the Transportation Act of 1920. The 1934 amendments to the Railway Labor Act provided for it. Public Resolution No. 44, approved last June, in that it provided for elections, must have contemplated majority rule.

If we turn from governmental experience to private practice, what do we find? The platform adopted by the Congress of American Industry and the National Association of Manufacturers on December 5 and 6, 1934, and they are the ones who now oppose majority rule for workers, provides:

Under appropriate safeguards, the approved competitive practices and prohibitions submitted by the properly defined majority of a group, trade, or industry shall be binding upon the minority.

The experience of the National Labor Relations Board has been that the very employers who decry majority rule today insisted upon majority rule alone when they were in control of the situation through their dominance over a company union. The animus behind the crocodile tears now being shed for the welfare of minorities was laid bare by the liberal dean of the Wisconsin Law School, Lloyd K. Garrison, a former Chairman of the National Labor Relations Board. Testifying before the Committee on Education and Labor upon this bill, he said:

It seemed to me last summer, as I sat on the Board and listened to these cases, quite evident that the opposition to this rule came down simply to this, that the employer who opposed the rule merely wanted to avoid doing any collective bargaining at all so long as he could keep his responsibility diffused. So long as he could say, "I will bargain first with this group, then I will bargain with that group, and then I will run back to the first and see what they think about the proposals", and so on ad infinitum, he would end up by reaching no collective agreement at all. And that is why the majority rule is opposed.

Mr. Garrison has placed the matter in a nutshell. He has made it clear that democracy in industry must be based upon the same principles as democracy in government. Majority rule, with all its imperfections, is the best protection of workers' rights, just as it is the surest guaranty of political liberty that mankind has yet discovered.

CONSTITUTIONALITY

It is appropriate that some reference should be made to the constitutional problems raised by this bill. There are two broad questions involved: First, does the regulation of the employer-employee relationship as herein provided violate due process of law; and, secondly, can Federal jurisdiction over this relationship be sustained under the commerce clause?

The authority of Congress to guarantee freedom of organization, to prohibit the company-dominated union, and to prevent employers from requiring membership or nonmembership in any union, has been completely upheld in *Texas & New Orleans Railroad Co. v. Brotherhood* (281 U. S. 548 (1930)). This was a suit by a labor union to restrain the railroad from interfering, in violation of the Railway Labor Act of 1926, with the right of its employees to self-organization and the designation of representatives. The decree of the lower court had provided that the railroad company should: first, completely disestablish its company union; second, reinstate the Brotherhood as representative until the employees by secret ballot should make a choice; third, restore to service and to stated privileges certain employees who had been discharged for activities in behalf of the Brotherhood. The Supreme Court, with Chief Justice Hughes writing for a unanimous Court sustaining the decree, said:

The legality of collective action on the part of employees in order to safeguard their proper interests is not to be disputed. It has long been recognized that employees are entitled to organize for the purpose of securing the redress of grievances and to promote agreements with employers concerning rates of pay and conditions of work. * * * Congress was not required to ignore this right of the employees, but could safeguard it and seek to make their appropriate collective action an instrument of peace rather than of strife. Such collective action would be a mockery if representation were made futile by interference with freedom of choice.

Thus the Supreme Court sustained a decree prohibiting, in substance, all except the last of the unfair labor practices listed in this bill, and it is particularly significant that this decree was based upon a law containing only the first of these practices. Brushing aside the much-criticized earlier cases which had declared the prohibition of the "yellow dog" contract unconstitutional, Chief Justice Hughes said:

The petitioners invoke the principle declared in *Adair v. United States* (208 U. S. 1, 61) and *Coppage v. Kansas* (236 U. S. 1), but these decisions are inapplicable. The Railway Labor Act of 1926 does not interfere with the normal exercise of the right of the carrier to select its employees or to discharge them. The statute is not aimed at this right of the employers but at the interference with the right of employees to have representatives of their own choosing. As the carrier subject to the act has no constitutional right to interfere with the freedom of the employees in making their selections they cannot complain of the statute on constitutional grounds.

When we realize that this prevailing and unanimous opinion rendered by the Chief Justice followed precisely the line of reasoning that he had followed when dissenting in the *Coppage* case, and that the two cases are really identical in principle, we can have no doubt that *Coppage* against *Kansas* and *Adair* against *United States* have been overruled.

It is true that the Texas case involved the interests of railway workers. But its decision upon the question of due process is equally applicable wherever congressional jurisdiction over interstate commerce can be established. Let us now examine the grounds for Federal jurisdiction.

A vast number of strikes have arisen in protestation against the denial of the rights guaranteed by section 7 (a) of the Recovery Act and reaffirmed by the present bill. Certainly, many similar outbreaks will be prevented if these rights are secured, for whenever given a fair trial the protection of collective bargaining has promoted industrial peace. And that strikes burden commerce cannot be denied, in view of the recognition of this fact by such landmarks of our law as *In re Debs* (158 U. S. 564), *Duplex Printing Press Co. v. Deering* (254 U. S. 443), *American Steel Foundries v. Tri-City Central Trades Council* (257 U. S. 184), *Coronado Coal Co. v. United Mine Workers* (268 U. S. 295), and *Bedford Cut Stone Co. v. Stone Cutters Association* (274 U. S. 37). Moreover, the courts which have enunciated so broad an interpretation of commerce when the result has been to frustrate the attempts of wage earners to better their economic conditions by collective action, will be constrained to take an equally broad view in order to diminish strikes by preventing the unfair labor practices which incite them.

Those cases under the antitrust laws which have been cited for the proposition that the Federal Government cannot deal with the employer-employee relationship are not applicable. For where the courts have refused to enjoin strikes under the antitrust laws, it has not been for lack of constitutional power but because the burden upon commerce was not deemed such as the antitrust laws intended to prohibit. Statutory construction of these laws fixed the boundaries of equity jurisdiction. But the Federal Government has the power under the Constitution to prevent any burden whatsoever upon interstate commerce. And there can be no doubt that Congress intends this power to be exercised in full to prevent unfair practices that cause or threaten to cause even the slightest burden.

It is clear that these practices may be enjoined even before the strike occurs. As Chief Justice Taft said in the first *Coronado* case (259 U. S. 344 (1922)):

If Congress deems certain recurring practices, although not really part of interstate commerce, likely to obstruct, restrain, or burden it, it has the power to subject them to national supervision or restraint.

I want to emphasize ever more strongly the constitutional power and the intent of Congress to prevent these unfair labor practices even where they do not lead or threaten to lead to strikes. As economic conditions have changed, courts on the whole have shown an increasing willingness to recognize that unsound business practices are a direct burden upon the regularity and volume of commerce. One example is the line of cases dealing with unfair competition under the Federal Trade Commission Act. The principle is well stated in another connection in *Chicago Board of Trade v. Olsen* (262 U. S. 1 (1922)), upholding Federal regulation of future sales on grain exchanges, an activity in itself purely local. The Court said:

The question of price dominates trade between the States. Sales of an article which affect the country-wide price of the article directly affect the country-wide commerce in it. For this reason Congress has the power to provide the appropriate means adopted in this act by which this abuse may be restrained and avoided.

In effect upon commerce, wages are indistinguishable from prices. In fact, each is significant only in terms of the other. When wages sink to low levels, the decline in purchasing power is felt upon the marts of trade. And since collective bargaining is the most powerful single force in maintaining and advancing wage rates, its repudiation is likely to intensify the maldistribution of buying power, thus reducing standards of living, unbalancing the economic structure, and inducing depression with its devastating effect upon the flow of commerce.

In the more recent case of *Appalachian Coals, Inc., v. United States* (288 U. S. 344 (1933)), Chief Justice Hughes said:

The interests of producers and consumers are interlinked. When industry is grievously hurt, when producing concerns fail, when unemployment mounts, and communities dependent upon profitable production are prostrated, the wells of commerce go dry.

This statement will long be a beacon light to guide those who are seeking to make our law consonant to the needs of our social and economic life. While the pending bill of course does not intend to go beyond the constitutional power of Congress, as that power may be marked out by the courts, it seeks the full limit of that power to prevent these unfair labor practices. It seeks to prevent them whether they affect interstate commerce by causing strikes, or by destroying the equality of bargaining power upon which the flow of commerce depends, or by occurring in interstate commerce.

The recent decision in the Weirton case is based upon Judge Nields' finding that the activities of the Weirton company did not interfere with the freedom of employees to organize, as guaranteed by section 7 (a) of the Recovery Act. It seems clear that this decision is far out of line with that of the United States Supreme Court in the Texas case (*supra*), which held that activities similar to those at Weirton were illegal under the Railway Labor Act of 1926, an act no more specific in its terms than section 7 (a). Not a single lawyer with whom I have talked has been able to explain Judge Nields' failure not only to distinguish, but even to refer to the Texas case. And even if it were to be conceded that Judge Nields correctly interpreted section 7 (a), his decision merely emphasized the need for strengthening that section and creating a permanent administrative tribunal, versed in the complexities of labor relations, to deal with such matters.

Since Judge Nields found that section 7(a) did not outlaw the activities complained of at Weirton, his discussion of the constitutionality of that section was pure dictum. I cannot believe that this decision of a single district judge as to the extent of the power of Congress to regulate interstate commerce will weigh very heavily with this Senate, particularly since his limited conception of interstate commerce, while in line with many early decisions of the United States Supreme Court, is clearly at odds with later decisions which

I have discussed and which are more responsive to the changing character of our national economic life.

It is even clearer that the recent decision of the Supreme Court in the Railway Pension case has absolutely no applicability to this bill. That case held, rightly or wrongly, that the retirement of superannuated workers had no recognizable relationship to the efficiency of interstate transportation. The opinion of Mr. Justice Roberts expressly distinguished the situation covered by the Texas case, *supra*, where a statute was designed to promote interstate commerce by preserving industrial peace.

PROMOTION OF INDUSTRIAL PEACE

This bill is designed to promote industrial peace. The bitterness and the heavy cost of economic conflicts between employers and workers in this country constitute a long and tragic story. Between 1915 and 1931 there were 4,856 strikes, involving the surrender of 2,795,000 jobs and the loss of 72,957,000 working days. At least \$1,000,000,000 per year have been wasted because of these controversies.

This toll of private warfare cannot be measured by statistics alone, for it places the taint of hatred and the stain of bloodshed across the pathway to amicable and profitable business dealings. Nor can we be satisfied to allow these troubles to proceed unchecked to their bitter conclusion. A do-nothing procedure leaves the temporary victor as exhausted as the temporarily vanquished, and sows the seeds for recurrent strife when the competitors have rallied from their efforts.

One method of approach to the problem of industrial peace would be for the Government to invoke compulsory arbitration, or to dictate the terms of settlement whenever a controversy arises. Where this procedure has been tried in European nations it has met with only questionable success. In any event, it is so alien to our American traditions of individual enterprise that it would provoke extreme resentment and constant discord.

It is clear that in this country peace must be based upon reason rather than upon force. We have cherished always the ideal of employers and workers meeting together with friendly and open minds in order that they may exchange views and arrive at solutions based not upon compulsion but upon mutual concessions and mutual benefit. This may be termed the method of conference, of give and take, of free cooperation.

The best example of the conference or voluntary method of ironing out disagreements is the railway industry. Because of the vital connection between steady transportation and the very lives of our people, the Government early took steps to set up machinery for the peaceful adjustment of railway-labor disputes. The central idea of all these efforts has been to promote the making of collective agreements between employers and workers without exercising any compulsion upon either side.

In seeking these ends, however, the Government did not rely upon a policy of complete *laissez faire*. It soon saw the necessity of establishing by law the underlying conditions from which agreements might arise. It protected employees in their right to organize and bargain collectively. It applied to the railway industry the principle of majority rule, and it abolished the union that was interfered with or financed by the company.

The application of these rules of fair play yielded the finest results. Not once since 1894 has serious strife upon the railroads hardened our arteries of trade. It was to be expected that such a record of success would be emulated elsewhere, and when our entry into the World War made it imperative to cement the bonds of cordiality between employers and workers the War Labor Board was established. This Board immediately applied the principles that governed the railway industry. It was remarkable that not a single strike or lock-out in defiance of an award of the War Labor Board occurred until after the armistice; and the United States was the only belligerent unvexed by major labor disturbances.

It is a matter of record that one of the most prolific causes of strikes has been the failure to apply to industry generally the rules of industrial democracy underlying the conference method. At least 25 percent of the labor disputes in recent years has resulted from denials of the procedure of collective bargaining. In regard to the steel strike of 1919, which was one of the severest and most disastrous affrays in recent history, the impartial commission of inquiry of the Interchurch World Movement said that both sides agreed that the occasion of the strike was the failure to recognize the friendly conference idea. Of the 3,655 new cases received by the regional agencies of the present National Labor Relations Board during the second half of 1934 and the first month of 1935, the issue of collective bargaining was paramount in 2,330 cases, or about 74 percent.

The pending bill is designed merely to apply to industry generally the benefits of our rich American experience. While it has been branded radical by some and ultraconservative by others, every one of its principles has been sanctioned by a long train of laws of Congress. While it has been called inopportune and hasty, it is responsive to the serious industrial disturbances of last summer, when blood ran freely in the streets and martial law was in the offing. While some think it one-sided and directed against industry, it is trained upon the solution of problems that have plagued industry as much as any other group. In its search for industrial peace combined with economic justice, it appeals to the conscience and intelligence of all those who know the history of our country and are imbued with its high ideals. In applying the healing balm of an upright, impartial, and peaceful forum to industry and labor it will benefit employers, workers, and the country at large.

During the delivery of Mr. WAGNER's speech—

Mr. ROBINSON. Mr. President, I do not understand the statement of the Senator from New York that "all such orders will be fully reviewable by any aggrieved party in the Federal courts."

Mr. WAGNER. Parties to the controversy, of course.

Mr. ROBINSON. Yes; but what is meant by the term "by any aggrieved party"? I am asking for information.

Mr. WAGNER. Suppose the Board orders an election, which is held. Then a controversy arises as to who was really elected by a majority of the workers, the company making one contention, and a representative of the workers making another contention. That controversy will be heard by the Board, evidence will be taken, and then, if either party is dissatisfied with the order of the Board, based upon the supposed violation of a legal right, such party may have a review in the courts.

Mr. ROBINSON. The point I am asking about is, What is the meaning of the words "by any aggrieved party"? The language is not clear to me.

Mr. WAGNER. The bill itself is clearer than my statement. I assume that the meaning is by parties to the controversy which is heard before the Board.

After the conclusion of Mr. WAGNER's speech—

Mr. COSTIGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from New York yield to the Senator from Colorado?

Mr. WAGNER. I am glad to yield.

Mr. COSTIGAN. I did not hear all, but what I did hear of the able Senator's discussion of the proposed legislation deeply impressed me by its force, persuasiveness, and learning.

Is it fair to conclude that the proposed legislation will have important values for national and industrial development and peace, whether the National Industrial Recovery Act shall be continued or not?

Mr. WAGNER. Of course, I answer in the affirmative, absolutely.

Mr. COSTIGAN. Is it proper to say that the measure is designed to apply to all industries which affect commerce?

Mr. WAGNER. That is the intent.

Mr. COSTIGAN. Is it to be understood that the proposed legislation's admirable purposes are to be attained by au-

thorized Federal investigations with a view to voluntary settlement of industrial disputes; by outlawing company unions; by the assurance of majority rule among workers organized to bargain collectively with employers; and by the maintenance of a permanent and impartial national relations board?

Mr. WAGNER. Yes; and by the prohibition of certain unfair labor practices which are enumerated in the bill and which are intended to make the worker a free man, to decide for himself whether he wants an organization, and if he wants one, what the type of that organization shall be.

Mr. COSTIGAN. With such features the proposed legislation evidently embodies some of the settled conclusions of our foremost industrial experts. The measure is clearly intended to support recommendations both of acknowledged industrial leaders in America and of America's organized labor movement. Nor are such convictions new. Almost 20 years ago they were urged as the prevailing expert judgment of those best informed on industrial problems, appearing at that time before the United States Industrial Relations Commission, which surveyed the entire field of industrial relations for a couple of years by authority of Congress and with commissioners of ability appointed by President Woodrow Wilson.

Mr. WAGNER. I thank the Senator.

Mr. McCARRAN. Mr. President, will the Senator yield just for a clarification?

Mr. WAGNER. Yes.

Mr. McCARRAN. I have admired the Senator's presentation. I am very favorable to his bill. What I desire to know, in keeping with the question propounded by the Senator from Colorado, is whether the continuation of the N. R. A. is in anywise linked with the bill now before the Senate.

Mr. WAGNER. It is not. Of course, the N. I. R. A. has section 7 (a) in it; but this bill proposes, in the first place, to define the rights of labor more clearly; and, secondly, to implement them by certain enforcement sanctions.

Mr. McCARRAN. Just one further inquiry. Am I correct in saying that even though the N. R. A. should pass out of existence with section 7 (a) as it now stands in the N. R. A. Act, we should have all the beneficial results that might flow from section 7 (a) if we should enact the pending bill?

Mr. WAGNER. That is certainly a correct statement so far as section 7 (a) is concerned.

Mr. McCARRAN. I thank the Senator.

RURAL ELECTRIFICATION

Mr. BONE. Mr. President, the Emergency Relief Appropriation Act of 1935 carried an appropriation of \$100,000,000, which was earmarked for the purpose of rural electrification; and those of us who are interested in the efforts of the administration to provide cheap electric energy for the farmers confront the necessity of informing the farmers how to obtain this cheap power.

If the \$100,000,000 is merely to be siphoned off into channels which can only serve to step up the revenues of private power utilities, in my judgment the program of rural electrification probably will not be of very much value to the farmers.

I myself have had some experience in the matter of aiding farmers to obtain cheap power for their farms, because in my State the farmers have organized themselves into power companies (for distribution only) owned, controlled, and operated by the farmers; and there, in those activities, they have for themselves solved this problem of getting cheap power to the farm.

The National Popular Government League, with its office in Washington, D. C., has prepared another one of its very illuminating bulletins, it being merely one of a number of bulletins dealing with power and other public questions. This is Bulletin No. 171, and is entitled "Who Will Get the \$100,000,000 for Farm Electrification?" It is a discussion of policies which farmers ought to pursue to establish some reasonable foot rules for estimating honest costs of service. I should like to have this bulletin incorporated in the Record

as a part of my remarks, and for that purpose I send it to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bulletin is as follows:

NATIONAL POPULAR GOVERNMENT LEAGUE,
Takoma Park Station, Washington, D. C.
Bulletin No. 171, April 25, 1935
(By Judson King, Director)

WHO WILL GET THE \$100,000,000 FOR FARM ELECTRIFICATION?— POLICIES FOR FARMERS TO DETERMINE AND SOME FOOT RULES FOR ESTIMATING HONEST COSTS OF SERVICE

In recent Federal work-relief legislation \$100,000,000 has been earmarked to make a start toward farm electrification in the United States. That is due to the fact that during the past 6 years President Roosevelt has closely studied the subject and has a vital interest in it.

This means that all over the Nation in localities where farmers promptly come forward and cooperate, low-tension rural distribution lines will be built, buildings will be wired to carry current to light the house, the barn, and the yards; to do the washing and ironing; to pump water for the house—including, perhaps, the newly installed bathroom—to water the stock, run motors to chop feed, grind grain, and turn the grindstone; to furnish refrigeration, cleaner and better than ice, and to operate many other appliances which ease the work burden and bring a far greater degree of comfort, enjoyment, and profit to farm life. Ask the farmer who has tried it, or, still better, his wife and children.

It costs more to deliver electricity to widely scattered farm homes than to urban residences. A vast majority of farmers have never been able to stand the expense and their present deflated condition aggravates the situation. Hence the hundred million dollars.

Assuming that the President will soon designate an agency to spend this money, the first question which arises is, who is going to get it? Manifestly, it will be either municipally owned power plants, or public power districts, or farm cooperatives organized on a nonprofit basis, or private power companies on a profit-making basis.

Manifestly, again, public bodies have the first right to this Federal money, just as a municipality, a State, or power district has the first claim before the Federal Power Commission on a water-power site. If they do not exercise this right, then the site goes to a private company making application for it.

This advance of \$100,000,000 gives the existing municipally owned power plants the greatest opportunity which has ever come to them to extend electric service into the country and benefit both themselves and the farmers. It offers an inspiring opportunity to cooperatives either established or newly formed for that purpose.

If the people and the public plants do not vigorously embrace this opportunity, then they will have no grounds for complaint if the private companies get the money and spend it. It is known that they are on hand in Washington now asking for it.

Now is the time for farmers to get accurate information on honest costs of electric installation and do some grim thinking on the best policy. There is no sense in spending millions of Government money to build distribution lines unless the cost of current is to be the cheapest possible. Otherwise the farmers cannot continue the use of the service. On the other hand, the success of the President's effort depends absolutely upon the support it receives from farm communities not yet electrified, which, incidentally, constitute 88 percent of the farms of the Nation.

Remember sharply that this rural electrification scheme is primarily an aid to self-help. It calls for the exercise of "rugged individualism" and the "pioneer spirit." The administration proposes to do what the private companies have not done in adequate fashion for the past 20 years because there was not enough money in it and what the bankers will not do today save on prohibitive security conditions and interest rates—namely, loan money to build the lines and furnish equipment.

Of course, the farmers may expect to be told by certain high political and utility spokesmen in both parties that any part of this \$100,000,000 advanced to municipalities or cooperatives is "communism" and destructive of the farmer's "liberty", but if given to private companies it will be praised as proper encouragement to business in helping recovery. This ancient twaddle need disturb no intelligent person. The point is, the farmers need electricity and this is the only way thousands of them can get it at all. There are two main points to be considered at the outset in planning:

1. What are honest costs for line and equipment construction and appliances, and honest rates for the current to be used through the years?

2. What is the best policy to be pursued, recognizing the fact that costs will vary under differing conditions and that some farm communities will not have the spirit, the initiative, and the leadership to do this job for themselves?

FOOT RULES FOR FARMERS

As to costs and the steps to be taken in applying for a loan, it will contribute to clarity if the subject is dealt with in the form of definite questions and answers, as follows:

1. Where will the electricity be obtained?

It will be supplied either from an existing "high" line owned by a utility company or a municipality, or from a newly constructed generating station, using water power, coal, or a diesel engine.

2. How many electricity be procured for the farm?

The usual procedure in the past has been to apply to the local utility for service. With the Government embarking upon a rural electrification program, the most effective procedure would now seem to be to direct inquiries to the Government agency in charge of this work.

3. What Government agency will direct rural electrification?

President Roosevelt will probably very soon designate the agency which will administer the \$100,000,000 program.

4. What immediate procedure should the farmer follow?

Discuss the matter with your county agricultural agent, county deputy master of the grange, county farm bureau adviser, or corresponding official in your county. With him sketch a map showing the proposed line, the prospective customers, and approximate distances between customers. This map, together with any other pertinent information, such as the number of various appliances which it is expected will be connected to the line, should be forwarded to the agency in Washington which will handle the work. The Government will probably send representatives who will be able to advise the farmers as to how to proceed further.

5. What charge should be made for electric service?

In the ordinary farm community with at least three customers per mile of line a minimum charge to cover line costs might lie between \$3 and \$3.50 per month. This minimum amount to cover interest and sinking-fund charges will pay for the use of sufficient energy on the average farm for lighting and water pumping.

6. What is a fair rate to be paid for the added current used?

Additional energy should be purchased at a progressively decreasing cost. A fair rate for either a private company or a co-operative at the start would give a total monthly charge of \$5 for 100 kilowatt-hours, \$7 for 200 kilowatt-hours, \$8.50 for 300 kilowatt-hours, and all over this amount at 1 cent per kilowatt-hour.¹ (For the number of kilowatt-hours used by various appliances see the answer to question 9.)

It should be stated, however, that it is not likely that at the present time one rate will apply to the country at large, although the time may come when uniform rates will be universal. The type and characteristics of the electric line, the number of customers per mile, and, more important, the amount used per customer are all important factors in arriving at a fair rate. With the construction of the electric line certain, annual charges must be paid by the owner of the line, such as interest on the money invested, depreciation, and operation and maintenance. Manifestly, the more customers per mile, the lower the cost for each customer. These charges accrue whether or not any electricity is used from the line.

Estimates indicate that on a rural line in average territory, with three customers per mile, there must be a total annual usage by these three customers of about 3,600 kilowatt-hours if a low rate is to be had. The cost of such a line ready to serve the three customers will be about \$1,000 per mile. With more customers per mile, the cost and required use would increase slightly.

7. What will it cost to wire the house and barn?

The cost will vary from about \$40 upward, depending upon such things as the type of wiring and fixtures chosen, the size of the house and barn, the number of outlets required, local labor rates, and the amount of work done by the farmer himself. Sufficient outlets should be installed so that appliances may readily be connected where most convenient. Your local electrical contractor will be glad to give you an estimate.

8. How can the cost of wiring be financed?

If you cannot make an outright payment, a loan may be obtained through a Government agency providing for repayment over a period of years.

9. What appliances are available and at what cost?

There are over 250 different appliances now in use. The more useful of them, together with their cost and approximate consumption, are as follows:

Household appliances	Approximate annual consumption (kilowatt-hours)	Approximate first cost of appliance
Automatic water pump for shallow well.....	150	\$75 upward.
Washing machine.....	25	\$45 upward.
Vacuum cleaner.....	25	\$15 upward.
Refrigerator.....	600	\$75 upward.
Range.....	1,800	\$65 upward.
Radio.....	80	\$10 upward.
Iron.....	60	\$4 upward.
Fan.....	20	\$3 upward.
Water heater.....	3,000	\$65 upward.

¹ A kilowatt-hour—1,000 watt-hours—is the unit used in measuring and selling electricity as the bushel is used in measuring wheat or potatoes, the gallon for gasoline, the dozen for eggs, or the pound for butter. A 25-watt incandescent bulb giving light equivalent to 20 or 25 candles uses one-fortieth of a kilowatt-hour if kept turned on for 1 hour. A kilowatt-hour of electrical energy will keep such a lamp going for 40 hours. (Report of the Giant Power Survey Board (Harrisburg, 1925) p. 17.)

BARN AND FARM APPLIANCES

Motor, 1 horsepower, single phase, uses about 0.9 kilowatt-hour per hour of operation, approximate cost \$40 upward.

Motor, 5 horsepower, single phase, uses about 3.75 kilowatt-hours per hour of operation, approximate cost \$150 upward.

Cream separators use about 0.33 kilowatt-hour per hour of operation, approximate cost \$30 upward.

Milking machines use about 0.25 kilowatt-hour per hour of operation, approximate cost \$85 upward.

Five horsepower motor with pump uses about 3.75 kilowatt-hours per hour of operation, approximate cost \$380 upward. This pump will deliver 350 gallons of water per minute with 40-foot head.

Incubator, 300-egg size, uses about 0.25 kilowatt-hour per hour of operation, costs from \$70 upward.

The use of a water pump makes possible the installation of an inside bathroom the fixtures for which bath tub, toilet, and wash basin will cost from \$50 upward.

10. Under what plans may appliances be purchased?

There is an existing Government agency, the T. V. A. Electric Home and Farm Authority, through which appliances may be purchased and paid for in monthly payments extending over longer periods than those now in effect with private companies. The length of time allowed for payment is defined by the useful life of the appliance. The plan now in effect is designed specifically for financing urban domestic appliances. With the formation of a broad rural program, appropriate terms will probably be arranged to accommodate this type of business.

POLICY: TWO METHODS OF FINANCING

As to policy, there are two key things to consider—ownership and amortization, it being assumed that the money advanced by the Government will be repaid to the Government in something like 20 years. Something like 60 percent of the present over-all cost of distributing electric current is the cost of capital invested in equipment.

If then a private company borrows some of this \$100,000,000 to build farm lines, it may be assumed that the company will collect enough in rates from the farmers for it to repay the interest and principal on the Government loan. It will own the lines, and if the usual practice is continued it will set up this amount as an "investment" on which "a fair return"—say, 6 percent—must be paid by the farmer as long as the company lives and the farmer buys current.

On the other hand, if a municipality or farm cooperative borrows the money, it will also collect in rates enough to pay principal and interest, but the interest charge will gradually grow less as the amortization charges are paid and finally vanish. There will be no debt, and the "fair return" will be kept by the farmers in the form of cheaper rates.

These are the basic differences between two methods of financing a utility. It needs to be held in mind without further discussion of the old controversy over private versus public ownership. A brief notice of some practical examples will be in point.

Gage County, Nebr.

Gage County, Nebr., furnishes an example in line with what farmers may expect to be offered by private power companies co-operating with the electrification program.

The southeastern Nebraska power district was organized under a recent State law authorizing the setting up of public power districts. It was allotted by the Public Works Administration an outright grant of \$140,000, and bonds in the amount of \$435,000 to build some 595 miles of distribution lines to serve an estimated 1,358 rural and village customers.

It is proposed that the district buy its wholesale power from the Gage County Electric Co., a subsidiary of the Atlantic Gas & Electric Corporation, a holding company with offices in Boston, Mass., organized under the laws of Delaware.

Wholesale rate: The district is to pay the company 3 cents per kilowatt-hour for the first 50,000 kilowatt-hours, 2 cents per kilowatt-hour for all in excess.

Retail rates: The proposed rates for farmers are \$4.25 minimum monthly charge, including 25 kilowatt-hours (equals 17 cents per kilowatt-hour), 6 cents per kilowatt-hour for the next 25, 3 cents per kilowatt-hour for all above 50.

To get a line on how these rates work out in the average monthly bill as compared with what city users pay, the Edison Electric Institute reports that the average domestic customer in 1933 used 604 kilowatt-hours for which he paid \$33.16, or an average of 5.49 cents per kilowatt-hour. This usage furnishes but little more than is necessary for lighting a house. The above figures work out thus:

Average American city user, 50 kilowatt-hours at 5.49 cents equals \$2.76 per month, or \$33.16 per year.

Gage County farmer, 50 kilowatt-hours at 11.5 cents equals \$5.75 per month, or \$69 per year.

The Edison Electric Institute reports central and eastern farmers using an average in 1933 of 770 kilowatt-hours per year for which they paid \$49.65. Compare Gage County:

Average American farmer uses 64 kilowatt-hours at 6.45 cents equals \$4.13 per month, or \$49.65 a year.

Gage County farmer, 64 kilowatt-hours at 9.64 cents equals \$6.17 per month, or \$70.04 a year.

It is evident if the \$100,000,000 is spent on the Gage County basis it will benefit the companies, but will not increase the use of electricity or electrify rural America.

If a Gage County farmer used a relatively small amount for house and barn service, say 200 kilowatt-hours monthly, it would cost him \$10.25 or \$123 annually at an average rate of 5.13 cents per kilowatt-hour.

It is understood that the promoter of the above power district was Mr. C. F. Shaffer, of Beatrice, Nebr., manager of the Gage County Electric Co., who writes in his prospectus urging the plan: "It is assumed that the farm income will be sufficient to enable the consumers in certain sections to pay electric rates higher than prevailing rates to make the project self-liquidating."

Certainly the wholesale rates charged will help sustain the operating company and the holding company above it.

Pierce County, Wash.

In 1912 the city of Tacoma completed a large hydro-electric plant on the Nisqually River some 35 miles from the city. The transmission lines from this plant passed over a big farming community which had not previously been served with electric energy because the Stone & Webster power interests had refused to extend their service into that community except at a base rate of 14 cents per kilowatt-hour, in addition to which they demanded long-term contracts and that the farmers virtually pay for the lines. The farmers could not meet these onerous conditions.

The city of Tacoma was without legal power to distribute energy to these farmers. Under an existing State law various communities of farmers organized several little mutual, nonstock, cooperative companies, of a corporate nature, secured franchises from Pierce County and laid out and built their own distribution systems. Because the city had no power to distribute outside, these little companies were compelled to build to the city limits so that they could buy current and take delivery at a point inside the city.

The cost record of one of these companies indicates that its distribution lines were built at a cost of around \$600 per mile. Many of the farmers worked out their membership costs by helping to build these lines. Eight or ten of these little farmer-mutual companies are now supplying service to around 3,000 farm homes. The membership fee in these companies ran from \$75 to \$125. The interest of each member is evidenced by his membership certificate. The city of Tacoma wholesales them current at the industrial power rate which is its lowest power rate and begins at 2 cents per kilowatt-hour and goes down to approximately a mill and a half. The more power the farmer line buys, the cheaper the current, and there is every inducement for the farmers to increase their use of energy, thereby obtaining a constantly cheaper rate for themselves. One company, the Elmhurst Mutual Co., distributes current to its members at the rate of 5 cents per kilowatt-hour for the first 20 kilowatt-hours and 1 cent per kilowatt-hour for all over that. A Captain Waldwick, who owned one of the large chicken ranches on the lines of that company, used 13,000 kilowatt-hours in 1 month which cost him \$130.80. At the proposed rates for Gage County, Nebr., his bill would have been \$394.25. Since his membership in this little company cost him less than \$100 it is evident that the cost of membership was a small factor, as compared with the saving in power rates.

I am indebted to Senator HOMER T. BONE, from the State of Washington, for the above information. Prior to coming to Congress he was attorney for some of these farmer power companies and organized the largest one of them. He is author of the Bone power bill, passed by the Washington State Legislature in 1933 after a 15-year fight, and this measure gives the big municipally owned plants of that State the right to freely sell electric energy outside of their corporate interests. The Senate is familiar with the financial status of these farmer-owned power companies and says that their 20 years' operation demonstrates that they are sound and successful. These companies have built up over the years a surplus out of revenues to take care of obsolescence and depreciation. Their corporate powers permit them to supply electric accessories to their members at cost. Being private companies, they pay taxes like the power trust.

Alcorn County, Miss.

Farmers interested in county organization units should write to the T. V. A., department of electricity, Chattanooga, Tenn., and get the recent report on the operation of Alcorn County, Miss., power authority for the first 6 months of operation, June-November 1934. Here town and country have united. There is one rate for all. A fine description of the method of organization is given as well as figures on results thus far. It started off with an average reduction of 42 percent in rates. For example, where the Mississippi Power Co. charged \$3.50 for 50 kilowatt-hours the authority charged \$2. In 6 months consumption had increased materially and the enterprise had paid all operating and capital costs, including taxes and depreciation, and had a surplus profit of \$14,000 to be applied to amortization and new construction. At this rate the entire present debt of \$142,000 will be paid off by January 1, 1938.

Los Angeles County, Calif.

Mr. F. E. Scattergood, chief electrical engineer of the Bureau of Power and Light of Los Angeles, reports that for several years the city has been serving the rural and small urban users in the San Fernando Valley at city rates. The area covered comprises 120,000 acres, largely composed of farms from 2 to 100 acres in size along with rural towns and small industries. There are now around 10,000 farmers, including subsistence farmers, and practically every home is electrified.

The average monthly bill is less than one-half the price formerly charged by the private company. The whole was worked out by the city engineers and officials years ago, and is a practical

illustration of planned economy to which students and administrators in this field should give attention. In many respects it is a model for the Nation. The present domestic combination schedule for city and for these farmers and subsistence dwellers is:

	Cents
First 35 kilowatt-hours	4.8
Next 140 kilowatt-hours	2.5
All in excess of 175 kilowatt-hours	1.5
Water heater, separate meter	1.0

Note sharply that Los Angeles has been and is amortizing its capital investment out of these low rates, and has not added a surcharge for "self-liquidation", as proposed in Nebraska.

Seattle's city light and the farmers

The farmers of Washington to the north of Seattle have recently voted several power districts. Will they pay 3 cents and 2 cents for wholesale current? Hardly. The great Skagit development owned by the city of Seattle will deliver power to them at around 1 cent. Furthermore, they will have the honest and sympathetic advice of Seattle's able engineer, J. D. Ross, who, incidentally, is also a horticulturalist, in planning, and it is of superlative importance for farmers to get the right engineer.

NEW YORK POWER AUTHORITY

There are engineers and engineers, as the New York Power Authority, Hon. Frank P. Walsh, chairman, found when it needed to discover the actual cost of distributing electricity. It had to make its own investigation, and its report is of value to farmers as well as town people everywhere. In this work the Authority had the guidance of one of its members, Mr. Morris L. Cooke, consulting engineer, of Philadelphia, now a member of the National Power Policy Committee. Distribution costs were found to be not nearly so high as claimed by private power-company engineers.

GENERAL CONSIDERATIONS

Remember that the data and costs given in the questionnaire under the head "Foot rules for farmers" apply to private companies, and before making contracts above these figures you should stop, look, and listen—and consult.

Remember that, as Col. William T. Chantland, assistant chief counsel of the Federal Trade Commission, recently stated to the Senate Committee on Interstate Commerce, the investigation of the Trade Commission of power companies showed that for the past 20 years the private companies, as a rule, have ignored farm extension, except where the farmers were made to pay construction costs and high rates. It was not until the President's program got under way that the companies discovered such warm interest in farmers. In the opinion of this writer, this interest is political more than economic.

The average farm home, the one with which the administration is concerned, must have, not light and radio alone but power for washing, ironing, pumping, and machines run by motor, if the program is to succeed.

The average farmer cannot afford to pay more than from 2 cents to 3 cents per kilowatt-hour for the amount of current needed; and if any agency, public or private, raises that price to from 5 to 10 cents, it defeats the purpose of the \$100,000,000.

American agriculture is staggering under mortgages and interest thereon. It will be mere folly to plaster another series of mortgages on it in the shape of watered stocks for operating and holding companies on which the farmers must pay interest and profits for the next half century. But this is exactly what private enterprise is endeavoring to do, and will succeed in doing if we don't watch out.

SETTLEMENT OF LABOR DISPUTES

The Senate resumed the consideration of the bill (S. 1958) to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes.

Mr. WALSH. Mr. President, we have now reached the stage where the committee amendments will be taken up for disposition. I therefore think a quorum call should be had.

The PRESIDING OFFICER (Mr. MURRAY in the chair). The absence of a quorum being suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Burke	Fletcher	King
Ashurst	Byrd	Frazier	La Follette
Austin	Byrnes	George	Lewis
Bachman	Capper	Gerry	Logan
Bailey	Caraway	Gibson	Loneragan
Bankhead	Carey	Glass	Long
Barbour	Clark	Gore	McAdoo
Barkley	Connally	Guffey	McCarran
Bilbo	Coolidge	Hale	McGill
Black	Copeland	Harrison	McKellar
Bone	Costigan	Hastings	McNary
Borah	Couzens	Hatch	Maloney
Brown	Dickinson	Hayden	Metcalf
Bulkeley	Donahey	Johnson	Minton
Bulow	Duffy	Keyes	Moore

Murphy
Murray
Neely
Norris
Nye
O'Mahoney
Overton
Pittman

Pope
Radcliffe
Robinson
Russell
Schall
Schwellenbach
Sheppard

Shipstead
Steiner
Thomas, Okla.
Thomas, Utah
Townsend
Trammell
Truman

Tydings
Vandenberg
Van Nuys
Wagner
Walsh
Wheeler
White

Mr. LEWIS. Mr. President, I rise merely to reannounce the absence of the Senators whose names I have given earlier in the day, and the reasons for their not being present at the moment of this roll call.

The PRESIDING OFFICER. Eighty-nine Senators having answered to their names, a quorum is present.

THE ADMINISTRATION FARM PROGRAM—ADDRESS BY PRESIDENT ROOSEVELT

Mr. BARKLEY. Mr. President, I ask unanimous consent to insert in the RECORD the speech delivered by the President yesterday at the White House to the delegation of farmers.

Mr. LONG. Mr. President, is this the celebrated "liar" speech?

Mr. BARKLEY. It is the speech referred to earlier in the day by the Senator from Illinois [Mr. LEWIS].

Mr. LONG. I am not objecting; I am merely asking a question.

Mr. BARKLEY. It is the only speech the President made yesterday.

Mr. LONG. Is it the "liar" speech?

Mr. BARKLEY. It is the one referred to by the Senator from Illinois [Mr. LEWIS], when he said there were still some liars alive in the country.

The PRESIDING OFFICER. The Senator from Kentucky asks unanimous consent to have a speech delivered by the President inserted in the RECORD. Is there objection?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF THE PRESIDENT, DELIVERED FROM THE SOUTH PORTICO OF THE WHITE HOUSE, TO FARMERS WHO HAVE CONVENED IN WASHINGTON FOR THE PURPOSE OF SUPPORTING THE ADMINISTRATION'S AGRICULTURAL ADJUSTMENT PROGRAM, TUESDAY AFTERNOON, MAY 14, 1935

I am glad to welcome you to the National Capital. We can think of this occasion as a kind of surprise birthday party, for it was just 2 years and 2 days ago that the Agricultural Adjustment Act became a law. And I well remember the fine group of representatives of farmers from every part of the Union who stood around me on that occasion when I signed the act.

In record time you and thousands of other farmers took hold and set up the machinery to control your own affairs and put the new law to work.

I remember, too, the many high and mighty people who said you could not do it—that it was no use for you to try—intimating clearly that their only remedy to improve your situation was to let the sheriffs' sales go on. That was the old and very familiar way—the high and mighty balanced farm production with demand. Those people did not understand, and many of them do not understand today, that if the farm population of the United States suffers and loses its purchasing power, the people in the cities, of necessity, suffer with them. One of the greatest lessons that the city dwellers have come to understand in this past 2 years is this: Empty pocketbooks on the farm don't turn factory wheels in the city.

Go back for a minute to the spring of 1933, when there was a huge carry-over of almost 13,000,000 bales, and a price, because of that carry-over, of 6 cents a pound. You and I know what 6-cent cotton means to the purchasing power of the Cotton Belt.

There was a huge carry-over of tobacco, and the price of tobacco during the preceding 6 months was the lowest on record for many years. Wheat, with a carry-over of nearly 400,000,000 bushels, and a price of 35 cents on the farm; corn, with a price of 15 cents a bushel on many farms; hogs, selling at 3 cents a pound.

You and I know what that meant in the way of purchasing power for 40,000,000 people.

When we came to Washington we were faced with three possible programs. The first involved price fixing by Government decree. This was discarded because the problem of overproduction was not solved thereby.

The second was a plan to let farmers grow as much as they wanted to and to have the Federal Government then step in, take from them that portion of their crop which represented the exportable surplus and, in their name, on their behalf, dump this surplus on the other nations of the world. That plan was discarded because the other nations of the world had already begun to stop dumping. With increasing frequency they were raising their tariffs, establishing quotas, and clamping on embargoes against just that kind of proposition.

Therefore, we came to the third plan—a plan for the adjustment of totals in our major crops so that from year to year production and consumption would be kept in reasonable balance with each other to the end that reasonable prices would be paid to farmers

for their crops and to the end that unwieldy surpluses would not depress our markets and upset the balance.

We are now at the beginning of the third year of carrying out this policy. You know the results thus far attained. You know the price of cotton, of wheat, of tobacco, of corn, of hogs, and of other farm products today. Further comment on the successful partial attainment of our objective up to this time is unnecessary on my part. You know.

I want to emphasize that word "adjustment." As you know, a great many of the high and mighty—with special axes to grind—have been deliberately trying to mislead people who know nothing of farming by misrepresenting—no—why use a pussyfoot word—by lying about the kind of a farm program under which this Nation is operating today.

A few leading citizens have gone astray from ignorance. I must admit it. For example, the prominent city banker who was driving through up-State New York with me 4 or 5 years ago in the late fall. Everything was brown. The leaves were off the trees. We passed a beautiful green field. He asked me what it was. I told him it was winter wheat. He turned to me and said, "That is very interesting. I have always wondered about winter wheat. What I don't understand is how they are able to cut it when it gets covered up with snow."

The other was the editor of a great metropolitan paper. He visited me down in Georgia when the cotton was nearly grown but before the bolls had formed. Looking out over the cotton fields he said to me:

"What a great number of raspberries they grow down here."

Raspberries was right. At $4\frac{1}{2}$ cents a pound for cotton his mistake was, perhaps, a natural one.

I was speaking of adjustment. It is your duty and mine to continue to educate the people of this country to the fact that adjustment means not only adjustment downward but adjustment upward. If you and I agree on a correct figure for a normal carry-over it means that if we have a bumper crop one year we will, by mutual consent, reduce the next year's crop in order to even up that carry-over. At the same time, if we get a short crop in a given year, you and I agree to increase the next year's crop to make up the shortage. That is exactly what we are doing today in the case of wheat.

It is high time for you and for me to carry, by education, knowledge of the fact that not a single program of the A. A. A. contemplated the destruction of an acre of food crops in the United States, in spite of what you may read or be told by people who have special axes to grind.

It is high time for you and for me to make clear that we are not plowing under cotton this year, that we did not plow it under in 1934, and that we only plowed some of it under in 1933 because the Agricultural Adjustment Act was passed after a huge crop of cotton was already in the ground.

It is high time for us to repeat on every occasion that we have not wastefully destroyed food in any form. It is true that the Relief Administrator has purchased hundreds of thousands of tons of foodstuffs to feed the needy and hungry who are on the relief rolls in every part of the United States.

The crocodile tears shed by the professional mourners of an old and obsolete order over the slaughter of little pigs and other measures to reduce surplus agricultural inventories deceive very few thinking people and, least of all, the farmers themselves.

The acknowledged destiny of a pig is sausage, or ham, or bacon, or pork. In these forms millions of pigs were consumed by vast numbers of needy people who otherwise would have had to do without.

Let me make one other point clear for the benefit of the millions in cities who have to buy meats. Last year the Nation suffered a drought of unparalleled intensity. If there had been no Government program—if the old order had obtained in 1933 and 1934—that drought on the cattle ranges of America and in the Corn Belt would have resulted in the marketing of thin cattle, immature hogs, and in the death of these animals on the range and on the farm. Then we would have had a vastly greater shortage than we face today.

Our program saved the lives of millions of head of livestock. They are still on the range. Other millions are today canned and ready for this country to eat.

I think that you and I are agreed in seeking a continuance of a national policy which on the whole is proving successful. The memory of old conditions under which the product of a whole year's work often would not bring you the cost of transporting it to market is too fresh in your minds to let you be led astray by the solemn admonitions and specious lies of those who in the past profited most when your distress was greatest.

You remember, and I remember, that not so long ago the poor had less food to eat and less clothes to wear, and that was at a time when you had practically to give away your products. Then the surpluses were greater and yet the poor were poorer than they are today when you farmers are getting a reasonable although still an insufficient price.

I have not the time to talk with you about many other policies of your Government which affect the farm population of the country. I have not the time to go into the practical work of the Farm Credit Administration, which in all of its ramifications has saved a million farms from foreclosure and has accomplished the first great reduction in exorbitant interest rates that this country has ever known.

Because your cause is so just no one has had the temerity to question the motives of your "march on Washington." It is a good omen for Government, for business, for bankers, and for the

city dwellers that the Nation's farmers are becoming articulate and that they know whereof they speak.

I hope you have enjoyed your stay in Washington. Seeing your Government at first hand, you may have a better idea why its efforts at times seem lumbering and slow and complicated. On the other hand, you may have seen that we are moving faster and accomplishing more practical results than you have been led to believe by the high and mighty gentlemen I have spoken of. I want to thank you for your patience with us. I want to pledge our whole-hearted cooperation as you go forward.

FARMERS' VISIT TO WASHINGTON

Mr. HASTINGS. Mr. President, I desire to present a resolution, and to have it read at the desk.

The PRESIDING OFFICER. The clerk will read.

The resolution (S. Res. 139) was read as follows:

Resolved, That the Secretary of Agriculture be, and is hereby, requested to furnish to the Senate any and all correspondence in his Department touching the gathering of some three or four thousand farmers in the city of Washington during the last 2 or 3 days; whether any instructions had been given by him, or any person in his Department, or any of the various county agents or farm organizations receiving Federal aid, with respect to getting these farmers to come to Washington; how the particular group was selected and by whom, and the purpose of having the said farmers come to Washington at this particular time; and

Resolved further, That the Secretary of Agriculture give to the Senate all information in his possession with respect to any cost borne by the Federal Government, directly or indirectly, in meeting the expenses of the farmers gathered as aforesaid.

Mr. LEWIS. Mr. President, may I ask the Senator whether there is some particular committee to which he wishes to have the resolution referred? If so, will he indicate it?

Mr. HASTINGS. I ask that it go over under the rule.

The PRESIDING OFFICER. The resolution will lie over under the rule.

Mr. HASTINGS. Mr. President, the Senator from Kentucky [Mr. BARKLEY] has just inserted in the RECORD a speech made yesterday to the farmers by the President of the United States. I shall take only a few moments of the Senate's time to make some comments in respect to that subject.

We are told by the newspapers that there are some 4,000 farmers here. I take it, in view of the fact that legislation is pending to amend the A. A. A., that they might very well be called "lobbyists." Certainly that term is applied to other people who come to express their interest in such subjects.

I assume also that the expenses of most of these farmers are being paid directly or indirectly by the Federal Government. I am not quite so much interested in that as I am in the address made by the President to this group. Four times in that speech the President spoke sarcastically of those who criticized the A. A. A. program as "high and mighty." He described them as persons with "special axes to grind." He spoke of them as "lying about the kind of a farm program under which this Nation is operating today." He warned his audience not to "be led astray by the solemn admonitions and specious lies of those who in the past profited most when your distress was greatest." He spoke of "crocodile tears shed by the professional mourners of an old and obsolete order."

The surprising thing to me is that the mild-mannered and genteel, distinguished Senator from Illinois [Mr. LEWIS] should have seized the first opportunity he had to approve all that has been said. I am quite certain that, knowing all the facts, the distinguished Senator from Illinois would never use such language himself about any group of people in this country regardless of what criticism they might level against him.

In the President's radio speech on April 29 we find these four words standing out boldly in print, directed to the American people, "Feel free to criticize", and within 3 weeks, although the President invited that criticism, he showed in his address to the farmers yesterday that he "cannot take it."

We who have criticized the new deal were earlier called Tories, traitors, whiners, chisellers, and so forth, but now we are called liars, and everybody understands just what that means; and I submit, Mr. President, it comes with little

dignity from a man who holds the high position of the President of the United States. But I want to say this to him and to the distinguished Senator who praised what he said here this morning, that if that term is to be applied to all the persons who have criticized the new deal, we have developed the greatest crop of liars within the last 6 months ever found in any country.

The President's speech reminds me of the small-town bully who boldly and courageously calls his opponents foul names when he has his own crowd about him to protect him.

Mr. President, as I read that speech this morning there came to me a letter from a business man who had made a trip to North Carolina, and he gave me his observations. He says among other things:

The A. A. A. is the laughing stock of the industrial world. Mr. Wallace's program is so destructive and senseless as to make it appear like it was subsidized by the Soviet.

When that gentleman reads this morning what the President said yesterday he must conclude that he is in that class of people whom the President called liars.

However, let me see who else has been lying about this. I quote from the editorial columns of the Philadelphia Inquirer; and let the President find for himself how many lies are in this brief editorial. Let us see whether or not he is willing that that term shall apply to this editorial writer and to other editorial writers all over the country. I take it, of course, that he was applying the term to me and to distinguished Senators on this floor on both sides of the Senate Chamber who have been criticizing the A. A. A., because he made no exceptions. He said plainly and without any misunderstanding on the part of anyone that he had to call the people who had criticized the A. A. A. by that term in order to make himself clear.

Let me read this editorial which appeared in the Philadelphia Inquirer on May 14, 1935, under the heading of—

WONDERS OF THE A. A. A.

Some farmers from Texas and points west are concentrating on Washington, shouting for Secretary of Agriculture Wallace and his A. A. A. While denying that they inspired the movement, the Wallace intellectuals are plainly pleased with it, since in a measure it offsets the antagonism aroused by cotton manufacturers.

Cotton growers have been receiving fat checks from the Government for restricting acreage, but what has happened is this: Their normal exports have been reduced nearly one-half. The share-cropper is badly hurt. The price of cotton, boosted by the Government, is disastrous to manufacturers, and numerous mills are either closed or are losing business and money. That is what A. A. A. has done to cotton.

Western wheat farmers welcome Government checks in return for partial idleness, but the public is furnishing the money. Wheat is being imported, despite the high tariff.

A. A. A. had an idea that there were too many hogs in the land, and it started out on a gigantic slaughtering expedition. Result, importations in quantities of fresh pork. In March of last year we brought in 2,811 pounds; in March of 1935 more than 1,000,000 pounds. And what price is the householder paying for pork chops? Consult the family budget.

The Government spent upwards of \$1,000,000—the figures come from the Treasury Department—in reducing cattle herds. Result, in the whole year of 1934 we imported 57,677 head, whereas in January and February of this year alone we have imported 43,566.

Formerly we raised plenty of corn with an export market, but we purchased abroad—still the Treasury figures—3,713,035 bushels in the first 2 months of 1935. Oats? In bushels, 3,762,014. Tallow? In pounds, 31,615,534.

And what about butter? Because we have killed off so many cows, we have had to go elsewhere to piece out our supply. In January and February last there came to our shores and over our borders 3,609,588 pounds, valued at \$845,231. And the importation of foodstuffs is constantly rising.

Oh, yes; a truly wonderful machine is A. A. A., and marvelous are the theoretical gentlemen who operate it.

Notwithstanding those facts taken from the Treasury report, the President calls those persons, who criticize the A. A. A., liars.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. BARKLEY. From what publication has the Senator just read the article?

Mr. HASTINGS. The Philadelphia Inquirer.

Mr. BARKLEY. That is a great agricultural paper published in Philadelphia!

Mr. HASTINGS. The Senator knows of the newspaper, I assume. I do. However, no one disputes the facts, so far as I know.

Mr. President, while the President was making that speech, or about that same time, his chief pet, Mr. Richberg, was making another speech, and I think Senators will be interested to know what Mr. Richberg was saying to the 1,500 employees of the N. R. A.

Mr. LONG. Mr. President, I rise to a point of order. I object to the reading of Richberg's speech, because it reflects upon the motives of myself and the other 93 Senators.

Mr. HASTINGS. Mr. President, I will not wait for a ruling on the point of order. However, I desire to call the attention of the Senator from Louisiana to what Mr. Richberg said about what the Senate did unanimously on yesterday without a single dissenting vote when it passed the N. R. A. bill with certain modifications, extending it 9 months. Mr. Richberg said of it:

It was complete folly.

Not only that but he described the fundamental concepts of the N. R. A. as being so sound that only confused, muddled minds could attack it.

Mr. President, of course, it is impossible for us here in the Senate to meet the conditions imposed upon us by an administration which is run by a man like that. I might say in passing that in my judgment the N. R. A. is on its way out, and Donald Richberg is more responsible for its being on its way out than any other single individual in America. There was real merit in parts of the N. R. A. if its functions had been properly carried out and if it were legal—I have always doubted whether it was legal—but all of us who heard the story before the committee believed and reached the definite conclusion that 90 percent of the mistakes made in the N. R. A. were made by the administration forces. Yet, notwithstanding that record, this man dares to say to the group of 1,500 N. R. A. employees, at the time the President was attacking those who were complaining about the A. A. A., that what the Senate of the United States did was pure folly and that the Senators had muddled minds.

Mr. President, I just wished to make those observations, because I am not accustomed to permit people to call me names such as that without resenting it and giving voice to my resentment when I get a chance.

Mr. LEWIS. Mr. President, I would not again burden the Senate at this moment with any observations from me on this subject were it not for the fact that the able Senator from Delaware [Mr. HASTINGS] has found it agreeable to make me the object of an allusion, referring to a speech I made this morning on this floor touching the speech of the President referred to by the Senator from Delaware.

The Senator from Delaware proceeds to leave the intimation in this body—and I should like to have the attention of the Senator from Delaware, as I have an idea he would like to hear what I am saying—

Mr. HASTINGS. Mr. President, I am not missing a word.

Mr. LEWIS. The Senator from Delaware, recognized as an eminent leader of his party, and the complete voice of stricture whenever such is required to serve party uses, and in many respects the most talented of the satirists, and who, rising to the effulgence of his capacity, supreme as it is, if desired by his colleagues, and, of course, ever rewarded by the smiles of their approval, could not lose the opportunity when this privilege was afforded him this morning of participating in a bit of practice which no doubt he expects to continue in a more excellent form and more continuously in the coming months before his honored constituents.

We pause to ask ourselves, To what did the able Senator allude? He first said that the President of the United States, departing from his standards, has in some wise violated some ethical procedure by alluding to those who have been heretofore characterizing the President himself as that which they were—liars—and because he having used the expression, he had descended beneath the dignity which the robes of his office would have required him to respect. I take it the able

Senator meant to indicate that a remark of this kind, where there was no proof, was incorrect procedure. Yet I gather from the Senator's continuing observations he meant to assert that the criticism of the whole policy of the President in all things, whether by editors or by orators eminent as himself, or less, in quantity or quality, nevertheless was justified. Therefore, being justified, anybody who should make an allusion to them adversely would be calling them liars.

But, Mr. President, at this point I am greatly arrested by the thought that the able Senator tenders a resolution here which calls upon the Secretary of Agriculture please to inform this body why these farmers have assembled here in Washington; what is the meaning of their presence; to what extent, if he knows, their expenses have been paid; and who it is that has lured them by some seductive suggestion of reward in some form to assemble upon the grass in front of the White House in acceptance of the President's invitation, where he might address his farmer countrymen through these delegates.

The able Senator, following the submission of his resolution, leaves the intimation that from some sources will naturally come some information as to those who have besought these gentlemen by some method, sir, either of present financial emolument or the prospect of some future reward, to come here to the city; and we gather that such reward, if it is to be paid at all, is to be paid out of a fund which the able Senator, in his resolution, indicates exists.

Now I submit to the able Senator, if he were to appear in a courtroom or in this honorable body in denial of a slander upon himself, addressing on the Senate floor here his constituency at home, and there were those who intimated that he had come because he had been paid to arrive and that somewhere there was some reward waiting him for that which he was saying and for what he is doing, how quickly would he exclaim, "Oh, the array of liars!"

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Kentucky?

Mr. LEWIS. I yield to the Senator from Kentucky.

Mr. BARKLEY. I have not read the resolution which has been offered by the Senator from Delaware but am I correct in assuming that it only deals with this assembly of farmers on the south side of the White House yesterday?

Mr. LEWIS. I must answer my able friend that, as I caught the reading of the resolution, it seemed to deal with those who assembled, whether they assembled on the south side or the north side I am unable to say, but I note that the disturbance in the bosom of my able friend from Delaware is that they assembled for and on the right side. [Laughter.]

Mr. BARKLEY. I was anxious to know whether the resolution covered a similar inquiry with respect to the meeting of the United States Chamber of Commerce a few days ago, which met on the opposite side of the White House from that occupied by the farmers yesterday, and which adopted some resolutions which I have not heard our distinguished friend from Delaware criticize up to this date.

Mr. LEWIS. I was about to allude to that, sir, and I appreciate the suggestion of the Senator from Kentucky.

I remind my honorable friend from Delaware that his clear intimation—contained in the resolution that these men have been paid to come to the city and that somewhere there is a reward for their presence, is made at a place where none of these men can answer, where none of them are allowed to speak, and where, in the very nature of things, the President of the United States can have no knowledge of the attack of the Senator because the President would hardly descend to recognize it in view of the conditions under which it has been delivered to the Senate. The men to whom it alludes have no place in this body to reply, and the Secretary of Agriculture can only answer, if at all, providing the resolution itself is approved by the Senate as properly being addressed to him. I ask my able friend does he not recognize that the resolution tendered by him, coming from one so high in authority in his party as well as from one so high in this honorable assemblage as himself becomes an intimation to the public that he

must have some knowledge that these men have had their expenses paid; that they have been lured to come here, in appearance to give applause and approval to the President's action, and that their attitude here is one that has been purchased by some form. If the able Senator has no knowledge on such questions, an intimation of that kind, when properly read, comes within the designation used by the President in his speech, which was a little less than the expression used by Horace Greeley in retort to similar intimations of slander—

You lie, you villain, you lie!

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. LEWIS. I yield to my friend from Minnesota.

Mr. SHIPSTEAD. The Senator said that the farmers were on the "right side" of the White House.

Mr. LEWIS. I hope so; I assume so.

Mr. SHIPSTEAD. And the Senator from Kentucky said that the chamber of commerce met on the opposite side. Does either Senator imply, in view of the remarks of the Senator from Illinois, that the chamber of commerce met on the "left." [Laughter.] I am prompted to ask the Senator that question, because when I first came to the Senate Senators were talking of right and wrong, and now they are talking of "right" and "left."

Mr. LEWIS. I may answer the able Senator and say, so far as I am concerned, I observed that the honorable body called "chamber of commerce", assembled, and I observed the resolution they adopted referred to by the Senator from Kentucky. I do not know who paid the expenses of the members when they arrived here; I do not know what particular potent force in this Republic induced them to come or seduced them to the slanders contained in their resolutions. I answer my able friend from Minnesota, and say I do not know whether they are "right" or whether they are "left", but whatever they left was not "right" and what they left has not been regarded anywhere as "right." [Laughter.]

Mr. President, I again invite the able Senator from Delaware to regard the effect his resolution and its intimations will have upon the American mind; that is, that somewhere there must have been some conduct that suggested a fund for the purchasing of these men to come here and some inducement from some source that caused their visit to the President, and that the President was aware of what he must have known to be a conspiracy to bring these gentlemen here for the purposes of their visit. Since the able Senator has no information to justify such an intimation, I ask him does he not realize that that is the very impression his resolution will create upon the public mind? Since that is clearly the intimation, I ask the Senator now, has he any information anywhere to justify him in making the intimation contained in his resolution? If so, will he please now reveal the information and its source?

Mr. HASTINGS. Mr. President, in answer to that question, I desire to say that I have no knowledge except the general attitude of this administration upon that and like subjects. I am satisfied that this administration has in the past used money appropriated for public purposes to produce an effect upon the country that the administration was doing greater things than it was actually doing. I am surprised that anybody should at this moment, at this late day, raise any question about it. It has been the practice so long that I think I am correct in assuming that it is a fact—and I am seeking to find out by this resolution definitely whether I can get an admission from the Secretary of Agriculture to that effect.

With respect to being an insult to the Department, it cannot be; that is the farthest thing from my mind; but these farmers have been receiving under Secretary Wallace this year and last year and year before last large sums of money for doing nothing. Certainly if that be true, it would be no hardship on them and no reflection upon them if I should charge—which I do not do definitely, because I do not know definitely—that they are being paid money to come to Wash-

ington to see this great President who has been doing these great things for them. I say if I actually charged that, certainly they would not be insulted; it would be no reflection upon people who have been getting money from this great President for doing nothing. I do not see that I have reflected upon them at all, and I am sorry that my distinguished friend from Illinois [Mr. LEWIS] has put any such interpretation as that upon the resolution under the circumstances.

Mr. LEWIS. I recognize the abnegation of my eminent friend and the withdrawal by him of all the intimations he intended to cast upon the President and upon the country, and I would that his apology had been thought of before he had allowed this resolution to be presented under his authority. When the able Senator says he has no knowledge save a very general knowledge upon this subject, I must answer that if he has no more special knowledge as to that then he has general knowledge as to the righteousness of the President; it indicates that he has no knowledge of any kind nor of any nature touching the President or what he is doing.

But my able friend says that all he knows is that "for a long time" the "passing out of money" in different directions has been the custom. Since the administration has only been in power a little more than 2 years, then "the long time" that my eminent friend knows about must have been under his own administrations and, of course, he would have complete knowledge as to them; but it does not mean anything of the kind has prevailed as to the present administration. So, I consent to accept his confession as to the administrations of his party purchasing those who came to praise their efforts and applaud their schemes; but as to us, I accept his announcement now that he has no proof whatsoever, but tenders a resolution which I insist is an unhappy intimation of affront to these farmers who honestly came to seek relief for their people and present their petition of grievances and to receive the welcome of the President of the United States. The President invited them to the White House grounds as his guests, as he invited those to whom my eminent friend from Kentucky made reference, the Chamber of Commerce of the United States, likewise, to visit him and accept the courtesy of the White House.

Mr. BARKLEY. Mr. President—

Mr. LEWIS. I yield to the Senator from Kentucky.

Mr. BARKLEY. The skepticism, the suspicion, and the agnosticism of the Senator from Delaware are not difficult to understand. During the period when his party was in control of the country the farmers did not make enough money to enable them to save sufficient to come to Washington, but now that they are receiving prices that enable them to get away from their farms, and beyond the county line, they are able to come to Washington whenever they see fit, for whatever purpose may bring them here. The Senator from Delaware ought not to be held accountable for the fact that he is not sufficiently up to date to realize that fact.

Mr. LEWIS. Mr. President, repelling the Delaware Senator's allusion to these farmers and the accusation that they really came here under the sway of money that had been advanced from source to bring them here, leaving the intimation that such money must have come from the Public Treasury as a compensation, and that the hand that had drawn it forth from the Treasury was the hand necessarily of an injudicious robber—for such person would have to use the public funds without authority—let me remind the Senator that, while it may be, as the able Senator intimates, that there has gone forth money from the Government to aid these farmers in distress, such as the Senator from Kentucky [Mr. BARKLEY] has alluded to, it was in the process of ordered and orderly government.

The able Senator from Delaware, as chairman of the senatorial committee of his eminent party, my distinguished rival, as I hold the similar position within my own party, has frequently held forth to the country, and during the campaign of 1934, both by speech and through the press, asserted that the relief money which was being paid then to the

farmers, to these producers, was in the form of a bribe for votes and was used in purchasing votes.

This slander which this eminent able leader of his party at that time left upon the American mind as against the people was responded to by the people at the election, and when the ballots were counted it was found that they had repudiated the affront and had returned to the United States Senate and House of Representatives the largest majority of one party representatives ever known to political parties, certainly since the Civil War. I ask my friend from that lesson has he not learned that similar intimations, such as made in this resolution, are likely to bring upon him and his party similar crisis? I ask him to consider if these honorable men, the guests of the President, would not scorn the intimation made against the President and themselves, and that they would not highly regard him who has left upon them the affront and the slander which now will attach to them in view of this resolution being offered by a Senator of the United States.

I take it the able Senator is correct. He did not mean to leave that impression—and since he said it was not his intent, I suggest but one other duty upon his part, and that is to withdraw the resolution and confess the affront regrettably by withdrawing his resolution, and thus make amends to these people, to the President, and to the Secretary of Agriculture.

Mr. CONNALLY. Mr. President, I have secured a copy of the resolution introduced by the Senator from Delaware [Mr. HASTINGS]. I have been interested in his disavowal of his resolution in his colloquy with the distinguished Senator from Illinois [Mr. LEWIS].

Let us see what the Senator from Delaware wants to do. He does not have any "whereases" in his resolution, and I am surprised at that. The resolution reads:

Resolved, That the Secretary of Agriculture be, and is hereby, requested to furnish to the Senate any and all correspondence in his Department touching the gathering of some three or four thousand farmers in the city of Washington during the last 2 or 3 days; whether any instructions had been given by him, or any person in his Department, or any of the various county agents or farm organizations receiving Federal aid, with respect to getting these farmers to come to Washington; how the particular group was selected and by whom; and the purpose of having the said farmers come to Washington at this particular time; and

Resolved further, That the Secretary of Agriculture give to the Senate all information in his possession with respect to any cost borne by the Federal Government directly or indirectly in meeting the expenses of the farmers gathered as aforesaid.

Mr. President, how any Senator can give any consideration to that resolution except to conclude that it is a direct reflection on all the farmers who came to Washington, I cannot conceive. The intimation is that because several thousand farmers have come to Washington at this particular time there is some sinister or some corrupt or some secret motive or cause underlying their visit.

I wish to say to the Senator from Delaware that there are about 700 farmers here from my own State. I have been in contact with a great many of them since they have been here. If it will at all enlighten the Senator, if he will give any credence to secondary evidence, I desire to say to him that the farmers from Texas who are here have told me that their expenses were paid by the farmers contributing in each county and each locality 50 cents or a dollar each, and after the money was contributed the local organizations elected certain delegates to represent the county to come with this delegation to Washington—to come for what?

They are not coming demanding favors, as so often the constituents of the Senator from Delaware come, but they have come to Washington in order that the country may know that they appreciate the fact that the present administration, of all the administrations we have had in recent times, has somewhat vindicated its campaign promises to agriculture and has had a real farm program.

That is the head and front of their offending, if there be such. The head and the front of the offending of these farmers in coming to Washington has been that they have come to the Capital City, where the Government sits, to express their gratitude and appreciation, not for something

that is expected in the future, but for the fact that the Government has dealt fairly with them in the past.

For that cause they come, and the Senator from Delaware by his resolution proceeds to smear them over with suspicion; he must daub them all about with the implication that they have been subsidized to come here; that there is some political motive back of their coming. They have come from practically every State in the Union. I dare say there are farmers here from Delaware. I dare say they came at their own expense. I dare say the farmers from Delaware did not come at the expense of the Chamber of Commerce of Delaware.

Senators, the ridiculous features of the resolution of the Senator from Delaware are revealed when we stop to think a moment. When did the Senator from Delaware ever introduce a resolution of inquiry to find out who paid the expenses, as suggested by the Senator from Kentucky [Mr. BARKLEY], of the chambers of commerce who came here? The Senator from Delaware does not want to know about that because he already knows why they came. He knows they came, perhaps paying their expenses with their own money, for a selfish and greedy purpose. He knew they came either to obtain more favors from the Government or to try to prevent someone else being accorded some consideration at the hands of the Government; so he does not inquire about the chambers of commerce. He knows why they came.

Does the Senator from Delaware inquire why the lobbyists come and who pay the expenses of the lobbyists who beset us in the corridors from time to time and appear before our committees? No. He knows who pays their expenses. He knows that the Secretary of Agriculture does not pay them; so he does not ask the Secretary of Agriculture if he paid the expenses of any of the lobbyists.

I am wondering if the Senator from Delaware ever inquired who paid the expenses of the munition makers who hang around the Navy Department and the War Department? I wonder if he ever inquired who pays their expenses? No. He knows who pays their expenses. He knows that the munition makers and their masters pay their own expenses. Why? Because they think it is a good investment to pay a little expense now in order to obtain great profit later on.

I wonder if the Senator from Delaware, who comes from a shipping State, has ever inquired by resolution or otherwise who pays the expenses of the representatives of the shipping interests who hang around the Merchant Marine Committee of the House and the Commerce Committee of the Senate, and who crowd the corridors and lobbies of the Shipping Board and the Department of Commerce? Who pays their expenses when they come to Washington? The Senator from Delaware does not inquire. He already knows.

But it is different when some farmers come here, most of whom have never before been to Washington, most of whom were delighted at the opportunity to come to their capital city for the first time, and were glad to come as delegates, not representing some cold corporate interest, but representing their own fellow citizens, their own farmer neighbors, who out of their meager earnings were willing to contribute 50 cents or \$1 or \$1.50 in order to send delegates here; not to go back with their grips full of loot, not to go back with their trunks crammed with favors, not to go back with the blood of our sons on their hands in the form of profits to munition makers, and with ship subsidies of all kinds. When they come simply to say to the Government, "We come here representing the farmers of America to say to you that we are grateful for what you have already done", then the Senator's feelings of sublimated purity, his rarefied emotions of fear that somebody is going to "put something over" on the Government, become so agitated, so aroused that he boldly proclaims that some malevolent movement is going to be undertaken against the interests of the Government. We must find out who brought these dangerous people to Washington. [Laughter.] Whence comes the great subsidy that bought a reduced-rate railroad ticket for a round trip, limited to 4 days? Who is it that is

making it possible for this embattled group of farmers to come to the National Capital? What business have they here? Let them go back to the farms where they ought to stay! What right have they to come to Washington?

It is true that the Senator from Delaware had no idea that any farmer had enough money to journey to Washington [laughter], and he did not under Mr. Hoover and under the benevolent administration of the Senator from Delaware; so they had to take up assessments. Most of these farmers had to come here through the bounty and through the favor of their own neighbors and citizens. I am not speaking for the other States. The rumor and the story circulating among all the farmers I have contacted are that that is the way they all came; but I know how the farmers from Texas came to Washington. The Senators from Texas are not afraid to have their farmer constituents come up and see them, and see how they are performing their duties. I marvel that the Senator from Delaware is afraid to have the farmers from Delaware come to Washington. Why should they not come here?

Mr. President, the Senator from Delaware wants all the correspondence in the Department of Agriculture about this trip. Of course, we all know what the motive of the Senator is. The Senator is the chairman of the Republican Senatorial Campaign Committee, and he has what I consider the very foolish idea that by attacking the farmers through Secretary Wallace he can gain some political advantage. I do not concede it to be a sound policy, however, even in behalf of the Republicans, to attack the entire agricultural population of our Nation for the sake of gaining a few votes among chambers of commerce.

The Senator probably already has the chambers of commerce, or a large part of them, rounded up, and he has already proved his subserviency to them. It was not necessary for him again to come forth and denounce the farmers to ingratiate himself with the chambers of commerce, or at least with the United States Chamber of Commerce.

Mr. President, this resolution cannot be viewed in any other light than as a practical insult to the delegation of farmers who have come to Washington. It implies a crime. It implies that somebody has violated the law. It implies that the Secretary of Agriculture has embezzled the funds of the United States, because, so far as I know, we have passed no law authorizing the Secretary of Agriculture, or anybody else, to pay the railroad fare and expenses of delegations of farmers to come to Washington. So, the resolution implies that the Secretary of Agriculture has embezzled the funds of the United States, and it also implies that the farmers who have come here are parties to that criminal act, and that they and the Secretary of Agriculture have conspired together to rob the Treasury of the United States.

How else can the resolution be construed? No other construction is possible. The Senator from Delaware does not charge, it is true, but the implication is there that some persons, without warrant of law, in violation of the statute, against all canons of integrity and of honest and fair dealing, have conspired to rob the Treasury of the United States. So, evidently, according to the attitude of the Senator from Delaware, all of the three or four thousand farmers who have come to Washington from all parts of the Union are under suspicion; and if he had his way he would probably send them to the Federal grand jury for investigation to see whether or not they have in fact defrauded the Government of public funds.

Mr. President, this is one of the most unheard-of and unusual and remarkable documents to be introduced in the Senate that has ever come within my knowledge. I cannot understand the motives of the Senator from Delaware. Can it be that he has lost his political bearings? Can it be that he has lost his sense of direction, that he has lost his sense of orientation? I am afraid that in his desperate state of mind, in his wandering in the political woods now for more than 2 years, he has lost his sense of proportion. I caution him as a friend—not a political friend, but as a personal friend—to

get a grip on himself and not allow himself to be swept away by these fatuous, alluring, fantastic things that might lead him into the bog.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BYRNES. I desire to ask the Senator from Texas if he will not ask unanimous consent to have the resolution voted upon immediately.

Mr. CONNALLY. I shall be very glad to do so.

Mr. LONG. I object.

Mr. CONNALLY. In fairness to the Senator from Delaware, I think he ought to hear what has been said. The Senator from South Carolina has suggested that the Senator from Texas ask unanimous consent for immediate consideration and for a vote on the resolution.

Mr. HASTINGS. I thank the Senator.

Mr. LONG. I object.

Mr. CONNALLY. I make that request.

The PRESIDING OFFICER (Mr. HATCH in the chair). Is there objection to the request of the Senator from Texas for immediate consideration of the resolution?

Mr. CONNALLY. For an immediate vote upon it.

The PRESIDING OFFICER. For an immediate vote upon the resolution. Is there objection?

Mr. LONG. I object.

Mr. BYRNES. Mr. President, if the Senator will yield to me—

Mr. CONNALLY. I yield.

Mr. BYRNES. I desire to ask the Senator from Delaware whether he is willing to have an immediate vote on the resolution.

Mr. HASTINGS. I assumed that there would be no objection to the resolution.

Mr. BYRNES. The Senator who submits the resolution asks for a vote upon it. The Senator from Texas asks for a vote upon it.

Mr. HASTINGS. I assume that there will be no objection by the Senator from Texas [Mr. CONNALLY], the Senator from Illinois [Mr. LEWIS], the Senator from South Carolina [Mr. BYRNES], or anybody else. I have merely asked the Secretary of Agriculture, which is nothing unusual, to furnish to the Senate information with respect to a certain public matter; that is all.

Mr. WAGNER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WAGNER. If an immediate vote should be ordered by the Senate, would that in any way affect the unfinished business?

The PRESIDING OFFICER. It would not.

Mr. BYRNES. Mr. President—

Mr. CONNALLY. I yield to the Senator from South Carolina.

Mr. BYRNES. May I ask if there was any objection to the request of the Senator from Texas?

Mr. CONNALLY. What does the RECORD show as to who objected?

The PRESIDING OFFICER. The Senator from Louisiana [Mr. LONG] interposed an objection to the request of the Senator.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. LONG. I do not want this political faux pas to get in the way of the Wagner labor bill. Let us go on with the Wagner labor bill and then bring up this resolution.

Mr. BARKLEY. Mr. President, the Senator from New York [Mr. WAGNER] is perfectly willing to have a vote taken now on the resolution. Has the Senator from Louisiana taken charge of the Wagner bill?

Mr. LONG. If there is no debate to be had, nothing except a plain vote, I have no objection.

Mr. CONNALLY. That was my request.

Mr. BYRNES and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Texas yield; and if so, to whom?

Mr. CONNALLY. I yield to the Senator from South Carolina.

Mr. BYRNES. I ask unanimous consent that the resolution be voted upon without debate.

Mr. LONG. All right.

The PRESIDING OFFICER. The Senator from South Carolina asks unanimous consent that the resolution be voted upon without debate. Is there objection?

Mr. McNARY. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. McNARY. The resolution has been read, and it properly should follow the usual parliamentary procedure—lie on the table and come up at some future day in the morning hour.

Mr. BYRNES. Mr. President, in view of the fact that the author of the resolution asks for a vote at this time, may I ask the Senator from Oregon if he will not permit the resolution to be voted upon?

Mr. McNARY. That does not alter the case at all.

Mr. HASTINGS. I did not ask that.

Mr. BYRNES. The Senator from Oregon objects to a vote upon the resolution at this time?

Mr. McNARY. I have stated my proposition. The resolution has been read. It goes over for the day under the rule. It remains on the table. At an appropriate time, when we have a morning hour and the calendar is considered, it may come up.

Mr. BYRNES. The Senator from Oregon certainly understands the resolution. It has been debated. It is easily understood, and the Senate is ready to vote upon it. Will not the Senator from Oregon withdraw the objection, and let us vote?

Mr. McNARY. I insist on my objection.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. The Senator from Oregon objects. The Senator from Texas has the floor.

Mr. CONNALLY. Mr. President, I very much regret that the Senator from Oregon interposed an objection to immediate consideration of the resolution. I thought the Senator from Delaware was so close to the councils of the minority leadership that if he really wanted any information, and was so anxious to get it, we could have an immediate vote, and his sleuths could be out by sundown with their searchlights and their other detective paraphernalia, before these farmers leave town, and they could search them and see if they have anything left on them. [Laughter in the galleries.]

The PRESIDING OFFICER. Visitors in the galleries must not show signs of approval or disapproval. They are here as guests of the Senate, and may remain only so long as they observe the rules of the Senate.

Mr. HASTINGS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Delaware?

Mr. CONNALLY. I yield to the Senator.

Mr. HASTINGS. I assumed that there would be no objection. Perhaps the Senator from Oregon concluded that there was about to be an objection. When the request was made, I assumed that it was to adopt the resolution. If it was to kill the resolution, I should not want that done. I should like to talk about the resolution for a while.

Mr. CONNALLY. All we asked was a vote.

Mr. HASTINGS. If the Senators on the other side of the Chamber are satisfied to adopt the resolution, very well; but if those on the other side of the Chamber are not going to let the Senate have the information requested in the resolution we will let it go over until some other day, and discuss it a little while longer.

Mr. BARKLEY. Mr. President, my recollection was that when the Senator from Delaware presented the resolution earlier in the day he asked for its immediate consideration, and upon the suggestion of some Member on the floor of the Senate it was proposed to have it go over until tomorrow.

Mr. HASTINGS. No; I did not make any such request. I merely asked that the resolution be printed and lie on the table.

Mr. CONNALLY. Mr. President, of course, the Senator from Delaware assumes an impregnable position when he

says that he is perfectly willing to agree if we do everything he wants done.

Mr. HASTINGS. Why does the Senator from Texas object if there is nothing contained in the resolution which reflects upon the Secretary of Agriculture?

Mr. CONNALLY. There is something in the resolution which reflects on him.

Mr. HASTINGS. Is the Senator from Texas afraid of the facts? Is that what is the matter with him?

Mr. CONNALLY. No.

Mr. HASTINGS. Then, let us adopt the resolution, and let us get the facts.

Mr. BARKLEY. That is what we want to do.

Mr. HASTINGS. Do you want to adopt it, or to kill it?

Mr. CONNALLY. We want to vote on it. We want to vote on the resolution. If the Senate votes it up, very well; if it votes it down, very well. I am only one Member of the Senate.

Mr. HASTINGS. How is the Senator from Texas going to vote?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Delaware?

Mr. HASTINGS. Is the Senator going to vote for the resolution, or is he not?

Mr. CONNALLY. The Senator from Texas is ready to vote now.

Mr. HASTINGS. For the resolution, or against it?

Mr. CONNALLY. I want to vote. Does the Senator from Delaware?

Mr. HASTINGS. Does the Senator want to vote against the resolution?

Mr. CONNALLY. I will answer the Senator's question.

Mr. HASTINGS. Then answer my question, and I will know what the Senator's position is.

Mr. CONNALLY. The Senator is a very shrewd man. He wants everyone to promise in advance that he will vote for his resolution, and if one says "Yes", then he will let it come up, but if one says that he is not going to vote for it, then the Senator objects to it coming up, although it is his own resolution. It is his own baby, but he disowns it if anybody does not kiss it. [Laughter.]

If we could get an immediate vote on the resolution, and the Senate should adopt, as the Senate has a right to do, the Senator from Delaware would, of course, be appointed chairman of the investigating committee, and then before tonight's sun went down he could have all his sleuths, his investigating experts, and his heavy artillery, and the munitions that Delaware produces, if need be, and he could seize these farmers before they leave. Some of them will not leave until 6 or 7 o'clock tonight. He could search them.

Mr. HASTINGS. Will the Senator yield?

Mr. CONNALLY. In a moment. He could search them. He could go through them and find out whether they had on them any letters from the Department of Agriculture. He could look through them and see whether or not the Washington hotels had left them with a thin dime. [Laughter.]

And he could trace the money, perhaps, through the Treasury and discover whether it did, in fact, come out of the Department of Agriculture.

Mr. HASTINGS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Delaware?

Mr. CONNALLY. I yield.

Mr. HASTINGS. The Senator has read the resolution, has read it to the Senate, and he knows it makes no such provision for an investigation by anybody. It is merely a resolution asking the Secretary of Agriculture to send to the Senate what information he has upon a certain subject. Why try to mislead people by misstating what the resolution provides?

Mr. CONNALLY. I know what it provides.

Mr. HASTINGS. Then why say something else? Why say that it provides for something it does not contemplate? The President used a very nasty word with respect to such a practice.

Mr. CONNALLY. Let us see whether the Senator from Delaware means what he says. He says that all he wants by this resolution is to get a statement from the Secretary of Agriculture as to whether or not the Department furnished any money. Did he not say that?

Here is the morning paper, the Washington Herald, which the Senator from Delaware always reads, or ought to. [Laughter.] It says this:

A. A. A. Administrator Chester C. Davis categorically denied reports that departmental county agents had inspired the meeting, and Chester H. Day, leader of the demonstrators from Hale County, Tex., said the march "just grew like wildfire" and within 3 weeks brought the crowd into Washington, despite there was no organization, no money, and no planning.

If all the Senator from Delaware wants is a statement from the Department of Agriculture, he already has it. He had it before he offered his resolution.

Let us see. The Senator from Delaware is a great economist; he does not believe in spending Government money. All he wants is to have the Secretary of Agriculture tell him that the Secretary did not furnish any money to these farmers. Here he is taking up a great portion of the time of the Senate today with a resolution, when he could have telephoned the Secretary of Agriculture in 3 minutes. He has secretaries who get other people on the telephone. It would have delayed the Senator from Delaware just long enough to pick up the receiver and say, "Hello. This is the Senator from Delaware, chairman of the Republican Executive Campaign Committee. Is this Secretary Wallace?"

"This is Secretary Wallace."

"Mr. Secretary, did you furnish, directly or indirectly, any money to bring these farmers to Washington?"

The Secretary would have said, "No", and the soul of the Senator from Delaware would have been, he says, in peace; but, in fact, I think it would have been in a great state of disturbance, because he would not have had this opportunity to make a field day of this great crime.

Mr. BARKLEY. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. I yield.

Mr. BARKLEY. The Senator from Texas has already covered what was in my mind; a private conversation of that sort between the Republican chairman and the Secretary of Agriculture would have gotten no headlines in the newspapers.

Mr. CONNALLY. Not if they kept it secret. It would not have gotten any headline, it would not have gotten into the RECORD, and he could not have franked it out to the people of Delaware. It is impossible to frank out a verbal conversation. It must be placed in the RECORD. No newspaperman is going to send in for a Senator and take him out to the President's room and talk to him about a private conversation about which he knows nothing. But if a Senator offers a resolution, that commands the attention of the correspondents. There is news in the air.

"Administration circles are rocked by the Hastings resolution."

"Hastings resolution creates great political furor."

"Wall Street tickers begin to record disturbance on the stock market."

[Laughter.]

"Great national scandal. Farmer caught with a dollar and a half in his pocket."

[Laughter.]

"Great suspicion that it came from the Department of Agriculture."

"It is well known in informed circles that the same farmer in 1932 did not have a red cent. [Laughter.] He now has \$1.50, and it is believed that the money can be traced, at least indirectly, to the Treasury of the United States."

Mr. BARKLEY. Mr. President, will the Senator yield again?

Mr. CONNALLY. I yield.

Mr. BARKLEY. In view of the rains which have occurred in the West in the last few days, does the Senator suppose

that the object of this resolution is to create another dust storm?

Mr. CONNALLY. I will say to the Senator that if there is any Senator in this body who can create an intellectual dust storm, the Senator from Delaware is the man. [Laughter.]

Mr. President, since we cannot vote on the resolution, since the Senator's own organization on the other side of the aisle are trying to suppress this wonderful resolution, since his own leader, having better judgment than has the Senator from Delaware in political matters, knowing a great deal better how this foolish resolution is going to strike the country, says, "Senator, do not inflict this on us. Do not let us vote on this resolution of the Senator from Delaware." Will not the Senator between now and tomorrow at noon, when the Senate shall meet, call the Secretary of Agriculture? He certainly would not doubt the integrity of the Secretary if the Secretary told him he did not give any money to these farmers. Will he not call Mr. Chester Davis and ascertain the facts, and save the Senate and the country from this great hubbub? Why does he not get his party to have a conference tomorrow before the meeting of the Senate?

Mr. HASTINGS. The Senator from Texas has made more hubbub about this matter than has anybody else in his effort to try to prevent me from getting the desired information. Let the Senator from Texas get it for me and deliver it to me in the morning.

Mr. CONNALLY. Here it is in the newspaper now. The Senator does not want it.

Mr. HASTINGS. That is from Mr. Davis.

Mr. CONNALLY. Let me ask the Senator a question. If the Senator from Texas secures a written statement, or a verbal statement, from the Secretary of Agriculture before tomorrow noon, will the Senator drop his resolution?

Mr. HASTINGS. If he will answer the questions asked in the resolution.

Mr. CONNALLY. If! If! A moment ago the Senator from Delaware said that if I would get a statement from the Secretary of Agriculture he would let up. Now he is putting a lot of "ifs" in it.

Mr. HASTINGS. I want answers to the question which I have asked. I do not want the Secretary's interpretation. I want him to give me the facts.

Mr. CONNALLY. If the Senator will call him over the telephone he will not only get answers to all his questions—

Mr. HASTINGS. Let the Senator get them for me, and save me the trouble.

Mr. CONNALLY. I am not the Senator's secretary. I am glad to accommodate the Senator wherever possible. The Senator from Texas has been here only a short time. He tries to observe the ancient and honorable rules of this body and the rules of courtesy toward Senators, but, frankly, I do not regard it as quite within the compulsion of those canons of conduct for one Senator to ask another Senator to perform a task that is considered to be one for secretaries, or telephone operators, or attachés about the office. I do not think it is quite fair for one Senator to ask another to perform such a service for him.

Mr. HASTINGS. Will the Senator yield?

Mr. CONNALLY. Let the Senator's secretary call Mr. Wallace, or let his doorkeeper or someone else call the Secretary, and then talk to the Senator.

Mr. HASTINGS. Mr. President, the Senator from Texas is shedding crocodile tears about this resolution when he could leave the floor now and in a few minutes get me the information, which would be a lot less trouble than making this speech and trying to amuse the galleries with it.

Mr. CONNALLY. Let me say to the Senator that I will be willing to excuse him right now, and while I am finishing my remarks he can go out and get the Secretary on the telephone and settle the matter before I conclude.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. CONNALLY. In a moment. The Senator from Delaware has referred to the Senator from Texas as stirring up a hubbub, as he says. The Senator from Texas may have

had something to do with the hub, but most of it was the hub furnished by the Senator from Delaware. [Laughter.]

I now yield to the Senator from Alabama.

Mr. BANKHEAD. I have not heard all this discussion—

Mr. CONNALLY. The Senator ought to be thankful.

Mr. BANKHEAD. But I desire to ask the Senator from Texas if the Senator from Delaware has included in his resolution the investigation of the recent statement of the United States Chamber of Commerce?

Mr. CONNALLY. I will say to the Senator that that has been adverted to heretofore, and I think the RECORD fails to show that there has been any concern or any effort on the part of the Senator from Delaware to secure information on that point.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. HASTINGS. For the information of the Senator from Alabama, I should like to inform him that my information is that there are 700 people from Texas in the Senate gallery.

Mr. CONNALLY. Not that many.

Mr. HASTINGS. And the Senator from Texas is trying to put on a show for them. That is the information which has come to me.

Mr. BANKHEAD. I should like to know what kind of a show the Senator from Delaware is putting on.

Mr. CONNALLY. I think it is ungracious for the Senator from Delaware to attack the Senator from Texas because once in a lifetime some of the constituents of the Senator from Texas have visited Washington. When they do come to Washington they want to see the sights. They look at the Library of Congress; they look at the Washington Monument; they want to come up to the Senate and see the curiosities here. [Laughter.]

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BARKLEY. I merely desire to suggest that if there were 700 people in the Senate galleries from Delaware, there would not be anybody left in that State.

Mr. CONNALLY. I think it is ungracious of the Senator from Delaware to attack the Senator from Texas for making a few remarks on an occasion of this kind, when he says there are 700 Texans in the gallery. Of course, there are not that many. There may be some Texans in the galleries, and I hope there are. I want the people from Texas to see, now and then, with what the Senator from Texas has to contend in the Senate. [Laughter in the galleries.]

The Senator from Delaware is more blessed than is the Senator from Texas. When in Washington he lives only a short distance from his tiny State—tinier geographically than any other State but one, I believe—while mine covers more square miles of territory than any other State in the Union. But he lives nearby, and I dare say that not a day passes but that the Senator from Delaware may rear back with an expansive smile and beam on some constituent in the gallery. There is not a day when we are in session, no doubt, but that happens.

The Senator knows they are here; he knows when they are here; he knows why they are here; he knows what they are trying to take back with them when they come here. Yet because some of my farmers, who probably never have been to Washington before in their lives, come to Washington and visit the galleries, because they have the hardihood to sit in the galleries and view the proceedings here, the Senator from Delaware says the Senator from Texas is "putting on a show", when, if it had not been for the fact that the Senator from Delaware, ungracious host that he is, attacked the guests of the Government here in the gallery by a resolution reflecting upon their integrity, poking fun at them, and smearing them all over with suspicion, there would have been no occasion for the Senator from Texas to take the floor at all.

Mr. NEELY rose.

Mr. HASTINGS. Mr. President, does the Senator from Texas admit that these farmers came here as guests of the Government?

The PRESIDING OFFICER. Does the Senator from Texas yield, and, if so, to whom?

Mr. HASTINGS. Does the Senator from Texas admit that these farmers came here as guests of the Government?

Mr. CONNALLY. The Senator from Texas means that anybody who is in the gallery is a guest of the Senate. I said "the Government." This is a part of the Government under Democratic rule. [Laughter in the galleries.] I said that they are here as our guests. Of course the Senator from Texas did not mean that they came here all the way from Texas as the guests of the Government, and the Senator from Delaware knew that the Senator from Texas did not mean that.

Mr. HASTINGS. That is what the Senator said.

Mr. CONNALLY. The Senator from Delaware reminds me of a sharp pettifogging—I will not say politician, but statesman, in making that kind of an insinuation.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. NEELY. I protest that the able Senator from Texas is not dealing generously with the senior Senator from Delaware—the State that is a little larger than a postage stamp. The Senator from Delaware was an important part of the Hoover administration. During that administration the World War veterans came here, just as the farmers recently came here from Texas and various other States. Mr. Hoover called out the Army, and with bayonets and bombs the veterans were driven out of Washington. The Senator from Texas ought to be thankful that the Senator from Delaware does not demand that war be waged against the farmers.

Mr. CONNALLY. I thank the Senator from West Virginia for that contribution to the debate. Of course, I do not really, sincerely believe that the Senator from Delaware wants to call out the Army to evict the farmers. When the ex-soldiers came here everybody knew they did not have any money. They came without any funds whatever. I do not think the Senator from Delaware would want to eject these farmers from the city until he knew that they did not have anything left.

Now, Mr. President, I wish to denounce this resolution as an unwarranted and unjustified and baseless reflection upon every farmer who has come to Washington, upon the Secretary of Agriculture, upon Chester C. Davis, the Agricultural Administrator, and everyone connected with the Department of Agriculture.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

Mr. WHEELER. Mr. President, I desire to call the attention of the Senate briefly to the report from the Interstate Commerce Committee on the proposed Public Utilities Act of 1935, the bill known as the "holding-company bill." The committee has filed a very exhaustive report on this bill, setting forth the numerous changes in the bill as originally introduced, which were made by the committee, and also has set forth in its report a description of every paragraph in the bill, and what effect the proposed legislation will have upon the utilities industry as a whole. I especially call it to the attention of Senators, and ask them to read it, because there has been so much misinformation sent out with respect to the bill.

I expect to call up the bill for early consideration as soon as I possibly can have it considered by the Senate.

SHARE OUR WEALTH

Mr. LONG. Mr. President, about 4 weeks ago—will the Senator from Kentucky [Mr. BARKLEY] give me his attention just a moment and then he can leave the Chamber if he wishes—about 4 weeks ago the Senator from Arkansas [Mr. ROBINSON] and the Senator from Kentucky [Mr. BARKLEY] made speeches over the radio in which they referred to the program and the plan which I have supported since I have been in Congress—the problem and the proposition to limit the wealth of the large fortune holders and to guarantee something to the smaller people.

The Senator from Arkansas and the Senator from Kentucky both stated, as I read their remarks, that it would be impossible for me to draw legislation to cover the proposi-

tions I have submitted. Unfortunately both those Senators have not kept up with the proceedings of this body. Legislation had been drawn in the last session of Congress to cover practically everything proposed by this plan, but it has not been seen by the Senator from Kentucky or the Senator from Arkansas, or else they would not have asked the questions they did ask.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. The Senator from Kentucky saw the bill or resolution referred to by the Senator as having been introduced in the last Congress, which has not been introduced in this Congress, but, very far from setting out any plan, it was merely a resolution or a bill requesting the Finance Committee to do what he evidently could not do—draw a bill along the lines of his discussion. Moreover, neither then nor since did the Senator himself furnish the Finance Committee any draft of a measure from which the Finance Committee could begin to work, or, if it desired itself to initiate legislation on the subject, from which it might obtain any idea as to the Senator's proposition.

Mr. LONG. The Senator did not look far enough because there were bills drawn, as well as a resolution. There were bills drawn covering most of the things I have advocated. However, the senior Senator from Kentucky [Mr. BARKLEY] and the senior Senator from Arkansas [Mr. ROBINSON] and the Senator from North Carolina [Mr. BAILEY] have rather sneeringly referred to the phrase "share our wealth." The Senator from North Carolina, amidst the smiles of the Senators from Kentucky and Arkansas, referred to the "share-our-wealth dog."

I desire to give them to understand where the "share-our-wealth" phrase was first used. I want them to understand that that "share-our-wealth" phrase did not come from the senior Senator from Louisiana, but was the phrase and promise of the present President of the United States in his acceptance speech delivered at the Chicago convention; and now, in order that I may start out right so that the Senators will understand what this whole thing is intended to effect, I will read from the President's acceptance speech at Chicago, page 383 of the Proceedings of the Democratic National Convention of 1932—and I am quoting Mr. Roosevelt:

Throughout the Nation—

Mr. BARKLEY. Mr. President, I ask for order. I am very anxious to hear what the Senator from Louisiana has to say.

The PRESIDING OFFICER. Let there be order in the Chamber.

Mr. BARKLEY. It is so seldom that we hear the Senator from Louisiana that I do not wish to miss anything.

Mr. LONG. I do not mind conversation, but I do not want my colleagues to go to the point in their conversation where I cannot hear myself talk. I talked so much on yesterday that I cannot talk very loud today.

Throughout the Nation, men and women, forgotten in the political philosophy of the Government of the last years look to us here for guidance and for more equitable opportunity to share—

S-h-a-r-e—

in the distribution of national wealth. [Applause and cheering.]

My friend from Kentucky was the keynoter of that convention. He forgot all about it and went on the radio to denounce "share-our-wealth" the other night. He has become disloyal to the party. [Laughter.]

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. No; not now.

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I will yield in just a minute.

Mr. BARKLEY. It may be too late for me to answer what the Senator is saying now.

Mr. LONG. All right; go ahead, since I have been interrupted.

Mr. BARKLEY. I not only did not depart from the speech which I had the honor to make as temporary chairman of the convention, but I did not depart from the language of

the President in accepting the nomination. I challenge the Senator from Louisiana or anybody else to place any such interpretation on that language as is indicated by his proposition about which he speaks so often and so vociferously.

Mr. LONG. I am coming to that!

"Share our wealth", "share our national wealth", "share in the distribution of wealth", were the phrases of Franklin D. Roosevelt when he accepted the nomination in Chicago. I want my friend from Kentucky [Mr. BARKLEY], my friend from North Carolina [Mr. BAILEY], and my friend from Arkansas [Mr. ROBINSON]—and I have sent for the Senator from Arkansas, because I am replying to the charge he made against me in his radio speech at some gathering or some club or chamber of commerce or some other something where they send for Senators to speak to them and give some sum somewhere between \$50 and \$150 to listen to us. I want these friends of mine to realize when I first adopted that phrase for our organization. It is a pretty big organization in this country, Mr. President. It is in every State in the Union. It has thousands of members in every State. It has probably millions in some States, not counting, of course, that they may not all be voters. There may be many below the voting age. But the "share our wealth" phrase was the promise—yes; I said the "promise"—the "share our wealth" phrase was the promise of Franklin D. Roosevelt in the Chicago convention when he accepted the nomination.

It is true that men like the Senator from Arkansas and the Senator from Kentucky and the Senator from North Carolina have been denouncing everybody in the Senate and everywhere else who still advocates what the people were led to believe they were going to get by the promise made at the Chicago convention. Nonetheless there are a few of us who are still clinging to the tenets of that platform and the pledges made in that convention, beginning with the promise made by Franklin D. Roosevelt at that convention.

What is a platform for? What is a party promise for? What the Senator from Kentucky [Mr. BARKLEY] ought to be out here doing, what the Senator from Arkansas [Mr. ROBINSON] ought to be out here doing, is apologizing to the people for not having carried out that promise made at that convention, instead of trying to ridicule somebody because he is insisting upon that promise being carried out as made at that convention. Instead of doing that they are speaking over the radio, talking, I understand, in terms of denunciation of the proposal to redistribute wealth in this country, saying that it is dishonorable, praising the President with one breath and condemning with the next breath someone who insists upon the thing being done and the promise being kept, and at the same time condemning again someone who does not agree with them and the President for failing to keep the pledge made to the people at the Chicago convention.

There is the "share our wealth" declaration. So much for that.

A short time ago a New York daily newspaper decided it was going to prove that all these statements I had been making about the concentration of wealth in the hands of the few were not true; so they sent a man to Washington to investigate and see whether or not there was any need to redistribute wealth in the United States. The New York Daily News, I understand, has the largest circulation of any paper in the United States. I do not know whether that is true or not. I am told by some of my newspaper friends that the paper which I hold in my hand has the largest circulation of any paper in New York, this Daily News. It is owned by men who come from the millionaire and multimillionaire ranks. It is owned by the multimillionaire families.

The Daily News said that having heard a speech which I delivered in reply to Gen. Hugh Johnson, in which I said that 4 percent of the people owned 85 percent of the wealth and that 96 percent of the people of America live below the poverty line—this newspaper said that having heard that statement by me it was going to send its investigators to Washington, D. C., to prove that the statements I had made

were false and untrue, and, like the Senator from Kentucky [Mr. BARKLEY] said, like the Senator from Arkansas [Mr. ROBINSON] said, and like the Senator from North Carolina [Mr. BAILEY] intimates, this newspaper was going to prove that this talk of HUEY P. LONG about the concentration of wealth and the necessity for the redistribution of wealth was untrue and impossible. So they sent their man down here. They say they sent one of the best economists and investigators there was in the United States. What did he do?

Here is the New York News and I am going to read from it. They made the investigation as they announced, to prove that what I said was untrue, to prove that such men as the Senator from Kentucky [Mr. BARKLEY] knew what he was talking about, and to prove that the Senator from Arkansas [Mr. ROBINSON] knew what he was talking about. They had some help and here is the help they got from the biggest paper in America.

I read from the New York Daily News of April 11, 1935. Here is the headline of this editorial.

This is an important editorial, especially for newspaper editors.

That is the headline.

When HUEY LONG in his "share the wealth" reply to General Johnson said that 1 percent of Americans own 59 percent of America's wealth, while 4 percent own between 85 percent and 95 percent of the wealth, we knew he was a liar.

They are using the President's word. [Laughter.]

In other words, said this newspaper, when I said that 1 percent owned 59 percent of the wealth, and 4 percent owned 85 percent, "we knew he was a liar."

I read on:

We intimated as much, and added that somebody ought to look into this question and get the true figures on American wealth distribution in order to refute this demagogue, LONG.

The News then assigned one of its most competent investigators, Lowell Limpus, to the job of digging up the figures. About Limpus' character and qualifications for such a job it should be recorded that he is not a sentimentalist, is not suffused, for instance, with the conviction that when a white-collar person loses his job he should be taken by the hand by a paternalistic government and taught eurythmic dancing. Limpus is a realist. He was a West Pointer, in fact, and West Pointers are not noted for their sentimentality toward the poor, the rich, or anybody else.

And so Lowell Limpus went to Washington and worked for weeks in the Library of Congress and elsewhere to root up the true figures with which to confound LONG.

The results of that research are now being published in the News. And to the consternation of many people (including ourselves when we first heard of them), the results of that research show that LONG had essentially the correct dope.

Now, get that. After all the cartoons you have been seeing, all the ridicule you have been seeing, all the calumny you have been seeing, and all the flannel-mouthed speeches over the radio by these distinguished men all over the country that all that HUEY P. LONG was saying was untrue, false, and ridiculous, and an appeal to passion and prejudice—after all that, here comes the biggest newspaper in the United States and says, "After weeks and months of investigation, we find that every living word that he says is correct."

Of course this is not going to convince the Senator from Kentucky [Mr. BARKLEY]. It would not do him any good. We do not expect it to do him any good. We have other ways of getting these reforms. If we waited for votes to come from men of conservative leaning, who never have been able to see the truth until it was too late, we should never hope for these reforms to come.

But I read further.

The results of that research show that LONG had essentially the correct dope. He was wrong in some details.

They say:

He was wrong in some details, and we still think HUEY LONG a dangerous little demagogue—

They say, "He has the facts all right. What he says is essentially true, but we are still afraid of him, because he is telling the truth about the thing"; but, none the less, they say it is so.

Now, wait until I go a little further:

But his assertions about where the money power is lodged in this country are substantially borne out by figures compiled and buried away from McKinley's time till now.

In other words, this paper wants it understood that it does not want to claim to be kinfolks with me, and I do not need to claim to be kinfolks with them. I do not need any newspaper myself. I can stay in office or out of office without one. Now, here is what they say:

The gist of the Limpus findings is this:

And they quote Limpus' findings:

More than 96 percent of the workers in the United States receive less than the \$2,000 a year which is regarded as "sufficient only for basic necessities."

According to the United States Federal Trade Commission, in 1926, 1 percent of the people dying did own 59 percent of the wealth reported; and since that time the rich—

Get this:

And since that time—

Since 1926, when 1 percent of the people owned 59 percent of the wealth—since that time, says this paper—

Since that time the rich have been getting richer in proportion, and the poor poorer.

In other words, I have understated the truth. I have not stated it as bad as it is, according to this newspaper. My statement that 1 percent owned 59 percent of the wealth is not accurate. On the contrary, 1 percent own a great deal more than 59 percent; and still the Senator from Arkansas [Mr. ROBINSON] and the Senator from Kentucky [Mr. BARKLEY] have not yet seen the light. They have been in the Congress of the United States for 20 years—about that long, I guess—and if they were kept here 20 more years, until 15 men owned 99 percent, they never would be able to see what this thing is all about. They just simply were not brought up right to this kind of politics, and they never will be.

Mr. BARKLEY. Thank God! [Laughter.]

Mr. LONG. I thank God for that myself. It has been my good political fortune to have blind men like these in politics. I have gone as far as I have, with my limited ability, due to the fact that my enemies had less foresight than I had. I have very little foresight, and they have less; but they are worse off than I am, for they have not even got hindsight. [Laughter.] They cannot see something after it has passed over them, and they have been knocked down by it half a dozen times.

I read on from this editorial:

When Limpus discovered that such was the picture of wealth distribution in the United States, he wired the News that his data would prove very startling, and that probably his findings could not be published.

Get that! When he found out that he was going to have to say to the Daily News, "Instead of my reporting back to you that the figures of HUEY LONG are incorrect, I am going to have to give you figures showing that he is not only telling the truth, but that the times in this country are a good deal worse than even he said they were", he wired to the paper and said: "Probably you do not want my figures, because they are going to be very startling"; and this paper says so. But, says this paper:

It was decided, after some deliberation, to publish them nevertheless. That decision was made on the ground that the ostrich act of sticking our heads in the sand, blinding ourselves to facts, will only do us harm in the long run. To suppress these facts might damper down some unrest for a while. But it is these facts which are causing the unrest.

And even then they are 18 years in finding it out. Eighteen years ago the Industrial Relations Committee reported to the Congress of the United States that it was the distribution of the wealth to such a large extent into the hands of the few that was causing the trouble in America.

The eventual kick-back would be much more serious if the facts continued to be kept under cover.

And they are ominous facts. It has happened time and again that when a nation's wealth has become concentrated in too few hands, and ways of redistributing part of it peaceably have not been worked out—

Get this, now, will you? Listen to me, you so-called "conservatives." Listen to me, you so-called "defenders of truth." Listen to me, you who have stood on this floor and said that your father was a Baptist minister. Since you want to be concerned with truth, perhaps the Baptist minister was not the only man who ought to have told the truth. The son of the Baptist minister might want to tell the truth sometimes himself. Who knows but that he would? Now, listen to me while I give you the figures:

And they are ominous facts. It has happened time and again that when a nation's wealth has become concentrated in too few hands, and ways of redistributing part of it peaceably have not been worked out, ways of redistributing it by violence have been adopted in time, as in France and Russia.

Says this biggest newspaper of the United States:

America has got to redistribute the wealth of this country into the hands of the people, one way or the other.

Says this newspaper:

If you do not redistribute the wealth that is in the hands of the few people, and put this money into the hands of people who need it, it will either be done by peaceable means or it will be done by bloodshed, as it was in France and Russia.

And this is the biggest newspaper owned by multimillionaire families in the United States of America.

And as long as mass purchasing power stays down and continues to shrink there will be overproduction of the bathtubs, cars, radios, etc., which we like to think are elements in the American standard of living.

Mr. President, I am not going to read more of these newspaper editorials and articles, but there are some several of them here. Here is one, for instance, published on the 8th day of April, which says:

Four percent own 87 percent of the United States, news survey shows.

I shall now go to something else. Somebody says that they are trying to defend the farm folks. I am not one who objects to farmers coming to Washington, D. C. I am only sorry that more of them could not come, and that so few of them have ever been here. It is a sad thing that, even with the few who did come here this time, according to my understanding, in the various communities the neighbors had to chip in so that they could pay the way of one man to Washington.

In a little community near where I live the farmers wanted one of their number to come. It cost \$48.75 for a round-trip ticket, and the whole community chipped in two or three dollars apiece so that one farmer out of the whole community might come on this train here to Washington and see Congress and see the President of the United States.

Somebody says they brought 400 of them from Louisiana. According to a Washington newspaper, when President Roosevelt, on the White House lawn, was denouncing people who criticized his program, someone spoke up and mentioned my name. That might have been true, but out of the 400 farmers they brought from Louisiana I would not have any trouble getting my part of the votes.

Mr. ROBINSON. Will the Senator yield?

Mr. LONG. I yield.

Mr. ROBINSON. To whom does the Senator refer when he says "out of the 400 farmers they brought from Louisiana"?

Mr. LONG. The railroad. [Laughter in the galleries.]

The PRESIDING OFFICER. The visitors in the galleries must conform to the rules of the Senate.

Mr. ROBINSON. Does the Senator mean to imply that the railroads should not have brought them?

Mr. LONG. No; not if they paid them.

Mr. ROBINSON. There was a plain implication—

Mr. LONG. There was not.

Mr. ROBINSON. In the Senator's statement that somebody had influenced them to come here.

Mr. LONG. No.

Mr. ROBINSON. I wish to say that, according to my information, these farmers came because they wanted the opportunity of presenting their views in the Capital con-

cerning a subject matter of legislation that is of interest to the farmers of the country.

Mr. LONG. That is what I just said. The Senator did not hear me, or he would not have had to get up and take up my time. I did not even yield to him, but he got up and talked anyway.

Mr. ROBINSON. Very well; if the Senator does not wish to yield, I will not interrupt him.

Mr. LONG. I do not object; but who has given anybody authority to get up and take charge?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. Yes; when I am asked to.

Mr. BARKLEY. The Senator a while ago violated the very rule to which he refers by speaking while not even rising.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBINSON. The Senator from Louisiana does that all the time, but he thinks he has a patent or monopoly on that process.

Mr. LONG. I am sorry the Senator from Arkansas and the Senator from Kentucky, after having heard a few things read to them, are getting their ire aroused.

Mr. BARKLEY. My ire is not aroused. I was never in better humor in my life.

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. BARKLEY. I stated that a while ago I observed the Senator speaking out so that he could be heard all over the Senate without even rising, and I wondered if the same rule applied to him which he seeks to invoke toward others.

Mr. LONG. I do not think the Senator heard any such thing. If he did, I beg his pardon. I do not like to have anyone rise and just take charge of my speech. I always like to be asked.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LONG. I am glad to yield.

Mr. ROBINSON. I do not think any Senator has made a speech on this floor in the last 30 days but that the Senator from Louisiana has literally butted into the speech.

Mr. LONG. If I have done so, I have asked the President to ask the Senator to yield. If the Senator will look up the RECORD he will see that in each instance I asked the President to ask the Senator to yield.

Now, let us get along. We have more business to talk about than this matter. I said I was only too sorry that more of these farmers could not come, and I said that all these farmers were not able to pay their own way, but that their communities wanted someone to come, down in my section of the country, and they chipped in—in lots of cases—two or three dollars apiece—so that someone of their neighbors might come here and present their views, and go back home and tell them what they found out.

I rather approved that. The only objection I have is that instead of only 400 farmers being able to come here from Louisiana, I wish they could have brought several thousand. But they were not able to come, or no doubt they would have come. I do not see any objection to it.

I was talking about the concentration of wealth. I come back to where I was before being interrupted. Farmers have come here on a farm program. They have been told, and I have been told, we have all been told, that there is need to decrease the amount of farm products in this country. The Senator from Michigan made a speech the other day, but did not entirely catch the point. He and the Senator from Tennessee did not see the proposition I was trying to get to their minds at all. Now, I want to tell both of those Senators, and all the Senators, what it was.

There is not any overproduction in the United States—I hope Senators will hear what I am saying—there is not any overproduction in the United States of cotton or of corn or of wheat. There is not any overproduction of rice or beans or cattle. There is an underproduction of those products.

However, the farmers of Louisiana, of Iowa, and of Texas, and all other States, are gradually being stamped out of existence, they are being fed by means of the dole, they are having to receive a subsidy called a process tax in order to live. They are being told to plow under their cotton, they are being told to kill their hogs, they are being told to shoot the cows, they are being told to pour the milk into the river. Why? Is it because there is an overproduction? No. It is because the people have not the money with which to buy the things they need and must consume if they are to live in a reasonable or respectable way. Farmers are not overproducing. Yet those poor farmers are being told that, "Next year you will not be able to get 11 or 12 cents for your cotton unless you decrease the amount of cotton you raise; you will not be able to sell your hogs unless you teach them to follow birth control; you will not be able to sell your cows unless you keep from raising many of them."

What is the condition? I will read it to the Senate. I have in my hand the Liberty Magazine. Members of the White House family are contributors to this magazine. The President's own daughter is one of the writers for this magazine. It is a magazine friendly to them. I will read to the Senate what it says:

The simplest way to come at them is to consult the table of per-capita food requirements of the American people under American standards of living as set forth in Circular 296, issued by the Department of Agriculture.

That circular is issued by the Government. Not only that, it is issued by the Department of Agriculture.

The Liberal Diet prescribed in that circular is based on food standards recommended by our most eminent authorities on nutrition.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. From what is the Senator reading? I know he is reading from a magazine, but what is the article and who wrote it?

Mr. LONG. It was written by Charles W. Burkett in Liberty Magazine of April 13, 1935.

Mr. BARKLEY. What is he discussing?

Mr. LONG. He is discussing the food supply of America. Now he is quoting a circular of the Agricultural Department, No. 296.

The Liberal Diet prescribed in that circular is based on food standards recommended by our most eminent authorities on nutrition. Such a diet would promote national health and well-being to the highest degree. At present we don't even come within sight of it.

Here is the Liberal Diet, showing the amounts and kinds of food which should be annually consumed per capita:

Remember this comes from the Department of Agriculture.

Food	Pounds
Flour and other cereals.....	100
Milk, fresh and evaporated.....	656
Irish and sweet potatoes.....	155
Dried beans, peas, and nuts.....	7
Tomatoes and citrus fruits.....	110
Leafy, green, and other vegetables.....	135
Dried fruits, raisins, prunes, etc.....	20
Other vegetables and fresh fruits.....	325
Butter.....	35
Other fats, bacon, and salt pork.....	17
Sugar, molasses, and other sweets.....	60
Lean meats, poultry, and fish.....	165
Eggs (360 individual) in pounds.....	34

That means less than one egg per day.

Total, annual poundage..... 1,819

One thousand eight hundred and nineteen pounds of food for every one person every year.

The right of every American citizen to such a diet as that should be undoubted. It is basic. And the only reason the American people have not demanded and bought from the farmers all the farmers could produce is simply that the prices have been too high relative to city incomes. * * *

The year 1929 was one of relatively large agricultural production.

I hope Senators get these figures. In 1929, the very year when we were supposed to have so much agricultural pro-

duction, this very year when we had too much, and I thought we had too much at that time myself—

The year 1929 was one of relatively large agricultural production, or of "overproduction" according to the food destructionists. And yet a comparison of the 1929 production figures with those called for by the Liberal Diet makes it evident at a glance how far short we fell of our real necessities.

In other words if we take everything we raised in 1929 and compare that as against what the Department of Agriculture said we ought to have eaten we will find what?

Such a comparison reveals a production shortage—

That is in 1929, the year when we were supposed to produce so much that we never could consume it, and yet according to the table of the Department of Agriculture of 1929, if the people could have bought what they wanted to eat, how much overproduction would we have had? None! On the contrary:

Such a comparison reveals a production shortage in fruit of 39 percent; in vegetables, 10 percent; dried fruits, 69 percent.

Think of it, Senators. Let the Senator from Florida think of it; let the Senator from California think of it; let Senators who come from Mississippi and from the Rio Grande Valley of the State of Texas—Senators who saw their dried fruit products dumped into the Mississippi and into the Rio Grande and into the Gulf of Mexico and into the Pacific Ocean—let them think of that year 1929 when that was done, that there then was an actual food shortage of dried fruits of 69 percent. There was only 31 percent of the Nation's requirement of dried fruits produced that year. There was a shortage of 69 percent of dried fruits, according to the United States table of standards, and yet nonetheless, a large part of that 31 percent of dried fruits produced was not sold on the market.

Milk. How much overproduction in milk? Why, there was a shortage of milk, according to what the people ought to have had. It says in this article:

Milk, exclusive of that used for butter, 33 percent.

There was too little of milk; not too much!

Butter. Was it overproduced? Why, it went to waste. The farmers held up one another's wagons to keep them from bringing it into town, because they were flooding the market, but milk was underproduced, and butter was underproduced 51 percent. And then sugar products were underproduced 30 percent. Beef, pork, mutton, poultry, and fish, 9 percent underproduced; and eggs 27 percent underproduced.

It got down to the point where you could not give eggs away. You could not sell them, you could not give them away; you could not sell milk, butter, rice, potatoes; you could not give cotton away. Notwithstanding that fact, according to the United States Government, there was a shortage in production of every one of those things.

What did Roosevelt say? He said there is no overproduction. He said we have got to give a purchasing power to the masses. Then is when Franklin Delano Roosevelt announced that he was in favor of the share-our-wealth platform. Then is when he got up in the Chicago convention, when a man was supposed to be a man, and stood on his hind legs and said that "the crying need of the country is for more and equitable opportunity to share in the distribution of wealth", and our report says "applause and cheers" when he made that statement on the floor of the convention.

What did we do through the leadership of the Senator from Arkansas [Mr. ROBINSON], to whose speech I am now replying, and the Senator from Kentucky [Mr. BARKLEY], to whom I am still replying? What did we do? Did we come into the United States Senate and provide that we would give the people more money so they could buy the things which the United States Government said they had to have in order to live? Did we come here and provide that they could buy more and provide that instead of the farmer continuing underproduction he might produce what was expected to be consumed by the people?

No. We did not. I say "we" did not. I have to include myself in it, though I tried to do the contrary. We did not provide to "share the wealth." We did not provide to produce up to what standard statistics said the human family had to have to live on. On the contrary, what did we do? We allowed the rich to become richer and the poor to become poorer, according to this big newspaper which was going to disprove the statements I made, but which it admits now to be true. We allowed the rich to become richer and the poor to become poorer. We gave the masses less with which to buy.

What was the remedy finally followed? The remedy was that since the people could not buy we had to burn up what we could not sell, and plow under what nobody would have any money to buy. We adopted that expedient, and that has been all we have ever done.

Why, Gentlemen of the Senate, someone has said I am at war with the President. With which President am I at war? Am I at war with the President who took the nomination of the Democratic convention in Chicago in 1932? No. That man is my brother. Is he demised? Has there been a funeral and another one born since then? Whether he has gone through the stages necessary to come into new life, physically or spiritually speaking, is not the question. I mean as a matter of political advocacy, as a matter of political thought, is that man to whom we gave the nomination and who uttered those words at the Chicago convention in 1932 still alive? If he is alive, he is a boon companion of mine because I am standing where he stood in 1932. Yea, more, I am standing where I stood before he took that stand.

And now, when we have gotten into the calamitous condition where we are legislating in the Congress of the United States to keep from producing because the people cannot buy, when we have turned the horse around the other way and said to the people, "We are not able to give you the purchasing power and therefore we have to reduce the producing power", we have done what? We have opened up the country to the stagnation and calamities with which we were threatened when man was first placed on earth. We have brought on the dust storm. Yea, we brought on the dust storm. We brought on the shortages. We brought on the poverty. We aggravated the misery. We promoted the rich to become richer and the poor to become poorer, and today what is before the American Congress?

We have reduced the purchasing power of the masses in the last 3 years, and the figures here show it. We have 22,000,000 on the relief dole and 10,000,000 to 15,000,000 more people trying to get on it. The United States Relief Department says that \$8 is enough for one family to eat on, and, therefore, with that starvation diet we have prescribed under the dole they have forgotten the diet the health authorities of the Department of Agriculture, in 1929, and up to now, said was necessary for the human family, and have decided to reduce the people to where it is a bread-line proposition of getting a cup of soup for supper and some little hand-out for breakfast in the morning.

I come back now to my friends from Arkansas and Kentucky. I come back to this radio address.

Mr. President, there is more joy in Heaven over one lost soul that is saved than over a thousand that are already saved.

Mr. BARKLEY rose.

Mr. LONG. Just a moment!

Mr. BARKLEY. Will the Senator yield?

Mr. LONG. In a moment!

Mr. BARKLEY. I want to express the belief that when the Senator finally is saved there will be such great rejoicing that it will create more than a dust storm in those regions. [Laughter.]

Mr. LONG. I am talking about political salvation.

Mr. BARKLEY. I am not so much interested in that as I am in the Senator's soul.

Mr. LONG. I fear I should admit there will be a dust storm when the announcement is made in heaven that I

have been saved, and I would like the Senator's help. The Senator from Kentucky reminds me of old Deacon Jones. When Deacon Jones got sick the people were prevented from talking over the telephone by their putting up a blackboard for announcements about his condition:

One o'clock: Deacon Jones very sick.

Two o'clock: Deacon Jones grows worse.

Three o'clock: Deacon Jones gone to heaven.

Four o'clock came around and some fellow went there and put up the following announcement:

Four o'clock: Great excitement in heaven. Deacon Jones has not yet arrived.

[Laughter.]

There may be that much excitement in my case. I am afraid there will be that much excitement up there, too, if the Senator from Kentucky is allowed to enter the pearly gates. [Laughter.]

Mr. BARKLEY. The Senator might bear in mind the prayer delivered at the revival services in which the man prayed fervently that Deacon Jones might be sent to hell. When the services were over he was asked why he offered such a prayer. He said:

Well, Deacon Jones had broken up the Methodist Church, he had broken up the Baptist Church, he had broken up the Campbellite Church, he had broken up the Presbyterian Church, he had broken up everything he had ever got into, and I am just in hopes that if the Lord sends him to hell he might break that up, too.

[Laughter.]

That might be the situation in which the Senator from Louisiana would find himself if he ever got there.

Mr. LONG. I appreciate that joke. [Laughter.] The trouble is it takes my kind to bring the Senator from Kentucky into the majority. If it had not been for a few of my kind he would still be sitting on the mourners' bench. [Laughter.] We might have broken up the country when we did it, too. [Laughter.]

There is more joy in heaven for one soul that is saved than for a thousand that are already saved. If I could convince the Senator from Kentucky and the Senator from Arkansas of the error of their understanding, if I could convince them that 2 and 2 make 4, if I could convince them that an elephant cannot be put through a keyhole, if I could convince them that water will not run up hill, if I could convince them of these simple axiomatic rules of mathematics, I would have more joy in my heart than I have had in the advocacy of these principles for years.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. The trouble is that the Senator is trying to teach us that 2 and 2 do not make 4, that an elephant can go through the eye of a needle, and that water can run up hill; and I cannot be convinced of that.

Mr. LONG. That just shows how blind the Senator from Kentucky is.

Mr. BARKLEY. Mr. President, I may be blind, but I can see the Senator from Louisiana, and see through him.

Mr. LONG. Here are these multimillionaire families that found out the truth, and they admitted the truth; but with all that the Senator from Kentucky cannot see it. He is like the rich man who allowed Lazarus to stay outside the gate, with the dogs licking his sores, begging for the crumbs that fell from the rich man's table. When Lazarus had died and the rich man had died, and the rich man looked afar off and saw Abraham with Lazarus in his bosom, the rich man cried and said, "Father Abraham, send Lazarus that he may pour water and cool my tongue!" Abraham said, "It cannot be done." The rich man said, "Then send Lazarus back to earth that he may tell my four brothers there of the torments with which I am afflicted, that they may avoid this place." Abraham said, "There is not a bit of use. They have Moses and the prophets back there, and if they will not believe Moses and the prophets they will not believe one who has risen from the dead and has come back to earth."

The Senator from Kentucky stands here today, with far less food than is needed in some instances being produced in the United States—a three-fourths food shortage in dried

fruit, a 39-percent shortage in butter, a 40-percent shortage in eggs—and with all the shortages in dried fruits and these other things, the Senator from Kentucky has his eyes blinded. "None so blind as those having eyes that see not; none so deaf as those having ears that hear not." He is so blind that he has it in his head that when you have too little food, and still the people cannot buy it, the only remedy is to go and burn up some more of the food that you have.

Mr. BARKLEY. Mr. President—

Mr. LONG. Just one word. It makes me think of a man who seized the 140-acre farm of a man for a debt he owed to the store. The old man went off, and a few years later he came back, and meanwhile the other man has discovered oil on the land. The old man went in and said, "Mr. So-and-so, you seized that 140 acres of land for a \$100 debt, and you have got \$1,000,000 of oil off it. Don't you think you ought to help me out and give me a little something?" The man said, "Why, certainly my friend. I think I owe you something." He called his clerk and he said, "Come here, Jim. Go back of that counter and get this man a bottle of Sloan's liniment. He may have the rheumatism for all I know." [Laughter.]

The great trouble with the Senator from Kentucky and those like him is that they imagine they are liberal to the American people, who are entitled to live in decency and respectability, and they think they have done those people a great favor when they hand them a little six- or eight-dollar dole by which they can live and barely exist in poverty and in misery; and still the Senator from Kentucky thinks he has brought blessings to his soul, and glorified the administration in Washington, and placed a crown of glory on the head of the chieftain, as long as he doles out a little money to allow a man to live on earth in misery, and below the line of any such thing as a respectable standard of poverty.

You can convince some people but you cannot convince the casehardened politician. When they get those ideas in their minds they will not see the facts. They cannot be made to see them. The President saw them. He said he saw them. But has he forgotten? We thought the Federal Trade Commission saw them. The Industrial Relations Commission saw them. The multimillionaires say they saw them. What do they say? I am reading from the biggest newspaper in the United States, owned by multimillionaire families. What does it say? It says this:

It has happened time and again that when a nation's wealth has become concentrated in too few hands, and ways of redistributing part of it peaceably have not been worked out, ways of redistributing it by violence have been adopted in time—as in France and in Russia.

And this paper says that the wealth is concentrated in the hands of the few far more than I said it was, and that something has to be done about it.

Congress is going to adjourn, they say. I guess it will. It would have been better if it never had met. Congress is going to adjourn with nothing whatever done to increase the purchasing power of the masses. The only reform that is urged is to destroy a little more cotton, and a little more pork, and a little more sugar, and a little more molasses, and teach the hens not to lay eggs, and give lessons of birth-control to the swine and to the cattle, so that they will not raise too much of those products to flood the market for a public that has not the money with which to buy.

I was hoping that would convince these Senators so that now I could talk to them about the proposed legislation. If they will read what I have said, they will be convinced.

Perhaps these Senators think that what I have said is just a mistake. I should be glad if they would read what James Madison said. You have all heard of James Madison writing most of the Constitution of the United States.

Do you know what he said, Mr. President? He said, along about the time when the Constitution was being written, before it was written or shortly after it was written, according to an excerpt which I clipped out of a New York newspaper a few days ago, that the time would come when the

wealth of America would get into the hands of the few, and that the only way in which the Constitution could exist and the Republic could exist would be for the American people to be farsighted and broad-minded enough to know that they had to redistribute the wealth into the hands of the masses, in order that the people could live in something like a decent, respectable status. That is what he said. He said that if they did not do it, the country would never survive. That was said not only by him, but by others. Daniel Webster, who was a great follower of James Madison, came along, and when he delivered his famous speech at Plymouth he made exactly the same statement.

Senators talk about the faith of the founders. I was amazed to read the remarks by the Senator from Arkansas [Mr. ROBINSON], about the faith of the founders of this country. The Senator from Arkansas failed to remember something he read long ago. Who were the founders of this country?

Does the Senator refer to the Pilgrims who landed at Plymouth in the year 1620? If he does, he has only to turn back and look to the law under which the Pilgrims settled this country.

In the year 1620, on July 1, when the Pilgrims landed at Plymouth, they displayed a compact that was to be the law of the country under which they were to live. It had been signed by every man on board the *Mayflower*, and article five of that compact of the Pilgrims provided that at the end of every seventh year they would wipe out every debt and redistribute the property equally among all the people who lived in this country at that time.

My friend, the Senator from Massachusetts, may never have read that, but that is how they settled the State from which he comes. When those people landed at Plymouth in the year 1620 their plan was not the conservative rule I am undertaking to bring about; it was the rule prescribed in the Bible absolutely, that at the end of every seventh year they should remit debts. They went the Bible one better, and provided that at the end of every seventh year they would redistribute all the property into the hands of all the people.

Why did they enter into any such compact? Because they knew they had to fight the Indians. They knew they had to develop the country. They knew they had to establish a new frontier every year, and they knew that the only way by which they would ever succeed was through the understanding of one for the other, and that each and every one of them would travel along under a plan of mutual assistance.

When the forefathers came to write the Constitution of the United States, and even before that time, when they came to write the Declaration of Independence, in July 1776, the one thing about which they were careful above all things was to write in there words and symbols which meant that the wealth of this country should always be kept reasonably distributed in the hands of the people.

I shall not read all that Madison said; I shall not read what Ralph Waldo Emerson said; I shall not read what that famous son of New Hampshire, and who adopted Massachusetts as his State, said; but I have all those various and sundry declarations here, and if anyone wishes to see them, I shall be pleased to give him whatever information along that line he may request.

I now come to the year 1935. I am sorry the Senator from Arkansas and the Senator from Kentucky have left the Chamber.

Mr. BARKLEY. I am still here. The Senator is blinder than I am. I am sitting here close enough to him to touch him, and he says I have gone. [Laughter.]

Mr. LONG. That is correct; the Senator is absolutely correct. These associations are catching, they are contagious. Being around the Senator from Kentucky tends to blindness even with me. [Laughter.]

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. I thought the Senator was impervious to any influence I might exercise over him.

Mr. LONG. Oh, no. I listened to the Senator once, and I have been sorry ever since. I let the Senator from New York and the Senator from Kentucky advise me one night, when I did not know whether to vote for a bill or against it. I was against half of it and for half of it, and the Senator from Kentucky and the Senator from New York suggested that I had better vote for it, and I did so, and the Senator from Missouri has been jumping on me about it ever since.

Mr. BARKLEY. Mr. President, will the Senator yield again?

Mr. LONG. I yield.

Mr. BARKLEY. If the Senator from Louisiana had been guilty of voting blindly on only one occasion, we might forgive him, but he has been following that practice ever since.

Mr. LONG. Let us hope it has never been that bad.

Mr. President, the Senators from Arkansas and Kentucky want me to tell them how I would draw the legislation. I do not have to have a pencil and a piece of paper. I have drawn it up many times, and I will give it to them without a pencil and paper. These remarks will be down in writing, and they can be read tomorrow by whoever wishes to read them. I could dictate them without having to change a word if I had plenty of time just to stand here and outline it to the reporter. I will not take the time necessary to do that, but will state what the plan is.

First, I would guarantee that there would be no such thing in the United States as a man possessing more than somewhere around 100 to 200 times the average family wealth. What would that mean in the United States today? It would mean that there would be nobody in the United States who could own more than between a million and a half and three million dollars as a fortune. I might get it down a little below that.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. In the resolution which the Senator offered on January 4, 1934, he provided that each person might own \$50,000,000.

Mr. LONG. As a limit.

Mr. BARKLEY. As a limit; yes.

Mr. LONG. And in the one before that, a hundred million.

Mr. BARKLEY. So the Senator is now getting down to about five or six million, as he stated in the last speech he made.

Mr. LONG. No.

Mr. BARKLEY. In the speech the Senator made in Des Moines a few days ago, he said he would let each man own as much as five or six million.

Mr. LONG. Somewhere around that.

Mr. BARKLEY. Prior to that he had said three or four million.

Mr. LONG. Yes.

Mr. BARKLEY. Of course, there is not much difference between three or four and five or six million.

Mr. LONG. And before that, \$50,000,000; and before that, \$100,000,000.

Mr. BARKLEY. So the Senator is gradually coming down—

Mr. LONG. Yes.

Mr. BARKLEY. Until he may after a while get to a point where there would be a division of wealth which might be regarded as a sharing of the wealth.

Mr. LONG. I will answer the Senator.

Mr. BARKLEY. Inasmuch as in 1929 there were only 1,700 people who owned as much as \$4,000,000 worth of property, and the aggregate wealth was only \$20,000,000,000, and inasmuch as in 1932 there were only 800 who owned more than \$4,000,000, and the aggregate wealth was about fifty billion, how does the Senator figure that any such division as could be regarded as a sharing of the wealth program which would only divide or share the wealth of some 800 or at most 1,700 people with one hundred and twenty-five or one

hundred and thirty million, would be such a sharing of wealth as would produce the results to which he refers?

Mr. LONG. First, the figures of the Senator from Kentucky are not at all correct, not half correct.

Mr. BARKLEY. What is the Senator's authority for that?

Mr. LONG. The figures of the United States Census as to the United States wealth and income; the figures of the United States Federal Trade Commission—

Mr. BARKLEY. The figures I have quoted are taken from the official reports of the United States—

Mr. LONG. What reports?

Mr. BARKLEY. As accurately as they can be obtained through the Treasury Department.

Mr. LONG. Oh, my! They must be some Mellon figures.

Mr. BARKLEY. That is the nearest to an accurate census of property in the United States, the census for taxing purposes.

Mr. LONG. No, Mr. President; the United States wealth is in the shape I have previously indicated, as the figures have been examined by the New York Daily News here with a corps of experts. They found my figures to be very conservative; they say it is more concentrated than I figured. They reviewed the tables I gave beginning in 1916, going as far as 1930, and there is no question about it.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. LONG. No; just let me answer the last question. I want to get through with the last question. The Senator asked me three questions.

No. 1. More than 59 percent of the wealth of this country is in the hands of 1 percent of the people, and according to the News' survey on a readjustment, 63 percent of the wealth is owned by one-half percent of the people at this date. That is the report based on their survey.

No. 2. The Senator's question was as to why I started in limiting fortunes at \$100,000,000, then \$50,000,000, then \$10,000,000, then \$5,000,000, then \$3,000,000. I undertook to get any kind of a limit before the Senate. I tried to drive through the policy that there had to be some kind of a limit on fortunes of some kind or other set up as a policy of the Congress of the United States. I was trying to get a principle vindicated, so I mentioned \$100,000,000, then \$50,000,000, until I drove it into the minds and into the consciences of a number of people of the United States that there had to be some kind of a limitation of fortunes. Then when people noticed it, I came down to an amount and to a set plan, which I am now setting out. I never have been able to pass any kind of such law establishing any limit as yet. I will, though, if any country is left here.

I am stating how the legislation would be drawn, since the Senator from Kentucky wants to know. Now I have to start all over again. I ask the Senator to let me complete just this statement, and then I will yield for questions.

Section 1: No person shall own or possess wealth or property in the United States of America beyond an amount in excess of 200 times the average family fortune.

This means that we would limit fortunes tomorrow to somewhere around \$3,000,000.

Section 2: There shall be guaranteed a homestead to every family in the United States of America.

This is nothing new.

The goods and properties hereinafter enumerated are not to be alienated without the consent of a court, and then only for the purpose of reinvestment in another homestead, under authority of law, which said homestead itself shall not be worth less than one-third the wealth of the average family in the United States of America.

That is just as simple as falling off a log. It fixes a limit. It is nothing new. Louisiana has such a law, as have Texas and Florida. The homestead cannot be seized for debt, and in Louisiana it cannot be seized for taxes to some extent. That is nothing new.

No one should have a homestead worth less than one-third the average family fortune. How much would that have

been, according to the United States estimates, in the prosperous days, and if my plan were adopted you would not find a record of a time in the past when our people were as prosperous as they would then be.

There was national wealth amounting to around \$421,000,000,000 at one time, according to the estimates. Take that \$421,000,000,000 and divide it into 24,000,000 families in the United States, and you have an average wealth of \$17,000 to the family.

Guarantee to every family a homestead of one-third that amount, somewhere between five and six thousand dollars, and that will mean that every family of an average of four and a half to five people, according to the figures—the number varies depending on whether times are good or bad—would have a shelter under which to live, and would have those things necessary to enable them to live in respectable comfort and happiness. They would be able to have a home in which to live, land to till if they were farmers, and the furniture and the accoutrements of a house up to the value of \$5,000, free of debt, and there would be no trouble about it. Each family might have some kind of automobile and radio. All free of debt.

No. 3. Listen to this. It will make the Senator from Kentucky shudder to hear how simple it is.

The income of every family of America shall not be less than from one-third to one-half the average family income of the particular year. The income of no one person shall be more than 100 times the income of the average family for that year.

What does that mean? Now I have to refer to some books, so that the Senator from Kentucky will know I am telling him the truth. Here is one of the books. A while back, when this "share our wealth" movement got so strong in the United States that societies were being formed everywhere, the departments of this Government thought they would have to do something to show how ridiculous the whole scheme of things was.

So they got some experts, and they put them in the Interior Department, I am told, to gather up the statistics to show that there could not be enough earned in this country to do such a thing as I was advocating. So, I am told, they called in a number of men and they went to work to get up the figures, and they got up the figures and laid them on the desks of the chieftains, figures which the chieftains expected to use to show that there could not be such incomes to distribute so as to make every family in America affluent and independent. But what happened? When the investigators got ready to lay these charts on the doorsteps of those men who were going to use this information in order to send it to the college professors and the school teachers so that their learning might be diffused down to the lowest strata, and their scholars would learn from their lips and from their pens that what I was advocating and what others like me were advocating was ridiculous and absurd—when they laid their data down the result was that everyone of those who had done that work was fired. When the data was laid down, those who received it did not do what the Daily News did, which, when it found the true facts, did not hesitate to publish them. The newspapers said, "We are surprised", but nevertheless it published the facts. Not so with the Government.

Here are the facts. They fired every "dad-gummed" one of the investigators. However, those investigators took the data out with them. This is the information given to me. What I have stated may not be correct. It is the information, however, given to me by some of these gentlemen. I understood the document was coming out in a few days. Lo and behold, the next thing I heard about this document which was going to come out and the figures which were going to confound the figures I was giving was one day when I was called out into the reception room, and a young man said, "Senator Long, I wish to give you a book", and he gave me this book on which was inscribed:

To Senator Long, with my heartiest compliments. Samuel Willig, 1907 North American Building, Philadelphia, Pa.

Another gentleman, not so closely connected with the matters I have just mentioned, came to me a few days later and handed me another book, an entirely private publication.

However, here is the book which this young man handed me in the reception room. It is "The Chart of Plenty." It is published by Harold Loeb and Associates. In it he gives a chart and every datum that could possibly be required, and shows that without the least trouble at all there can be at least an average family income of around \$5,000 a year in America if wealth and income are reasonably distributed, so that people can purchase, and mechanical appliances can be used, rather than prohibited because of a lack of distribution of income and capital.

Therefore if it can be guaranteed that a family will never be below the poverty line of somewhere around \$2,000 in annual income, it would still leave somewhere around one-half of the income of the head of such a family, if not more—perhaps two-thirds of it—to be used and to be garnered by the man with better intellect and by the financial masters who weave not, but who nevertheless are arrayed in such manner that not even Solomon in all his glory appears as one of them.

How would this be done? What will we do with the hours of labor?

Mr. President, I am an advocate of short working hours, and the short working week, and the short working year, but I am not so sure that we would reduce the hours of labor nearly so much as I originally advocated, because the day we begin to diffuse these products to be consumed among the people we have a great amount of work to do. Why? Because, according to this book entitled "The Chart of Plenty", the colleges of the United States would have to be five times their present size. Imagine such a thing! According to this book, the day that plan would be put into effect, or some plan which would guarantee the diffusion of the wealth of this country, the colleges of the United States would have to be five times their present size.

According to these statistics, we would have every reason in the world to expand. We would have a flood-control program. We would not be fighting the flood waters in Louisiana and Missouri and Mississippi and Arkansas and Tennessee. We would have a quarrel in this country over where we would get water enough to supply the various needs. We would have, in effect, that plan which has been worked out by the United States Army, to the point where there would never be a dust storm, to the point where there would never be a desert, to where there would never be any flood, or any season of the year when there was not water enough for year-around navigation. There would not be any drought then. That is the condition we would have. We would have a country here where mankind could enjoy these things rather than to be penalized without them.

How are we going to get this money? That is very simple. It is very simple how we are going to get the money. The Lord tells us how to get it. The Lord says how—and He was pretty smart. The great trouble is most of our Senators and Representatives refuse to abide by the laws which are propounded in the Scriptures. Those laws are not dead. I desire to tell the Members of the Senate that, in my opinion—and I am like Daniel Webster was about that—the same law which allows the sun to rise in the morning, which allows the moon to shine at night, the same law which allows the earth to turn around on its axis, the same law which allows the stars to shine, is the divine law of our Creator, the same divine Creator who said that wealth had to be redistributed every 49 years, and who said that debts had to be remitted every 7 years.

I say, Mr. President, that the law is just as compulsory to a nation and a people, a law which says that we have to remit debts every 7 years and says we have to redistribute wealth—that law is just as compulsory as the law which allows the stars to shine and allows the sun to rise. The Creator is as much the controller of one natural law as He is the controller of another natural law, and the only way you can keep the people of any country from becoming can-

nibals is to see that what is on earth for mankind is consumed and shared by mankind, and so long as we allow one man to have 10,000—yea, 100,000 times more than the average man has, so long as we allow 600 families in the United States of America to have three or four times as much as 123,000,000 people have, just so certain are we to send the people to the damnation bowwows of eternity as we are, Mr. President, doing this very day, because we undertake to contravene the laws of God.

Mr. President, how are we going to get this money? We are going to take into the ownership of the United States of America every dollar, every bit of property that anybody owns above a few million dollars, and we are going to distribute that property, either by selling it and distributing it or otherwise, to those who have less than a homestead, of around \$5,000. That is how we are going to get it.

It is said that cannot be done. It has been done. The Bible says it has been done. The Bible says it can be done. The Bible says that every man will rest under his own vine and under his own tree, and that they who have houses, goods, and things of which they have no need, will bring them in to those who rule, and those who rule will distribute them out to those who have need of them. That is what is said in the Bible. You do not have to go very far to find out how it is all going to be done, or how it must be done.

Now, Mr. President, I have no objection to the Senate recessing.

Mr. BARKLEY. Mr. President, I do not know of anything which the Senate would rather do at this moment.

The PRESIDING OFFICER. Does the Senator from Louisiana yield the floor?

Mr. LONG. Yes, Mr. President.

TENNESSEE VALLEY AUTHORITY

Mr. NORRIS. Mr. President, yesterday or the day before, when I was discussing the bill then pending to amend certain sections of the T. V. A. Act, I intended to ask unanimous consent to include as a part of my remarks a report made by a member of the Board on the general subject of the T. V. A. electrical program. I forgot it and did not make the request. I now ask unanimous consent that the report may be printed in the RECORD at the close of the few remarks which I am about to make.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. NORRIS. I should like to invite the attention of Senators very briefly to what the report is and to comment on one or two statements in it. It is a general and brief history of what is being attempted to be done and what is being done by the T. V. A. It gives some statistics, which are very illuminating, as to the cost of the production of electricity, its generation, transmission, and distribution. It calls attention to the work of the T. V. A. in generating electricity and transmitting it, and then to the fact that after it is transmitted and sold to the municipalities it becomes the duty of the municipality to do the distributing.

The report shows there is not much difference in the cost of generation and transmission of electricity, but the great difference in cost comes in its distribution to the consumer. The report refers to what has taken place in a few of the towns which are purchasing electricity from the T. V. A., and disposes of many objections which are so often made—for instance, with reference to taxes and other similar objections which are made.

The report refers, as an illustration, to what is being done in the town of Tupelo, Miss., and other towns in which the electricity generated at Wilson Dam and controlled by the T. V. A. is being sold. The average price of electricity to the consumers in the homes is 2.2 cents per kilowatt-hour, which is less than half the general average paid by consumers over the entire United States for electricity. The schedule, which they provide must be put into effect before they will sell electricity to a municipality, commences with a top rate of 3 cents per kilowatt-hour, and the rate is reduced so that the average, during the time they have been furnishing electricity, is 2.2 cents per kilowatt-hour.

By a table attached to the report is shown what has been taken into consideration. For instance, taking Tupelo as an example, at the end of the first year of operation this city had met all charges, including a large tax payment, and still was able to show a profit of \$24,875.

I notice in the table attached to the statement, from the financial activities that have occurred during that time, that taxes are paid. The municipality is required to pay, in lieu of taxes, an amount sufficient to equal the taxes if the property used in the distribution of electricity were privately owned. The taxes in that town, for the year in which this report was made, were \$6,657.32. Depreciation of \$5,227.31 was charged. They are also required to pay to the city—something that has never been done by any private company—interest on the amount of property used in the business owned by the city. The operation of the plant must pay interest to the city based on the ownership of the property. The interest amounted to \$2,580.56. The return on the investment of the city was \$4,570.54. After all these things were done, after all these payments were made, the city still had a net income above all expenses of \$24,874.84.

EXHIBIT A

A STATEMENT OF FACTS CONCERNING THE T. V. A. ELECTRICITY PROGRAM

The Tennessee Valley Authority announced the wholesale and retail rates at which it would dispose of surplus power from Wilson Dam in September 1933. These rates were set up on the principle that consumers of electricity must pay all the costs of furnishing that electricity without any contribution from taxpayers. It is these rates which have been described as a yardstick with which to measure and compare the rates charged by private utilities.

THE COST OF GENERATING ELECTRICITY IS SMALL

The cost of furnishing electricity to citizens may be divided, for the purpose of such comparisons, into two parts, namely, (1) the cost of generating and transmitting the power to the city gate, (2) the cost of distributing the electricity within the city to the consumer. With the first item of cost there appear to be only small differences between the rates charged by private utilities and by the T. V. A.

The Mississippi Power Co. has contracted to furnish the municipal plant at West Point, Miss., wholesale power at a flat rate of 7 mills per kilowatt-hour.

The Alabama Power Co. sells power at wholesale to Birmingham Electric Co. at the city gate for as low as 5.8 mills per kilowatt-hour.

T. V. A. rates for similar service average approximately 6 mills per kilowatt-hour.

THE LEGITIMATE COST OF ELECTRICITY IN THE HOME

From this it would appear that the differences in cost of generation and transmission of electricity is not very great, even with the further reduction in generating costs which T. V. A. will be able to make when an integrated development of the river has been accomplished. But this portion of the yardstick is only a small fraction of the cost of electricity to citizens. The average rate paid by residential consumers in the United States is 5.2 cents per kilowatt-hour. On the basis of delivering power at a city's gate at 6 mills per kilowatt-hour, and distributing it to the consumer at an average of 5.2 cents per kilowatt-hour, it is evident that the cost of generation and transmission of electricity by private utilities accounts for less than one-eighth of the cost to the consumer. More than seven-eighths of the yardstick involves the distribution of the power from the city's gates to the residential consumer. The cost of the generation and transmission of electricity is by far the smallest factor of cost—the yardstick has its chief importance in disclosing the legitimate cost of bringing the electricity from the city gate into the consumer's home. And here the figures are startling.

T. V. A. CITIES SERVE CONSUMERS AT ONE-HALF—MAKE LARGE PROFITS

Residential consumers being served by municipalities distributing T. V. A. electricity pay an average of approximately 2.2 cents a kilowatt-hour—less than one-half the national average charged by private utilities. How have these municipalities fared in buying T. V. A. power at about 6 mills and reselling it at yardstick rates which reduce the cost of electricity to their citizens from 40 to 60 percent? They have been able to meet all the costs of operation, taxes, amortization, depreciation, interest on investment, in fact every legitimate charge faced by a private utility and still return from 20 to 25 percent of all gross revenue to surplus. This has been true of all municipalities distributing T. V. A. power. As an example, we may take Tupelo, Miss. At the end of the first year of operation this city had met all charges including a large tax payment and still was able to show a profit of \$24,875, or almost 20 percent net profit on the investment in property

¹ Statement of income and expense of Tupelo electricity department on pp. 7, 8.

and plant. In Alcorn County, Miss., including the city of Corinth, where T. V. A. power is retailed by a nonprofit country-wide co-operative association, a surplus, after all charges, is accumulating at a rate that will permit this association to retire the entire cost of its original distributing facilities within a period of less than 4 years.

NO "WATER" IN VALUATION OF T. V. A. PLANTS

Municipalities and associations distributing T. V. A. power must agree by contract to set aside, among other items, a sum to cover local, State, and county taxes; and carry their plants on their books at actual values. The significance of this latter provision in the yardstick becomes apparent when it is recalled the Federal Trade Commission reported to the United States Senate on February 5, 1935, that as a result of its 6-year investigation in the public-utilities field it had found write-ups amounting to \$1,400,000,000 in top holding, subholding, and operating companies.

So, by comparison with wholesale rates of private utilities it appears that the T. V. A. wholesale rate is not too low, and by actual experience in cities reselling this power at T. V. A. retail rates the yardstick is found to be a full 36 inches in length.

In the face of these results special interests which seek to thwart T. V. A.'s program and prevent the American public from learning the true cost of furnishing electric service have sought to becloud the issue with arguments concerning the generation of power at Wilson Dam. The cost of generating electricity, as is well known, accounts for a very small fraction of the total price charged residential consumers. The allegation is made that private utilities could sell electricity to consumers as cheaply, if not cheaper, than T. V. A. if they were granted the same "subsidies" and "privileges" that T. V. A. enjoys. Let us examine some of these charges.

THE ACTUAL VALUE OF WILSON DAM

Spokesmen for utility interests have said that the cost of Wilson Dam (T. V. A.'s present source of electricity) was \$60,000,000 and that T. V. A. has written this down to \$19,000,000.

Wilson Dam at Muscle Shoals was begun during the World War as a war measure. Twelve separate appropriations were made before the work was finished, which was not until 1925. Several major interruptions of construction with attendant disbanding of personnel occurred. Engineers have estimated that at least \$10,000,000 could have been saved had the construction been carried out as a single operation.

The historical cost of Wilson Dam is a little under \$47,000,000, not \$60,000,000. Eliminating the waste which occurred in construction, and allowing a fair amount for depreciation since date of completion, the present worth of the dam is \$33,000,000.

To apportion the value of Wilson Dam among navigation, national defense, and power, the Authority first set aside those parts of the structure which are of exclusive use to one or another purpose: The locks to navigation, the power house to power, certain buildings and roads (not otherwise useful) to national defense. The remainder (chiefly the long spillway section in the middle) was divided between navigation and power.

The result was to allocate approximately \$10,000,000 to navigation, \$22,000,000 to power, and \$1,500,000 to national defense. These figures are tentative, as the study of costs ordered by Congress is not yet completed. All private bids for the plant have been far below this valuation.

Allocation of cost of dams on the Tennessee River to navigation, flood control, national defense, and power provided for by law is not an advantage claimed by T. V. A., but is a definite national policy which has been made available to private utilities. The Congress in 1930, under a previous administration, authorized that \$75,000,000, estimated as the cost of low dams for providing a 9-foot navigation channel on the Tennessee River to Knoxville, should be contributed to States, municipalities, or private corporations if they constructed high dams (such as the T. V. A. is doing). In another river and harbor act of Congress a very large contribution—some \$12,000,000 of Government funds—was provided to be paid to a private utility planning a high dam at Aurora Landing on the Tennessee River. This was a national appropriation to a private agency made because the power dam it proposed to construct would aid navigation to the extent of this sum.

The simple fact, then, is that, as required by law, the Tennessee Valley Authority has placed the value of Wilson Dam for power purposes at its actual "present value."

T. V. A. SETS ASIDE FUNDS COVERING TAXES

The T. V. A. Act requires that 5 percent of gross sales of power be paid to the State where T. V. A. power is generated as compensation for loss of tax revenue. This figure was set up by Congress, subject to change should it prove in practice either too high or too low.

To keep the yardstick absolutely fair, however, the T. V. A. sets aside an additional 7½ percent of its gross revenue, making a total of 12½ percent for the generation and transmission of power in lieu of taxes. For utility operations in the United States as a whole the taxes amounted to 12.7 percent of gross revenue in 1933, when the T. V. A. rates were established. The taxes paid by the four utilities operating in the Tennessee Valley region averaged 11.8 percent of gross revenue at that time.

This 12.5 percent which T. V. A. carries is on generation and transmission. The taxes on properties used for distribution of T. V. A. power are borne, as stated previously, by municipal distribution systems.

T. V. A. figures its tax equivalent upon the basis of percent of gross revenue in order to establish comparison with the various tax systems in use throughout the country. No matter whether taxes are levied against income, property valuation, or volume of business, they can all be reduced to the common denominator of a percentage of gross revenue. The percentage of income T. V. A. set up as an equivalent of taxes paid conformed to the national average for utilities when the rates were fixed and was higher than the average at that time of the four companies operating in the T. V. A. region.

T. V. A. INTEREST RATES IN LINE WITH THOSE OF PRIVATE UTILITIES

In computing electric rates, T. V. A. figured an interest rate of 3½ percent on its investment. This is higher than the actual cost of money to the Government, including fiscal expense of the Treasury, and it is not out of line with the rates at which some private utilities are now carrying out refunding operations. Whatever slight advantage accrues to T. V. A. on interest rates is more than offset by the costs of services of a public character which T. V. A. is glad to assume and which are not assumed by private corporations.

Among these may be considered wage rates for both skilled and unskilled labor. These average from 50 to 75 percent higher than those paid by public utilities on similar construction in this area. Likewise, in areas where T. V. A. has purchased electric systems from private utilities the employees were found to be receiving wages from 10 to 30 percent below those which T. V. A. pays for similar work.

Some of the other advantages ascribed to T. V. A. by special interests are pure fiction. The T. V. A. does not use its franking privilege in sending out electricity bills; T. V. A. does not purchase materials unless the seller agrees to comply with the N. R. A. code; it pays all other governmental departments for services rendered and foots the bill of defending litigation brought by public utilities and others, which has held up the sale of surplus power from Wilson Dam and delayed the time when T. V. A. can begin paying back to the Government the costs of Wilson Dam and thus salvage a wartime investment.

ONE ADVANTAGE SAVES A DIME IN A LIFETIME

Seeking to obscure the real issues, special interests have made much ado over the fact that the Tennessee Valley Authority receives a reduction in freight rates on some of its hauling. Land-grant railroads in consideration of the land originally given them grant a 33⅓-percent reduction on all Government hauling. The T. V. A. receives this reduction on that part of the equipment and materials used in dam construction which travels over land-grant railroads.

Of the total cost of a dam, however, the freight charges play so small a part that a one-third reduction amounts to three ten-thousandths of a cent per kilowatt-hour of power generated. This means a saving of 1 cent for every 3,300 kilowatt-hours used or, turning this around, the average residential consumer saves 1 cent every 5½ years as a result of reduced freight rates granted T. V. A. He would have to pay power bills for more than 50 years to net himself a dime.

WHY T. V. A. ELECTRIC RATES ARE LOW

The T. V. A. in its electric operations submits to all legitimate charges to which a private utility would be subjected. Its success in making available cheap electricity lies in the cost assumed by some private utilities which T. V. A. does not pay. A few of these may be mentioned. The attempt to pay dividends on the \$1,400,000,000 of write-ups exposed by the Federal Trade Commission, expensive campaigns to influence legislation, excessive fees to affiliated engineering and management companies as well as the tremendous salaries paid to officers of both the holding companies and the operating companies.

CITY OF TUPELO, MISS., ELECTRICITY DEPARTMENT

Statement of income and expense for 12 months ending Jan. 31, 1935

	Amount	Percent of gross operating revenue	Per kilowatt-hour sold
			Cents
Gross operating revenue.....	\$88,295.04	100.00	1.55
Operating expenses:			
Cost of power purchased.....	36,449.01	41.28	.64
Distribution:			
Operation.....	3,796.16	4.30	.07
Maintenance.....	980.53	1.11	.02
Commercial and new business.....	1,114.37	1.25	.02
Utilization.....	569.77	.65	.01
General.....	2,052.64	2.33	.03
Total operating expenses.....	44,962.48	50.92	.79
Taxes.....	6,657.32	7.54	.12
Depreciation.....	5,227.21	5.92	.09
Uncollectible accounts.....	69.89	.08	.....
Total.....	56,916.90	64.46	1.00
Net operating revenue.....	31,378.14	35.54	.55
Nonoperating revenue, miscellaneous.....	647.80	.73	.01
Gross income.....	32,025.94	36.27	.56

Statement of income and expense for 12 months ending Jan. 31,
1935—Continued

	Amount	Percent of gross oper- ating revenue	Per kilo- watt-hour sold
Deductions from gross income:			
Interest.....	2,580.56	2.92	.04
Return on city's investment.....	4,570.54	5.18	.09
Net income.....	24,874.84	28.17	.44
Appropriations to long-term debt: Retirement reserve.....	3,173.96	3.59	.06
Balance to surplus.....	21,700.88	24.58	.38

Balance sheet as of Jan. 31, 1935

Assets:		
Plant and equipment.....	\$138,762.41	
Current assets:		
Cash.....	\$16,319.80	
Accounts receivable.....	9,208.36	
		25,528.16
Miscellaneous assets.....		3,334.65
Deferred charges.....		1,856.67
Total assets.....		169,481.89
Liabilities:		
Investment, city of Tupelo.....	79,261.26	
Consumers' surplus invested in plant.....	1,522.22	
		80,783.48
Funded debt.....		36,250.00
Current liabilities, accounts payable.....		6,658.53
Accrued liabilities.....		11,644.04
Miscellaneous liabilities.....		5,834.65
Reserves:		
Depreciation.....	4,958.57	
Bond retirement.....	1,651.74	
		6,610.31
Unappropriated surplus.....		21,700.88
Total liabilities.....		169,481.89

DONALD R. RICHBERG

Mr. CLARK. Mr. President, it had been my hope during the course of the day to have an opportunity to obtain recognition to address the Senate as briefly as may be upon what I consider the most brazen exhibition of impudence on the part of a bureaucratic official that has fallen under my observation during my lifetime. I refer to the exhibition by a bureaucrat—thank God, a temporary bureaucrat!—Mr. Donald R. Richberg, in calling together yesterday some 1,500 of his own appointees, and abusing the Senate of the United States and the Congress of the United States for assuming to perform the functions ascribed to them by the Constitution of the United States.

As I say, to my mind that is the most amazing exhibition of impudence which has fallen under my observation in my lifetime.

Owing to the length of the daily diatribe of the Senator from Louisiana [Mr. Long], it has been impossible for me to gain recognition today; and I do not desire to address the Senate at this time upon the matter to which I have referred. I give notice, however, that tomorrow, as soon after the meeting of the Senate as I may be able to obtain recognition, I desire to address the Senate very briefly on the subject of Mr. Donald R. Richberg and his ambition to be a Mussolini in the United States.

SETTLEMENT OF LABOR DISPUTES

The Senate resumed the consideration of the bill (S. 1958) to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes.

Mr. WALSH. Mr. President, I ask to have the first committee amendment stated, so that it may be pending before the Senate for consideration at the meeting of the Senate tomorrow.

The PRESIDING OFFICER. The first committee amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 3, it is proposed to insert in the subtitle the words "findings and."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

EXECUTIVE SESSION

Mr. WALSH. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MCGILL in the chair) laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

Mr. HATCH, from the Committee on Public Lands and Surveys, reported favorably the nomination of Leo F. Sanchez, of New Mexico, to be register of the land office at Santa Fe, N. Mex., vice Maurice F. Miera, resigned.

Mr. COPELAND, from the Committee on Commerce, reported favorably the nominations (for promotion) of the following officers in the Coast Guard:

Commander LeRoy Reinburg to be captain, to rank as such from May 1, 1935, in place of Capt. Herman H. Wolf, retired; and

Lt. Comdr. Elmer F. Stone to be commander, to rank as such from May 1, 1935.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first business in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. MCKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

This completes the calendar.

RECESS

Mr. WALSH. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m.) the Senate, in legislative session, took a recess until tomorrow, Thursday, May 16, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 15
(legislative day of May 13), 1935

FEDERAL POWER COMMISSION

Clyde L. Seavey, of California, to be a member of the Federal Power Commission for the term expiring June 22, 1940 (reappointment).

PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

Richmond B. Keech, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years from July 1, 1935 (reappointment).

UNITED STATES ATTORNEY

Michael L. Igou, of Illinois, to be United States attorney, northern district of Illinois, vice Dwight H. Green, appointed by court.

CONFIRMATIONS

*Executive nominations confirmed by the Senate May 15
(legislative day of May 13), 1935*

POSTMASTERS

FLORIDA

Alexander M. McDaniel, Bunnell.
Elwin A. Acree, Groveland.
Elizabeth A. Cantrell, Kissimmee.
Mark L. Calder, Titusville.
Albert W. Kelso, Winter Haven.

WYOMING

Cecil W. Clark, Newcastle.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 15, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

The law of the Lord is perfect, converting the soul.

It lays upon us solemn obligations; it enjoins obedience to the highest and best; it counsels righteousness and gives rich compensations. Almighty God, may we heed its call. Let us be severely true with ourselves by cultivating impartiality of judgment, sincerity of demeanor and action. With so many, blessed Father of mercy, this world means toil and trial; they climb the steep, barren, and rugged ways of life. We beseech Thee to sanctify their misfortunes; cheer them with Thy presence and help them to learn how to break forth into sweet song. Mercifully regard those who are prosperous and happy; deny them not of these blessings. The Lord God lead them to understand that every man's surplus is another one's need. Out of their abundant store may rich treasures of comfort and contentment overflow to others. Spare us from that egotism that blinds us to our brother's right and violates his property, reputation, and happiness. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on May 8, 1935, the President approved and signed joint resolutions of the House of the following titles:

H. J. Res. 273. Joint resolution extending the gratitude of the Nation to Admiral Byrd and to the members of his expedition; and

H. J. Res. 274. Joint resolution authorizing the appointment of a special joint committee to meet with other representatives of the Government in greeting Rear Admiral Richard E. Byrd upon his return from his second Antarctic expedition.

PRESIDENT'S FARM ADDRESS

Mr. WARREN. Mr. Speaker, on yesterday afternoon the President of the United States addressed a gathering of 5,000 farmers on the White House lawn. I ask unanimous consent to extend my remarks in the RECORD by inserting that militant speech.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WARREN. Mr. Speaker, on yesterday 5,000 farmers from 25 States came to Washington, at their own expense, in order to express their deep gratitude and appreciation to the President and the Agricultural Adjustment Administration for the agricultural program. The like of this great demonstration has never before been witnessed in Washington. It was a fine and truly representative body of farmers, who from the depths of their hearts came here to attest to a program that is today restoring American agriculture. While it could be properly termed a meeting of thanksgiving, this

great assemblage let it be understood in no uncertain tones that this program must go on, and that they would stand like a stone wall against all efforts to weaken or destroy it.

Gathered on the lawn of the White House yesterday afternoon, they were addressed by the President of the United States, the man who is both their hope and inspiration. I take pleasure in extending my remarks by inserting this militant speech.

THE TEXT OF THE PRESIDENT'S FARM SPEECH—THIRD YEAR OF POLICY OF ADJUSTMENT BEGUN, HE POINTS OUT

I am glad to welcome you to the National Capital. We can think of this occasion as a kind of surprise birthday party, for it was just 2 years and 2 days ago that the Agricultural Adjustment Act became a law. And I well remember the fine group of representatives of farmers from every part of the Union who stood around me on that occasion when I signed the act.

In record time you and thousands of other farmers took hold and set up machinery to control your own affairs and put the new law to work.

I remember, too, the many high and mighty people who said you could not do it—that it was no use for you to try—intimating clearly that their only remedy to improve your situation was to let the sheriffs' sales go on. That was the old and very familiar way the high and mighty balanced farm production with demand. Those people did not understand and many of them do not understand today that, if the farm population of the United States suffers and loses its purchasing power, the people in the cities, of necessity, suffer with them. One of the greatest lessons that the city dwellers have come to understand in this past 2 years is this: Empty pocketbooks on the farm don't turn factory wheels in the city.

Go back for a minute to the spring of 1933—when there was a huge carry-over of almost 13,000,000 bales and a price, because of that carry-over, of 6 cents a pound. You and I know what 6-cent cotton means to the purchasing power of the Cotton Belt.

There was a huge carry-over of tobacco and the price of tobacco during the preceding 6 months was the lowest on record for many years—wheat, with a carry-over of nearly 400,000,000 bushels, and a price of 35 cents on the farm; corn, with a price of 15 cents a bushel on many farms; hogs, selling at 3 cents a pound.

You and I know what that meant in the way of purchasing power for 40,000,000 people.

When we came to Washington we were faced with three possible programs. The first involved price fixing by Government decree. This was discarded because the problem of overproduction was not solved thereby.

DUMPING POLICY SHUNNED

The second was a plan to let farmers grow as much as they wanted to and to have the Federal Government then step in, take from them that portion of their crop which represented the exportable surplus and, in their name, on their behalf, dump this surplus on the other nations of the world. That plan was discarded because the other nations of the world had already begun to stop dumping. With increasing frequency they were raising their tariffs, establishing quotas, and clamping on embargoes against just that kind of proposition.

Therefore, we came to the third plan—a plan for the adjustment of totals in our major crops so that from year to year production and consumption would be kept in reasonable balance with each other to the end that reasonable prices would be paid to farmers for their crops and to the end that unwieldy surpluses would not depress our markets and upset the balance.

We are now at the beginning of the third year of carrying out this policy. You know the results thus far attained. You know the price of cotton, of wheat, of tobacco, of corn, of hogs, and of other farm products today. Further comment on the successful partial attainment of our objective up to this time is unnecessary on my part—you know.

I want to emphasize that word "adjustment." As you know, a great many of the high and mighty—with special axes to grind—have been deliberately trying to mislead people who know nothing of farming by misrepresenting—no, why use a pussyfoot word—by lying about the kind of a farm program under which this Nation is operating today.

LED ASTRAY BY IGNORANCE

A few leading citizens have gone astray from ignorance. I must admit it. For example, the prominent city banker who was driving through upstate New York with me 4 or 5 years ago in the late fall. Everything was brown. The leaves were off the trees. We passed a beautiful green field. He asked me what it was. I told him it was winter wheat. He turned to me and said, "That is very interesting. I have always wondered about winter wheat. What I don't understand is how they are able to cut it when it gets all covered up with snow."

The other was the editor of a great metropolitan paper. He visited me down in Georgia when the cotton was nearly grown, but before the bolls had formed. Looking out over the cotton fields, he said to me:

"What a great number of raspberries they grow down here."

Raspberries was right. At 4½ cents a pound for cotton, his mistake was perhaps a natural one.

I was speaking of adjustment. It is your duty and mine to continue to educate the people of this country to the fact that adjustment means not only adjustment downward but adjustment upward. If you and I agree on a correct figure for a normal carry-over, it means that if we have a bumper crop one year we will by mutual consent reduce the next year's crop in order to even up that carry-over. At the same time, if we get a short crop in a given year, you and I agree to increase the next year's crop to make up the shortage. That is exactly what we are doing today in the case of wheat.

NOT PLOWING UNDER

It is high time for you and me to carry by education knowledge of the fact that not a single program of the A. A. A. contemplated the destruction of an acre of feed crops in the United States, in spite of what you may read or be told by people who have special axes to grind.

It is high time for you and for me to make clear that we are not plowing under cotton this year—that we did not plow it under in 1934, and that we only plowed some of it under in 1933 because the Agricultural Adjustment Act was passed after a huge crop of cotton was already in the ground.

It is high time for us to repeat on every occasion that we have not wastefully destroyed food in any form. It is true that the Relief Administrator has purchased hundreds of thousands of tons of foodstuffs to feed the needy and hungry who are on the relief rolls in every part of the United States.

The crocodile tears shed by the professional mourners of an old and obsolete order over the slaughter of little pigs and other measures to reduce surplus agricultural inventories deceive very few thinking people, and least of all the farmers themselves.

CITES DESTINY OF HOGS

The acknowledged destiny of a pig is sausage, or ham, or bacon, or pork. In these forms, millions of pigs were consumed by vast numbers of needy people who otherwise would have had to do without.

Let me make one other point clear for the benefit of the millions in cities who have to buy meats. Last year the Nation suffered a drought of unparalleled intensity. If there had been no Government program, if the old order had obtained in 1933 and 1934, that drought on the cattle ranges of America and in the Corn Belt would have resulted in the marketing of thin cattle, immature hogs and in the death of these animals on the range and on the farm. Then we would have had a vastly greater shortage than we face today.

Our program saved the lives of millions of head of livestock. They are still on the range. Other millions are today canned and ready for the country to eat.

I think that you and I are agreed in seeking a continuance of a national policy which on the whole is proving successful. The memory of old conditions under which the product of a whole year's work often would not bring you the cost of transporting it to market is too fresh in your minds to let you be led astray by the solemn admonitions and specious lies of those who in the past profited most when your distress was greatest.

PRICES STILL HELD INSUFFICIENT

You remember, and I remember, that not so long ago the poor had less food to eat and less clothes to wear and that was at a time when you had to practically give away your products. Then the surpluses were greater and yet the poor were poorer than they are today and when you farmers are getting a reasonable although still an insufficient price.

I have not the time to talk with you about many other policies of your Government which affect the farm population of the country. I have not the time to go into the practical work of the Farm Credit Administration which in all of its ramifications has saved a million farms from foreclosure and has accomplished the first great reduction in exorbitant interest rates that this country has ever known.

Because your cause is so just no one has had the temerity to question the motives of your "march on Washington." It is a good omen for Government, for business, for bankers, and for the city dwellers that the Nation's farmers are becoming articulate and that they know whereof they speak.

I hope you have enjoyed your stay in Washington. Seeing your Government at first hand, you may have a better idea why its efforts at times seem lumbering and slow and complicated. On the other hand, you may have seen that we are moving faster and accomplishing more practical results than you have been led to believe by the high and mighty gentlemen I have spoken of. I want to thank you for your patience with us. I want to pledge our whole-hearted cooperation as you go forward.

KETCHIKAN, ALASKA

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on the Territories, and ordered printed:

To the House of Representatives:

I am in receipt of the following letter from the Secretary of the Interior advising of the loss of enrolled bill H. R. 6084, authorizing a bond issue for the town of Ketchikan, Alaska:

I regret to report the loss of enrolled bill H. R. 6084, authorizing a bond issue of Ketchikan, Alaska, which was delivered to my

office on May 3 by a messenger from the White House. The bill was receipted for by a messenger at my door, who has no recollection, however, of this particular document. The practice is for the messenger to deliver enrolled bills to the man in charge of the incoming mail for my office, who sends them to the file room for recording. There is no record of the receipt of this bill by the recording clerk. In fact, a thorough search of the entire Department, including Public Works, has failed to discover the bill, and no one has any recollection of having handled it. I have caused everyone to search all papers in and on their desks, but without result. I am chagrined to have to report the loss of this bill in spite of the care with which enrolled bills are handled in the Department. I recommend that you ask the Congress to authorize the preparation of a duplicate. The last approval day is tomorrow, May 15.

In the circumstances, I recommend that a duplicate bill be authorized by concurrent resolution.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 15, 1935.

Mr. DIMOND. Mr. Speaker, I offer the following concurrent resolution and ask for its immediate consideration.

The Clerk read as follows:

House Concurrent Resolution 21

Resolved by the House of Representatives (the Senate concurring), That the Speaker of the House of Representatives and the President of the Senate be, and they are hereby, authorized to sign a duplicate copy of the enrolled bill H. R. 6084, entitled "An act to authorize the city of Ketchikan, Alaska, to issue bonds in any sum not to exceed \$1,000,000 for the purpose of acquiring the electric light and power, water, and telephone properties of the Citizens' Light, Power & Water Co., and to finance and operate the same, and validating the preliminary proceedings with respect thereto, and for other purposes", and that the Clerk of the House be directed to transmit the same to the President of the United States.

The SPEAKER. Is there objection to the immediate consideration of the resolution?

Mr. SNELL. Reserving the right to object, what department was this lost in?

Mr. DIMOND. According to the letter, it was lost in the Department of the Interior.

Mr. SNELL. Is that the same Department that lost \$50,000,000, which was afterwards found to have been used for relief purposes? Probably the bill will be found in somebody's hip pocket later, and if it is so found, what becomes of it?

The SPEAKER. It will not be signed.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, that is the Department in which all of my requests for jobs are lost, and it is probably mixed up with some of them. [Laughter.]

Mr. SNELL. That being so, Mr. Speaker, I withdraw the inquiry.

The SPEAKER. Is there objection?

Mr. O'CONNOR. Mr. Speaker, further reserving the right to object, there is precedent for the signing of a duplicate bill. On February 3, 1921, a similar situation arose, and a duplicate bill was signed.

Mr. SNELL. We are not objecting.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, did I understand the Clerk to read that this involves a bond issue of \$100,000,000?

The SPEAKER. One million dollars. Is there objection? There was no objection.

The resolution was agreed to.

ADDITIONAL COPIES OF HEARINGS—ECONOMIC SECURITY ACT

Mr. LAMBETH. Mr. Speaker, I ask unanimous consent for the present consideration of Senate Concurrent Resolution 14, which I send to the desk and ask to have read.

The SPEAKER. The Clerk will report the Senate concurrent resolution.

The Clerk read as follows:

Senate Concurrent Resolution 14

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Finance of the Senate be, and is hereby, empowered to have printed 1,000 additional copies of the hearings held before the committee during the current session on the bill S. 1130, the Economic Security Act.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to; and a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

GEORGIA'S ANSWER TO HER GOVERNOR

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by placing therein a copy of a speech I delivered over the radio last evening.

The SPEAKER. Is there objection?

There was no objection.

Mr. COX. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by me over the radio last evening:

My friends, I wish, at the outset, to express my appreciation of the courtesy extended me by the Columbia Broadcasting System in permitting me to address you.

I appear as a Member of Congress from Georgia to answer a recent address made over this system by Governor Talmadge, of that State, in the hope that I may set right the people of the State in the eyes of the Nation.

Governor Talmadge did not speak for the people of Georgia in his bitter attack upon President Roosevelt and his administration. He spoke for himself alone and for motives which will subsequently become apparent.

The speech the Governor made was little more than a fault-finding tirade and would be of no importance except for the fact that it is an attack upon a Democratic President by a Democratic Governor of a rock-ribbed Democratic State in which the President makes his part-time home.

No one would deny to the Governor the right of criticism. Independence of thought and willingness to make public declaration of views are to be commended wherever found, but there is a broad distinction between legitimate criticism and what the Governor has done—as broad as the difference between lawful procedure and anarchy.

As a Member of Congress I have indulged in criticisms myself but have undertaken to make them advisory rather than destructive. I have not accepted without resistance all the measures offered with Presidential sanction. I opposed the adoption of the National Industrial Recovery Act, and I think upon good and substantial grounds, and have not changed my views. I did not support the \$4,000,000,000 unemployment relief bill because I thought it placed a burden upon the future which the needs of the present did not justify. I have complained of what I have taken to be a tendency toward the centralization of too much power in the Federal Government through a too liberal interpretation of the Constitution, but I have recognized that the country has been in a state of emergency and quick and effective relief has demanded direct and vigorous treatment which has called for concentration of authority and power.

Governor Talmadge condemned in no unmistakable words the relief activities of the administration as extravagant waste, yet this same Governor within 2 weeks before he addressed you, wrote letters to every Member of the Georgia delegation in Congress pleading for a direct grant of \$2,000,000 for the university system in Georgia. Governor Talmadge enjoys the distinction of being the first executive of any State in the Union out of whose hands the right to administer relief was taken. His whole grievance against the administration dates back to this incident. It was alleged that he was undertaking to make a political organization out of the State relief forces; that his then executive secretary, who is now commissioner of agriculture and advocating secession from the Union, was on the relief rolls, although at the same time he was drawing a sizeable salary from the State of Georgia. There were other similar complaints which need not be detailed.

Governor Talmadge condemned the activities of the Agricultural Adjustment Administration as a program of scarcity. He insists that farmers should be permitted to produce to the limit of their capacity, and yet while he was commissioner of agriculture he joined with Senator Long, then Governor of Louisiana, in inaugurating the first movement for a cotton holiday in the South. It seems paradoxical to disclose at this late date that Senator Long, as Governor of Louisiana, had his legislature pass a law prohibiting cotton growers of that fertile and productive State from planting a stalk of cotton in 1931, and after the Louisiana Legislature had passed this dictatorial act, Senator Long, who was then Governor of the State, called upon all the Southern States to join in the movement, and his representative in Georgia was Governor Talmadge, then Commissioner of Agriculture.

Governor Talmadge called a mass meeting of farmers in Atlanta at that time and made every effort to force Governor Russell, who is now Senator from Georgia, to call an extraordinary session of the State legislature and fall in line with Louisiana by passing a law to prohibit the farmer of Georgia from planting a stalk of cotton during an entire year. We now find these two distinguished gentlemen, Senator Long and Governor Talmadge, as the leading critics of the agricultural adjustment program, condemning administration benefits to the farmer as a fallacious program of scarcity and attempting to tell the farmer that the abolishment of the present program would result in better prices for his products. In this connection it will interest you to know that there is today in Washington a delegation of more than a thousand farmers from the State of Georgia who have come here to protest the speech of

Governor Talmadge, to express confidence in the President and approval of the administration's farm program.

The task of the A. A. A. has been that of coordinating the efforts of the American farmer to win his way back to a place in the American economy. In the 2 years following March 15, 1933, prices of the seven farm commodities originally named as basic in the Agricultural Adjustment Act—cotton, tobacco, hogs, corn, wheat, rice, and milk—more than doubled. In 1933, \$162,000,000 in rental and benefits were paid to farmers cooperating in the adjustment program, and in 1934, five hundred and fifty-six millions were paid in rental and benefit payments and drought livestock purchases, bringing the total cash income from \$4,328,000,000 in 1932 to \$5,051,000,000 in 1933, and to \$6,090,000,000 in 1934.

Now, what about Georgia?

In 1932 receipts from farm marketings yielded Georgia farmers \$58,311,000, but by 1934 receipts rose to \$95,886,000, and with \$14,215,000 of rental and benefit payments the total returns were \$110,101,000. In other words, Georgia's farm cash income for 1934 represented a gain of 90 percent over their farm cash income of 1932. In addition to this, up to February 1, 1933, Georgia cotton growers had received \$5,060,261 on cotton options held by them, as a result of the 1933 cotton program, and up to the same date Georgia farmers had taken advantage of the cotton loan to borrow \$42,255,149 on 701,072 bales of cotton. What has happened in Georgia is typical of what has happened in every other agricultural State.

The increase in this well-being of the farmer that followed the improvement in farm income just mentioned meant not only that the farmer has been able to buy more of the things he needs than he has for a number of years, but the city workers have in turn profited by the revival of markets due to his purchases.

These are some of the benefits that have flown to the farmer and the country as a direct result of the agricultural program, but still Governor Talmadge says it is all wrong and should not continue, that it is a program of scarcity, that it stagnates business and is hurtful to the farmer. I am unable to see how the farmer is hurt by doubling his income on the same investment and effort. I am sure that Governor Talmadge has no conscious intention of hurting the farmer. He has simply gotten into water that is over his head and rather than call for help he is willing to drown.

The Governor has threatened to campaign the country against the processing tax, but even if he should give up this proposed trip and decide to stay at home he cannot get by with telling the farmers that "the processing tax has stagnated the cotton industry in America and is causing the importation of cotton here every day." The figures on cotton imports for the 7 months ending February 1935 and the comparison with the same 7 months last year happen to be as follows:

Cotton unmanufactured, imports for consumption, by countries of production, for 7 months ending February—

Country of production	1934	1935
	Pounds	Pounds
Mexico.....	680,492	508,869
British West Indies.....	13,107	4,496
Argentina.....	2,737	.....
Brazil.....	.....	1,608
Peru.....	1,578,694	345,050
British India.....	5,576,875	6,995,055
China.....	6,118,838	1,297,123
Netherlands India.....	209,726	157,560
British West Africa.....	31,574	.....
Egypt.....	26,530,230	22,950,204
Total.....	40,742,274	32,250,966

Neither can the Governor get by with bewailing that the "thousands of cotton goods and fabrics that were once made in America and shipped to China and Japan are now made in China and Japan and shipped back here to the United States on account of this foolish processing tax", when the cotton farmers know well enough that imported raw cotton pays the same processing tax as domestic cotton when it is made up in an American mill, and when they know equally well that imported cotton textiles pay a compensating tax equal to our domestic processing tax, in addition to the regular tariff.

In addition to this, nothing would be more foolish than shutting out imports of cotton goods from Japan which is but a fraction of 1 percent of domestic production when Japan is the world's best customer for American cotton.

The Governor objects to all activities of the Government that compete with private enterprise. This puts him in opposition to the development of Muscle Shoals and makes him unwittingly a special pleader for the Power Trust and fertilizer combine which for many years succeeded in the killing off all legislation making use of this Government property. It puts him in opposition to the services that this development is intended to render—cheap fertilizer, rural electrification, and cheap power. Take the Government out of business, the Governor demands. Let me ask him what would have become of the distressed farm owners and home owners if the Government had not come to their rescue. He, of course, knows that the insurance companies, building and loan associations, and other lending agencies would own them all by now.

If the Government is in business, it is because business had failed and the country had to be saved. It was business that first obtained security through governmental aid. Big business that 2 years ago came to Washington with hat in hand, now haughtily demands that the recovery program under which it was saved cease, and Governor Talmadge joins in asking that this be done.

In his frenzied attack upon the President, Governor Talmadge has thrown himself into the very arms of big business, for it is from this source that comes greatest objection to the effort being made to give some kind of relief and security to people who toil. I am opposed to the regimentation of business and of life. I believe in government by law and not by men; but a state of war demands war measures, and until we come out of the slump into which the country has fallen we will have to put up with things with which we are unaccustomed. There is no intention anywhere to filch from the people their liberties, but, on the other hand, the determination to make them secure in the enjoyment of all their natural and legal rights.

Governor Talmadge blames the administration for the continued unemployment of thousands of unfortunate people and in the same breath he damns the President for relief activities which are designed to give these unfortunates a temporary means of living until they can be absorbed by industry. He complains of millions of dollars being spent for relief, but he fails to mention the widespread suffering that would result but for this humanitarian policy. He manifests greater concern in the profits of business than in the lives of the people. What would he do for the poor? There is no work to be had and they cannot live on grass.

In denouncing the administration farm program as an effort to build prosperity from scarcity, he fails to refer to the miserable economic conditions prevailing in American agriculture when large surpluses in cotton, wheat, and other major commodities depressed prices to the point where farmers were unable to recover the cost of their operations. In making the false claim that curtailment of acreage put millions of people off the farms, he said nothing of the tremendous increase in farm revenue that has resulted from this acreage curtailment. Perhaps his major recommendation for restoring normal conditions is the laughable suggestion that the Agricultural Adjustment Act be abolished and all outstanding contracts to the farmers be paid off and agriculture be forced to return to the old unorganized status it occupied during the early days of the depression. If this were done, a rule of ruin would follow. Expansion of acreage would be the first step, overproduction would ensue, the Government's policy of making commodity loans would be abandoned, market prices would collapse, and in less than a year American agriculture would find itself back in the depth of despair from which it is just now emerging.

The Governor has apparently overlooked the fact that the problem that confronted the President in 1932 was a complex one. That among other things it involved both recovery and reform. Recovery could have unquestionably been accomplished more speedily had all effort been concentrated upon that single phase of the problem, but the opportunity for reform would have passed, and reform was essential to the general good as recovery.

New treatment for both old and new problems had to be applied, and this called for experimentation which involved error. Errors have, of course, been made. In so vast an undertaking as saving the country from rack and ruin, calling for the speedy setting up of new machinery for administration purposes and the expenditure of huge sums of money, error was inevitable. No reasonable person would have expected such an undertaking to be free of inequalities, injustices, and waste. The question is: Have general conditions improved under the treatment that has been applied?

The Governor would judge things upon the basis of their weaknesses rather than their strength. His demand is for perfection in everything. Because of a lack of infallibility on the part of the President and perfection in the institutions and men set up and appointed to administer governmental affairs, he would hold that the President has been a complete failure and would set him aside and have another elevated to this high station, and the Governor seemingly intended, in this connection, to invite attention to himself.

The controlling passion of the President, as gathered from his public utterances and what he has done, has been to save America, and in the prosecution of this lofty and noble purpose he has probably found it necessary to accept as temporary expedients things that he would oppose being made permanent policies of government. The effort has been to give emphasis to the fact that government is the concern of all, that it is a social union, that it exists not alone for the protection of property but for the protection of person and property and all the good that government can be made to bestow. It is in the light of actualities that we must judge if we hope to judge rightly. The laying down of broad general principles of justice upon which to ground a rule of governmental conduct is not a simple undertaking.

Is it to be understood that the Governor has teased himself into the funny position of bidding for three nominations? A place on the national Democratic ticket, or if that cannot be had then on the Republican ticket, and if that be denied him then a place on the ticket of any third party that may come along? To be a contender for any one of these places a candidate should be able to start out with the support of his own State which in this instance will never be the case, for Georgia has but one candidate for the Presidency in 1936, and that candidate is the President himself.

But as serious as is the political apostasy of the Governor, his most grievous offense was his violation of all laws of decency

and propriety committed in a recent speech in which he derisively referred to the physical infirmities of the President. For this one offense, if for none other, public sentiment should lash him out of public life.

CRITICS OF A. A. A.

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, the President's denunciation of the critics of his destructive A. A. A. policies as liars includes a very wide category of Democrats and initiates a New Deal Ananias Club, including Senators Glass, Byrd, Tydings, Bailey, George, Walsh, Gore, Copeland, and Long, and Governor Talmadge of Georgia, Bainbridge Colby, former Democratic Secretary of State, Alfred E. Smith, John W. Davis, Albert C. Ritchie, Newton D. Baker and, lastly, Father Coughlin, who has been one of the severest and bitterest critics of the A. A. A. program, and practically all of New England.

One of the main pledges of the new-deal administration was to promote the export of our agricultural products, but instead, because of the half-baked program of the A. A. A., the export of wheat, cotton, pork, and other farm produce has reached a vanishing point.

"Whom the gods would destroy, they first make mad." Confused and confounded by the marked swing away from the unsound and socialistic new-deal policies, the President lost his head—and that is the mildest term that can be applied—when he called his critics "liars." The facts are seeping through to the people in spite of the radio barrage of the "new dealers" and honeyed words and sugar-coated phrases of the President in his fireside chats, that the impractical, visionary, and magical schemes of the Wallaces, Tugwells, and Ezekiels to destroy crops, regulate the birth control of pigs, and provide a program of scarcity when there are more than 11,000,000 unemployed and over 20,000,000 Americans on relief, have increased unemployment and lost our world markets for wheat and cotton, formerly our greatest sources of real wealth.

Naturally the cotton farmers, with cotton pegged at 12 cents, have flocked to Washington to applaud the President for temporary benefits, regardless of the fact that they are following the "new deal pied pipers" in a dance of death toward vanishing world markets and ruin and desolation for the South. If the cotton farmers and the South want to commit economic suicide for temporary profit, that is their business, but it does not change the facts by one jot or tittle. Lenin was right when he said that the capitalists would commit suicide for temporary profit, and that applies to the farmers as well. The cotton farmers have already lost over 50 percent of the world markets and will lose the balance to Brazil, Egypt, India, and Soviet Russia within the next 2 years, bringing economic and financial ruin to the South. The wheat export markets have already been lost and we are importing more wheat than we export, and shiploads of oats, corn, and rye are being unloaded in the United States at the present time. [Applause.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes to reply to the gentleman from New York.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, the President of the United States is the President of the whole United States. He is the Democrats' President. He is the Republicans' President. For months he has been working day and night in the interest of the American people. When the President's shoulders are bowed down just now with the great burdens of government, I cannot conceive of the kind of man who will get up on this floor day after day and try to hamstring him. [Applause on Democratic side.] He deserves a little encouragement once in a while, he deserves a little cooperation once in a while, he deserves efforts on both sides of this aisle to help hold up his hands in these trying times.

But the gentleman from New York [Mr. SNELL] has to get up and take his swipe at him; and the gentleman from Massachusetts [Mr. TREADWAY] has to get up and take his swipe at him; and now the new tentative leader, the tentative candidate for President on the Republican side, Mr. FISH, has got to take his political swipe at the President.

Mr. Speaker, I wish these gentlemen on the other side of the aisle could have attended a banquet at the Mayflower Hotel last night, where 710 farmers from the great State of Texas met to thank and eulogize their President. They did not want anything, they did not come here to demand anything, but they came here merely to thank the Congress and the President for what the Congress and the President have done for them. [Applause on the Democratic side.]

I have been here for 18 years in Congress. This is the first time I have ever heard of the American people being so full of gratitude to their President and to their Congress that they would make a trip of 2,000 miles, at their own expense, to thank their Congress and thank their President and his administration for giving them a square deal.

Mr. ANDREWS of New York. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. It is time this sniping ought to stop; it is time this shooting from ambush ought to stop. Even the people of Potsdam do not appreciate it. [Applause on the Democratic side.]

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, my only thought in getting this time is this: After listening to the gentleman from Texas [Mr. BLANTON] make his wonderful appeal to the Membership of the House to stand by and support the President, I am wondering whether or not gentlemen on his side of the aisle are going to support the President in his position on the bonus.

Mr. BLANTON. No, we are not; but that has nothing to do with it, because we are not attacking him and we are not sniping at him all the time.

The SPEAKER. The time of the gentleman from Michigan has expired.

FRED C. AINSWORTH ENDOWMENT LIBRARY

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to proceed for half a minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, the late Gen. Fred C. Ainsworth left a bequest of \$10,000 to establish in Walter Reed Hospital the Fred C. Ainsworth Library. The Judge Advocate General of the Army has held that action by Congress permitting the War Department to accept this money to have the library established is necessary.

Unless acceptance is made by the 5th of June the bequest will fail. It is, therefore, an emergency that we take up and pass this bill.

I ask unanimous consent, Mr. Speaker, for the present consideration of Senate Joint Resolution 98, to authorize the acceptance on behalf of the United States of the bequest of the late Maj. Gen. Fred C. Ainsworth for the purpose of establishing a permanent library at the Walter Reed General Hospital to be known as the "Fred C. Ainsworth Endowment Library."

The SPEAKER. The gentleman from Alabama [Mr. HILL] asks unanimous consent for the present consideration of Senate Joint Resolution 98, which the Clerk will report.

The Clerk read as follows:

Resolved, etc., That the adjutant Walter Reed General Hospital be, and is hereby, authorized to accept the bequest of the late Maj. Gen. Fred C. Ainsworth, or such amount thereof as is available, as contained in his last will and testament, and such interest as may have accrued on the funds covered by such bequest, and to receipt therefor on behalf of the United States, and to deposit the funds so received in the Treasury of the United States as a special fund dedicated to the purpose of establishing

a permanent library at the Walter Reed General Hospital, to be known as the "Fred C. Ainsworth Endowment Library", said fund to be subject to disbursement for such purpose upon vouchers submitted by the adjutant Walter Reed General Hospital and to be available until expended: *Provided*, That the Treasurer of the United States, upon the written request of the adjutant Walter Reed General Hospital so to do, is authorized to invest and reinvest any part or all of the corpus of this bequest, as well as any income therefrom, in interest-bearing United States Government bonds, and retain custody thereof, if, in the judgment of the adjutant it will best serve the objects of the bequest: *Provided further*, That the Treasurer of the United States, upon the written request of the adjutant Walter Reed General Hospital so to do, is authorized to dispose of, for cash, any part or all of any bonds in which such funds may be invested, and redeposit the proceeds thereof, as well as all interest received from time to time upon any such bonds, to the credit of such special fund and subject to withdrawal and disbursement and reinvestment, as above provided for: *And provided further*, That the administration, control, and expenditure of this fund and its application to the purposes intended shall be according to the sole discretion of the adjutant Walter Reed General Hospital, and the exercise of his discretion and authority in regard thereto and his decision thereon shall not be subject to question or review except by the Secretary of War and courts of competent jurisdiction.

Sec. 2. The necessary space or a separate room in any building at the Walter Reed General Hospital is authorized to be set aside for the purpose of establishing the said library.

The SPEAKER. Is there objection to the present consideration of the Senate joint resolution?

Mr. SNELL. Reserving the right to object, as I understand, it is necessary to have a resolution of this kind, in order to take advantage of the bequest?

Mr. HILL of Alabama. That is the opinion of the Judge Advocate General, stated to the War Department, and conveyed in a letter from the Secretary of War to the Chairman of the Committee on Military Affairs of the House.

The SPEAKER. Is there objection?

There was no objection.

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed a joint resolution and a bill of the following titles in which the concurrence of the House is requested:

S. J. Res. 113. Joint resolution to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes.

S. 2357. An act to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933.

The message also announced that the Senate had agreed to a concurrent resolution of the House of the following title:

H. Con. Res. 21. Concurrent resolution authorizing the Speaker of the House to sign a duplicate copy of the enrolled bill H. R. 6084.

RESEARCH IN CONNECTION WITH AGRICULTURAL COMMODITIES

Mr. JONES. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 7160) to provide for research into basic laws and principles relating to agriculture and to provide for the further development of co-operative agricultural extension work and the more complete endowment and support of land-grant colleges.

This is a bill for research and land-grant colleges. It has the unanimous report of the committee. I feel that there is no opposition to the bill.

The SPEAKER. The gentleman from Texas asks unanimous consent for the immediate consideration of the bill H. R. 7160, which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SNELL. Reserving the right to object, as far as the bill itself is concerned, I do not know that there is any objection to it. I do not see the gentleman from Kansas [Mr. HOPE], ranking minority member of the Committee on Agriculture, present.

Mr. JONES. I spoke to the gentleman from Kansas about it. He did not know it was coming up just at this time, but he helped prepare the bill and is supporting it. I telephoned his office. He is on his way. I notice there are other members of the committee on the minority side present.

Mr. SNELL. Is there any explanation that should be made in connection with the bill?

Mr. JONES. I will be glad to make any explanation.

Mr. O'CONNOR. Reserving the right to object, is this one of the bills for which the gentleman has requested a rule?

Mr. JONES. No; I have not requested a rule on this. I may have listed it as one of the bills we wanted to take up, but this is the land-grant and research bill.

Mr. O'CONNOR. The gentleman requested a rule on another bill which had a unanimous report, and it was stated there was no objection to it. It was unanimously reported and everybody was for it, but at the hearing before the Rules Committee some objection arose. That is the forestry bill. It is being held up awaiting further explanation.

Mr. JONES. I do not think I listed that bill. I think the gentleman from South Carolina [Mr. FULMER] listed that.

Mr. O'CONNOR. Many of these bills that are reported out unanimously by committees develop much controversy before the Rules Committee.

Mr. JONES. That rarely happens in matters reported by our committee.

Mr. O'CONNOR. I am not going to object, but in my opinion this is not the way to enact legislation.

Mr. JONES. I was simply trying to save time for the Foreign Affairs Committee.

Mr. SNELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. What is to be the program for today? As I understood it, the Committee on Agriculture had the call.

The SPEAKER. This is Calendar Wednesday. The committees will be called as soon as the House disposes of business on the Speaker's table.

Mr. JONES. The Foreign Affairs Committee desires to take up several bills.

Mr. SNELL. I understood the Committee on Agriculture had the call.

Mr. JONES. If this bill is passed, we will be out of the way. We will present nothing further today.

Mr. SNELL. And the gentleman's committee will lose its call.

Mr. TAYLOR of Colorado. The Foreign Affairs Committee will take up the balance of the day. They have enough bills to take up the balance of the day.

Mr. JONES. The Committee on Foreign Affairs will have the call, and I was trying to save time for them.

The SPEAKER. Is there objection?

Mr. TRUAX. Reserving the right to object, I would like to ask the Chairman of the Committee on Agriculture just what this bill provides?

Mr. JONES. This bill provides for two things: It provides for research into problems affecting agriculture, and a search for new markets and new uses. It also provides additional funds for the land-grant colleges.

Mr. TRUAX. Does it involve any additional appropriation?

Mr. JONES. Yes. For the research it involves at the start \$1,000,000 a year, gradually increasing to \$5,000,000. Then it also provides for an additional fund for the land-grant colleges, beginning with an \$8,000,000 annual appropriation and increases to twelve million. I think the gentleman's own State has a land-grant college.

Mr. TRUAX. Yes. That is the reason I am interested. Mr. JONES. It provides additional funds made necessary by reason of the administration of the farm program.

Mr. TRUAX. Can the gentleman enlighten me as to the research work, just what field will be entered?

Mr. JONES. The research will be into basic lines of agriculture. Sixty percent of the research funds will be allocated to the States, to be matched by the States, the research conducted by the States, into problems of marketing and new uses, and laws and principles affecting agriculture generally. Sixty percent of that money will be allocated to the various States, to be matched by the States.

Mr. TRUAX. And it will go to the colleges and experiment stations?

Mr. JONES. Yes.

Mr. TRUAX. Are those all the agencies that will secure this money?

Mr. JONES. Those are all the agencies that will secure this money that is allocated to the States for the extension service. Then a percentage of the research fund is left to the discretion of the Secretary of Agriculture, 20 percent to be spent wherever he sees fit, and 20 percent in regional investigations in various regions.

Mr. TRUAX. I wonder if the gentleman would welcome a suggestion that part of these funds be used for researching more intensely into the cost of production of basic commodities? I think we are all interested in that.

Mr. JONES. The Secretary could do that out of this fund. It covers in a broad way research into the basic laws of production, the quality and improved methods of production, as well as the search for new uses and new markets.

Mr. TRUAX. It could be done?

Mr. JONES. In my judgment it could be done; yes. The Secretary will have discretion in a broad way in the use of these research funds.

Mr. TRUAX. Mr. Speaker, I am glad to hear the distinguished gentleman from Texas say that it can be done. If we had less professorial research and less professional "bug" hunters on Government pay rolls, it would then be possible to determine each year with great accuracy the farm cost of production of each basic agricultural commodity. This would provide an opportunity for real and lasting service to farmers of untold value. Tell us, without guessing, what it costs to raise a bushel of wheat, a bushel of corn, a hundred pounds of pork, and a hundred pounds of beef; then, and then only, can we expect national legislation by the Congress to guarantee to the farmer that cost plus a reasonable profit.

I always favor adequate appropriations for worth-while projects under the jurisdiction and direction of land-grant colleges. On the other hand, I am opposed to certain types of so-called "research work" conducted in the past under the supervision of the United States Department of Agriculture cooperating with the various experiment stations. I refer to the somewhat abortive attempt made in 1926, 1927, and 1928 to control the European cornborer. At that time millions of dollars were expended by both Federal and State governments.

One of the schemes tried out was an attempt to develop a type of corn that would be immune and act as a repellent to the attacks of the borer. Nearly \$3,000,000 were spent by the United States Department of Agriculture in the purchase of tractors, trucks, plows, oil burners, and other machinery in the vain hope of destroying the borer by mechanical means, quite overlooking or ignoring the fact that the natural flight of the moths when they emerged from the larvae was the most prolific means of spreading the pest and cannot be stopped or controlled by human agencies or mechanical means. Needless to state that these attempts resulted in foredoomed failure.

Recently I received a copy of a speech by a Member of the Senate which listed more than 1,000 positions now held by college graduates in the Agricultural Adjustment Administration. I think it is wholly wrong to deny the same opportunities of employment to outstanding and forward-facing farmers simply because they have been denied the advantages of a college education and training. I hope that this

apparent discrimination in favor of the college graduate which penalizes those farmers who have not had the time nor the means to attend college will be corrected in the near future.

Mr. Speaker, I withdraw my objections.

Mr. MICHENER. Mr. Speaker, reserving the right to object, as I understand, the call lies with the Committee on Agriculture today unless the committee waives the call.

Mr. JONES. Yes; but there are a number of bills the Committee on Foreign Affairs desires to dispose of.

Mr. MICHENER. The Frazier-Lemke bill and the gentlemen's own bill, from his own committee affecting agriculture are on the calendar, and the rules of the House provide that on Calendar Wednesday the committee having the call may bring up such bills as the committee has reported out. Has the gentleman's committee taken action to waive its call on Calendar Wednesday?

Mr. JONES. No; the gentleman has not taken action to do that. We have a number of important bills on the calendar which are more or less controversial and which could not be finished in 1 day, and we feel there is no use wasting a lot of the time of the House. The gentleman understands that Calendar Wednesday is only for 1 day, and no important controversial bill can be passed in 1 day. There will be requests for rules on those various bills because they are controversial. They will excite a lot of discussion and it would be impossible to pass them in 1 day. It is not our policy to take up a lot of the time of the House in the consideration of controversial measures that could not be passed in a day. They must be brought up in the regular way so they can be finished.

Mr. MICHENER. If the gentleman is going to ask for rules on those bills, of course, that is a better way of bringing them up.

Mr. JONES. We will ask for rules on several bills.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Clerk will report the bill.

Mr. JONES. Mr. Speaker, I ask unanimous consent that the bill be considered as read and be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The bill is as follows:

Be it enacted, etc.,

TITLE I

SECTION 1. The Secretary of Agriculture is authorized and directed to conduct scientific, technical, economic, and other research into basic laws and principles and processes relating to the improvement of the quality of, and the development of, new and improved methods of production of, distribution of, and new and extended uses and markets for, agricultural commodities and by-products and manufactures thereof. Research authorized under this section shall be in addition to research provided for under existing law (but both activities shall be coordinated so far as practicable) and shall be conducted by such agencies of the Department of Agriculture as the Secretary may designate or establish.

SEC. 2. The Secretary is also authorized and directed to encourage research similar to that authorized under section 1 to be conducted by agricultural experiment stations established or which may hereafter be established in pursuance of the act of March 2, 1887, providing for experiment stations, as amended and supplemented, by the allotment and payment as provided in section 5 to States and Territories for the use of such experiment stations of sums appropriated therefor pursuant to this title.

SEC. 3. For the purposes of this title there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000,000 for the fiscal year beginning after the date of the enactment of this title, and for each of the 4 fiscal years thereafter \$1,000,000 more than the amount authorized for the preceding fiscal year, and \$5,000,000 for each fiscal year thereafter. Moneys appropriated in pursuance of this title shall also be available for the purchase and rental of land and the construction of buildings necessary for conducting research provided for in this title, for the equipment and maintenance of such buildings, and for printing and disseminating the results of research. Sums appropriated in pursuance of this title shall be in addition to, and not in substitution for, appropriations for research or other activities of the Department of Agriculture and sums appropriated or otherwise made available for agricultural experiment stations.

SEC. 4. Forty percent of the sums appropriated for any fiscal year under section 3 shall be available for the purposes of section 1. The sums available for the purposes of section 1 shall be designated as the "Special research fund, Department of Agriculture", and no part of such special fund shall be used for the prosecution of research heretofore instituted or for the prosecution of any new research project except upon approval in writing by the Secretary. One-half of such special research fund shall be used by the Secretary for the establishment and maintenance of research laboratories and facilities in the major agricultural regions at places selected by him and for the prosecution, in accordance with section 1, of research at such laboratories.

SEC. 5. (a) Sixty percent of the sums appropriated for any fiscal year under section 3 shall be available for the purposes of section 2. The Secretary shall allot, for each fiscal year for which an appropriation is made, to each State and Territory an amount which bears the same ratio to the total amount to be allotted as the rural population of the State or Territory bears to the rural population of all the States and Territories as determined by the last preceding decennial census. No allotment and no payment under any allotment shall be made for any fiscal year in excess of the amount which the State or Territory makes available for such fiscal year out of its own funds for research and for the establishment and maintenance of necessary facilities for the prosecution of such research. If any State or Territory fails to make available for such purposes for any fiscal year a sum equal to the total amount to which it may be entitled for such year, the remainder of such amount shall be withheld by the Secretary. The total amount so withheld may be allotted by the Secretary of Agriculture to the States and Territories which make available for such year an amount equal to that part of the total amount withheld which may be allotted to them by the Secretary of Agriculture, but no such additional allotment to any State or Territory shall exceed the original allotment to such State or Territory for that year by more than 20 percent thereof.

(b) The sums authorized to be allotted to the States and Territories shall be paid annually in quarterly payments on July 1, October 1, January 1, and April 1. Such sums shall be paid by the Secretary of the Treasury upon warrant of the Secretary of Agriculture in the same manner and subject to the same administrative procedure set forth in the act of March 2, 1887, as amended June 7, 1888.

SEC. 6. As used in this title the term "Territory" means Alaska, Hawaii, and Puerto Rico.

SEC. 7. The Secretary of Agriculture is authorized and directed to prescribe such rules and regulations as may be necessary to carry out this act.

SEC. 8. The right to alter, amend, or repeal this act is hereby expressly reserved.

TITLE II

SECTION 21. In order to further develop the cooperative extension system as inaugurated under the act entitled "An act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of the act of Congress approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture", approved May 8, 1914 (U. S. C., title 7, secs. 341-348), there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purpose of paying the expenses of cooperative extension work in agriculture and home economics and the necessary printing and distribution of information in connection with the same, the sum of \$8,000,000 for the fiscal year beginning after the date of the enactment of this title, and for the fiscal year following the first fiscal year for which an appropriation is made in pursuance of the foregoing authorization the additional sum of \$1,000,000, and for each succeeding fiscal year thereafter an additional sum of \$1,000,000 until the total appropriations authorized by this section shall amount to \$12,000,000 annually, the authorization to continue in that amount for each succeeding fiscal year. The sums appropriated in pursuance of this section shall be paid to the several States and the Territory of Hawaii in the same manner and subject to the same conditions and limitations as the additional sums appropriated under the act of May 8, 1914, except that (1) the allotments to the several States and the Territory of Hawaii shall be in the proportion that the farm population of each bears to the total farm population of the several States and Hawaii, as determined by the last preceding decennial census, and (2) the several States and Hawaii shall not be required to offset the allotments authorized in this section. The sums appropriated pursuant to this section shall be in addition to, and not in substitution for, sums appropriated under such act of May 8, 1914, as amended and supplemented, or sums otherwise appropriated for agricultural extension work. Allotments to any State or Hawaii for any fiscal year from the appropriations herein authorized shall be available for payment to such State or Hawaii only if such State or Hawaii complies, for such fiscal year, with the provisions with reference to offset of appropriations (other than appropriations under this section) for agricultural extension work.

SEC. 22. In order to provide for the more complete endowment and support of the colleges in the several States entitled to the benefits of the act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts", approved July 2, 1862, as amended and supplemented (U. S. C., title 7, secs. 301-328; Supp. VII, sec. 304), there are hereby authorized to be ap-

appropriated annually, out of any money in the Treasury not otherwise appropriated, the following amounts:

(a) For the fiscal year beginning after the date of the enactment of this title, and for each fiscal year thereafter, \$960,000; and

(b) For the fiscal year following the first fiscal year for which an appropriation is made in pursuance of paragraph (a), \$500,000, and for each of the 2 fiscal years thereafter \$500,000 more than the amount authorized to be appropriated for the preceding fiscal year, and for each fiscal year thereafter \$1,500,000. The sums appropriated in pursuance of paragraph (a) shall be paid annually to the several States in equal shares. The sums appropriated in pursuance of paragraph (b) shall be in addition to sums appropriated in pursuance of paragraph (a) and shall be allotted and paid annually to each of the several States in the proportion which the total population of each such State bears to the total population of all the States, as determined by the last preceding decennial census. Sums appropriated in pursuance of this section shall be in addition to sums appropriated or authorized under such act of July 2, 1862, as amended and supplemented, and shall be applied only for the purposes of the colleges defined in such act, as amended and supplemented. The provisions of law applicable to the use and payment of sums under the act entitled "An act to apply a portion of the proceeds of the public lands to the more complete endowment and support of the colleges for the benefit of agriculture and the mechanic arts established under the provisions of an act of Congress approved July 2, 1862", approved August 30, 1890, as amended and supplemented, shall apply to the use and payment of sums appropriated in pursuance of this section.

The SPEAKER. The Clerk will report the amendments. The Clerk read as follows:

Committee amendments: Page 1, beginning in line 5, after the word "conduct", strike out the balance of line 5 and all of lines 6, 7, 8, and 9, and on page 2 all of line 1 to and including the word "thereof" in line 2, and insert in lieu thereof the following: "research into laws and principles underlying basic problems of agriculture in its broadest aspects; research relating to the improvement of the quality of and the development of new and improved methods of production of, distribution of, and new and extended uses and markets for, agricultural commodities and by-products and manufactures thereof; and research relating to the conservation, development, and use of land and water resources for agricultural purposes."

Page 3, line 20, after the figure "1", insert a colon and the following: "Provided, That not to exceed 2 percent of the sums appropriated may be used for the administration of section 5 of this title."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. JONES. Mr. Speaker, in view of the brief discussion on the bill just passed, I ask unanimous consent that all Members may have 5 legislative days within which to extend their own remarks on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the cotton farmers are in Washington today and I am delighted that they are here. I wish that every Member from the Northern States and every Member from the Southern States, every Member who grows cotton, every Member who has a textile plant in his district, whether he be from the North or the South, at a big meeting of the Members and the cotton farmers could discuss our whole cotton problem. It is not a problem for the South alone, it is not a problem for the North alone. We need the South and the South needs us.

Those farmers who have their processing taxes know very well that if the northern markets are gone and if the southern mills lose their foreign market that King Cotton will be dethroned.

Mr. Speaker, the Chair realizes that the northern Members who have spoken have not said that the farmers should not be reimbursed for their cotton; they have said that the wheels of the cotton textile industry must turn, that the people must have work.

Mr. Speaker, I cannot understand why there have been the bitter attacks upon New England by the Secretary of Agriculture, by Members of Congress from the South. [Cries from the Democratic side of "Regular order!" "Regular order!"] You know very well, my friends on the Democratic side, that you need us just as we need you. We have cast no aspersions on the South or the southern workers, but many aspersions have been cast upon our manufacturers and upon our New England workers of foreign descent, who are so fine. I am pleading for the whole country, Mr. Speaker, not for just my section.

[Here the gavel fell.]

Mr. DALY. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DALY. Mr. Speaker, I want to make an inquiry. I have heard of Democratic Congresses and Republican Congresses, but I now want to ask if I am justified in referring to the present Congress as a piscatorial Congress, since we have a "kingfish" at one end of the building and a "poor fish" at the other end? [Laughter and applause.]

Mr. FISH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FISH. I would like to know if the gentleman who just spoke is a Member of Congress. I have never seen him before. [Laughter.]

The SPEAKER. That is not a parliamentary inquiry, but the Chair will answer the inquiry of the gentleman from New York by saying that the gentleman from Pennsylvania is a very prominent and able Member of the House.

Mr. DALY. Mr. Speaker, if the Chair will permit, I would say to the gentleman from New York that if he had been present at the sessions of the House attending to his business, as I have been, instead of touring the country maligning the Chief Executive, he would know I am a Member of this House. [Applause.]

OUR BANKING POLICY

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a copy of a request sent to the Congress by the Board of Supervisors of Los Angeles, Calif., and also a letter from Mr. Siegfried, an economist.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. Mr. Speaker, the Banking Act of 1935 has been passed by the House and is now under consideration in the Senate. It was my privilege to participate in the debate on the bill, and in closing my remarks I recommended further study of our banking problem on the part of Congress, and not only on the part of Congress but on the part of commerce, agriculture, and industry. It seems that we have been given to theorizing, and the solution of the problem has not been sought on a factual basis. We must marshal the facts if we expect to treat the subject scientifically. Whether the House or Senate performs this service, now or in the future, it is a duty which remains with the Congress.

Only recently Members received at their offices a document containing suggestions for the act from the well-known economist, Mr. Thorwald Siegfried, of Los Angeles, Calif. Accompanying it was an official request from the Board of Supervisors of Los Angeles for consideration of his proposal which had for its purpose the embodiment of economic equity.

The request of the supervisors, it will be recalled, was as follows:

COUNTY OF LOS ANGELES,
BOARD OF SUPERVISORS,
Los Angeles, Calif.

To the Senate and the House of Representatives in Congress:

The Board of Supervisors of the County of Los Angeles hereby request that due consideration be given the proposal of Mr. Thorwald Siegfried, as presented to the Banking and Currency Com-

mittee of the United States Senate and the House of Representatives. Mr. Siegfried's known position as economist and author on economic issues of the day is one that the board of supervisors is familiar with. His position in the community is one of long standing and he is looked upon with high regard.

Very truly yours,

MAME B. BEATTY,
Chief Clerk Board of Supervisors.

From Mr. Siegfried has come to me the following letter under date of May 9, 1935:

MAY 9, 1935.

HON. EDWARD A. KENNEY,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Complimenting you on having said on May 3 (pp. 7186-7187) the only fundamental things that have appeared in the RECORD up to that time on the subject of banking and currency. All the rest is symptomatic, superficial, emotional, speculative; but the bill of exchange, the self-liquidating item monetized by check, is the core of Anglo-Saxon and American superiority in commerce. When more men wake up to that fact we may have truly scientific banking policy, either by voluntary action of intelligent bankers or by legislation.

If your remarks should be reprinted, I should value having a number of copies for distribution, up to several hundred; also of anything more that you say on this line.

I take this opportunity of handing you another, and marked, copy of the broadside on the currency and banking bill, which was sent to you and other Members last week.

Very sincerely yours,

THORWALD SIEGFRIED.

It is to be hoped, Mr. Speaker, that the Senate now or this House at the earliest opportunity sift the fundamentals relating to banking, whereupon there should be no difficulty in establishing a "truly scientific banking policy."

CALENDAR WEDNESDAY

The SPEAKER. This is Calendar Wednesday. The Clerk will call the committees.

Mr. McREYNOLDS (when the Committee on Foreign Affairs was called). Mr. Speaker, I call up the bill (H. R. 6504) to amend an act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor", and ask unanimous consent that it may be considered in the House as in the Committee of the Whole House on the state of the Union.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 11 of the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America and providing compensation therefor", approved February 23, 1931, be, and it is hereby, amended to read as follows:

"SEC. 11. That all appointments and promotions of Foreign Service officers shall be made by the President, by and with the advice and consent of the Senate, and such officers may be commissioned as diplomatic or consular officers or both: *Provided*, That Foreign Service officers now or hereafter appointed or promoted during a recess of the Senate shall be paid the compensation of the position to which appointed or promoted from the date of such appointment or promotion until the end of the next session of the Senate if they have not theretofore been confirmed by the Senate, or until their rejection by the Senate before the end of its next session: *Provided further*, That if the Senate should reject or fail to confirm the promotion of a Foreign Service officer during the session following the date of such promotion, the Foreign Service officer shall automatically be reinstated in the position from which he was promoted, such reinstatement to be effective, in the event of rejection of the nomination, from the date of rejection; and in the event of failure of the Senate to act on the nomination during the session following a promotion, from the termination of that session: *And provided further*, That all official acts of such officers while serving under diplomatic or consular commissions in the Foreign Service shall be performed under their respective commissions as secretaries or as consular officers."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES COURT FOR CHINA

Mr. McREYNOLDS. Mr. Speaker, I call up the bill (H. R. 7909) to amend the act creating a United States court for China and prescribing the title thereof as amended, and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. BLANTON. Mr. Speaker, reserving the right to object to ask some questions. What is the necessity for creating these additional employees to send to China? I notice that the bill provides that this clerk to be appointed may act for the judge when the judge is not there. My idea is that the judge ought to be there. There are too many officials who go to foreign countries representing the United States Government and do not stay there and attend to their business. They come back home and stay 2 or 3 months, and some spend their time here lecturing around the country. They have been doing this for 20 years. They want somebody to attend to their business while they are gone.

Mr. Speaker, I doubt the wisdom of passing this bill, although I do not like to put my judgment up against the judgment of the gentleman and his committee. The gentleman, the chairman of this committee, is one of the leading Members of the House. I should like to feel that he watches these things and is not going to approve a bill for extra employees unless it is absolutely necessary.

Mr. McREYNOLDS. May I explain the situation to the gentleman. This is the situation in China. We have one district judge and this judge not only has Shanghai, but he also has to go to two or three other places as far separated as Boston is from San Francisco. All rights of American citizens are determined in this court and it is impossible for the judge to stay in Shanghai all the time. When this situation occurs there is no chance for the settlement of litigation of any kind or for the treatment of prisoners even.

Mr. BLANTON. The thought I have in mind goes back to the passage of the Dyer China Trading Act. When they brought that bill up here for consideration, I called attention to just what would happen; that is, we would have so-called "Americans" going over to China and engaging in business in China for their own commercial advantage. The rest of the people of the United States are not interested at all. These people who go over there are there to make money. I called attention to the fact that this Congress would be called upon year after year to appropriate a lot of money to take care of and protect them and the first thing you know their rights would be invaded over there and we would have to spend a lot of money to protect them. And then over my objections, Mr. Dyer passed another bill to exempt these Americans trading in China from paying an income tax. That law should be repealed.

There is no reason in the world why there should be so many Americans in China doing a private business over there so that the United States Government has to furnish courts in China for them and extra officials to take care of their business.

Mr. McREYNOLDS. May I say to the gentleman from Texas that there are 4,000 American citizens resident in Shanghai. The gentleman must remember that our marines and soldiers are constantly in that territory.

Mr. BLANTON. But their rights are not protected by this court.

Mr. McREYNOLDS. Absolutely.

Mr. BLANTON. Their rights are protected by the United States Army and Navy.

Mr. McREYNOLDS. But if they have to be tried they have to go before that court.

Mr. FISH. Mr. Speaker, may I ask the gentleman what is the objection to going into Committee of the Whole and considering this matter?

Mr. McREYNOLDS. Not in the least.

Mr. BLANTON. I do not care to waste that time. I just want to ask one question. The gentleman stated there are 4,000 Americans doing business in China.

Mr. McREYNOLDS. In Shanghai.

Mr. BLANTON. In China, which includes Shanghai.

Mr. McREYNOLDS. Only in Shanghai.

Mr. BLANTON. In what way do they benefit the people of the United States? Our people are not interested in them, or their money-making schemes in China.

Mr. MARTIN of Massachusetts and Mr. TABER demanded the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. TABER. Mr. Speaker, I object.

The SPEAKER. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7909) to amend the act creating a United States court for China and prescribing the title thereof, as amended, with Mr. Houston in the Chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. FISH. Mr. Chairman, I would like to have an understanding as to time.

Mr. BLANTON. May I ask a question of the gentleman from Tennessee first?

Mr. FISH. Mr. Chairman, I want an understanding as to the division of time.

Mr. McREYNOLDS. The gentleman will have 1 hour's time at his disposal.

Mr. FISH. Mr. Chairman, I hope at the outset that the gentleman from Tennessee or the sponsor of the bill will explain it to the House. This may save a good deal of time.

Mr. BLANTON. Will the gentleman from Tennessee yield for a question?

Mr. McREYNOLDS. I yield to the gentleman from Texas.

Mr. BLANTON. All I want to know is what benefit it is to the 125,000,000 people of the United States to have these 4,000 people in China doing business for themselves? How does it benefit our nationals here in the United States?

Mr. McREYNOLDS. I may say to the gentleman that his question might be pertinent if we were establishing a court at this time, but the court has already been established years ago. Our citizens are over there. They are going there all the time. They are coming away from there. Many of them live there. It is for their protection that the court has been created, and it is for the purpose of giving a speedy trial to those persons involved in litigation.

Mr. BLANTON. I have this thought in mind. I know of men who have gone down into old Mexico to try to get rich by going in the mining business, in the oil business, or in the cattle business. As soon as they got down there they would get into some trouble they ought not to get into, and then call on the Government to spend a lot of money to protect them when probably they should not be protected.

I have found sometimes when they go down there and do wrong they are not entitled to any protection from this Government and this is going on all over the world. We ought to make American citizens stay out of these foreign countries if they are going to expect the Government to be spending money in their behalf all the time.

Mr. BOYLAN. Does that include Mexico, too?

Mr. BLANTON. Yes.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. McREYNOLDS. I gladly yield to the gentleman.

Mr. TABER. I notice in the report accompanying this bill there is a letter from the Attorney General.

Mr. McREYNOLDS. Yes.

Mr. TABER. The Attorney General does not seem to warm up to the feature in the bill that the commissioner is to be appointed by the district judge to act as district judge in his absence, and he suggests there be a special or substitute judge appointed by the President. It seems to me that notwithstanding this suggestion and this recommendation of the Attorney General the committee has brought in a bill which does the very thing which the Attorney General objects to, and I would like to have the chairman explain that situation.

Mr. McREYNOLDS. The gentleman is in error about that. The gentleman is misconstruing the first section of the bill. The first section of the bill amending section 10

merely applies to the consulate court. We have a consulate court there now and he acts in these matters ex officio as judge, and this is merely authority for the judge to appoint his clerk as the consulate court, and not to act for the judge in the other matters referred to. The consulate court is more like a justice-of-the-peace court in this country, with certain limited jurisdictions. The gentleman has misconstrued the language. This bill was drawn in the Attorney General's office, and this letter came in response to another bill which had been introduced. This bill was substituted for the other bill in conformity with the request of the Attorney General, and there was a unanimous report by the committee.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. McREYNOLDS. I gladly yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. This bill does not create a new, all-time salaried office, does it?

Mr. McREYNOLDS. Not at all.

Mr. CHRISTIANSON. It simply provides that the judge may appoint a local attorney to act in his behalf at a per diem of \$10 when the judge is necessarily absent from Shanghai on business in other parts of the country.

Mr. McREYNOLDS. The gentleman is correct. It does not create any additional office. We have a judge in China and under present conditions we have also a consulate court. The consulate court, as I stated a moment ago, is more like a justice-of-the-peace court. When the district judge is not there, there is no one available who can take up these matters, and all the rights of Americans are determined in this district court of the United States. The district judge not only has Shanghai, where there are 4,000 Americans, but he has to go to two other places in China to hold court where we have American citizens and where American rights are involved, and these places are as far apart as Boston from San Francisco. This measure is to apply only in the case of an emergency. If the judge is sick, or if the judge wants to take a vacation of 30 days, he cannot take it. When the change was made over there and the new judge was appointed, there was some lapse of time involved and the people had to go without such a court, and when the former district attorney was before the committee he stated that on account of this condition, at times when the judge is in some other place, American citizens are held in jail for months before they can get a trial.

This does not create a new office. This is simply for the purpose of allowing the President to designate someone in an emergency when the judge cannot be there, who is to receive a paltry sum for his services when the judge is absent. Your committee was unanimous in its report.

Mr. FISH. I would ask the gentleman to spread a little of his wisdom to the Members on this side.

Mr. McREYNOLDS. I thought the gentleman, being a member of this committee, was converted and needed no further information.

Mr. FISH. I am with the gentleman, but I want the gentleman to give some information to this side.

Mr. McREYNOLDS. I think the Members on that side are all with the committee.

Mr. FISH. No; there is a little opposition here.

Mr. McREYNOLDS. Tell me the opposition.

Mr. TABER. I have a suggestion to make to the gentleman, if he will bear with me a moment.

Mr. McREYNOLDS. I shall be delighted to do so.

Mr. TABER. This bill says, in line 21, page 2:

Such special judge shall receive the same rate of compensation and the same allowances for expenses and transportation when acting outside of Shanghai as are paid and allowed the judge of said court.

The bill does not say he shall be paid only during the time he is acting during the three instances when he is permitted to have such jurisdiction. It seems to me this language could be clarified quite considerably with reference to the compensation of the judge and show that he should only receive the compensation when he is actually serving under

the conditions set out in the three lettered subdivisions of the bill.

Mr. McREYNOLDS. I am thoroughly in accord with the gentleman, and if he will draft such an amendment I shall be pleased to support it.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. CHRISTIANSON. I think the purpose can be accomplished by changing the position of a comma, moving the comma after the word "compensation", in line 22, to line 23, after the word "transportation", making it read:

Such special judge shall receive the same rate of compensation and the same allowances for expenses and transportation, when acting outside of Shanghai, as are paid and allowed the judge of said court.

Mr. TABER. I am afraid it would not.

Mr. McREYNOLDS. The Chairman agrees with you, and if you can arrange an amendment I am willing to accept it.

Mr. CHRISTIANSON. Will the gentleman yield further?

Mr. McREYNOLDS. I yield.

Mr. CHRISTIANSON. The suggestion of the gentleman from New York can be accomplished by transposing the words "when acting outside of Shanghai" to the beginning of the paragraph, making it read:

When acting outside of Shanghai such special judge shall receive the same rate of compensation—

And so forth.

Mr. TABER. I think that would accomplish it.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mrs. ROGERS of Massachusetts. Is it not true that while the judge has jurisdiction over 4,000 people, in reality he will have jurisdiction most of the time over 8,000 because there are a great many sailors and marines placed there?

Mr. McREYNOLDS. That is true. I want to say to the House that the committee does feel that this is a measure of relief that should be granted.

Mr. FISH. Will the gentleman yield?

Mr. McREYNOLDS. Gladly.

Mr. FISH. Did not the committee a few years ago take up the question of abolishing extraterritorial rights and privileges in China?

Mr. McREYNOLDS. That has been done with reference to other courts. There was a consular court at Shanghai composed of the consuls of our Government and other governments and also China. That court which had jurisdiction in China is now strictly a Chinese court.

Mr. FISH. Has the committee considered the question whether we should have extraterritorial rights in China?

Mr. McREYNOLDS. No; it has not been reached.

Mr. FISH. Does the gentleman think we should continue it?

Mr. McREYNOLDS. At this time I am not prepared to say.

Mr. FISH. Then why should we pass this bill?

Mr. McREYNOLDS. Because we have this situation.

Mr. FISH. Would the gentleman be in favor of legislation to abrogate them?

Mr. McREYNOLDS. I do not know.

The CHAIRMAN. If there is no further demand for time, the Clerk will read the bill for amendment.

The Clerk read the bill as follows:

Be it enacted, etc., That the act entitled "An act creating a United States Court for China and prescribing the title thereof", approved June 30, 1906 (34 Stat. 814), as amended, be, and it is hereby, amended by the addition of the following sections:

"Sec. 10. That the judge of the United States Court for China is hereby authorized to appoint, as in the District Courts of the United States and with similar powers and tenure of office, a United States commissioner, who shall in addition to his other duties be judge of the consular court for the district of Shanghai, with all the authority and jurisdiction exercised prior to June 4, 1920, by the vice consul at Shanghai. Said commissioner shall receive for his services as commissioner and judge of said consular court such compensation as may be fixed by the Attorney General, not exceeding \$10 per day for each day of service actually rendered. In the event of a vacancy in the office of said commis-

sioner or the disability or disqualification or absence of said commissioner, the judge of the United States Court for China may appoint the clerk of said court temporarily to perform the duties of commissioner and judge of the consular court for the district of Shanghai without additional compensation therefor.

"Sec. 11. The President may appoint a special judge of the United States Court for China to act temporarily when necessary—

"(a) During the absence of the judge of said court;

"(b) During any period of disability or disqualification, from sickness or otherwise, to discharge his duties; or

"(c) In the event of a vacancy in the office of judge.

"Such special judge shall receive the same rate of compensation, and the same allowances for expenses and transportation when acting outside of Shanghai, as are paid and allowed the judge of said court."

SEC. 2. All laws and parts of laws in conflict herewith are hereby repealed.

Mr. McREYNOLDS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, line 24, after the word "court" insert "No compensation shall be paid to said judge except in the actual discharge of his duties provided by this section."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. McREYNOLDS. Mr. Chairman, I move that the Committee do now rise and report the bill with the amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to. Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. Houston, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 7909, to amend the act creating a United States Court for China and prescribing the title thereof, as amended, and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. McREYNOLDS. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

AGRICULTURAL ADJUSTMENT ACT

Mr. JONES. Mr. Speaker, I ask unanimous consent that I be granted until midnight tonight to file a report and minority views on the bill (H. R. 8052) to amend the Agricultural Adjustment Act, and for other purposes.

The SPEAKER. Is there objection?

There was no objection.

INTERNATIONAL CONGRESS OF MILITARY MEDICINE AND PHARMACY

Mr. McREYNOLDS. Mr. Speaker, I call up House Joint Resolution 249, to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy, to be held at Brussels, Belgium, in June 1935, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Tennessee calls up House Joint Resolution 249, which the Clerk will report.

The Clerk read as follows:

Resolved, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$8,000, or so much thereof as may be necessary, for the expenses of participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in 1935, including personal services in the District of Columbia or elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting and other services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books, documents, newspapers, periodicals, and maps; stationery, official cards; printing and binding; entertainment; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent that the House joint resolution be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, I move to strike out the last word, to ask some questions of the chairman of the committee. Is not this a junketing bill?

Mr. McREYNOLDS. I do not think so.

Mr. BLANTON. Is not the purpose of this to spend \$8,000 on a junket to Brussels for certain medical men in one branch of our Government?

Mr. McREYNOLDS. Does the gentleman want me to answer that?

Mr. BLANTON. Yes.

Mr. McREYNOLDS. Perhaps the gentleman should have waited for the chairman to explain the bill.

Mr. BLANTON. Oh, I just want an answer yes or no.

Mr. McREYNOLDS. No; it is not.

Mr. BLANTON. Mr. Speaker, I am afraid, nevertheless, that it is, after all, a junketing resolution without my friend knowing it, and I am afraid there are some more junkets in some other bills on today's calendar.

Incidentally, it is well known to my colleagues here that I have never been on a junket since I have been in Congress. I have paid my own expenses out of my own pocket every time I have been to a funeral, and every time I have checked up Government projects in different parts of the United States, and not one dollar has the Government ever reimbursed me for it.

Yet in the Washington Times yesterday appeared the following malicious statement:

When the House committee was named to attend the funeral of the late Senator Bronson Cutting, of New Mexico, Representative THOMAS L. BLANTON was selected as a member of the group.

When the committee was first named, it was thought that the services would be held in New Mexico.

Had that been true, BLANTON would have had the opportunity to stop off at Abilene, Tex., his home. And his trip would have been paid for by the taxpayers of the Nation whom he always contends he wants to protect.

When it was announced, however, that services would be held in New York instead of in New Mexico, BLANTON made a long speech asking to be replaced on the committee.

He suggested the appointment of Representative MATTHEW J. MERRITT, of New York.

BLANTON apparently was not interested in a New York trip.

Those of you colleagues who were not then present should look at the RECORD and see the brief request in just a few words I made asking the Speaker to appoint in my place our distinguished colleague, Hon. MATTHEW J. MERRITT, who is Congressman at large from the entire State of New York.

As this funeral was to take place in New York, I felt that honor could be done our deceased friend, the late able and distinguished Senator from New Mexico, by having a Representative of the whole State of New York to attend this funeral.

Yet, even on such a subject, Hearst's Washington Times could not forget its spleen and malice against me long enough not to refrain from misrepresenting the facts, and misleading the public about the real facts.

Since I have been a member of the subcommittee which handles and frames the War Department appropriation bill, I have been one of the official visitors to the United States Military Academy, at West Point, and could have had the Government pay all of my expenses to West Point, N. Y., and back every year, yet not one dollar have I had the Government pay out for such purpose. I could have had the Government pay my expenses on a trip to Panama each year to inspect Government property there, for which my committee appropriates, yet not one dollar has this Government ever paid out for me on any trip to Panama. I could have had the Government pay my expenses whenever I have inspected Government property and projects owned by our Military Establishment, yet not one dollar has the Government ever paid out for same.

I have inspected Government property and Government projects in many parts of the United States, but invariably

I have always paid all of the expenses of same out of my own pocket.

Not one junket have I ever taken. Not a single trip have I ever taken at Government expense. I have always paid for my own trips.

Last year I spent quite a large sum of money out of my own pocket checking up Government projects, so that I would have first-hand information about them when our committee is called upon to make large appropriations for same. I could have been reimbursed for all of it by merely filing expense accounts, for there was money already appropriated to cover just such expenses, yet I filed no expense accounts, and did not ask for reimbursement, but paid all of such expenses myself.

And it is an infamous outrage on the part of this Hearst newspaper continually to make these malicious misrepresentations. It is hurting Hearst and not me, for his readers are gradually learning that they cannot depend on anything they see in one of his newspapers.

But, getting back to this measure, has my friend from Tennessee investigated the necessity for spending \$8,000 to have someone attend this medical conference in Brussels?

Mr. McREYNOLDS. The committee investigated it very thoroughly.

Mr. BLANTON. Does the gentleman think it absolutely necessary?

Mr. McREYNOLDS. I think it would be very beneficial. Everyone in this House knows the gentleman from Texas [Mr. BLANTON], Mr. Speaker, and who knows his record knows that the gentleman is against junkets. The chairman of this committee is against them; but there are certain things in which we feel the Government ought to engage that are very beneficial.

Mr. BLANTON. Mr. Speaker, I have such confidence in the distinguished gentleman from Tennessee [Mr. McREYNOLDS], who is the chairman of this committee, and who is close to the Speaker—and I know that the Speaker is not going to permit any junkets if he can help it—that I shall not stand in the way of his bill or delay it any further, although I have not been fully convinced that we could not save this \$8,000 and keep it from going out of the Treasury without injury to our interests.

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 2, line 11, insert the following new section:
"SEC. 2. The funds made available under this authorization shall be expended under the supervision of the Secretary of State."

The committee amendment was agreed to.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

DIPLOMATIC AND CONSULAR ESTABLISHMENTS AT HELSINGFORS, FINLAND

Mr. McREYNOLDS. Mr. Speaker, I call up the bill H. R. 4448, to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland, and I ask unanimous consent that the same be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That for the purpose of further carrying into effect the provisions of the Foreign Service Buildings Act of 1926, as amended, there is authorized to be appropriated, in addition to the amount authorized by such act, an amount not to exceed \$300,000 for the purpose of acquiring a site, erection of buildings, and the furnishings thereof, for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland. Sums appropriated pursuant to this act shall be available for the purpose and be subject to the conditions and limitations of the Foreign Service Buildings Act of 1926, as amended.

Mr. BLANTON. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, if this were not for Finland, I would not be for it. Finland, geographically and financially, is one of the smallest nations, and yet it is the only nation that has had the honesty to pay back to the United States Government its obligations for borrowed money.

I take off my hat to little Finland. It is honest. It is reliable. It is dependable. It is grateful. It has appreciation. It is not an ingrate.

I used to be proud of the fact that my forbears came from England to this country and settled in Virginia. I used to be proud of it; but I am not proud of it any longer. After all this country did for Great Britain in the World War, when she had her back to the wall and France was on her knees, when Italy and Russia had been whipped out of the picture, this country came to their rescue and sent billions of dollars over there, money that was raised at great sacrifice by the American people. We put 4,000,000 men in uniform and sent our men and flag across the waters and saved their civilization. It is an infamous outrage that a great nation like Great Britain and France should disregard their obligations to this country. I have no patience with any ingrate. Talk about balanced budgets! There will be none in England or France until they make proper provision to pay the sacred debts of honor they owe us.

Little Finland, great honor to her! The first foreign country that I visit is going to be Finland. Here is to the health, happiness, and prosperity to Finland. [Applause.]

Mr. FISH. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, this bill is a very proper gesture to a friendly nation, Finland, the only nation that has paid its war debts. I do not know that I can agree with the gentleman from Texas [Mr. BLANTON] in singling out Great Britain for not paying its share of the war debt. I think it is only fair to tell the House that Great Britain has paid a far larger degree of its debt to the United States than any other foreign country except Finland. The money Great Britain paid back was for credit extended or money loaned during the World War. What I object to is the fact that there are a number of nations, and perhaps it is not wise to name them all, that have not even paid back the money that we loaned them after the war was won or after the armistice was signed. That was not the case with Great Britain. I did not take the floor to defend Great Britain or any other nation for not paying the war debts, on the very liberal adjustment made with them by the Congress and the Government of the United States, especially in view of the huge sums they are spending on military and naval armaments.

Mr. BLANTON. Will the gentleman yield?

Mr. FISH. I yield.

Mr. BLANTON. The gentleman knows that if England and France had not defaulted, and had not deliberately refused to provide means to pay the interest on these debts, other countries would have followed suit. When they did default, the other countries followed what they did, and also defaulted. So, after all, that is the reason I blame those two great countries for leading in defaulting.

Mr. FISH. I blame them both, but particularly I blame France for not paying the money we loaned them after the armistice. Now, the joker of the whole situation is this: We have been paid approximately \$2,000,000,000 by our former allies on these debts, most of it by Great Britain, which has paid about \$1,400,000,000. Germany has paid to the Allies approximately \$2,000,000,000 in the way of reparations and indemnities, but the American people have loaned German cities and industrial companies about \$2,500,000,000. So that today Germany is in \$500,000,000, over and above her payment of war reparations and indemnities.

But I did not rise to speak on that issue. I just wanted to join the committee and say that this is a very proper step to take and a worthy tribute of our esteem and friendship for Finland. Finland is one of the poorest nations of the world, but one of the most honorable. Their Members of Congress or the Diet receive less than \$1,000 a year, and their members of Cabinet get approximately \$2,500, and I think their President is paid a salary of \$14,000. Finland

is the only nation which has actually paid in full in accordance with the terms of the debt settlement with the United States. That speaks well for the Finnish people, both in Finland and in the United States. There are no more loyal, industrious, honest, or dependable people in our country than those from Finland. This bill should be passed by a unanimous vote, not only as a tribute to Finland, the one nation that has paid her debts to us, but to the people of Finnish origin in the United States in order to show our appreciation of their native land—honest little Finland.

Therefore, Mr. Speaker, I hope that this bill will be passed by a unanimous vote by the House and in the Senate without any further delay and be enacted into law, and \$300,000 be made immediately available for the purpose of acquiring a site, erection of buildings, and the furnishings thereof for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland.

Let me ask this, as long as the gentleman from Tennessee [Mr. McREYNOLDS], Chairman of the Committee on Foreign Affairs, is on his feet, what has happened to the \$1,200,000 we appropriated for an embassy in Soviet Russia, which has refused to pay its debts? Can the gentleman enlighten this House on that? What a marked difference there is between Finland, formerly a part of Russia, and the present Soviet Government of Russia.

Mr. McREYNOLDS. The gentleman from New York is a member of that building commission, and he has the same information as the chairman of the committee.

Mr. FISH. I am inclined to believe that in view of the repudiation of its promises made when we recognized Soviet Russia that no American embassy will be built or ought to be built in Moscow until an agreement is reached to pay or reimburse American citizens for property seized by the Soviet Government.

The SPEAKER. The time of the gentleman from New York [Mr. FISH] has expired.

Mr. McREYNOLDS. Mr. Speaker, I rise in opposition to the pro forma amendment.

Mr. Speaker, it is a source of a great deal of pleasure to me that we have this bill before us for consideration, and I feel that the House is for it unanimously. I take some little pride in having originated the idea of providing for the erection of a building in Finland to house our diplomatic and consular activities in that country. I feel that it is a gesture in the right direction to that Nation, small though it be, which has shown loyalty to principle by paying its obligations to this Government. Not only is it a mark of respect we desire to show them but also it is thoroughly justifiable from the facts existing in Helsingfors. The other great nations of the world excepting the United States have creditable buildings in Helsingfors. Our forces, including our Minister, occupy the fifth floor of a store building. We pay nearly \$12,000 per year in rentals. While the pending bill calls for an authorization of \$300,000, our Minister to Finland states that he feels it will cost only \$275,000 for the purchase of the property and the construction of suitable buildings which will be a credit to this Government. So, figured in this way, and considering that it will cost the Government only 2½ or 3 percent to procure this money, we shall have an ultimate saving in our rentals in Helsingfors and at the same time will be showing some honor and respect to that little nation which stands by its own obligations. I am sure every Member of the House will be glad to vote for this bill. [Applause.]

[Here the gavel fell.]

The pro forma amendments were withdrawn.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAN AMERICAN INSTITUTE OF GEOGRAPHY AND HISTORY

Mr. McREYNOLDS. Mr. Speaker, I call up House Joint Resolution 182, to provide for membership of the United States in the Pan American Institute of Geography and History; and to authorize the President to extend an invitation for the next general assembly of the institute to meet in the United States in 1935, and to provide an appropriation

for expenses thereof, and ask unanimous consent that the House joint resolution may be considered in the House as in the Committee of the Whole House on the state of the Union.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That to enable the United States to become a member of the Pan American Institute of Geography and History there is hereby authorized to be appropriated annually the sum of \$10,000 for the payment of the quota of the United States.

SEC. 2. That the President be, and he is hereby, requested to extend to the Pan American Institute of Geography and History an invitation to hold the second general assembly of the Institute in the United States in the year 1935;

SEC. 3. That the sum of \$10,000, or so much thereof as may be necessary, is hereby authorized to be appropriated for the expenses of such a meeting, including personal services without reference to the Classification Act of 1923, as amended, in the District of Columbia and elsewhere; stenographic reporting and other services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 4, sec. 5); rent, traveling expenses; purchase of necessary books and documents; newspapers and periodicals; stationery; official cards; printing and binding; entertainment; hire, maintenance, and operation of motor-propelled passenger vehicles; and such other expenses as may be actually and necessarily incurred by the Government of the United States by reason of such invitation in the observance of proper courtesies, to be expended under the direction of the Secretary of State.

Mr. CASTELLOW. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the legislation now under consideration, House Joint Resolution 182, has two objectives. First, it provides for membership of the United States in the Pan American Institute of Geography and History. Second, it authorizes the President to extend an invitation to the Institute to hold its next regular session in Washington, D. C. The bill also authorizes an annual appropriation of \$10,000 to pay the pro rata share of the United States of the expenses of the Institute, and provides further for an appropriation of \$10,000 to defray the expenses incident to the meeting of the Institute here next fall.

For the benefit of the House I will undertake to give a brief history of the Pan American Institute of Geography and History. It was created by a resolution of the Sixth International Conference of American States in Habana, Cuba, on February 7, 1928. Article 8 of the resolution provides:

The seat of the institute shall be the capital of any American state chosen by the Pan American Union. The Government of the American state which accepts the locating of the institute in its capital shall provide a building appropriate for the labors hereinbefore enunciated which it must perform.

The governing board of the Pan American Union, after mature consideration, designated Mexico City as the seat of the institute. The Mexican Government having accepted the location has provided at its own expense a suitable and commodious building for its accommodation. On September 16, 1929, representatives from 19 American nations met in the national palace in the city of Mexico for the purpose of organization. The United States was represented at the meeting by Col. Lawrence Martin, Chief Division of Maps, Library of Congress; Prof. George B. Winton, professor of history, Vanderbilt University; and Dr. William Bowie, Chief Division of Geodesy, United States Coast and Geodetic Survey, all having been appointed as delegates by the President.

The budget, accepted at this preliminary assembly, contemplated an annual expenditure of \$52,000 with the part to be borne by the United States fixed at \$31,750. At the first regular assembly of the institute, held in Rio de Janeiro in 1932, the total annual budget was reduced to \$27,900, and the part to be borne by the United States was reduced to \$10,000.

At the meeting in Rio de Janeiro the United States was represented by Hon. Edwin V. Morgan, Ambassador to Brazil, and Dr. Wallace W. Atwood, president of Clark University, Worcester, Mass. The assembly selected Dr. Atwood as executive president for the succeeding 3 years and Washington as the next place of meeting.

In a communication from Hon. Wilbur J. Carr, Assistant Secretary of State, to Hon. KEY PITTMAN, Chairman of the

Senate Committee on Foreign Relations, on June 7, 1934, the objectives of the institute were enumerated as follows:

The purpose of the institute should be to serve for the coordination, distribution, and publication of geographical and historical studies in the American States and to serve as an organ of cooperation between the geographical and historical institutes of America in order to facilitate the study of the publications which concern geography and history and to initiate and coordinate investigations which require the cooperation of several countries and to direct scientific discussion.

Topographic and geodetic maps, prepared under the supervision of this institute may be most helpful to the various American countries in the development of their natural resources. The data prepared by such agency might also be found most advantageous in promoting transportation facilities, including railroads, motor vehicles, and airplanes. [Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, the gentleman from Georgia is a member of the Foreign Affairs Committee. It was the intention of the Chairman of the Committee on Foreign Affairs, the gentleman from Tennessee [Mr. McREYNOLDS], that the gentleman from Georgia should have 30 minutes in the Committee of the Whole to make his speech; and I ask unanimous consent that the gentleman from Georgia may have an additional 25 minutes in which to finish his speech, which is the time he would have had in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CASTELLOW. Mr. Speaker, the institute is essentially of a nonpartisan nature, but its services might become available where matters of dispute over border lines and kindred questions arise between American nations in the event that each government concerned might make specific request for such services upon the part of the agency.

In referring to the pending bill, Dr. Wallace W. Atwood, president of the institute, had the following to say:

As I mingle with the Latin-American people I realize more strongly each year that we must establish cordial cultural relations with them. They appreciate those finer things in life and they are much interested in coming to know us in other than commercial ways.

Our Washington meeting should do much to help strengthen the spirit of cordial good will and respect. In the end I believe it will aid greatly in promoting commercial relations.

In addition to the recommendation of Secretary Hull to our Foreign Affairs Committee of the House regarding the bill, I have a personal message from him, in part as follows:

From a scientific and educational point of view the aims of the institute are very commendable and the active participation of this Government will greatly enhance the effectiveness of the institute's work. I believe that this Pan American organ would ultimately prove of great value to many branches of the Government, scientific organizations, and educational institutions in the United States. * * * In my opinion the Pan American Institute of Geography and History is a worthy endeavor and I am convinced that its support by the United States would be received with great satisfaction by the other American nations.

A message from the President to the Congress, under date of February 20, 1935, is as follows:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State, with an accompanying paper, to the end that legislation may be enacted providing for an annual appropriation of \$10,000 for the payment of the share of this Government in the expenses of the Pan American Institute of Geography and History and requesting the President to invite the Pan American Institute of Geography and History to hold its second general assembly in the United States in 1935, and providing an appropriation of \$10,000 for the expenses of such a meeting.

If by joining our efforts with those of our sister Republics to the south we can promote a closer relationship and a more thorough accord in the solution of our mutual problems, the civic, social, and commercial splendor of a new era for this hemisphere is assured. So in response to the expressed wishes of all our scientific organizations, and upon the request of the Secretary of State and our President, let us now pass, without further delay, this worth-while legislation.

Mr. Speaker, I yield back the balance of my time.

The pro forma amendment was withdrawn.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERNATIONAL EXHIBITION AT BRUSSELS, BELGIUM, 1935

Mr. BLOOM. Mr. Speaker, I call up House Joint Resolution 210 for the participation of the United States in a universal and international exhibition at Brussels, Belgium, in 1935.

The SPEAKER. The gentleman from New York calls up House Joint Resolution 210 of which the Clerk will report the title.

The Clerk read the title of the House joint resolution.

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. Evidently there is no quorum present.

CALL OF THE HOUSE

Mr. BLOOM. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 73]

Amlie	DeRouen	Kennedy, N. Y.	Rich
Andrews, N. Y.	Dirksen	Kerr	Richards
Bankhead	Drewry	Kimball	Robertson
Berlin	Driver	Kopplemann	Ryan
Bland	Duncan	Lamneck	Sabath
Brennan	Dunn, Miss.	Lea, Calif.	Sanders, La.
Buckley, N. Y.	Eaton	Lee, Okla.	Scott
Burnham	Flannagan	Lloyd	Scrugham
Cannon, Wis.	Gambrill	McClellan	Sears
Carden	Gasque	McFarlane	Shannon
Carlson	Gifford	McGehee	Short
Casey	Gildea	McLaughlin	Smith, W. Va.
Chapman	Gillette	Millard	Snyder
Claiborne	Goldborough	Miller	Stubbs
Clark, Idaho	Gray, Pa.	Mitchell, Ill.	Sullivan
Cochran	Green	Montet	Sumners, Tex.
Collins	Greenwood	Nichols	Sutphin
Connery	Hancock, N. C.	Oliver	Sweeney
Cooley	Hartley	O'Malley	Thomas
Corning	Hennings	Peyser	Treadway
Cox	Hook	Pfeifer	Wadsworth
Cross, Tex.	Hope	Randolph	Waiter
Culkin	Keller	Reece	Werner
Dear	Kennedy, Md.	Reilly	

The SPEAKER. Three hundred and thirty-six Members have answered to their names. A quorum is present.

On motion of Mr. TAYLOR of Colorado, further proceedings under the call were dispensed with.

HOME MORTGAGE RELIEF

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that I may have until midnight to file a conference report on the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

INTERNATIONAL EXPOSITION AT BRUSSELS, BELGIUM, 1935

The SPEAKER. Under the rule, the House automatically resolves itself into the Committee of the Whole House.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the joint resolution (H. J. Res. 210), for the participation of the United States in a universal and international exhibition at Brussels, Belgium, in 1935, with Mr. MITCHELL of Tennessee in the chair.

The Clerk read the title of the joint resolution.

Mr. McREYNOLDS. Mr. Chairman, I ask unanimous consent that the first reading of the joint resolution be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. FISH. Mr. Chairman, there are some Members on this side of the aisle who want the joint resolution read; therefore I must object.

The CHAIRMAN. Objection is heard. The Clerk will read the bill.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the invitation extended by the Belgian Government to the United States to participate in a universal and international exhibition to be held at Brussels, Belgium, in 1935 is hereby accepted.

Sec. 2. The President is authorized to appoint a commissioner general to represent the United States in the exhibition. The commissioner general shall prescribe the duties of the commissioner and shall, under the direction of the Secretary of State, (1) make all needful rules and regulations relative to the exhibits from this country and its overseas territories, and for the expenditures incident to the installation of such exhibits, and for the preparation of reports of the exposition and the general results thereof; (2) furnish such information to private exhibitors and prospective exhibitors as he may deem requisite and feasible; (3) make all proper arrangements for the preparation, transportation, installation, display, and care of the exhibits from this country and its overseas territories; (4) with reference to such exhibits from this country and its overseas territories, and reports, cooperate with and secure the assistance of the various executive departments and branches of the Government participating in the exposition, which departments and branches may, with the approval of the Secretary of State, designate officials or employees of their departments or branches to assist the commissioner general, but no such official or employee so designated shall receive a salary in excess of the amount which he has been receiving in the department or branch where employed, plus such reasonable additional allowance for expenses as may be deemed proper by the Secretary of State; (5) employ such clerks, stenographers, and other assistants as may be necessary, and fix their reasonable compensation; and (6) purchase such material, contract for such labor and services, and cause to be constructed such buildings as may be necessary to carry out the general purpose of this act. The heads of the various departments and branches of the Government are authorized, in cooperation with the Secretary of State, to collect and prepare suitable exhibits for display at the exposition, accompanied by appropriate descriptions in the French, Flemish, and English languages.

Sec. 3. Officers and employees of the executive departments or branches of the Government in charge of or responsible for the safekeeping of any property of this country and its overseas territories which is proposed to be exhibited, may permit such property, on the request of the commissioner general, to pass from their possession for the purpose of being transported to and from and exhibited at the exposition. At the close of the exhibition, or when the connection of the Government of the United States therewith ceases, if practicable, the commissioner general shall cause all such property to be returned to the respective departments and branches from which taken; and if the return of any such property is not practicable, he may, with the knowledge of the department or branch from which it was taken, and with the approval of the Secretary of State, make such disposition thereof as he may deem advisable and account therefor.

Sec. 4. In order to defray the expenses hereinbefore specified and all the singular expenses necessary to carry out the purposes of this act, the sum of \$25,000, or so much thereof as may be necessary, is authorized to be appropriated out of any money in the Treasury not otherwise appropriated, to remain available until expended. All expenditures shall be subject to approval by the Secretary of State and payable upon his certification, but shall not be subject to the provisions of any law other than this act regulating or limiting the expenditure of public money, but this provision shall not be construed to waive the submission of accounts and vouchers to the General Accounting Office for audit or permit any indebtedness to be incurred in excess of the amount authorized to be appropriated.

Sec. 5. The commissioner general, with the approval of the Secretary of State, may receive from any source contributions to aid in carrying out the general purpose of this act, but the same shall be expended and accounted for in the same manner as any appropriation which may be made under authority of this act. The commissioner general is also authorized to receive contributions of material to aid in carrying out the general purpose of this act, and at the close of the exposition or when the connection of the Government of the United States therewith ceases, under the direction of the Secretary of State, shall dispose of any such portion thereof as may be unused.

Sec. 6. It shall be the duty of the Secretary of State to transmit to Congress within 6 months after the close of the exposition a detailed statement of all expenditures, together with the reports hereinbefore specified and such other reports as he may deem proper which reports shall be prepared and arranged with a view to concise statement and convenient reference.

Mr. BLOOM. Mr. Chairman, of all the bills introduced in the Congress of the United States on expositions, I think this bill is unique. In the first place, it does not authorize an appropriation for any junket. I heard someone a few moments ago say that this is only a junket bill involving \$25,000. If the Members will read the bill they will find there are no salaries paid to any commission, which is rather unusual. It merely provides for the United States to participate in the exposition to be held in Belgium.

Mr. TABER. Will the gentleman yield?

Mr. BLOOM. I yield to the gentleman from New York.

Mr. TABER. I wonder if the gentleman will read paragraph 5, line 21, of page 2 for the benefit of the Members of the House?

Mr. BLOOM (reading):

(5) Employ such clerks, stenographers, and other assistants as may be necessary.

Now, what is the question?

Mr. TABER. I thought the Committee might be interested in knowing that the money could be used to employ such clerks, stenographers, and other assistants that may be necessary, and their reasonable compensation may be fixed.

Mr. BLOOM. Yes; the gentleman is correct; but it is not a junket for the reason that only applies to the different departments who may send clerks over. There is a commissioner general provided for, who will be our Ambassador to Belgium, Mr. Morris. He is to act as the commissioner general, and the Ambassador has graciously offered to contribute the time necessary to make our part of it a success.

Mr. Chairman, the only reason these expositions are held is for the benefit of trade. That is why we participate and that is why we hold expositions.

Now, let us see what has happened to our export business to Belgium. In 1929 our exports were \$114,855,000. In 1930 they dwindled to \$86,000,000 and in 1931 they went down to \$59,441,000. In 1932 the exports were \$40,278,000. In 1933 they were \$43,268,000 and in 1934, \$49,814,000. The balance of trade in favor of the United States has gone from \$40,807,000 to \$23,640,000.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. BLOOM. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. Has the gentleman any figures indicating what the balance of trade was before the war?

Mr. BLOOM. I have not those figures before me at this time.

Mr. CHRISTIANSON. I was wondering to what extent the favorable balance during the latter part of the decade of 1920 was due to the loans that were extended to European countries, and whether the dropping off in part represents only the cessation of credit?

Mr. BLOOM. Unfortunately, I have not the information before me, and I do not want to say anything or give any answer unless I am sure of my figures. I may say, however, that one of the principal reasons our export trade has dwindled down is because we keep on insulting the different peoples of the world. On the floor of this House there is always an exception to participating in friendly expositions, and you cannot expect to hold your world trade or increase your trade unless you are friendly and honest in your expressions of thought. That is a fact.

Mr. CHRISTIANSON. I want to assure the gentleman that was not my intention in asking the gentleman the question I did; however, I would like to know if somebody can give the information as to what part of this trade with foreign countries, especially with Belgium, during the latter part of the twenties was due to the credit that we extended to them and such artificial devices as that?

Mr. BLOOM. I may say to the gentleman that I might have this information in my office. I did not think that question was going to be brought up here today. I will be very glad to insert the information in the RECORD.

Mr. SNELL. Will the gentleman yield?

Mr. BLOOM. I yield to the gentleman from New York.

Mr. SNELL. Did I understand the gentleman to say that our export trade had dwindled to nearly nothing?

Mr. BLOOM. I did not say that.

Mr. SNELL. Did I understand the gentleman to say that a few minutes ago?

Mr. BLOOM. Our exports in general have gone down.

Mr. SNELL. Did the gentleman say they had dwindled to nearly nothing?

Mr. BLOOM. Yes.

Mr. SNELL. Will you give that information to my good friend the gentleman from New York [Mr. O'CONNOR], because yesterday I made a statement not nearly as broad as that and he disputed me. If you will give the gentleman

that information to put in his speech it will make a much better speech.

Mr. BLOOM. I would like to give the gentleman some information. Is the gentleman willing to receive some information along this line?

Mr. SNELL. Surely.

Mr. BLOOM. If our export trade, which was \$114,855,000 in 1929, dwindled to \$43,000,000, I would like to have the gentleman give the reason for it.

Mr. SNELL. I will give the gentleman some of the reasons if he will give me the time.

Mr. BLOOM. I will give the gentleman time, so far as I am concerned.

Mr. SNELL. I spent about an hour day before yesterday giving some of the reasons our export trade had gone all to pieces, and my friend O'CONNOR said my statements were not correct, but the gentleman has now fortified me in the statements I then made.

Mr. BLOOM. I can assure the gentleman that the argument of the gentleman should go to the gentleman from New York [Mr. O'CONNOR], and not to me. This is a different kind of argument.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. MARTIN of Massachusetts. The gentleman was speaking about trade balances?

Mr. BLOOM. Yes.

Mr. MARTIN of Massachusetts. I wonder if the gentleman has seen the report of Mr. Peek, and if so, how he reconciles his statement with that report.

Mr. BLOOM. I will say to the gentleman I am going to stick to this Brussels exposition, and we are not going to get into an argument here that will take up the entire hour. I have enough trouble right here now, I admit. [Laughter and applause.]

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield for just one question?

Mr. BLOOM. I yield.

Mr. LEHLBACH. While the gentleman is giving us foreign-trade figures as between the United States and Belgium, will he not give us the figures showing how much our exports to Belgium have increased as a result of the trade agreement recently entered into?

Mr. BLOOM. With respect to the question the gentleman has just asked, in the first place, sufficient time has not elapsed to really give any figures or to find out how beneficial it will be, but to give you an idea of the friendly feeling between the two countries, and I am only speaking of Belgium now, this is an order of May 13, 1935, which is pretty close.

Mr. LEHLBACH. The gentleman is going to refer to lard.

Mr. BLOOM. How well the gentleman anticipates. I am going to refer to lard, and the gentleman already knows about it. Do not conceal the good things entirely, but bring them out; and for the benefit of the entire committee I would like to illustrate the friendly feeling between Belgium and the United States.

This is dated May 13, 1935:

The Belgian Ambassador informed the State Department today that his Government had decided to reduce the import license tax on lard from 100 francs per hundred kilos to 50 francs per 100 kilos. This action was voluntary on the part of the Belgian Government, for which no return concession was demanded.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I will yield in just a moment.

By the terms of the trade agreement between the United States and Belgium, which becomes effective on May 1, Belgium had already granted a generous quota on American lard. This proposed 50-percent reduction in the import license tax will be of benefit to hog producers, since the United States exports of lard to Belgium were 15,617,835 pounds in 1933. The reduction will bring the import charges into Belgium on United States lard down to approximately three-fourths of a cent per pound.

Now, Mr. Chairman, this is simply a business proposition. Belgium, at the lowest ebb of exports, bought from us

\$43,268,000 worth of goods in 1 year. In 1929 it was \$114,855,000, and this order was entered just a few days ago and shows the friendly feeling between Belgium and the United States.

You are now asked to authorize an appropriation of \$25,000 just to show that the United States wants to participate and join with Belgium and be represented at the exposition there this year.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I shall be pleased to yield to the gentleman from New Jersey.

Mr. KENNEY. Will the Commissioner General report to the Congress on our participation in this exposition?

Mr. BLOOM. Yes.

Let me explain to you just what this means. When this bill first came up we were economizing in every way, and we knew we could not get an appropriation of \$250,000 or \$300,000, which is the sum usually appropriated for such purposes. Just the other day we appropriated \$350,000 for the exposition in San Diego, which was a small sum for such an exposition. It should have been more.

We should be represented in Belgium and this bill only provides for the representative of our Government over there, so that he may participate in the various meetings that take place in connection with the representatives from the different countries of the world. This is all that it amounts to and it is not a junket. Even if we spent the entire \$25,000, which I do not think we can the way we are going to participate, we would not be spending very much.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. I yield.

Mr. BLANTON. This is May 15, 1935. The Senate of the United States has passed on only a very few of the supply bills, and on only a few of the other major bills. It has all that legislation before it to pass upon and the exposition is now almost over in Belgium.

Mr. BLOOM. No.

Mr. BLANTON. It is almost over, and does not the gentleman from New York know that before you could get this kind of bill through the Senate and passed there, by setting aside all the major legislation we are trying to get through over there, the summer would be over.

Mr. BLOOM. No; this appropriation will be in the next deficiency bill if this House passes it. There is nothing to the whole matter except \$25,000.

Mr. BLANTON. The sum of \$25,000 should not be wasted, and is worth saving. The House Appropriations Committee has passed every one of the supply bills.

Mr. BLOOM. But you have a deficiency bill pending now.

Mr. BLANTON. That is the last one to come up before our adjournment sine die.

Mr. BLOOM. That is time enough.

Mr. BLANTON. That will be about the first of July.

Mr. BLOOM. If you will pass this appropriation—give it to the Government—

Mr. BLANTON. If they give it to the gentleman he will find some way of spending it I know.

Mr. BLOOM. That is all right, but you just authorize it under this bill.

Mr. FLETCHER. Will the gentleman yield?

Mr. BLOOM. Certainly.

Mr. FLETCHER. How much did Belgium give or appropriate for the exposition at Chicago?

Mr. BLOOM. I do not know, but I will say that that was one of the finest exhibitions at the Chicago exposition. We are asking other countries to participate in our expositions. We have two bills here asking them to participate in expositions, one of them in Texas next year. You cannot expect people to come over here and participate in our expositions, spend more money than we spend, it would not be right to ask them to come here all the time and we not participate in their expositions.

Mr. BLANTON. Will the gentleman yield?

Mr. BLOOM. I yield.

Mr. BLANTON. The Texas centennial that comes off next year is not for the benefit of foreign nations. It is for

the benefit of American citizens. It is the one State in this Union that has been a republic of itself. It has had its own flag.

Mr. BLOOM. Six flags.

Mr. BLANTON. Yes; under six flags. It has been of tremendous benefit to the United States, not only to the great State of Texas but to the whole country, by causing the acquisition of much valuable territory to the United States.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. BLOOM. I yield.

Mr. JOHNSON of Texas. The gentleman from New York is a good judge of these matters, and looking at it not from a political standpoint but from sound economic principles, does not the gentleman think that this investment of \$25,000 to participate in the Belgium exposition will be profitable to this country?

Mr. BLOOM. There is no question about it; but I do not look at it from that standpoint, for this reason: We should do something, and we do not want it to appear as if \$25,000 was for real participation. If we participated in that exposition the way they participated in our exposition at Chicago, it would cost 10 times as much. But, as I said at the beginning, our Ambassador in Belgium has graciously consented to see that our representation abroad will be such that we will not be ashamed of it. It is necessary for us to delegate someone over there as commissioner general to represent the United States. That is why this resolution is brought on the floor today.

Mr. LUCKEY. Will the gentleman yield?

Mr. BLOOM. I yield.

Mr. LUCKEY. Was not the Belgium exhibition in Chicago financed by private concerns?

Mr. BLOOM. Yes. I am glad the gentleman asked that question; that is what this bill provides for.

Mr. LUCKEY. You authorize an appropriation of \$25,000.

Mr. BLOOM. We have to have something to start in on and we could not make it any less.

Mr. LUCKEY. I think that this is another one of those junkets.

Mr. BLOOM. You cannot have much of a junket on \$25,000 for participation in an exposition.

Mr. FIESINGER. Will the gentleman yield?

Mr. BLOOM. Certainly.

Mr. FIESINGER. How are you going to house this thing over there?

Mr. BLOOM. Whatever we have there we have to pay out of this \$25,000. We are permitted to take donations.

Mr. FIESINGER. You will have to have some kind of housing?

Mr. BLOOM. No, not necessarily; they will furnish us space.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. BLOOM. Yes.

Mr. BLANTON. Here are the facts. This invitation was extended to the United States by Belgium in 1927.

Mr. BLOOM. Right.

Mr. BLANTON. That was 8 years ago.

Mr. BLOOM. That is right.

Mr. BLANTON. And the Cabinet discussed it at a meeting in 1933, 2 years ago.

Mr. BLOOM. Yes.

Mr. BLANTON. And turned it down, did they not?

Mr. BLOOM. Not exactly turned it down. They did not approve of it.

Mr. BLANTON. They disapproved of it.

Mr. BLOOM. For what reason?

Mr. BLANTON. Disapproval is turning it down, is it not?

Mr. BLOOM. Oh, no.

Mr. BLANTON. I would say so. I think disapproving it means turning it down.

Mr. BLOOM. As Al Smith would say, "Let us look at the record."

Mr. BLANTON. I compliment my distinguished friend from New York upon his pertinacity.

Mr. BLOOM. Oh, no; not that. [Laughter.]

Mr. BLANTON. For not taking "no" from the Department, because he has gone back to them again and again, and finally has gotten them to agree not to disapprove it.

Mr. BLOOM. Let us look at this. The gentleman from Texas [Mr. BLANTON] says so many nice things about me that I think that last word, pertinacity, is something terrible. [Laughter.]

Mr. TABER. I wonder if the Department really did approve it.

Mr. BLOOM. Do you want me to read it to you?

Mr. TABER. Yes; if it did.

Mr. BLOOM. I did not say approve and I did not say they did not turn it down, but just let me read this to you, and this is from Secretary Hull:

I wish to reiterate, however, that considering the matter from the standpoint of the friendly relations existing between Belgium and the United States, there will be no objection to the passage of this resolution.

Mr. TABER rose.

Mr. BLOOM. Please wait a minute. This is one time that I do not want to yield. I leave it to the committee whether that is complete disapproval of this resolution. It is not. The gentleman from Texas spoke about this coming up in 1927. We have today two resolutions that invite the nations of the world to participate in the San Francisco exposition and in the San Diego exposition, I think in 1938. I do not know whether the resolutions have passed regarding the holding of an exposition in 1938. From 1927 to 1933 of course nothing was done. It did not come before any of the committees. They just had this invitation, and let it stay there. In 1933 they brought it up and said they could not appropriate any money at that time, because they did not have the money or did not want to spend it for that purpose, but Secretary Roper thought that he could raise the money from the outside. So we say that with this \$25,000 we can participate, and I sincerely hope the committee will act favorably on this resolution.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. BLOOM. Yes.

Mr. TABER. I wonder if the gentleman could tell us when this exposition opens.

Mr. BLOOM. It has not opened yet.

Mr. TABER. When does it open?

Mr. BLOOM. I think I could tell you in a moment.

Mr. MICHENER. The lady here says that it opened last February and is just about through. Is that correct?

Mr. BLOOM. Oh, no. Perhaps on the Republican side that is so, but we still go by the calendar on this side. I reserve the remainder of my time.

Mr. FISH. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. McREYNOLDS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, let us get the facts straightened out first.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. MARCANTONIO. Has the gentleman any idea who is going to be the Commissioner General under this bill?

Mr. BLANTON. I do not know of a man whom I would prefer more than my good friend from New York [Mr. Bloom]. [Applause.]

Mr. MARCANTONIO. I agree with the gentleman from Texas.

Mr. BLANTON. He made such a valuable commissioner for the George Washington Centennial that I do not believe you could get a better one anywhere.

Here are the facts. I have here a copy of a letter from the Department. I want my colleagues to remember that foreign countries deal with our country through our State Department. Our State Department handles all business for this Government with foreign governments and when our Government wants to participate in some exposition abroad, the request comes from the State Department to the Congress asking us to let them make an exhibit, and asking us

for the money. No such request has come from the Department. The request comes from our good friend from New York, Sol Bloom. That is the reason I was complimenting him on his pertinacity. He would not give up. Listen to this letter:

DEPARTMENT OF STATE,
Washington, March 28, 1935.

HON. SAM D. McREYNOLDS,
House of Representatives.

MY DEAR JUDGE McREYNOLDS: Hon. SOL BLOOM has requested me to submit a report on House Joint Resolution No. 210 providing for the participation of the United States in a universal and international exhibition to be held at Brussels, Belgium, in 1935.

In a letter of March 6, 1935, I gave you a résumé of the steps taken subsequent to the receipt of the formal invitation from the Belgian Ambassador to the Government of the United States to be represented at the exposition, including a review of a previous letter dated June 16, 1934, and a statement of developments subsequent to that date. The pertinent parts of the letter of June 16, 1934, are as follows:

"The invitation was received in a note from the Belgian Ambassador dated January 22, 1927.

That was 8 years ago—

and since this time the Department has been in correspondence with the other interested departments with a view to deciding definitely whether the invitation should be accepted.

Now comes the main part of it:

As time passed, however, and it became desirable to make some definitive reply to the Belgian Ambassador, the matter was discussed at a meeting of the Cabinet held on November 17, 1933. The question of requesting Congress for a suitable appropriation to defray the expenses of American participation at the exposition came up for discussion but was not favorably considered.

They turned it down, but still it comes up. It is like Banquo's ghost. The gentleman from New York just kept after them, and finally the Secretary of State said, "Well, Sol, if you are going to worry the life out of me, go on and pass your bill and I will not raise any objection to it." There is the situation. It does not come from the Department of State, it does not come from the Secretary of State, it does not come from the Government of the United States, but through the Secretary of State it comes from the Honorable SOL BLOOM, and he says it in this letter which I have just read.

Now, let us see about the bill.

Mr. BLOOM. Will the gentleman yield?

Mr. BLANTON. Certainly.

Mr. BLOOM. Why does the gentleman stop reading there? There are many more words after that.

Mr. BLANTON. Oh, the rest of that is what the gentleman from New York forced him to do. The gentleman forces me to do many things, I like him so well. He gets down close to you and you cannot turn him down. [Laughter.]

Mr. BLOOM. Will the gentleman read about three more lines?

Mr. SIROVICH. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. SIROVICH. The gentleman will vote for the bill, will he not?

Mr. BLANTON. I want to save this \$25,000. I am going to try to kill it, if I can, but want to kill it without pain and give it a decent burial. I want to kill it by an opiate that will not cause any pain. [Laughter and applause.]

Mr. BLOOM. Will the gentleman yield further?

Mr. BLANTON. Certainly.

Mr. BLOOM. Will the gentleman please read the other three lines?

Mr. BLANTON. In just a minute I will.

Now, the gentleman from New York told you emphatically that this was not a junket, did he not? He said there could not be any junket under this bill. The gentleman is not a lawyer; he is a contractor. If he were a lawyer, he would know there could be a junket under this bill. The language is plain and I want to read it—

Which Departments—

That is, our Departments of Commerce and State down here—

may, with the approval of the Secretary of State, designate officials or employees of their Departments or branches to assist the

Commissioner General, but no such official or employee so designated shall receive a salary in excess of the amount which he has been receiving in the Department or branch thus employed.

Now, they employ a Commissioner General, who will be our good friend, Sol Bloom. He cannot draw a salary more than his \$10,000 salary, that is true; but he can draw his expenses, which means the expense of himself and his retinue of servants that he will take over there with him, because he could not travel without servants. He must have his valet [laughter] to help him put on the right colored necktie in the morning and to have the proper silk trousers shortened to the knee in the evening. [Laughter and applause.]

Mr. FISH. Mr. Chairman, I yield the gentleman from Texas 5 additional minutes. [Laughter.]

Mr. BLANTON. Now, let us see the next provision in the bill:

Plus such reasonable additional allowance for expenses as may be deemed proper by the Secretary of State.

The Secretary of State could allow them round-trip transportation and a per diem of \$15, \$20, \$30, \$40, or \$50 a day if he wanted to. There is nothing in this bill to stop him. Just what he says shall be allowed will be allowed under this bill, because the gentleman from New York has so written it. Now, that is the way this \$25,000 is going to be frittered away.

Mr. BLOOM. Will the gentleman yield?

Mr. BLANTON. Certainly.

Mr. BLOOM. The gentleman has every confidence in the world in our Secretary of State, Mr. Cordell Hull, has he not?

Mr. BLANTON. Yes; I did when he turned this \$25,000 bill down.

Mr. BLOOM. The gentleman said he was going to try to kill the bill; but he should not try to murder it.

Mr. BLANTON. No. I am going to give it a sleeping potion, which will be just as deadly.

Mr. BLOOM. Well, I do not know; but permit me to say this: The gentleman knows that that could not happen under the present rules and regulations of any Department.

Mr. BLANTON. I will say frankly if they are going to send anybody over there I want to see the gentleman from New York sent. I think he will do us more good than anybody else. But this is no time to be wasting \$25,000 on an exhibition that is half over. That exhibition is going on right now. The gentleman will not deny that. It takes a long time to get up an exhibit. This is May 15, 1935. This bill has to go to the Senate and either displace some other important legislation or await its turn. How does the gentleman expect to have it passed over there and get it into law and set up an exhibition before this summer is over? The Secretary of State, Hon. Cordell Hull and the Roosevelt Cabinet did right in 1933 when they met and considered this matter and turned down this invitation that was extended back in 1927.

Now, what are you going to do with a thing like this? What is this good business man here [Mr. MERRITT of Connecticut] who is one of the wisest business men on the Republican side of the House going to do? He is going to turn it down just as Secretary Hull did. I am such a friend of this administration that I am going to follow Secretary Hull and the Cabinet and try to save this \$25,000.

The CHAIRMAN. The gentleman from Texas has consumed 10 minutes.

Mr. FISH. Does the gentleman desire some more time?

Mr. BLANTON. I would like about 2 additional minutes.

Mr. FISH. Will the gentleman tell us about the manicure? I yield the gentleman 2 additional minutes.

Mr. BLANTON. I would not want Sol to go over there unless he was properly manicured [laughter]; and he will be. There is nothing that any of you society men do that he will not do over there. Sol, help us beat this bill. It ought not to pass. We ought to save this \$25,000. The people back home need it.

Mr. BLOOM. I will say to the gentleman that after listening to him attack the bill I know he has left such a good im-

pression that the bill is going to pass unanimously, and the gentleman himself is going to vote for it. [Laughter.]

Mr. BLANTON. I am glad my friend is optimistic, but he certainly has a great disappointment awaiting him, because we are not going to let this \$25,000 bill pass.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FISH. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I thought I was going to be able to get through the day without taking the floor to put up a fight against some of these bills which the Committee on Foreign Affairs brought out. I restrained myself with considerable difficulty on the last bill that was considered, because I believe that bill really ought not to have passed in the shape it was presented.

One other bill providing for about \$10,000 was a severe strain on my good nature. The pending bill is brought before us without any hearings or statement whatever that would justify anybody in voting for it.

As I understand the situation it is something like this, and it seems to be undisputed: The Belgian Government decided on this exposition way back 8 years ago.

Mr. McREYNOLDS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. McREYNOLDS. The Chairman of the Committee on Foreign Affairs is going to ask unanimous consent to withdraw this bill from consideration. I take it the gentleman will not object.

Mr. TABER. I cannot object to that.

Mr. McREYNOLDS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MITCHELL of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration House Joint Resolution 210, had come to no resolution thereon.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to withdraw House Joint Resolution 210 for the participation of the United States in a universal and international exhibition at Brussels, Belgium, in 1935 from consideration.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

INTERNATIONAL TECHNICAL COMMITTEE OF AERIAL LEGAL EXPERTS

Mr. McREYNOLDS. Mr. Speaker, I call up the bill (H. R. 6673) to provide for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee on Aerial Legal Experts and for participation in the meetings of the International Technical Committee of Aerial Legal Experts and the commissions established by that Committee, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole House on the state of the Union.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. TABER. Mr. Speaker, I think this bill ought to be explained. I object.

The SPEAKER. The bill is on the Union Calendar.

Accordingly the Committee resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6673, with Mr. MITCHELL of Tennessee in the chair.

The Clerk read the title of the bill.

Mr. McREYNOLDS. Mr. Chairman, I ask unanimous consent that the first reading of the bill may be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. McREYNOLDS. Mr. Chairman, the pending bill contains two authorizations; the first is to take care of the dues of this country in the aerial legal congress, the second is to pay the expenses of the delegates who attend.

The purpose of this conference is to establish international laws on aviation and aviation rights. Experts are appointed by the different countries participating. At the present time 33 countries participate in this congress. The annual dues for each and every country, whether it be large or small, is 1,000 gold francs. It will be noticed that the first part of this bill is rather unusual. It authorizes an annual appropriation to pay the pro rata share of the United States in the expense of the International Technical Committee of Aerial Legal Experts. Our fixed dues under the authorization of 1931 are \$250, equal to the 1,000 gold francs.

The dues, as I stated, are the same for small countries as for large countries. This is unusual because in conferences of this kind, as a rule, the larger countries are taxed more than the smaller countries. The reason this provision is worded in this way is on account of the exchange, and you can see very readily why it is done. The dues, however, are 1,000 gold francs plus whatever the exchange may be; and this is the reason for the provision being drafted as it is.

We have been a member of this convention for some time, but have never sent any delegates to it at the expense of the Government. There have been people in this country who were so interested in trying to establish the aerial law of the world that they have gone at their own expense.

Two regular conferences have been held, one in Warsaw in 1929 and one in Brussels in 1933. This country was not represented at the Warsaw conference. At the 1929 conference the countries participating agreed on certain principles which they thought should be adopted as the law affecting certain aerial subjects. While we were not represented, yet when that memorandum or agreement was brought to this country it was ratified by our Senate and we became a party thereto. In the 1933 conference at Brussels, Mr. Cooper, an attorney from Jacksonville, Fla., was present at his own expense. Certain recommendations were made in that conference.

Nothing done at this international congress is binding on this country until ratified by the Senate, but I am sure the Members of the House can see the reason and the necessity for uniform aerial laws. For instance, we are close to South America, and our machines are flying over South American countries almost daily. There should be some uniformity of the laws in those countries controlling the rights to fly, license requirements, insurance requirements, and relating to the settlement of damages which may occur. Since the perfection and use of this modern means of transportation these matters become of the utmost importance not only in the Americas but also in Europe, where our people flying as passengers in European planes would be affected and where even our own planes sometimes fly.

If these laws are to be established as international laws wherein the people of the United States are so vitally interested is it not proper that we grant the small authorization here sought with this authorization granted we may send our representatives to these congresses to help formulate these laws?

We have a group of four men known as "commissioners", aerial experts, who are appointed by the State Department as members of a commission. They meet twice a year, in the spring and in the fall, and the general conference meets after their report.

The Department of Commerce recommends the pending bill and asks its passage. This, too, is the attitude and request of the State Department.

In this bill we ask only for an authorization of \$6,500 to guarantee that we shall have delegates at the next conference which meets in Lisbon.

I trust there will be no opposition to this bill. I feel that it is to the great interest of the public of the United States that we be in on the ground floor and have a voice in formu-

lating these laws, just as we have had in the formulation of the maritime laws operating throughout the world.

Mr. Chairman, I reserve the balance of my time.

Mr. FISH. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I agree with the distinguished chairman of the committee that this proposal is sound, logical, and constructive. There is no real reason why we should not send delegates over to this conference in order to know what is going on and to help codify aviation laws. Certainly we cannot lose anything by it, and, on the other hand, may gain a great deal.

Mr. Chairman, I yield 10 minutes to my colleague the gentleman from New York, the watchdog of the Treasury [Mr. TABER].

Mr. TABER. Mr. Chairman, I have not any doubt but what we need representation at this conference, but why we should need \$6,500 to send a good lawyer from the Attorney General's office is beyond me. I believe that is the Department the delegate should come from if we are going to get one who is prepared to work out the situation. I feel we ought to cut this at least one-half.

Mr. McREYNOLDS. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Tennessee.

Mr. McREYNOLDS. The gentleman knows that this is merely an authorization. It will come before the committee of which the gentleman is a very distinguished member. If the authorization is too large, you gentlemen may pass on the amount, and I trust the gentleman will take that responsibility and withdraw his objection at this time.

Mr. TABER. When we pass an authorization the department is always after the peak of the authorization, and while this is not one of the big items that will come up from time to time, nevertheless it is an item that makes one feel we should not make authorizations bigger than we figure should be used by the department. I feel that this item ought to be cut at least \$3,000. This is a rather large sum to take care of the expenses of one man over there, one good lawyer, and provide for such stenographic assistance as he might need, together with the \$250 to cover the dues which are required. It seems to me that is all we ought to do.

Mr. Chairman, I am not going to take any more time than just state that when the proper place is reached I shall offer an amendment to cut it down to \$3,250.

Mr. FISH. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Chairman, I am sorry I cannot agree with the gentleman from New York [Mr. TABER]. As the chairman of the committee has pointed out, this is simply an authorization, and the item will come before the committee presided over by the gentleman from Alabama [Mr. OLIVER], of which I am the ranking minority member. We will scrutinize very carefully any request for money to carry out this purpose. I believe we ought to follow the Secretary of State at this time who specifically requests the sum of \$6,500 as an authorization, and I feel that the gentleman from New York [Mr. TABER] can leave the details to the subcommittee of the Appropriations Committee and we will inquire very carefully into the matter when Mr. Hull comes before us next year. I do not think the Treasury is going to suffer very much from this authorization.

The CHAIRMAN. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That Public Resolution No. 118, Seventy-first Congress, approved February 1, 1931, providing for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts to be amended to read as follows:

"There is hereby authorized an annual appropriation to pay the pro rata share of the United States in the expenses of the International Technical Committee of Aerial Legal Experts.

"That not to exceed the sum of \$6,500, or so much thereof as may be necessary, is hereby authorized to be appropriated annually for the expenses of participation by the Government of the United States in the meetings of the International Technical Committee of Aerial Legal Experts and/or of the commissions established by that committee, including traveling expenses; personal services in the District of Columbia and elsewhere without reference to the

Classification Act of 1923, as amended; stenographic and other services by contract if deemed necessary, without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; purchase of necessary books and documents; printing and binding; official cards; entertainment; and such other expenses as may be authorized by the Secretary of State."

With the following committee amendment:

On page 2, after line 19, insert a new section, as follows:
"Sec. 2. That the provisions of these authorizations shall terminate June 30, 1941."

The committee amendment was agreed to.

Mr. McREYNOLDS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to, and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MITCHELL of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 6673) providing for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts, and for participation in the meetings of the International Technical Committee of Aerial Legal Experts and the commissions established by that Committee, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERNATIONAL COUNCIL OF SCIENTIFIC UNIONS AND ASSOCIATED UNIONS

Mr. McREYNOLDS. Mr. Speaker, I call up the bill (H. R. 4901) to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and Associated Unions and ask unanimous consent that the same may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. TABER. Mr. Speaker, I object.

The SPEAKER. Under the rule, the House automatically resolves itself into the Committee of the Whole House.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4901, with Mrs. NORRIS in the chair.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, to be expended under the direction of the Secretary of State in paying the annual share of the United States as an adhering member of the International Council of Scientific Unions and Associated Unions, including the International Astronomical Union, International Union of Chemistry, International Union of Geodesy and Geophysics, International Union of Mathematics, International Scientific Radio Union, International Union of Physics, and International Geographical Union, and such other international scientific unions as the Secretary of State may designate, such sum as may be necessary for the payment of such annual share, not to exceed \$9,000 in any one year.

Mr. McREYNOLDS. Madam Chairman, I yield 15 minutes to the gentleman from New York [Mr. BLOOM].

Mr. BLOOM. Madam Chairman, this bill asks for the participation of the United States in certain scientific union conventions, and calls merely for the payment of the dues of the United States and only for the dues. In the report will be found the various scientific unions and the amount called for in the case of each one, which runs from \$63.47 a year up to \$5,077 a year. We have been participating in these conferences since 1922. Last year the same bill passed and became an act, but did not get over to the Senate in time to get in the deficiency appropriation bill. I feel

and anticipate that one of the objections of the Republican watchdog of the Treasury, as branded by the gentleman from New York [Mr. FISH], is that this will be an annual appropriation. In answer to that permit me to say that the Chairman of the Appropriations Committee, the gentleman from Texas [Mr. BUCHANAN], objected to the last bill because it was not an annual appropriation. He said if we were going to appropriate this every year, we should make it annually. That was his objection at that time.

Madam Chairman, there are a few arguments in favor of this bill which I would like to state, and at the same time I ask indulgence until I read some of the statements made by the scientific men of the different departments of the Government, as well as the chiefs of different universities and institutions of learning throughout the United States.

Mr. BLANTON. Madam Chairman, before the gentleman does that I would like to ask him a question.

Mr. BLOOM. I yield.

Mr. BLANTON. This provides for participation in and payment of dues to these six or eight different conventions?

Mr. BLOOM. Yes.

Mr. BLANTON. This will authorize our State Department to pledge our Government for the payment of these dues annually and it is also an authorization that would make in order an appropriation for us to participate each year. Suppose all of these eight conventions met at different times of the year, one meeting in February and one in March and one in April and one in May and one in June and one in November and one in December, if this bill passes, anyone from the floor, when the appropriate supply bill comes up, could offer amendments to appropriate sums of money for delegates to be sent to these various conventions to participate in them.

Mr. BLOOM. Not at all.

Mr. BLANTON. Oh, the language providing for participation would authorize the sending of delegates.

Mr. BLOOM. No; I beg the gentleman's pardon. This is simply for the payment of dues for the United States to participate. The delegates going over there would pay all their own expenses, all their railroad fare, their hotel bills, and everything else.

Mr. BLANTON. What I am talking about is the fact that this language used would authorize and make impervious to a point of order any amendment to pay expenses of delegates to participate, if the House saw fit to do so, but the main question I want to bring up is this: How is the gentleman from New York going to get around an adverse report by the State Department?

Mr. BLOOM. There is not an adverse report from the State Department.

Mr. BLANTON. The State Department before our Committee on Appropriations turned it down, did it not?

Mr. BLOOM. Oh, no; the gentleman is reading the Belgium exposition report. This is a different one.

Mr. BLANTON. Was there not an adverse report made by Mr. Carr on this also, when Mr. Carr was before the Committee on Appropriations?

Mr. BLOOM. No; there has never been an adverse report on this at any time.

Mr. TABER. If the gentleman will yield, I may say to the gentleman that the Deputy Secretary of State, Mr. Carr, before the deficiency subcommittee, when we had the hearings on the \$112,000,000 deficiency bill a month or so ago, said they did not urge this appropriation.

Mr. BLANTON. That is what I had in mind—the State Department, through Mr. Carr, did not urge it at all.

Mr. TABER. That is what occurred before us.

Mr. BLOOM. I do not know whether the gentleman from Texas would call this urging it or not, but I would like to read from the letter of Secretary Hull, addressed to Hon. SAM D. McREYNOLDS, House of Representatives.

I am strongly of the opinion that the benefits which would be derived by American scientists and scientific organizations from the enactment of the contemplated legislation would far outweigh the modest expense involved. I therefore recommend the passage of H. R. 6781.

Mr. BLANTON. May I ask the gentleman from New York [Mr. TABER] if Mr. Carr did not appear before the deficiency subcommittee after that date?

Mr. TABER. Oh, yes; it was sometime this spring.

Mr. BLANTON. And stated they did not urge it?

Mr. TABER. Yes.

Mr. BLOOM. Well, I only know what the Secretary signed and I shall have to go by that. Perhaps, Mr. Carr did not know about this particular bill.

Mr. BLANTON. I want to say to the gentleman that this Mr. Carr knows everything there is to be known about everything there is in the State Department.

Mr. BLOOM. I agree that he is a most efficient able gentleman and knows about everything regarding the State Department.

If I may proceed, we must keep in touch with the inventions and developments in the field of science in all countries and we can do it best through these unions.

It permits our scientists to work in close contact with other scientists for the development of common problems.

The Scientific Unions set up standards of weights and measures, definitions, names for new products, and so forth, so that scientific works can be used in all countries.

The Scientific Unions help our scientists to learn new methods at first hand.

The Scientific Union helps toward international understanding and good will by the union of thought of the leading scientists of the world.

Even now the Geographical Scientific Union is engaged upon the production of an international map of the world, each sheet of the map being made according to the highest standards accepted by international agreement. Another study of this society is one of overpopulation, a report to be presented at the next congress of this society to be held in Warsaw, Poland, and published for scholars all over the world.

The cost per year is really nominal—\$9,000 would be the maximum. Since the money is spent through the Secretary of State all unexpended balances would automatically be returned to the Treasury. No part of the money is used to pay transportation or personal expenses of any of the scientists who attend the international meetings.

The Scientific Unions publish pamphlets and bulletins of the latest information on various subjects which are sent to all the centers of learning in the United States including Government departments.

The presidents of 6 of the 8 international organizations are Americans. These are as follows: International Council of Scientific Unions, Dr. George E. Hale, honorary director Mount Wilson Observatory, Pasadena, Calif.; International Astronomical Union, Dr. Frank Schlesinger, director Yale University Observatory, New Haven, Conn.; International Union of Physics, Dr. Robert A. Millikan, director Norman Bridge Laboratory of Physics, California Institute of Technology, Pasadena, Calif.; International Union of Geodesy and Geophysics, Dr. William Bowie, U. S. Coast and Geodetic Survey, Washington, D. C.; International Geographical Union, Dr. Isaiah Bowman, president, American Geographical Society, New York City; International Scientific Radio Union, Dr. A. E. Kennelly, professor emeritus of electrical engineering, Harvard University, Cambridge, Mass.

Now, let me read from a few of the letters that have come from various people throughout the country, which will give you an idea of what the people in the different branches of the Government think of this measure, as well as people connected with various colleges throughout the country.

Dean Henry G. Gale, of the University of Chicago, writes:

Perhaps the greatest service of all has been to increase international amity and to secure recognition of scientific workers in the United States by European men of science.

Dr. S. A. Mitchell, director of the Leander McCormick Observatory of the University of Virginia, writes that the unions "are of very great importance to scientific work."

Dr. John A. Fleming, of Carnegie Institution of Washington, writes:

Already the activities of the International Union of Geodesy and Geophysics during the short period of its existence have stimulated and coordinated researches of the physics of the earth. Thus it has been the means of providing published data from all parts of the world, without which scientific and practical developments in geophysics, so useful to the United States, would have been much less fruitful and indeed largely impossible had our country stood alone in such work.

The Scientific Union publishes regularly data from 50 observatories in all parts of the world pertaining to the disturbances of the earth.

Dr. Isaiah Bowman, director of the American Geographical Society and president of the International Geographical Union, writes as follows:

I have left to the last the obvious advantages of personal contact with scholars working in the same field. This less tangible product of the congresses cannot be overemphasized. Not only does such cross-fertilization of ideas from country to country advance knowledge more rapidly through an exchange of facts but it introduces into the work of any given country the new methods and points of view that are so valuable in scientific progress. The effectiveness of American participation and the esteem in which our scholars are held are shown by the fact that 5 of the 7 unions now have American presidents. This of all times would seem to be the moment when we should reciprocate by cordial cooperation of the sort that official recognition alone can give.

Captain J. F. Hellweg, of the United States Navy and Superintendent of the United States Naval Observatory, states:

The international meetings have been of the greatest value in all the activities of the Naval Observatory. This value cannot be too strongly stressed.

Captain Hellweg says further:

During the last 30 years a large part of our fundamental work has been along lines in close cooperation with work recommended by the International Astronomical Union. The cooperative work on many technical details and programs covers many of our activities. For instance, there are 4 big catalogs, 2 of which have now been published and 2 are in the process of construction—fine examples of the cooperative work of the International Astronomical Union. In 1932 the investigation of the position of the equator was presented at Atlantic City and was in answer to the needed work along that line which was stressed by the union.

Mr. Henry G. Knight, Chief of the Bureau of Chemistry and Soils of the Department of Agriculture, states:

The work of the union has been of great benefit in securing international agreement upon questions of nomenclature, atomic weights, definitions, chemical constants, and other matters of general importance to all branches of chemistry, whether pure or applied. For this reason, if for no other, the work of the union should be continued, as there is no other organization performing a similar service.

Dr. E. C. Crittenden, Acting Director of the Bureau of Standards, speaking of advantages of the scientific unions to radio, states:

Radio is, of course, a subject in which the cooperation of agencies scattered over the whole world is desirable. Consequently, the work of this union has been particularly valuable and has given information which was not merely of interest scientifically but was also of great practical value in the discussion of international problems in the regulation of radio service.

Dr. William Bowie, Chief of the Division of Geodesy, United States Coast and Geodetic Survey, Department of Commerce, states:

The International Geodetic and Geophysical Union has been of great benefit in the fields of geodesy and geophysics by bringing together at its assemblies the leading men of the adhering countries, about 30 in number, where they can outline and discuss problems, methods, and instruments. * * * I should view the discontinuance of these international assemblies as a national calamity. I cannot imagine our great country not making it possible to continue these congresses and to enable the geodesists and geophysicists from the United States to take an even more active part in them than has been the case in the past.

Dr. R. S. Patton, Director of the United States Coast and Geodetic Survey, Department of Commerce, states:

It would be most unfortunate if this country should withdraw from the International Council of Scientific Unions and of its subordinate unions. The cost to this country for adhering to these organizations is trivial as compared to the great benefits that result from such contacts.

Dr. Charles L. Reece, president of American Chemical Society, states:

I am satisfied that the chemists would regard the termination of the opportunities for international conferences as a calamity.

Dr. Robert A. Millikan, California Institute of Technology, states:

The cessation of activity of this sort and of the opportunities inherent in the Union of Pure and Applied Physics for establishing international contacts and understandings in other directions would be universally recognized among physicists as a major catastrophe.

Dr. Frank Schlesinger, president of the International Astronomical Union, states:

In my opinion the failure of the United States to adhere to the International Council of Scientific Unions would be something of a scientific calamity. The amount of money that would be saved by this failure is ridiculously small in comparison with the benefits that would ensue from the continuance of our adherence.

This resolution asks for \$9,000 a year, and as I stated before, it is simply to pay the dues so that we may send our representatives to these various conferences and unions. It does not call for the use of any of this money for any other purpose except the payment of our dues; and the reason we are asking for \$9,000 at this time, which is a little more than was necessary before, is on account of the difference in the exchange.

Madam Chairman, I reserve the balance of my time.

Mr. FISH. Madam Chairman, I yield 3 minutes to my colleague from New York [Mr. TABER].

Mr. TABER. Madam Chairman, this bill is for the authorization of \$9,000 for the participation of delegates to different scientific organizations throughout the world.

They run down as low as \$63.47. One item runs as high as \$5,000.

The thing that I want to call to the attention of the committee specifically is that a subcommittee of the Committee on State, Justice, Commerce, and Labor had hearings on the bill and did not include it. A subcommittee on the Appropriations Committee had hearings on it last spring, and Mr. Carr, Deputy Secretary of State, appeared before that committee and told us that he did not urge the thing, that it would not be a matter of importance, and he did not believe very strongly in it.

After these hearings it was turned down. If we are ever going to stop spending money, this is the time to begin. If a scientific organization is not important enough to pay its dues of \$63, it ought not to exist.

Mr. BLOOM. It is important enough but they cannot pay the dues. If the United States joins, it must pay the dues. The organization cannot accept dues from individuals, it must be the country itself. The delegates pay their own expenses, hotel bills, and so on.

Mr. TABER. Why did the Deputy Secretary of State come before us and say that he did not urge it?

Mr. BLOOM. The gentleman will see in the letter of the Secretary of State, Mr. Hull, that he would be very sorry if we did not join it.

Mr. TABER. Yes; I see what the Secretary of State said, but frankly, I do not see why we should do it, because after that letter was written the representative of the Secretary appeared before the Appropriations Committee and took the position that he did not urge the matter. Under these circumstances I cannot see why Congress should go ahead and authorize the expenditure of the money.

I appreciate that it is a small amount, and that is the only thing in favor of it.

Mr. BLOOM. We passed the same bill last year.

Mr. TABER. It was put on in the Senate.

Mr. BLOOM. No; the House of Representatives passed it.

Mr. TABER. It was put on in the Senate this year.

Mr. BLOOM. It came too late to be put on the deficiency bill.

Mr. TABER. It was turned down by our committee because we did not believe in it.

Mr. FISH. Madam Chairman, I yield myself 3 minutes. After listening to the debate, I cannot see any reason why we should not be willing to enter into these conferences. We might obtain from any one of them scientific knowledge

that would be far more valuable than the few thousands it would cost the Government.

If this was a matter pertaining to the League of Nations, internationalism, sanctions, armaments, or relating to war or peace, that would be another matter. This relates to radio, chemistry, astronomy, and so forth. I see my colleague, a distinguished doctor [Mr. Sirovich] over there on the other side. We have not got all of the best chemists in the world, and we might get scientific knowledge that would far outweigh in value this small sum appropriated in this bill.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, to be expended under the direction of the Secretary of State, in paying the annual share of the United States as an adhering member of the International Council of Scientific Unions and Associated Unions, including the International Astronomical Union, International Union of Chemistry, International Union of Geodesy and Geophysics, International Union of Mathematics, International Scientific Radio Union, International Union of Physics, and International Geographical Union, and such other international scientific unions as the Secretary of State may designate, such sum as may be necessary for the payment of such annual share, not to exceed \$9,000 in any one year.

Mr. TABER. Madam Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. McREYNOLDS. Madam Chairman, I rise in opposition to the motion of the gentleman from New York. Your committee of 25 has gone into this matter very carefully. We think it is proper and we feel that we have given it more study than anyone here can obtain from merely reading the report and talking about it on the floor. I ask you to vote down the motion to strike out the enacting clause.

The CHAIRMAN. The Clerk will report the motion of the gentleman from New York.

The Clerk read as follows:

Mr. TABER moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The question is on the motion of the gentleman from New York.

The motion was rejected.

Mr. McREYNOLDS. Madam Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mrs. Norton, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 4901, directed her to report the same back to the House with the recommendation that the bill do pass.

Mr. McREYNOLDS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill. The bill was passed.

A motion to reconsider was laid on the table.

NEW MARKETS FOR OUR FARM SUPPLIES

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to insert in the RECORD a very interesting and inspiring address made by our colleague the gentleman from Texas [Mr. KLEBERG] over the National Broadcasting Co. last night.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BOLAND. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of Hon. RICHARD M. KLEBERG, of Texas, over the National Broadcasting Co. network, 10:30 p. m., May 13, 1935:

Ladies and gentlemen of the radio audience, this complex economic world in which we live is full of problems. But it is not as full of problems as it was a few years ago. We have found solutions for some of them. We are finding solutions for more.

Let anyone who doubts this take a look around and then project his memory back to the drab hopelessness of 1932. The difference is stimulating, cheering. We are not out of the economic maze. But we are no longer stumbling around a deadly circle, either.

I believe that we now have in our hands, through legislative means, the solution of still another problem that has long beset a large and important class of our population. I speak of the problem of opening up new markets for our farm surpluses. Too often these surpluses have simply backed up on the millions that produced them.

If we can blast open a new channel for this dammed-up river and at the same time benefit all other classes, then we in Congress would be signally remiss in not blasting. It is encouraging to note that this new piece of economic engineering is simple and practicable. It will require no appropriation. It is easily administered. Its healthful and beneficial effects will be immediately apparent.

Of the 6,288,000 farmers of this country, nearly 6,000,000 are producers of fats and oils. By that I mean they produce cottonseed, corn, peanut, soybean, and other vegetable oils, or they raise livestock from which the equally healthful domestic fats are made.

These millions of American producers are now denied a huge market right at their front door. This market is largely in the possession of producers 5,000 miles away from our westernmost border. Now I am not an economic isolationist. All I say is that the edible fat market should at least be made available to American producers of fats and oils.

To give them this opportunity I have recently introduced a bill known as "H. R. 5587" in Congress, which will tax all margarine made of foreign oils 10 cents a pound. This will automatically and immediately replace Asiatic food oils in this industry by those produced on our own farms and ranches. It will open up new markets for our distressed American producers. Margarine offers the largest potential output for these surpluses of our home-grown fats and oils. The legislation I have offered has the simple purpose of putting the margarine industry on a domestic basis.

This legislation will not amend or in any way change the existing oleomargarine laws. It simply provides an effective means of compelling margarine manufacturers to use domestic products instead of foreign products. This will restore the market for domestic fats and oils to its pre-war status, without injury to any domestic group. Ninety-nine percent of the fats contained in margarine was of domestic origin before the war. Furthermore, my bill does not affect the importations of foreign oils for soap or other industrial uses.

Putting the industry on a domestic basis does not mean that the product will be substantially higher in price than when made from foreign oils. The difference is one of the relative price of foreign and domestic ingredients and whatever that may be is due to the difference in production costs and living standards of American and oriental producers. It will make possible the use of domestic fats in the higher priced edible uses. It is an economic waste to utilize these rich and desirable food fats as soap stock.

In order to adjust our agricultural plant to changed economic conditions at home and abroad we must find means of utilizing our acreage in the production of commodities for which there is a demand. The outstanding possibility along this line is the increased production of fats and oils, of which we import more than a billion pounds.

Because of the underconsumption of table spreads in the form of butter, due to the inadequate supply of this product and the inability of at least 25,000,000 of our citizens to buy it at prevailing prices, the largest market for our fats and oils is in the margarine industry.

If the legislation I have introduced is passed, it will prove immediately beneficial to American agriculture. At the present rate of margarine consumption, the replacement of imported oils by our own products would provide an additional annual market of over 150,000,000 pounds. This would require the cotton oil produced on 3,700,000 acres; the lard from four million six hundred thousand 200-pound hogs; or the edible fat from four million six hundred thousand 1,000-pound steers. In connection with the price of beef and pork to the consumer, the passage of this legislation will increase the value of the byproducts and offers an additional safeguard, therefore, against an increased price to the consumer for beef and pork. Thus more than 5,000,000 acres of our land would immediately be required in producing this quantity of additional fats, thereby relieving to that extent the need for production control of crops that are on an export basis.

The production of margarine needed to supply our deficiency in table spreads would require at least half the acreage that has been retired under the A. A. A. program, and would greatly benefit every agricultural section.

Thus we have an intensely practical method, through this legislation, of utilizing our retired acreage and in dealing with the problem of permanent adjustment of our national agricultural production.

From the standpoint of the public the enlarged use of domestic fats and oils in the margarine industry has a double significance: First, because the domestic product is of superior quality in physical texture and palatability; and, second, because of the effect of

the increased buying power of American agriculture upon general business conditions.

It strikes me that everyone who is genuinely interested in the welfare of American agriculture must favor this legislation, when the benefits to agriculture are so obvious.

Certainly no consuming group can oppose the bill in view of the superior quality of the product when made from domestic fats and when its passage will speed up recovery.

Certainly the traditional policy of organized labor is in accord with the idea of advancing the field and earnings of American industry, thereby preserving the American standard of living.

Foreign oil interests are expected to oppose this legislation as they did the excise tax passed by Congress last year. Students of the subject believe that in the long run the Philippine Islands will benefit by this legislation, as they have from the excise tax. The error of their previous opposition is now recognized by many friends of the Philippine Islands. The Philippines now have a practical monopoly in the domestic market for coconut oil. This market will be further extended if our domestic oils move into the edible field, leaving the industrial field wide open to Philippine imports.

Certainly no friend of this administration and the existing policies of this Government to improve the buying power of American farmers can object to providing a practical means, without processing taxes, cash benefits, or expensive administrative costs, which will be helpful in bringing about and maintaining parity price for American-produced fats and oils.

For all of the reasons I have cited, we should pass this legislation promptly. It would benefit all classes and deprive none of any advantage.

The passage of my bill will not remedy the un-American laws which exist in some of the States, but it will make it possible for American consumers to buy a product with a standard of quality that will insure its wholesomeness and its nutritive value, and at the same time permit them to trade with the farmers of this country, who are anxious to buy the things which are produced in other sections and industries. It will in no way change the existing oleomargarine laws, but will correct the justifiable complaint of the butter industry toward margarine made from the products of the "coconut cow" and will provide a profitable outlet for larger quantities of home-grown fats and oils in the domestic market to the advantage of both producers and consumers.

Hearings on the Kleberg bill will take place tomorrow before the House Committee on Agriculture. Every American farmer and stockman within hearing of my voice is entitled to this information so that under representative government he may have time to express his interest in this legislation to his Congressman or Senators. By this means the voice of the people is heard in our Government of the people, by the people, and for the people.

An expression of your views on this legislation will unquestionably be appreciated by your Representatives in both branches of the Congress. The question to be answered is whether or not American markets should be at least available to American producers.

INTERPARLIAMENTARY UNION

Mr. McREYNOLDS. Mr. Speaker, I call up the bill (S. 2276) to authorize participation by the United States in the Interparliamentary Union.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2276) to authorize participation by the United States in the Interparliamentary Union, with Mr. JONES in the chair.

The Clerk read as follows:

Be it enacted, etc., That an appropriation of \$20,000 annually is hereby authorized, \$10,000 of which shall be for the annual contribution of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration; and \$10,000, or so much thereof as may be necessary, to assist in meeting the expenses of the American group of the Interparliamentary Union for each fiscal year for which an appropriation is made, such appropriation to be disbursed on vouchers to be approved by the President and the executive secretary of the American group.

Sec. 2. That the American group of the Interparliamentary Union shall submit to the Congress a report for each fiscal year for which an appropriation is made, including its expenditures under such appropriation.

Mr. McREYNOLDS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, I am very heartily in favor of the pending bill. We have under consideration a bill passed by the Senate. I introduced a similar bill in the House. By reason of the fact that the Senate had already acted favorably upon this measure, the Senate bill was substituted by the committee for the bill which I introduced.

This bill provides for our participation in the Interparliamentary Union. The Interparliamentary Union had its in-

ception in 1888, when representatives of a few foreign countries gathered informally to discuss matters relating to peace, to arbitration, and to the preservation of parliamentary government. These informal conferences through the years led to the organization in 1899 of the Interparliamentary Union, which has since existed. It is an association of more than 40 of the leading nations of the world, both in the Eastern and Western Hemispheres. This association has meetings annually at various places in the world. Two of those meetings since 1899 have been held in the United States, one in 1904 at St. Louis and one in 1925 in the city of Washington. For each of those meetings the Congress of the United States appropriated \$50,000 for the purpose of looking after the incidental expenses and taking proper care of the delegates from foreign nations. The United States has participated in each of those annual meetings since the first six. Since 1911 it has made annual appropriations for the support of this organization and, with the exception of 1 or 2 years, has also made appropriations for delegates to attend those annual sessions. Those annual meetings are simply, solely, and purely for the purpose of the discussion of matters of parliamentary, social, and economic problems common to many and sometimes to all of the countries which are members of the Union.

Mr. MAAS. Will the gentleman yield?

Mr. LANHAM. Gladly.

Mr. MAAS. Will the gentleman tell us just what the primary results are of participation in the Interparliamentary Union? Is there a report made back to the House?

Mr. LANHAM. I am coming to that. I was trying to give a little incidental history by way of preface. This is a permanent organization to which the United States Government has for years contributed \$10,000 annually. The appropriation, I think, for the current year was reduced to \$7,500. The \$10,000 which we have appropriated annually to this organization is in accordance with a similar contribution made by each of the countries of the world, members of that union, in our class with reference to population, resources, and so forth. This organization uses this money for the purpose of its necessary officers and for the further purpose of the study of the various questions which are considered by and discussed at the meetings of the Interparliamentary Union. Each year there are certain subjects of mutual interest which are discussed, and may I impress upon you that this union has no binding effect and can have none whatever, upon any member of the union or any representative of any country coming to attend these meetings.

Mr. BLANTON. Will the gentleman yield?

Mr. LANHAM. I yield.

Mr. BLANTON. I think this \$10,000 we spend is money well spent, for it keeps up good feeling, especially between the Pan American countries and ourselves.

I am sure my colleague was here the last time this Interparliamentary Union met in Washington. There were over 40 countries represented right on the floor of this House. I attended every meeting daily and I was greatly impressed with the good that I thought came out of such meeting. I hope that the measure will pass.

Mr. LANHAM. I thank my colleague for his contribution.

Mr. Chairman, in my judgment this is the most profitable expenditure of money our Government can make in any foreign contact, because it gives us an opportunity to know what the people of the various nations are thinking about problems they have that are similar to problems we have, without any binding effect or force or obligation upon this country whatsoever. I think that to continue this contact and at the same time to know what these foreign countries are thinking, what their attitude may be toward certain problems, makes this a most profitable investment, small though it be.

The American participation—and each Member of Congress is eligible for membership in this organization—the American representation is in the hands of the American group of the Interparliamentary Union. Senator McKinley, of Illinois, was long the president of the American group. Lately, until he felt that he had to resign because of the

state of his health, our beloved colleague from Virginia, Mr. MONTAGUE, was for many years the president of the American group. The delegates who attend from America report to the Congress of the United States the gist of the discussions held at the annual meetings and all things of interest that may pertain to problems similar to those we have in this country. This information also may be had at any time from the secretary of the American group. I repeat that in my judgment the good we get from this association, in which we have participated financially since 1911, is the greatest possible that could come from such a small expenditure.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. JOHNSON of Texas. My colleague was a delegate to one of these meetings, a representative of our Government. I would like for him to state from his own personal experience whether or not the discussion of the problems there and meeting with members of groups of other countries of the world was, in his judgment, worth while?

Mr. LANHAM. I thank my colleague and shall be glad to recite my own experiences.

Mr. Chairman, it has been my pleasure to attend one, and only one, of these annual meetings. That one was held at Bucharest a few years ago, and my appreciation of this organization has resulted from my attendance upon that meeting and my subsequent study of the Interparliamentary Union and of America's participation in it. Forty or more nations were represented at that meet, South American nations, North American nations, European nations, nations from all over the world.

[Here the gavel fell.]

Mr. BLOOM. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. LANHAM. Although there were two or three official languages of that meeting, each delegate had at his seat an earphone and just by turning the knob on a dial to the language in which he wished to hear the speech, and adjusting the earphones he heard it in his own tongue or in a tongue with which he was familiar simultaneously with the delivery of the speech in a foreign tongue by one of the delegates. In this way the proceedings of the whole convention were readily understood by men who speak different languages.

One of the subjects which was discussed at that meeting was with reference to underprivileged children and children in industry, and we learned something of these problems as they affected the various countries. From this interchange of ideas we got many helpful suggestions. Through this contact, which entails no obligation upon us, the findings of which body have no binding force upon us, we promote good will and a more cordial feeling among the nations of the world.

In this day, when parliamentary government is so seriously threatened, surely our Government, which is the very keystone of parliamentary government as it exists in the world today, should in every way possible promote this good purpose.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. BLANTON. At the last meeting in this country, which was held in this Chamber, there were delegates from South American countries who first spoke in Spanish, then would translate their own speeches into French, and then into English.

Prior to that meeting it was dangerous for an American to travel in many parts of old Mexico; there was such an unfriendly feeling in the hearts of a great many Mexicans against Americans; but I have noticed that since that meeting a better feeling prevails, and it is now safe for Americans to travel all over old Mexico. I believe that that meeting did more to bring this situation about than anything else that could have occurred.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. COLDEN. Will not the gentleman give us a little more information as to the scope of these discussions at these meetings?

Mr. LANHAM. Each year certain topics are selected to be discussed. These topics are studied carefully by various committees, certain committees giving study to some of the topics to be discussed, and other committees giving study to other topics. These committees assemble all the data and information they can secure with reference to these common problems, and the benefit of this study of these problems is given at the annual meeting where the subjects are discussed.

As I say, this has no binding effect whatsoever upon us, but it does enable us in a cordial way to know what European countries are doing and to know what the European parliamentary representatives are thinking, and it gives us a contact that is most helpful.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. I yield.

Mr. FIESINGER. How many delegates from this country attend the meetings of this Interparliamentary Union?

Mr. LANHAM. Just as many as can be provided for with the funds appropriated. On the occasion I spoke of, when I was a delegate, I think there were 10. Of course, the only expenses are the expenses directly connected with going to and from the place of the convention and one's expenses while at the convention. As many delegates are sent as possible with the appropriations provided.

Mr. FIESINGER. And if there were 15 delegates the money appropriated would be divided to pay all or part of the expenses of the 15?

Mr. LANHAM. The gentleman is correct.

[Here the gavel fell.]

Mr. BLOOM. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. LANHAM. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Not very long ago one of my constituents, a very fine young man, was killed in Mexico. Justice is very slow in being arrived at. The State Department is having difficulty. The consul is having great difficulty in this case. I believe this Interparliamentary Union might tend to make Mexico realize what she is doing. I am heartily in favor of this bill.

Mr. BLANTON. As against that one Massachusetts constituent killed in Mexico, the gentlewoman will remember two Mexican students who had been going to a university in the United States and on their way home were shot and murdered down in Oklahoma. This Congress paid their parents a large sum of money, because of their death. Those things happen interchangeably. Mexicans are killed in the United States and Americans are killed in Mexico. That always will happen.

Mrs. ROGERS of Massachusetts. Many more are killed in Mexico than in the United States.

Mr. BLANTON. I do not believe that, because many Mexicans are killed all along the border. It will happen until the millenium comes.

Mrs. ROGERS of Massachusetts. There are far too many being killed in Mexico.

Mr. LANHAM. Mr. Chairman, may I say one or two things more? The gentleman from New York [Mr. BLOOM] has just called my attention to one of the reports on the Interparliamentary Union appearing in the CONGRESSIONAL RECORD on May 30, 1933, which was presented by Senator BARKLEY, of Kentucky.

Mr. BLOOM. The gentleman from Minnesota asked about that and may be interested.

Mr. LANHAM. This is one of the reports. More extensive reports in detail may always be had from the executive secretary of the American group.

Mr. BACON. Will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from New York.

Mr. BACON. Can the gentleman tell us what topics will be discussed this coming year?

Mr. LANHAM. Personally I am not advised. Perhaps the gentleman from New York [Mr. BLOOM] can answer the question.

Mr. BLOOM. They have not as yet been given out. The council meets and they send over the list of subjects; then the President designates the people who are to go over there and be on the different councils in which the different subjects are taken up.

Mr. BACON. Can the gentleman tell us where the coming meeting will be held?

Mr. LANHAM. It will be held in Brussels, beginning the 26th of July. The meeting lasts about a week.

Mr. BACON. It is to be hoped that Congress will have adjourned by then?

Mr. LANHAM. Yes.

Mr. CHRISTIANSON. In order to give the gentleman an opportunity to clear the matter up, may I ask him this question? What connection, if any, does the Interparliamentary Union have with the League of Nations?

Mr. LANHAM. I am glad the gentleman asked the question, and I was just about to come to that. The Interparliamentary Union has no connection whatever with the League of Nations or any other international organization seeking to force its will upon any country in the world. It is purely advisory and purely for the purposes of discussion, information, and friendly contact of parliamentary representatives.

The Interparliamentary Union existed before the League of Nations was contemplated, is entirely independent and has no binding force or effect upon any nation and seeks to have none. Let me say further there was brought out in the hearings before the committee on this bill the exception taken by a member of the committee to the fact that at the last meeting of the Interparliamentary Union there was some discussion with reference to the Kellogg Peace Pact. Of course, no action could be taken that would be binding upon anybody; but if the Interparliamentary Union should discuss the Kellogg Peace Pact or any other policy of the American Government it is advisable that we have representatives there to hear what they say and to know what their attitude is. It is worth the money to know that, to hear it, and to learn what they think of us, because they cannot bind us nor can we bind them in this union.

Mr. MAAS. Will the gentleman yield?

Mr. LANHAM. I yield to the gentleman from Minnesota.

Mr. MAAS. I appreciate it is entirely informal and involuntary, but will the gentleman explain what the mechanics are of translating those discussions into benefits so far as the legislative processes of this country are concerned?

Mr. LANHAM. Whenever questions arise of an international character, the information is available always in part with reference to the particular problems under discussion in the reports that are made annually to the Congress by the American group of the meetings of the Interparliamentary Union and in detail through the executive secretary, who has his office in the city of Washington.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I yield 55 minutes to America's greatest nationalist, the gentleman from Massachusetts [Mr. TINKHAM].

Mr. TINKHAM. Mr. Chairman, this proposal is entirely different from every other proposal that has come before this Committee today. It is purely a political proposal; that is, it proposes that we participate in the political affairs and in the political discussions of Europe.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from Oklahoma.

Mr. JOHNSON of Oklahoma. Has the gentleman ever attended one of these interparliamentary meetings in Europe?

Mr. TINKHAM. I have not; but I have read the reports, and I have here the agenda for the next meeting.

Mr. JOHNSON of Oklahoma. I may say to the gentleman that I have attended two such meetings, and he is very much mistaken when he makes the statement it is a political meeting.

Mr. TINKHAM. I shall read the agenda for the coming meeting. Of course, under ordinary conditions international economics takes on a political character, and I should consider a discussion of international economics a discussion of international politics.

I read from an official bulletin, the Interparliamentary Bulletin. Forthcoming Interparliamentary Meetings.

Wednesday, April 24 and Thursday, April 25

Subcommittee on economic and financial questions

AGENDA

To discuss:

1. Economic problems: (a) The protection of agriculture in industrial countries and of industry in agricultural countries. (b) The competition between sugar and saccharine.
2. Demographic problems. The position of overpopulated countries and the possibilities for colonization.

"The possibilities of colonization". This does not interest us. We withdrew from our last colonial possession in the East only recently.

3. Financial and monetary problems: Monetary stabilization and the question of an international currency.
4. Other proposals.

Friday, April 26, 4 p. m.

Subcommittee on juridical questions

AGENDA

The main questions before the subcommittee are: (a) The system of capitulations.

- (b) Harmonization of the Briand-Kellogg Pact with the Covenant of the League of Nations.

This is certainly a political question. This certainly involves us politically.

- (c) The codification of world law.
- (d) Questions submitted as examples by M. V. V. Pella, vice president of the committee.

Saturday, April 27, 10 a. m.

Full committee on political and organization questions

AGENDA

1. To hear the report presented by M. H. Loewenherz (Poland) on the preliminary draft resolution submitted by the subcommittee on the representative system on the legislative function.

Poland is a dictatorship.

2. To hear the report presented by M. C. Costamagna (Italy) on "The Publication, Exchange, and Rationalization of Legislative Documents."

Italy is a dictatorship. How, in the circumstances, can Italy or Poland instruct in free parliamentary affairs? How can Europe do so?

3. To hear the report presented by M. Cosma (Rumania) on "The Organization and Work of Parliamentary Committees."

Who has ever said that Rumania had a free parliamentary system?

4. Other proposals.
5. To appoint one or more rapporteurs.

Full committee on the reduction of armaments

AGENDA

1. To consider the attitude to be adopted by the Union with regard to the question of disarmament.

This is a political matter which the League of Nations is considering. Armament and disarmament are matters of the highest political character.

2. To examine the question of the manufacture of arms, munitions, and war material.

This is purely a question for Europe, purely political in character and having to do with the League of Nations.

3. To consider the question of the trade in arms, munitions, and war material.

This is a question of the same political character. European disarmament and like proposals are European questions for the consideration of Europe. Europe should not be permitted to impose her policies and her political systems upon the United States.

Mr. COLDEN. Mr. Chairman, will the gentleman yield? Mr. TINKHAM. I yield to the honorable Representative from California.

Mr. COLDEN. Since we are not a member of the League of Nations, does not the gentleman from Massachusetts believe it advisable that we should discuss these questions where there are no commitments?

Mr. TINKHAM. I do not believe we should put one foot over the threshold into European political affairs. If we put one foot forward, we are involved. I am going to show how our involvement through this very organization not only brought us into the World War but almost made us a member of the League of Nations.

Mr. COLDEN. The gentleman refers to them as European questions. They undoubtedly involve this country as well as the other nations of the world, and they are of concern to us.

Mr. TINKHAM. It does not seem to me that European questions, political in character, should be of any concern to us. This is the line of demarcation, it seems to me, which should characterize the American foreign policy and tradition which go back to the old admonition from Washington himself—no participation in the political affairs of Europe and no foreign entangling political alliances. If we become a member of an organization which is discussing these questions, political in character, we put our foot over the threshold. If we put our foot over the threshold, we inevitably go further. I am now going to show how this very organization really involved us, in my opinion, in the World War, and how it also nearly precipitated us into the League of Nations.

Mr. COLDEN. Mr. Chairman, will the gentleman yield further?

Mr. TINKHAM. I yield to the honorable Representative from California.

Mr. COLDEN. Our State Department is carrying on conversations with the nations of the world at all times. Why is it not justifiable that groups of our citizenship should meet with groups of citizens from other nations and have a proper discussion of these questions?

Mr. TINKHAM. Again, I simply reiterate what I have said: I do not believe we wish, in any way, officially to discuss political questions with Europe. If we do, we are involved. I believe the United States should not participate in the political affairs of Europe. Had we not begun to participate in them by joining this very organization, we should not be in our present economic situation, with our institutions shaken to their foundations, with unemployment unparalleled in our history, with enormous and ever-mounting debts and taxes, as well as a constant rise in the cost of living.

Mr. LANHAM. Will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from Texas.

Mr. LANHAM. So far as I know, the American representatives have never participated in any discussion involving European questions which were solely and technically European; but what harm can there be at these meetings in listening to the discussions as to the situation that exists?

Mr. TINKHAM. Because it is a move in the wrong direction; it is a move toward the political affairs of Europe and involvement therein. The direction is all-important, particularly in relation to foreign policies.

Mr. COLDEN. Will the gentleman yield further for a question?

Mr. TINKHAM. I yield to the honorable Representative from California.

Mr. COLDEN. I am informed that the gentleman from Massachusetts is one of the greatest travelers in the country. Did he not do that in order to get information and reflect the information of other nations? Is not the gentleman indulging in the very thing he is charging against this measure?

Mr. TINKHAM. I have traveled considerably but I have never traveled in my official capacity of United States Representative. I reiterate I do not believe that the United

States should participate in any formal or official way in any organization which discusses the political affairs or even the economic affairs of Europe.

Mr. BLANTON. Will the gentleman allow me to ask a further question?

Mr. TINKHAM. I yield to the honorable Representative from Texas.

Mr. BLANTON. Under the constitution of the Interparliamentary Union every member of every parliamentary body in the world is technically a member, and the gentleman himself is a member. If we are members ought not we to have a right to participate in their considerations?

Mr. TINKHAM. The question is, Shall we?

Mr. BLANTON. The gentleman from Massachusetts is a great traveler. He goes to Europe to furnish the G. O. P. with elephants. The Grand Old Party would run out of elephants if he did not go there. [Laughter.]

Mr. TINKHAM. Now, I am going to read the history of this organization. Why were we involved in the World War in Europe? Simply because we joined an international organization. We put our foot over the threshold and were then drawn into the maelstrom.

In 1887 a voluntary delegation of members of the British Parliament and of British trade unions came to the United States to present an address in favor of a treaty of arbitration between Great Britain and the United States. They were introduced to President Cleveland by Andrew Carnegie.

There is no treaty of arbitration yet between the two countries.

In 1888 there was a meeting in Paris of members of the English and French Parliaments, at which there was discussed a treaty of arbitration between England and France.

In 1889 there was a meeting in Paris of members of nine different parliaments, including the English and the French. At this meeting, for the first time, the name "interparliamentary conference" was adopted.

In 1899 these interparliamentary meetings were for the first time given the name "Interparliamentary Union." In 1889 also the First Hague Conference was held, the purpose of which was stated to be "for the specific settlement of international disputes." The Interparliamentary Union was the original promoter of that conference, which was limited entirely to the question of specific settlement of international disputes. In 1907 the Second Hague Conference was called. In 1905 and 1906 the so-called "Algeciras Conferences" were held in Europe. In those conferences the then President, Theodore Roosevelt, interfered because we had already moved in the direction of Europe by joining the Interparliamentary Union and in participating in the First Hague Conference. This was the first intrusion of the United States into the strictly political affairs of Europe.

After the beginning of the World War former President Theodore Roosevelt demanded that the United States enter the European conflict, because we had participated in the two Hague Conferences. From this trend of participation in the affairs of Europe came the arguments and influences for us to enter a league to enforce peace, to which President Wilson gave his adherence. This was the philosophy and thought which finally drew us into the World War, and which finally threatened us with the covenant of the League of Nations to enforce the Versailles Treaty, a treaty of war and not of peace.

Entering the Interparliamentary Union, or entering the First Hague Conference, both of which we entered purely for the purpose of promoting arbitration, gave no excuse for the United States to join any European political body. For us to have favored arbitration was correct.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from New York.

Mr. SIROVICH. Does not the gentleman think from a political, social, and economic standpoint, it is a wonderful idea to have Members of this parliamentary body, the House and the Senate, send representatives over to an organization of that type, to at least present to them the finest example of

what a constitutional parliamentary government stands for, without having any alliance with them.

Mr. TINKHAM. That goes exactly to the heart of the issue that we are discussing, whether we should have any political relationship with Europe.

Mr. SIROVICH. Not relationship, just an interchange of views.

Mr. TINKHAM. The French and English had an interchange of views regularly before 1914, and that policy developed into a commitment in the war which broke out in 1914. European history shows that preceding nearly every war there were interchanges of ideas, there were meetings of diplomats, all of which developed into commitments, either moral or legal.

My argument against joining this organization is that it has departed entirely from its original purpose, namely, to promote arbitration, and has become an organization which discusses political matters.

Mr. SIROVICH. Will my distinguished friend, for whom I have a wholesome admiration, state for the benefit of our colleagues where since 1889, there has been a commitment of the United States to any of the programs or policies of these foreign organizations, in which we have participated every year?

Mr. TINKHAM. I have tried, apparently unsuccessfully, to show that if we move step by step in a certain direction, there is an inevitable result. I have shown that we first entered an organization promoting arbitration, that we then participated in a Hague Conference, which also was for the promotion of arbitration, that this led an American President, Theodore Roosevelt, not long after to interfere in the Algeciras Conferences, which were considering strictly European political affairs, basing his reasons for doing so on the fact that we were a member of this union and had participated in the Hague Conference.

Finally, after the World War was declared, he argued that we should enter the war because we had been parties to the Hague Conferences. That was followed by a much more ambitious proposal, namely, that we enter a league to enforce peace. Mr. Wilson was lured into the war to establish and to enforce peace; then he evolved a League of Nations, which has been repudiated by the American people.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from Texas.

Mr. BLANTON. Does the gentleman believe that we ought to keep our missionaries and churchmen out of foreign countries?

Mr. TINKHAM. Oh, no; they are not political. It is political matters to which I refer.

Mr. BLANTON. If it is wrong on political matters, why is it not wrong on church matters?

Mr. TINKHAM. I do not consider ecclesiastical matters political. Some people, during the past 20 years, have tried to merge the two, but I have always been opposed to it, believing in the soundness of the old American principle of the separation of church and state.

Mr. BLANTON. Why would it not eventuate in harm for us to inflict our church ideas on foreigners as well as our political ideas?

Mr. TINKHAM. If the Congress of the United States officially should attempt to do that, of course, it would be objectionable. What I am objecting to is the action of this Congress in participating officially in conferences in relation to political affairs. I do not think we should do so. I do not think it is to our interest to do so. In fact, perhaps it is to our ruin to do so.

Mr. BLANTON. But this is not Congress. This is merely the individuals themselves. Each individual Member goes.

Mr. TINKHAM. In passing this resolution the Congress officially approves the action of the officials of this Government, paid from the Public Treasury, in discussing political matters.

Mr. BLANTON. We passed a law that provides passports for the gentleman when he wants to go to Siam.

Mr. TINKHAM. But I go as an individual. There is a great difference.

Mr. COLDEN. Will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from California.

Mr. COLDEN. This Union discusses many questions that are economic and social. The gentleman does not construe all those questions to be political, does he?

Mr. TINKHAM. Probably not all of them, no; but enough, such a large number, as to make it very objectionable.

Mr. LANHAM. Will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from Texas.

Mr. LANHAM. The United States of course has been in this organization for many years. In 1904 the annual convention was held in this country at St. Louis. In what political controversies of Europe during the time we have been in this Interparliamentary Union has it involved us?

Mr. SIROVICH. That is what I asked before.

Mr. TINKHAM. I have not read all these data about the Union. They are voluminous, and I cannot detail each issue, but my point is that the direction that this Union takes, the direction it has taken, the political character it has adopted, departing entirely from its original purpose previous to 1914, namely, arbitration, lead us toward Europe, toward European political questions. I believe this is a dangerous direction. I believe it is now more dangerous than ever before for us to meddle in the political affairs of Europe, a Europe which is governed by dictators, by homicidal Communists.

Mr. COLDEN. Will the gentleman yield further?

Mr. TINKHAM. I yield to the honorable Representative from California.

Mr. COLDEN. Did not the gentleman from Massachusetts support the program for this country sending a delegate to the Agricultural Institute at Rome, which is also an international organization?

Mr. TINKHAM. Well, I had no objection to that. It was narrowed down to a specific subject, and I thought there might be some benefit in having the statistics which were reported to that Institute given to us, as they were the broadest statistics in relation to agricultural production that were produced. I regard that as different.

Mr. BLANTON. Will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from Texas.

Mr. BLANTON. Can the gentleman tell us one benefit that flowed from that conference?

Mr. TINKHAM. I do not know that I can.

Mr. BLANTON. That is what I told the gentleman when I tried to get him to vote against it.

Mr. TINKHAM. That would be rather an argument on my side. [Laughter.]

Mr. COLDEN. Will the gentleman yield further?

Mr. TINKHAM. I yield to the honorable Representative from California.

Mr. COLDEN. On the same basis, why should the gentleman oppose the entrance of this country into the International Labor Organization, which deals with the problems of labor?

Mr. TINKHAM. I opposed our going into the International Labor Organization on the same general ground. The International Labor Organization was a part of the Versailles Treaty. It was the left wing of the League of Nations, the right wing being the political Court of the League. My argument in opposition was that if we entered either one, we should eventually find ourselves in the central part, namely, the Covenant of the League. As I do not believe that we should join any European political organization, my position is just as consistent here as it was in relation to the International Labor Organization. The Labor Organization is interwoven with the Secretariat of the League, with the political Court of the League, and also with the Council of the League, all political bodies, so I objected to making any commitments in that direction.

Mr. COLDEN. The gentleman is aware, however, that in the acceptance of the United States in the International Labor Organization, it was clearly stated that it was not to have anything to do with the League of Nations?

Mr. TINKHAM. That is true. That kept us out of the Covenant. But if we went into the League, if we went into the Court, which is the right wing of the League, and then went into the Labor Organization, which is the left wing of the League, of course, the argument would be overwhelming that we should go into the Covenant, and then we should find ourselves full members of the League. That is why I fought it so bitterly. So long as I remain a Member of Congress, at the proper time I shall oppose appropriations for the International Labor Organization and shall do everything else possible to withdraw the United States from that organization.

I wish also to draw the attention of the committee to the fact that the resolution before us is entirely misleading. It is stated that the amount authorized, \$10,000, is for the annual contribution of the United States toward the maintenance of the Bureau of the Interparliamentary Union "for the promotion of international arbitration." Any question concerning arbitration was disposed of entirely by the setting up of the League Court and by the assent of some of the nations of the world to the optional clause of the Court which made arbitration compulsory. So the resolution on its face does not reveal its real purpose.

Another thing—I hesitate to mention it—is not this a genteel form of international graft? Does it not give certain Members of this House, and only a very limited number, a European tour? Does it not disburse funds from the Public Treasury to give free European tours to Members of Congress? I do not think the American people will look with favor upon this proposition to send a certain few select Members of Congress regularly on European tours.

This bill proposes to make permanent what heretofore has been an annual appropriation. You must therefore determine as representatives of the people whether you wish to establish a permanent policy of annually sending a few select Representatives of this House on a European tour.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from Texas.

Mr. LANHAM. It is only an authorization for a permanent appropriation, not a permanent appropriation. The appropriation still would have to be made each year; and, if for any reason the appropriation should not be made, it need not be made.

Mr. TINKHAM. It helps, of course, to have the appropriation made annually.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative.

Mr. BLANTON. On the question raised by the gentleman from Massachusetts, let me call his attention to the fact that our distinguished friend and colleague the gentleman from New York [Mr. SIROVICH] has been a delegate one time. Here is our distinguished friend and colleague from Texas [Mr. LANHAM], who has been over there as a delegate once. Here is our friend from Oklahoma, JED JOHNSON, who has been over there one time.

Mr. TINKHAM. I have said nothing personally disparaging of the Members who have been delegates.

Mr. BLANTON. And here is our beloved friend, the distinguished former Governor of Virginia, whom we all love, Mr. MONTAGUE.

I ask the gentleman: Has it not been worth while, do we not get benefit from daily association with these eminent gentlemen who give us the benefit of whatever they have gotten over there? I think it is money well spent. I do not think this is a junket at all. They give the people in other countries the American viewpoint on all questions.

Mr. TINKHAM. My position, as I said, is that this Union is no longer accomplishing its original purpose, namely, to promote arbitration. The subject of arbitration is no longer an issue, with the League Court a reality, and with the right

of the United States to go to the League Court when it wants to submit any question to it for arbitration.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from Texas.

Mr. LANHAM. Would the gentleman restrict arbitration to its military connotation? Arbitration does not refer solely to war and belligerent enterprises.

Mr. TINKHAM. No; arbitration is a preliminary attempt to settle international disputes and to avoid war.

Mr. MAAS. Mr. Chairman, will the gentleman yield that I may make a point of order that there is no quorum present?

Mr. TINKHAM. I yield to the honorable Representative from Minnesota.

Mr. MAAS. Mr. Chairman, this is a very important matter. We should not dispose of a bill of this character with so few Members in the Chamber.

Mr. Chairman, I make the point of order there is no quorum present.

Mr. TINKHAM. I am very glad to have the gentleman make his point of order.

Mr. BLANTON. Let us finish the bill, we have waited here an hour to do it. How much time has the gentleman remaining?

The CHAIRMAN. The gentleman from Massachusetts has 26 minutes remaining.

Mr. MAAS. Mr. Chairman, if the distinguished Chairman of the Committee on Foreign Affairs will agree to an adjournment immediately after the House acts on the pending bill, I will withdraw my point of no quorum.

Mr. McREYNOLDS. The Chairman of the Committee on Foreign Affairs will agree, so far as he is concerned, to the gentleman's request.

The CHAIRMAN. The gentleman from Massachusetts will proceed.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from California.

Mr. COLDEN. I am very much interested in the gentleman's discussion. I would like to know the gentleman's position. I would like to know whether he is in favor of this movement to support international arbitration which does not commit our country to any alliance or agreements with other countries?

Mr. TINKHAM. The League Court, which we all know is a political court, disposes of the question of the arbitration of disputes. First, it disposes of them automatically as between the members; and, second, resort may be had to it by nations which, like the United States, are not members of the League. So arbitration is no longer an active international or national issue.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from Wisconsin.

Mr. BOILEAU. The gentleman from Texas a while ago mentioned three or four Members of the House who on one occasion were delegates to meetings of this Interparliamentary Union. Has it not been the practice to appoint different Members each year to attend these meetings, or are some Members reappointed year after year?

Mr. TINKHAM. I think the honorable Representative will find that a small number of Members have gone a number of times.

Mr. BOILEAU. I am wondering if these meetings are a benefit to the Congress of the United States and to our people and whether or not the maximum benefit could not be derived by having different delegates attend these meetings, thereby spreading out the wisdom that is received and the inspiration that they might receive by having this contact with other parliamentary bodies?

Mr. TINKHAM. That might be so, and, again, it might not be so.

Mr. BOILEAU. Does the gentleman state that the same men go year after year?

Mr. TINKHAM. I have not looked over the record very carefully, but I think there are, as I stated a while ago, a number who make the European tour rather regularly.

Mr. BOILEAU. I have not had this information before and I have no knowledge of it myself; therefore I think it would be very illuminating to the Members of the House to know whether or not it has been the practice of having as many go as we can possibly accommodate with the small appropriation. Can the gentleman give us any information as to how the delegates are selected; that is, are they selected by the Speaker of the House, the President of the Senate, or by whom?

Mr. TINKHAM. I understand the selection is made by an executive committee of the American section of this organization. I suppose there are certain members who submit requests to go, and it may be that selection is made according to seniority or in some other way. I do not know. I think the honorable Representative from Texas can tell us how the selection is made.

Mr. LANHAM. It is made by the official board of the American interparliamentary group. Governor MONTAGUE has been president of this group up to this time. Senator BARKLEY, of Kentucky, is now president of the group.

Mr. TINKHAM. Have these gentlemen gone rather regularly to the conferences?

Mr. LANHAM. Senator BARKLEY, I believe, attended two. Governor MONTAGUE, as the president, attended regularly, because he has had in his charge necessarily over there the supervision of the conferences of the American group within itself.

Mr. TINKHAM. Are not the selections made by the executive committee of which they are members, or are they made by the president?

Mr. LANHAM. The president of the American group. Each Member of the American Congress is a member of the American group of the Interparliamentary Union. The meetings of the American group of the Interparliamentary Union are held here each year. Each Member of Congress gets a notice. The gentleman from Massachusetts received notice of the meeting of the American group of the Interparliamentary Union recently held, at which these matters were discussed. Of course, it has always been incumbent upon the president of the group to go if he can because he supervises the conferences of the representatives of the American group.

Mr. TINKHAM. Do I understand the president of the group selects the members who are to go?

Mr. LANHAM. It is made, I understand, by the President and other officers of the group. However, this has included from time to time many Members who have no connection whatever with the official organization of the American group. I had none. The gentleman from New York had none, and the gentleman from Oklahoma had none. At the one meeting which I attended there were only two, as I recall, who were members of the official body of the American group.

Mr. TINKHAM. The honorable Representative from Texas is then a little uncertain how the selections are actually made?

Mr. LANHAM. They are made by the American group itself.

Mr. TINKHAM. Does the gentleman mean by the whole group?

Mr. LANHAM. I do not know. They have not been made as yet for this year. The American group will determine the matter for itself as to the representatives that will go.

Mr. BOILEAU. Will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from Wisconsin.

Mr. BOILEAU. Can the gentleman advise the House as to the number of delegates sent over there each year?

Mr. TINKHAM. I shall have to refer you to the honorable Representative from Texas.

Mr. LANHAM. I may say to the gentleman that I made reference to that matter in my remarks upon this bill. The

number that can go is necessarily restricted, of course, by the appropriation, although it has been customary to try to get the presence of any Members of Congress who may be in Europe in addition to those who may be sent over under this appropriation. There are others who go at their own expense. It is sought to have as large a representation as possible. The expenses of all the delegates every year have not been paid in full. The expenses, too, I may say, are paid only to the meeting, during the meeting, and for the return trip. There is nothing allowed for incidental expenses. If one wants to travel around Europe or anything of that kind, no allowance is made. The amount appropriated is apportioned upon vouchers approved by the State Department for the expenses of the delegates. It may be said that sometimes the amount received by each delegate has not been sufficient to meet the actual expenses of going to the meeting.

Mr. BOILEAU. There are usually 5 members, 10 members, or 20 members?

Mr. LANHAM. On the one occasion I went, I should say there were 10 or 12.

Mr. BOILEAU. And the \$10,000 is divided up equally among those who attend?

Mr. LANHAM. The money is not divided among them; no. They present vouchers covering their actual expenses. These vouchers are scrutinized by the State Department and gone over very carefully to see that they are restricted to the necessary expenses incident to the trip to attend the Interparliamentary Union and return.

Mr. BOILEAU. It means practically the same thing; that is, that the \$10,000 is divided equally among the 10 who attend?

Mr. LANHAM. This money is appropriated for the purpose of paying the expenses of the delegates attending, although it has not always been sufficient in the past.

Mr. BOILEAU. My interest is not in the sense that I have a desire to go, because I could not be reelected from my district in Wisconsin should I attend a meeting of this kind at Government expense.

Mr. LANHAM. Personally I think the gentleman would make a good delegate. I think he would find it profitable if he attended one of these meetings and that he would be very enthusiastic about them.

Mr. BOILEAU. I thank the gentleman, and I wish to assure him that undoubtedly I would receive some benefit; but I doubt if it could be communicated back to the House.

Mr. O'CONNOR. Will the gentleman from Texas yield to me?

Mr. LANHAM. If the gentleman from Massachusetts will permit.

Mr. TINKHAM. I yield to the honorable Representative from New York.

Mr. O'CONNOR. I have tried to follow the gentleman very carefully, but I do not know whether it is clear to me yet, and will the gentleman answer this question: Whom would I have to see if I wanted to go as a delegate?

Mr. LANHAM. I will say to my colleague from New York that I am not a member of the official board of the American group.

Mr. O'CONNOR. We have been trying to find out who it is.

Mr. LANHAM. Let me answer the question.

Mr. FISH. If the gentleman from Massachusetts will permit, my colleague from New York has had all kinds of difficulty getting any jobs out of this administration; can we not do something for him now?

Mr. LANHAM. I may say to the gentleman that, like himself, I am a member of the American group of the Interparliamentary Union through my membership in this body.

Mr. O'CONNOR. We cannot find out who picks these delegates to go.

Mr. MARTIN of Massachusetts. If the gentleman will permit, does not Mr. Call pick them?

Mr. O'CONNOR. Who is the executive committee? What is all this mystery about?

Mr. LANHAM. So far as I am concerned, there is no mystery, and I may say that on the occasion when I went,

it seemed difficult to get a sufficient number of delegates to attend.

Mr. O'CONNOR. I have no desire to go myself.

Mr. LANHAM. And Governor MONTAGUE, who was then president of the American group, asked me if I would go.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. TINKHAM. I yield to the honorable Representative from New York.

Mr. TABER. It seems that the committee is divided into two groups, one of which is fearful lest they may be damaged in their districts because they go on a junket, while the other group is trying to find out how they can go on a junket. It is perfectly clear that this is a junket. It is perfectly clear that \$10,000 of this money is for a junket. The report of the committee indicates that \$7,500 of the money has heretofore been used in providing for the overhead of this international organization, and this bill proposes to raise that \$7,500 to \$10,000. It would seem to me that \$10,000, or even \$7,500, is a lot of money.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. TABER. I have not the floor, but it would seem to me we ought to beat the bill.

Mr. LANHAM. Will the gentleman from Massachusetts permit me to say to the gentleman from New York that the annual appropriation has been \$10,000 a year consistently, and it was reduced to \$7,500 in the last appropriation, which has made it even harder upon the union itself, because of the variation in the exchange.

Mr. TABER. If the gentleman will yield, I cannot understand for what they even used \$7,500.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from Massachusetts.

Mrs. ROGERS of Massachusetts. Is it not true that the Honorable Theodore E. Burton was president of this Commission for a number of years, and was very active in it and very much interested in it?

Mr. TINKHAM. He was very active in it and was also very much in favor of our entering the League of Nations. [Laughter.]

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative from Massachusetts.

Mr. MARTIN of Massachusetts. The distinguished gentleman from New York asked who selected these delegates. I am wondering if it is not Arthur D. Call who selects them. He did several years ago, and I presume he is still doing it.

Mr. O'CONNOR. He is not a Member of Congress.

Mr. MARTIN of Massachusetts. You would not expect a Member of Congress to select them.

Mr. O'CONNOR. Does the gentleman mean to say that an outsider, not a Member of Congress, picks the Members of the Congress who are to represent the Congress?

Mr. MARTIN of Massachusetts. That was my impression a few years ago.

Mr. McREYNOLDS. Mr. Chairman, if the gentleman will yield, Senator BARKLEY, who is the president of the American group, was asked the question how these delegates are selected, and he said they are selected by the president of the local organization in connection with the executive council. There is no mystery about it, as suggested by the gentleman from New York, who is just as much a member of the organization as any other person in this body, and if he wanted to know or had any reason to have this information all he had to do was to attend the meeting when it was held. If he does not know, it is because of negligence on his part, and the gentleman should not try to cast any reflection here that there is any mystery about it.

Mr. BLANTON. Will the gentleman yield?

Mr. TINKHAM. I yield to the honorable Representative of Texas.

Mr. BLANTON. If the gentleman will look at the RECORD he will see a colloquy between myself and our former dis-

tinguished colleague, Hon. Theodore Burton, a Member of both the House and Senate during his service, where he stated that as president himself he had the control of the selection of the members to go over as delegates. He attended these meetings abroad many times. He had been the president, the same as Governor MONTAGUE has been president, and the same as Senator BARKLEY is now president. The president of our American group himself was the one who made the selection.

Mr. TINKHAM. Now, I have only 1 or 2 minutes left. The headquarters of this organization are in Geneva.

This legislation is taking us to Europe; it is taking us to Geneva, the political headquarters of Europe. There is no Member here who does not know that the vast majority of the people of this country are opposed to our interfering or meddling in the political affairs of Europe. Therefore, in my opinion, we are taking a step in the wrong direction if we approve this legislation.

This organization, in 1934, interpreted the Briand-Kellogg Pact, and at that time it was proposed that on Friday, April 26, 1935, there would be taken up by a subcommittee the harmonization of the Briand-Kellogg Pact with the Covenant of the League of Nations. This is a political act. It involves our treaty obligations. No foreign body should be allowed to interpret for us our moral or legal obligations. The course and direction of the foreign policy of a nation is one of vital importance. We are proceeding along the wrong road into European political affairs if we adopt the resolution.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, this is one occasion when it is peculiarly distasteful to me to rise in opposition to a bill, due to the fact that its proponents, Members of this House who are interested in its passage, are my friends, the distinguished Chairman of the Foreign Relations Committee, Mr. McREYNOLDS, and my dear friend from Texas, Mr. LANHAM. I dislike to rise in opposition to a matter in which they seem so interested, but as to this apparently innocuous bill, a bill solely for the purpose of appropriating \$10,000 for expenses of a delegation going to Europe and \$10,000 for the expenses of the Interparliamentary Union, I feel as I did on the I. L. O., the International Labor Organization, when that measure came before the House. I opposed that bill and said that it was but another way of getting us entangled in European affairs. I do not want to go into a discussion of the labor situation, except to say that the American Federation of Labor 2 years ago passed a resolution, so far as the I. L. O. is concerned, excoriating it, and this last year, after Congress passed the bill, they merely mentioned it in their report, that since it was in existence they might as well have a labor man go over there. In this present bill you have the situation referred to by my colleague from Massachusetts [Mr. TINKHAM], of discussing political matters in the Interparliamentary Union.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. In a moment. If this union was for the purpose solely of discussing parliamentary procedure, or anything like it, I would not oppose it, but when we get into a proposition with Europe, with Hitler and Stalin and Mussolini running their governments and our delegates supposed to sit in a conference, expecting to bring back from that conference something which is good for the American people, I doubt the wisdom of it, and I doubt the wisdom of their ever bringing anything back to us which will be helpful to our institutions in the United States. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Has the gentleman ever attended one of these Conferences?

Mr. CONNERY. I have not.

Mr. JOHNSON of Oklahoma. Possibly if the distinguished gentleman had ever attended one he would not make the statement that it is a political conference. May I add also that the Interparliamentary Union, generally speaking, is composed of men and women from almost every civilized nation of the globe who are sincerely interested in preserving

the peace of the world. Both Interparliamentary Peace Conferences I attended back in 1927 and 1929 made a profound impression upon me, and I am confident they did also on all the other delegates. I heartily agree with much the gentleman has stated, but I cannot agree that this is a political conference.

Mr. CONNERY. Of course the gentleman is entitled to believe that way. We had a disarmament conference down here in Washington that was not of the Interparliamentary Union. It was called by President Harding. They had the diplomats of the world there. The other nations scrapped blue prints, and we scrapped millions of dollars' worth of our ships. We do not want any more of those conferences. If we want disarmament conferences, we do not want them in the Interparliamentary Union under the auspices of the League of Nations. We want conferences where the President of the United States at any time can call over the premiers of foreign countries, or representatives of the governments of the world, to sit down at the White House where he may say, "Now, what are you going to do about disarmament?" Since the time the gentleman refers to, he knows that France and Germany and England and Russia and all the nations of Europe are armed to the teeth. They have plenty of money to arm their soldiers, but not a nickel to pay their debt to the United States. I do not think this is any time to be spending money to send delegates to conventions that are meaningless, so far as the United States is concerned.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. TRUAX. In my judgment the gentleman has made the most effective speech against this bill that I have yet heard. The gentlemen sponsoring this bill are good friends of mine, Mr. McREYNOLDS and Mr. LANHAM, but I think the time has arrived when we must stop passing bills because of friendship.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. FISH. Mr. Chairman, I yield 3 minutes more to the gentleman from Massachusetts.

Mr. TRUAX. Europe secured a moratorium on her debt, and I think we ought to have a moratorium on European conferences, with our delegates' expenses paid by the Government.

Mr. CONNERY. So do I. I feel very deeply about this matter. As I say, I dislike to oppose two very dear friends of mine in Congress who are for this legislation, and sincerely so, but I think we have had enough of these conferences with Europe. To repeat that old axiom of Will Rogers, "We never lost a war and we never won a conference." It is true. It sounds humorous, but it is true. The diplomats that we send to deal with the European nations are not trained in diplomacy. Foreign diplomats are trained in diplomacy from childhood. We send over our amateur diplomats to deal with them, and the foreign diplomats always have the cards stacked against us before the game starts. That is the way we come out of all these conferences. I do not like that. I do not think there is any good for the United States in a conference of this sort. I am against it. I hope the House will vote down this proposition. It sounds like a small matter to say "\$10,000." My friend the gentleman from Texas [Mr. BLANTON] says it is worth \$10,000. Mr. BLANTON is willing to allow \$10,000 to go to Europe, but when we discuss labor matters on the floor he does not favor \$10,000 appropriations for decent living wages for the workers.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONNERY] has expired.

Mr. TINKHAM. Mr. Chairman, I make the point of order that there is not a quorum present.

Mr. McREYNOLDS. Will the gentleman withhold that for a moment?

Mr. TINKHAM. For a moment.

Mr. McREYNOLDS. Now, the gentleman has had all the time he wanted to fight this out. I arranged the time to call this up for your convenience. Would the gentleman

under those circumstances undertake to make a point of no quorum when he thinks he is about to get beaten?

Mr. TINKHAM. I want to defeat this measure, which I believe is thoroughly unsound and unpatriotic, by any method that is legitimate. It is legitimate for me to make a point of no quorum and I insist upon it.

Mr. McREYNOLDS. The gentleman can never have the help of this chairman hereafter in getting time.

Mr. TINKHAM. I am sorry. The gentleman did not give me the time. Does the gentleman from Tennessee try to impose upon me by saying he gave me the time?

Mr. McREYNOLDS. Did I not tell the gentleman I would hold that until he could get onto the floor?

Mr. TINKHAM. Oh, that is a different proposition. The gentleman said he gave me time. He did not give me the time; the honorable Representative from New York did that. Mr. Chairman, I insist upon the point of order.

Mr. McREYNOLDS. And then we had to listen to the gentleman.

Mr. TAYLOR of Colorado. Will the gentleman from Massachusetts yield to me?

Mr. TINKHAM. I will, but I am going to insist upon my point of order.

Mr. MARTIN of Massachusetts. Mr. Chairman, I move that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) there were—ayes 13, noes 36.

So the Committee refused to rise.

Mr. McREYNOLDS. Mr. Chairman, I ask that the bill be read.

Mr. TINKHAM. Mr. Chairman, I insist on the point of order.

The CHAIRMAN. The Chair has counted. Fifty-one Members are present; not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 74]

Adair	Dirksen	Kennedy, N. Y.	Rich
Andresen	Disney	Kerr	Richards
Andrew, Mass.	Dondero	Kimball	Robertson
Ashbrook	Doutrich	Kleberg	Robinson, Utah
Bankhead	Duncan	Kniffin	Rogers, Okla.
Beam	Dunn, Miss.	Knutson	Romjue
Bell	Eaton	Lambertson	Russell
Berlin	Engel	Lamneck	Ryan
Binderup	Englebright	Lee, Okla.	Sabath
Bland	Ferguson	Lemke	Sanders, La.
Bolton	Flannagan	Lewis, Md.	Sauthoff
Brennan	Ford, Calif.	Lucas	Schaefer
Brooks	Ford, Miss.	McClellan	Schneider
Brown, Mich.	Fulmer	McFarlane	Schuetz
Buckley, N. Y.	Gambrill	McGehee	Scott
Burch	Gasque	McGroarty	Scrugham
Burdick	Gassaway	McLaughlin	Seger
Caldwell	Gearhart	McMillan	Shannon
Cannon, Mo.	Gehrmann	McSwain	Short
Cannon, Wis.	Gifford	Maverick	Sisson
Carden	Gildea	May	Smith, Wash.
Carpenter	Gillette	Meeks	Smith, W. Va.
Casey	Gingery	Merritt, Conn.	Steagall
Cavicchia	Goldsborough	Millard	Stubbs
Celler	Gray, Pa.	Mitchell, Ill.	Sullivan
Chandler	Greenwood	Montague	Summers, Tex.
Claiborne	Greever	Montet	Sweeney
Clark, Idaho	Griswold	Moritz	Taylor, Tenn.
Clark, N. C.	Haines	Mott	Thomas
Cochran	Hamlin	Murdock	Thompson
Cole, N. Y.	Hancock, N. C.	Nichols	Tobey
Colmer	Harlan	O'Day	Treadway
Cooley	Hartley	Oliver	Underwood
Corning	Healey	O'Malley	Walter
Crawford	Hobbs	Perkins	Weaver
Crosby	Hoeppel	Peyser	Werner
Culkin	Hollister	Pfeffer	White
Cummings	Houston	Pierce	Wilson, Pa.
Dear	Igoe	Plumley	Withrow
Delaney	Johnson, W. Va.	Ramsay	Wolcott
DeRouen	Kahn	Randolph	Wolfenden
Dickstein	Keller	Reece	Woodrum
Dietrich	Kennedy, Md.	Reilly	Zimmerman
Dingell			

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JONES, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 2276) to authorize participation by the United States in the Interparliamentary Union, finding itself without a

quorum, he had directed the roll to be called, when 257 Members answered to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its session.

Mr. McREYNOLDS. Mr. Chairman, I ask that the bill be read.

The Clerk read as follows:

Be it enacted, etc., That an appropriation of \$20,000 annually is hereby authorized, \$10,000 of which shall be for the annual contribution of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration; and \$10,000, or so much thereof as may be necessary, to assist in meeting the expenses of the American group of the Interparliamentary Union for each fiscal year for which an appropriation is made, such appropriation to be disbursed on vouchers to be approved by the President and the executive secretary of the American group.

During the reading of the first section the following occurred:

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

Mr. TINKHAM. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will continue the reading of the bill.

Mr. TINKHAM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TINKHAM: Page 1, line 3, after the word "of", strike out "\$20,000."

Mr. TINKHAM. Mr. Chairman, I have made a motion to strike out the sum authorized to be appropriated. This legislation proposes for the first time a permanent authorization for a committal of the United States to this organization which is now discussing political affairs and not parliamentary matters. It meets at Geneva. It is a part of the general international set-up of affairs or mechanisms which is favored by internationalists and international Socialists.

In my opinion, the United States is absolutely opposed to any such internationalism and internationalists, and particularly to international socialism and international Socialists. By internationalism I mean political internationalism. The United States has learned its lesson and has paid in part the extortionate price.

When the vote is taken upon this amendment those voting will identify themselves as being either for traditional American principles and policies or for new international socialist policies which would entangle us in European affairs.

It has been stated that none of the actions of the Interparliamentary Union are binding on the United States. The fact is, however, that before international commitments are made there usually are preliminary conditions and preliminary understandings which give character and direction to commitments. As I have stated, this is simply a movement toward Geneva, a movement toward entanglements in European political affairs. I have read the agenda which is to be considered by this organization, the Interparliamentary Union. I have shown that they are political and economic in character, that they do not relate to arbitration. Our joining this organization originally was because we were in favor of arbitration. I have shown how there is no more interest in arbitration and that now the matters that are discussed are political in character. Although it may be true that there are no binding commitments, nevertheless it is a movement in the wrong direction, toward political internationalism and European entanglements. One foot over the threshold into European political affairs and we are involved. What has been the result of our involvement in the political affairs of Europe, step by step, I stated to the committee perhaps an hour or an hour and a half ago.

I believe those Members of this body who are opposed to internationalism, international socialism, and to our participation in the political affairs of Europe should vote for the amendment which strikes out the amount to be authorized.

[Here the gavel fell.]

Mr. McREYNOLDS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I merely want to say to the Members of this House that my bewhiskered friend from Massachusetts is responsible for your being called over here at this late hour after we had heard him nearly 1 hour on this subject. In 2 minutes we would have been through, and I ask you to vote down everything they offer.

Mr. CONNERY. Mr. Chairman, I move to strike out the last word.

Mr. McREYNOLDS. Mr. Chairman, the time on amendments under the rules is 5 minutes on a side. The gentleman has no right to debate this amendment.

The CHAIRMAN. The gentleman from Massachusetts moves to strike out the last word, which is an amendment to the amendment.

The gentleman from Massachusetts is recognized for 5 minutes.

Mr. CONNERY. Mr. Chairman, I will not occupy much of the time of the House. The distinguished chairman of the committee stated that my colleague from Massachusetts [Mr. TINKHAM] is responsible for their being here. He is, and if he had not been responsible I would have been. [Applause.]

Any Member of this House is entitled to call the Members over here on any matter which he considers important to the people of the United States.

Now, this is the I. L. O., the International Labor Organization story all over again in another form.

Mr. JOHNSON of Texas. Mr. Chairman, I make the point of order the gentleman is not discussing the last word.

Mr. CONNERY. Mr. Chairman, the last word is group. I will say, that to my mind, the Interparliamentary Union is a very bad group for United States representatives to join up with [applause], with foreign nations asking us to sit in on their Interparliamentary Union while they are passing out their foreign propaganda to us and then refusing to pay us a nickel of their debt to the United States when they are armed to the teeth, using our money to increase their armaments. [Applause.]

Mr. Chairman, I am not going to take further time of the House. I hope the House will vote down this European bill which is against the interests of the American people. [Applause.]

Mr. McREYNOLDS. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

The question was taken; and on a division (demanded by Mr. TINKHAM and Mr. MARTIN of Massachusetts) there were—ayes 178, noes 77.

So the motion was agreed to.

Mr. BOILEAU. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. BOILEAU moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. BOILEAU. Mr. Chairman, I do not desire to delay consideration of this bill, but I had hoped to have an opportunity of asking a few questions of the chairman of the committee.

I have been advised that there is a gentleman who acts as executive secretary for the Interparliamentary Union in this country. I would like to ask the distinguished chairman of the committee whether that agent is a paid employee or whether he is working gratuitously because of his interest in the subject matter.

Mr. McREYNOLDS. The gentleman means the clerk of the committee?

Mr. BOILEAU. Yes.

Mr. McREYNOLDS. I understand he is a paid employee.

Mr. BOILEAU. Now I ask the gentleman from what funds he is paid; who pays him?

Mr. McREYNOLDS. I suggest that Mr. BLOOM answer that question.

Mr. BLOOM. The secretary gets \$50 a month and has been there a great many years. He is now being paid out of

an appropriation that was made by the Carnegie Institute, which made a donation out of which this salary of \$50 a month is paid. This man has been with the Interparliamentary Union a great many years.

Mr. BOILEAU. The reason I asked that question was because of the fact that it has been suggested to me there was a paid secretary. I was wondering from what source these funds were made available. I find no fault with the situation, and do not desire to reflect in any way against the gentleman who acts as secretary. I wanted the information, and I felt the Members of the House were entitled to it, because the suggestion was made that there was some other source from which the funds were made available for him and that it was a larger amount. I am entirely satisfied with the explanation made by the gentleman from New York.

Mr. TRUAX. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Ohio.

Mr. TRUAX. Can the gentleman tell us whether or not this paid employee—and I understand his name is Call—selects the Members of Congress who are to represent the United States in these conferences? The Congress itself, as I understand it, has nothing whatsoever to do with the selection of these members.

Mr. McREYNOLDS. I may say to the gentleman that he does not.

Mr. TRUAX. Then who does?

Mr. McREYNOLDS. That question was asked Senator BARKLEY in the hearings before our committee. It is the duty of the president of the local union, which is Senator BARKLEY, in connection with the executive committee of the local union, to make this selection. The executive committee is elected by the Members of Congress who attend the meeting.

Mr. BOILEAU. Are there any other funds used to pay the secretary? Are there any other funds made available to pay any part of the expenses of the delegates to the Interparliamentary Conference?

Mr. McREYNOLDS. None that I know of.

Mr. TAYLOR of South Carolina. How does the proposed appropriation in this bill compare with previous appropriations for the same purpose?

Mr. BOILEAU. I understand there was \$7,500 appropriated last year.

Mr. McREYNOLDS. It is the same amount.

Mr. BOILEAU. I understand there was \$7,500 in the last appropriation bill.

Mr. BULWINKLE. Mr. Chairman, I make the point of order the gentleman is not discussing his motion to strike out the enacting clause.

The CHAIRMAN. The Chair overrules the point of order. The gentleman is speaking on the merits of the bill.

Mr. MAAS. Does the gentleman think there are enough parliamentary governments left in the world to necessitate such an Interparliamentary Union?

Mr. BOILEAU. I do not care to express an opinion on that matter, except to say that I hope there will be more of them in the future.

[Here the gavel fell.]

The CHAIRMAN. The question is on the motion of the gentleman from Wisconsin [Mr. BOILEAU] to strike out the enacting clause.

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was rejected.

The Clerk read as follows:

Sec. 2. That the American group of the Interparliamentary Union shall submit to the Congress a report for each fiscal year for which an appropriation is made, including its expenditures under such appropriation.

Mr. McREYNOLDS and Mr. TINKHAM rose.

Mr. McREYNOLDS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House—

Mr. TINKHAM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TINKHAM: On page 2, after line 6, insert a new section, to be known as "section 3", to read as follows:

"That all appointments to the Union Conference shall be made by the President of the Senate and the Speaker of the House."

Mr. McREYNOLDS. Mr. Chairman, I move that all debate on this section and the new section just offered be closed in 5 minutes.

The CHAIRMAN. The motion is not in order at this time.

Mr. TINKHAM. Mr. Chairman, if Members of this House and Members of the Senate are to be sent to Europe at public expense, which is the issue involved here, the selection should be made by the officials of these bodies. They should be made by the Speaker of the House and the President of the Senate. It seems to me this is self-evident. We have had a debate here running an hour or an hour and one-half and it has been absolutely and completely obscure as to how these favored Members are appointed to these favored positions, having their expenses to Europe paid to discuss political affairs—political affairs largely, if not entirely, the political affairs of Europe.

This is a legitimate amendment. It is offered for a legitimate purpose and I cannot see how the committee can reject an amendment which provides that if public funds are to be expended out of the Treasury they shall be expended by public officials designated for that purpose. How is it reasonable to oppose such an amendment? How is it possible to authorize private individuals to dispose of public funds? How is it proper to allow Members of Congress to be sent to Europe or sent to Geneva to discuss international matters which, in my opinion, are entirely improper and out of order for American representatives in their official capacities to discuss, and not have their own officials say who shall be selected?

How can such an amendment be rejected in the name of honest and decent legislation, in the name of orderly government and of proper procedure concerning expenditures from the Public Treasury?

I submit the amendment is a legitimate one, is offered in good faith, and should be taken seriously by the committee.

Mr. McREYNOLDS. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) the Chair announced there were—ayes 90, noes 82.

Mr. McREYNOLDS. Mr. Chairman, I move that the Committee do now rise.

Mr. Chairman, I demand tellers.

Mr. CONNERY, Mr. McCORMACK, and Mr. MARCAN-TONIO rose.

The CHAIRMAN. The gentleman from Tennessee demands tellers.

Mr. CONNERY. Mr. Chairman, a parliamentary inquiry. Did the Chair announce the noes had it?

The CHAIRMAN. The Chair has not announced the result. The Chair had announced the vote but not the result. The gentleman from Tennessee is entitled to demand tellers.

Mr. McREYNOLDS. As the Chair indicates some uncertainty, I withdraw the demand.

Mr. BLANTON. O Mr. Chairman, I was on my feet to demand tellers at the time.

The CHAIRMAN. Those favoring taking this vote by tellers—

Mr. CONNERY. Mr. Chairman, a parliamentary inquiry.

Mr. LEHLBACH. Mr. Chairman, I make the point of order that business has intervened, that after the announcement of the ayes and noes on the rising vote, the gentleman from Tennessee was on his feet and moved that the Committee rise, and it was not until after that that a demand for tellers was made.

The CHAIRMAN. The Chair will state to the gentleman from New Jersey in relation to the point of order that the Chair had announced the vote but had not announced the result, and it was not in order for the gentleman from Tennessee to make such motion until the result had been announced.

Mr. CONNERY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CONNERY. When the Chair announced the ayes and noes, did he announce the noes first or the ayes first?

The CHAIRMAN. The ayes first, but the Chair did not announce the result.

All those in favor of taking this vote by tellers will rise and stand until counted. [After a pause.] Evidently a sufficient number, and tellers are ordered.

The Chair appointed as tellers Mr. McREYNOLDS and Mr. TINKHAM.

The Committee again divided; and the tellers reported that there were 99 ayes and 89 noes.

So the amendment was agreed to.

Mr. McREYNOLDS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. JONES, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (S. 2276) to authorize participation by the United States in the Interparliamentary Union, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

Mr. McREYNOLDS. Mr. Speaker, I move the previous question.

Mr. CONNERY. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Massachusetts makes the point of order that no quorum is present. The Chair will count. [After counting.] Two hundred and two Members present; not a quorum.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed, the Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 75]

Adair	Dietrich	Houston	O'Malley
Allen	Dingell	Igoe	Perkins
Andresen	Dirksen	Johnson, W. Va.	Peyser
Andrew, Mass.	Disney	Kahn	Pfeifer
Bankhead	Dondero	Kennedy, Md.	Pierce
Beam	Doutrich	Kennedy, N. Y.	Plumley
Bell	Duncan	Kerr	Quinn
Berlin	Dunn, Miss.	Kimball	Ramsay
Binderup	Eaton	Kleberg	Randolph
Bland	Engel	Kniffin	Rayburn
Bolton	Englebright	Lamneck	Reece
Brennan	Ferguson	Lee, Okla.	Reilly
Brooks	Fernandez	Lemke	Rich
Brown, Mich.	Fish	Lesinski	Richards
Buckley, N. Y.	Flannagan	Lewis, Md.	Robertson
Burch	Ford, Calif.	Lucas	Robinson, Utah
Burdick	Ford, Miss.	McGoarty	Rogers, Okla.
Caldwell	Fulmer	McLaughlin	Romjue
Cannon, Wis.	Gambrill	McLeod	Russell
Carden	Gasque	McMillan	Ryan
Carpenter	Gassaway	McSwain	Sabath
Casey	Gearhart	Maloney	Sadowski
Cavichia	Gifford	Maverick	Sanders, La.
Celler	Gildea	May	Sandlin
Clalborne	Gillette	Meeks	Schaefer
Clark, Idaho	Goldsborough	Merritt, Conn.	Schuetz
Clark, N. C.	Gray, Penn.	Millard	Scott
Cochran	Greenwood	Mitchell, Ill.	Scrugham
Colmer	Greever	Montague	Seger
Cooley	Griswold	Montet	Shannon
Corning	Haines	Moritz	Short
Crosby	Hamlin	Mott	Sisson
Culkin	Hancock, N. C.	Murdock	Smith, Wash.
Cummings	Harlan	Nelson	Smith, W. Va.
Dear	Hartley	Nichols	Snyder
Delaney	Hobbs	O'Connell	Steagall
DeRoven	Hoeppel	O'Day	Stubbs
Dickstein	Hollister	Oliver	Sullivan

Sumners, Tex. Tobey Walter Wolcott
Sutphin Tonry Warren Wolfenden
Sweeney Treadway Weaver Woodrum
Tarver Underwood Werner Zimmerman
Taylor, Tenn. Vinson, Ga. Wilson, Pa.

The SPEAKER. Two hundred and fifty-nine Members have answered to their names; a quorum is present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. CONNERY. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. CONNERY) there were 72 ayes and 123 noes.

Mr. CONNERY. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 74, nays 172, not voting 185, as follows:

[Roll No. 76]

YEAS—74

Allen	Ekwall	Kinzer	Reed, Ill.
Amile	Fenerty	Knutson	Reed, N. Y.
Andrews, N. Y.	Focht	Kramer	Rogers, Mass.
Arends	Gavagan	Lambertson	Sauthoff
Bacon	Gehrmann	Lord	Schneider
Blackney	Goodwin	McAndrews	Secrest
Bolleau	Granfield	McCormack	Stefan
Buckbee	Guyer	McFarlane	Stewart
Buckler, Minn.	Halleck	McKeough	Taber
Carlson	Hancock, N. Y.	Maas	Thurston
Cole, Md.	Hess	Marcantonio	Tinkham
Collins	Higgins, Conn.	Marshall	Truax
Connery	Higgins, Mass.	Martin, Mass.	Turpin
Cooper, Ohio	Hoffman	Michener	Wadsworth
Crawford	Holmes	Mott	Wigglesworth
Crowther	Hope	O'Brien	Withrow
Darrow	Huddleston	Pittenger	Young
Ditter	Hull	Powers	
Dunn, Pa.	Jenkins, Ohio	Ransley	

NAYS—172

Arnold	Dorsey	Kloeb	Polk
Ayers	Doughton	Kocialkowski	Rabaut
Barden	Doxey	Kopplemann	Ramspeck
Beiter	Drewry	Kvale	Randolph
Berlin	Driscoll	Lambeth	Rankin
Biermann	Driver	Lanham	Richardson
Blanton	Duffey, Ohio	Larrabee	Rogers, N. H.
Bloom	Duffy, N. Y.	Lea, Calif.	Rogers, Okla.
Boehne	Eagle	Lehlbach	Sanders, Tex.
Boland	Eckert	Lewis, Colo.	Schulte
Brooks	Edmiston	Lewis, Md.	Sears
Brown, Ga.	Elcher	Lloyd	Shanley
Buchanan	Ellenbogen	Ludlow	Sirovich
Buck	Evans	Lundeen	Sisson
Bulwinkle	Faddis	McClellan	Smith, Conn.
Burnham	Farley	McGehee	Smith, Va.
Cannon, Mo.	Fiesinger	McGrath	South
Carmichael	Fitzpatrick	McLean	Spence
Carter	Fletcher	McReynolds	Stack
Cartwright	Frey	Mahon	Starnes
Castellow	Gingery	Mapes	Sutphin
Chandler	Gray, Ind.	Martin, Colo.	Taylor, Colo.
Chapman	Green	Mason	Taylor, S. C.
Christianson	Greenway	Massingale	Terry
Church	Gregory	Merritt, N. Y.	Thom
Citron	Gwynne	Miller	Thomason
Coffee	Hart	Mitchell, Tenn.	Thompson
Colden	Harter	Monaghan	Tolan
Cooper, Tenn.	Healey	Moran	Turner
Costello	Hennings	Nelson	Umstead
Cox	Hildebrandt	Norton	Utterback
Cravens	Hill, Ala.	O'Leary	Vinson, Ky.
Cross, Tex.	Hill, Knute	O'Neal	Wearin
Crosser, Ohio	Hill, Samuel B.	Owen	Welch
Crowe	Hook	Palmisano	West
Cullen	Imhoff	Parsons	Whelchel
Daly	Jenckes, Ind.	Patman	White
Darden	Johnson, Okla.	Patterson	Whittington
Deen	Johnson, Tex.	Patton	Wilcox
Dempsey	Jones	Pearson	Williams
Dies	Kee	Peterson, Fla.	Wilson, La.
Dobbins	Keller	Peterson, Ga.	Wood
Dockweiler	Kenney	Pettengill	Woodruff

NOT VOTING—185

Adair	Brennan	Casey	Culkin
Andresen	Brewster	Cavicchia	Cummings
Andrew, Mass.	Brown, Mich.	Celler	Dear
Ashbrook	Brunner	Claborne	Delaney
Bacharach	Buckley, N. Y.	Clark, Idaho	DeRouen
Bankhead	Burch	Clark, N. C.	Dickstein
Beam	Burdick	Cochran	Dietrich
Bell	Caldwell	Cole, N. Y.	Dingell
Binderup	Cannon, Wis.	Colmer	Dirksen
Bland	Carden	Cooley	Disney
Bolton	Carpenter	Corning	Dondero
Boylan	Cary	Crosby	Doutrich

Duncan	Igoe	Nichols	Shannon
Dunn, Miss.	Jacobsen	O'Connell	Short
Eaton	Johnson, W. Va.	O'Connor	Smith, Wash.
Engel	Kahn	O'Day	Smith, W. Va.
Englebright	Kelly	Oliver	Snell
Ferguson	Kennedy, Md.	O'Malley	Snyder
Fernandez	Kennedy, N. Y.	Parks	Somers, N. Y.
Fish	Kerr	Perkins	Steagall
Flannagan	Kimball	Peyser	Stubbs
Ford, Calif.	Kleberg	Pfeifer	Sullivan
Ford, Miss.	Kniffin	Pierce	Sumners, Tex.
Fuller	Lamneck	Plumley	Sweeney
Fulmer	Lee, Okla.	Quinn	Tarver
Gambrill	Lemke	Ramsay	Taylor, Tenn.
Gasque	Lesinski	Rayburn	Thomas
Gassaway	Lucas	Reece	Tobey
Gearhart	Luckey	Reilly	Tonry
Gifford	McGroarty	Rich	Treadway
Gilchrist	McLaughlin	Richards	Underwood
Gildea	McLeod	Robertson	Vinson, Ga.
Gillette	McMillan	Robinson, Utah	Wallgren
Goldsborough	McSwain	Robison, Ky.	Walter
Gray, Pa.	Maloney	Romjue	Warren
Greenwood	Mansfield	Rudd	Weaver
Greever	Maverick	Russell	Werner
Griswold	May	Ryan	Wilson, Pa.
Haines	Mead	Sabath	Wolcott
Hamlin	Meeks	Sadowski	Wolfenden
Hancock, N. C.	Merritt, Conn.	Sanders, La.	Wolverton
Harlan	Millard	Sandlin	Woodrum
Hartley	Mitchell, Ill.	Schaefer	Zimmerman
Hobbs	Montague	Schuetz	Zioncheck
Hoepfel	Montet	Scott	
Hollister	Moritz	Scrugham	
Houston	Murdock	Seger	

So the motion to adjourn was rejected.

The Clerk announced the following pairs:

General pairs:

Mr. O'Connor with Mr. Snell.
Mr. Cochran with Mr. Treadway.
Mr. Disney with Mr. Rich.
Mr. Corning with Mr. Merritt of Connecticut.
Mr. Fuller with Mr. Hollister.
Mr. Greenwood with Mr. Fish.
Mr. Steagall with Mr. Dirksen.
Mr. Kerr with Mr. Bolton.
Mr. Woodrum with Mr. Andrew of Massachusetts.
Mr. Harlan with Mr. Bacharach.
Mr. Weaver with Mr. Culin.
Mr. Sanders of Louisiana with Mr. Doutrich.
Mr. Rayburn with Mr. Eaton.
Mr. Bland with Mr. Gifford.
Mr. Montague with Mr. Kimball.
Mr. Maverick with Mr. McLeod.
Mr. Boylan with Mr. Millard.
Mr. Bankhead with Mr. Seger.
Mr. McMillan with Mr. Tobey.
Mr. Oliver with Mr. Short.
Mr. McSwain with Mr. Wilson of Pennsylvania.
Mr. Mansfield with Mr. Hartley.
Mr. Sandlin with Mr. Gilchrist.
Mr. Mead with Mr. Dondero.
Mr. Sumners of Texas with Mr. Cole of New York.
Mr. Vinson of Georgia with Mr. Andresen.
Mr. Hancock of North Carolina with Mr. Burdick.
Mr. Kleberg with Mr. Brewster.
Mr. Robertson with Mr. Engel.
Mr. Clark of North Carolina with Mr. Cavicchia.
Mr. Burch with Mr. Englebright.
Mr. Brennan with Mrs. Kahn.
Mr. Beam with Mr. Lemke.
Mr. Lamneck with Mr. Gearhart.
Mr. Brunner with Mr. Perkins.
Mr. Maloney with Mr. Reece.
Mr. Celler with Mr. Plumley.
Mr. Lucas with Mr. Robison of Kentucky.
Mr. Rudd with Mr. Wolcott.
Mr. Montet with Mr. Thomas.
Mr. Dear with Mr. Wolfenden.
Mr. May with Mr. Taylor of Tennessee.
Mr. Parks with Mr. Wolverton.
Mr. Ramsay with Mr. Ferguson.
Mr. Dietrich with Mr. O'Malley.
Mr. Claiborne with Mr. Crosby.
Mr. Lee of Oklahoma with Mr. McGroarty.
Mr. Adair with Mr. Bell.
Mr. Luckey with Mr. Pfeifer.
Mr. Ashbrook with Mr. Brown of Michigan.
Mr. Pierce with Mr. Dunn of Mississippi.
Mr. Romjue with Mr. Russell.
Mr. Delaney with Mr. Dingell.
Mr. Fernandez with Mr. Ford of California.
Mr. Quinn with Mr. Dickstein.
Mr. Reilly with Mr. Clark of Idaho.
Mr. Somers of New York with Mr. Mitchell of Illinois.
Mr. Gillette with Mr. Ryan.
Mr. Schaefer with Mr. Gambrill.
Mr. Sabath with Mr. Snyder.
Mr. Gasque with Mr. Gray of Pennsylvania.
Mr. Scott with Mr. Smith of Washington.
Mr. Fulmer with Mr. Sadowski.
Mr. Flannagan with Mr. Greever.

Mr. Stubbs with Mr. Haines.
 Mr. Sullivan with Mr. Hobbs.
 Mr. Tarver with Mr. Tonry.
 Mr. Sweeney with Mr. Houston.
 Mr. Warren with Mr. Zimmerman.
 Mr. Kennedy of Maryland with Mr. Zioncheck.
 Mr. Kennedy of New York with Mr. Werner.
 Mr. Johnson of West Virginia with Mr. Walter.
 Mr. Jacobsen with Mr. Underwood.
 Mr. Wallgren with Mr. Hoeppel.
 Mr. Igoe with Mr. Griswold.
 Mr. Smith of West Virginia with Mr. Gassaway.
 Mr. Scrugham with Mr. Schuetz.
 Mr. DeRouen with Mr. Cummings.
 Mrs. O'Day with Mr. Meeks.
 Mr. Cary with Mr. Buckley.
 Mr. Murdock with Mr. Nichols.
 Mr. Cannon of Wisconsin with Mr. O'Connell.
 Mr. Carden with Mr. Robinson of Utah.
 Mr. Carpenter with Mr. Casey.
 Mr. McLaughlin with Mr. Peyser.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question now is on the amendment.

The question was taken; and on a division (demanded by Mr. CRAWFORD) there were—ayes 105, noes 80.

So the amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question now is on the passage of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas, 155, nays, 89, not voting 187, as follows:

[Roll No. 77]
 YEAS—155

Arnold	Dies	Johnson, Okla.	Polk
Bacon	Dingell	Johnson, Tex.	Ramspeck
Barden	Dobbins	Jones	Randolph
Beiter	Dockweiler	Kee	Rankin
Biermann	Doughton	Keller	Richardson
Blanton	Doxey	Kloeb	Rogers, Mass.
Bloom	Drewry	Kocialkowski	Rogers, Okla.
Boehne	Driscoll	Kopplemann	Rudd
Boland	Driver	Kramer	Sanders, Tex.
Brooks	Duffy, N. Y.	Kvale	Sears
Brown, Ga.	Duncan	Lambeth	Shanley
Brunner	Dunn, Pa.	Lanham	Sirovich
Buck	Eagle	Lea, Calif.	Sisson
Bulwinkle	Eckert	Lehibach	Smith, Conn.
Burnham	Edmiston	Lewis, Colo.	Smith, Va.
Cannon, Mo.	Elcher	Lewis, Md.	South
Carmichael	Ellenbogen	Lloyd	Spence
Carter	Fiesinger	McGehee	Starnes
Cartwright	Fitzpatrick	McGrath	Taylor, Colo.
Castellow	Fletcher	McLean	Terry
Chapman	Frey	McReynolds	Thom
Christianson	Gingery	Mahon	Thompson
Church	Gray, Ind.	Mapes	Tolan
Citron	Green	Martin, Colo.	Turner
Coffee	Greenway	Mason	Umstead
Colden	Gregory	Massingale	Utterback
Cole, Md.	Gwynne	Merritt, N. Y.	Vinson, Ky.
Cooper, Tenn.	Hancock, N. Y.	Monaghan	Wallgren
Costello	Harter	Nelson	Weich
Cox	Healey	Norton	Whelchel
Cravens	Hennings	O'Neal	White
Cross, Tex.	Hildebrandt	Owen	Whittington
Crosser, Ohio	Hill, Ala.	Palmisano	Wilcox
Crowe	Hill, Knute	Parsons	Williams
Cullen	Hill, Samuel B.	Patman	Wilson, La.
Daly	Hook	Patton	Wood
Darden	Huddleston	Pearson	Woodruff
Deen	Imhoff	Peterson, Fla.	Zioncheck
Dempsey	Jenckes, Ind.	Peterson, Ga.	

NAYS—89

Allen	Crawford	Gehrmann	Kennedy
Andrews, N. Y.	Crothier	Goodwin	Kinzer
Arends	Darrow	Granfield	Knutson
Ayers	Ditter	Guyer	Lambertson
Blackney	Dorsey	Halleck	Lord
Boileau	Duffey, Ohio	Hart	Ludlow
Buchanan	Englebright	Hess	Lundeen
Buckbee	Evans	Higgins, Conn.	McAndrews
Buckler, Minn.	Faddis	Higgins, Mass.	McClellan
Carlson	Farley	Hoffman	McCormack
Chandler	Fenerty	Holmes	McKeough
Collins	Focht	Hope	Maas
Connery	Ford, Miss.	Hull	Marcantonio
Cooper, Ohio	Gavagan	Jenkins, Ohio	Martin, Mass.

Michener
 Miller
 Mitchell, Tenn.
 Mott
 O'Brien
 O'Connor
 O'Leary
 Patterson
 Pittenger

Powers
 Rabaut
 Ransley
 Reed, Ill.
 Reed, N. Y.
 Rogers, N. H.
 Sauthoff
 Schneider
 Schulte

Secrest
 Stack
 Stefan
 Stewart
 Sutphin
 Taber
 Taylor, S. C.
 Thurston
 Tinkham

Truax
 Turpin
 Wadsworth
 Wigglesworth
 Withrow
 Young

NOT VOTING—187

Adair	Doutrich	Lee, Okla.	Robison, Ky.
Amlie	Dunn, Miss.	Lemke	Romjue
Andresen	Eaton	Lesinski	Russell
Andrew, Mass.	Ekwall	Lucas	Ryan
Ashbrook	Engel	Luckey	Sabath
Bacharach	Ferguson	McFarlane	Sadowski
Bankhead	Fernandez	McGroarty	Sanders, La.
Beam	Fish	McLaughlin	Sandlin
Bell	Flannagan	McLeod	Schaefer
Berlin	Ford, Calif.	McMillan	Schuetz
Binderup	Fuller	McSwain	Scott
Bland	Fulmer	Maloney	Scrugham
Bolton	Gambrill	Mansfield	Seger
Boylan	Gasque	Marshall	Shannon
Brennan	Gassaway	Maverick	Short
Brewster	Gearhart	May	Smith, Wash.
Brown, Mich.	Gifford	Mead	Smith, W. Va.
Buckley, N. Y.	Gilchrist	Meeks	Snell
Burdick	Gildea	Merritt, Conn.	Snyder
Caldwell	Gillette	Millard	Somers, N. Y.
Cannon, Wis.	Goldsborough	Mitchell, Ill.	Steagall
Carden	Gray, Pa.	Montague	Stubbs
Carpenter	Greenwood	Montet	Sullivan
Cary	Greever	Moran	Summers, Tex.
Casey	Griswold	Moritz	Sweeney
Caviechia	Haines	Murdock	Tarver
Celler	Hamlin	Nichols	Taylor, Tenn.
Clalborne	Hancock, N. C.	O'Connell	Thomas
Clark, Idaho	Harlan	O'Day	Thomason
Clark, N. C.	Hartley	Oliver	Tobey
Cochran	Hobbs	O'Malley	Tonry
Cole, N. Y.	Hoeppel	Parks	Treadway
Colmer	Hollister	Perkins	Underwood
Cooley	Houston	Pettengill	Vinson, Ga.
Corning	Igoe	Peyser	Walter
Crosby	Jacobsen	Pfeiffer	Warren
Culkin	Johnson, W. Va.	Pierce	Wearin
Cummings	Kahn	Plumley	Weaver
Dear	Kelly	Quinn	Werner
Delaney	Kennedy, Md.	Ramsay	West
DeRouen	Kennedy, N. Y.	Rayburn	Wilson, Pa.
Dickstein	Kerr	Reece	Wolcott
Dietrich	Kimball	Reilly	Wolfenden
Dirksen	Kleberg	Rich	Wolverton
Disney	Kniffin	Richards	Woodrum
Dondero	Lamneck	Robertson	Zimmerman
	Larrabee	Robinson, Utah	

So the bill was passed.

The Clerk announced the following additional pairs:
 On this vote:

Mr. Wearin (for) with Mr. Gilchrist (against).
 Mr. Thomason (for) Mr. McFarlane (against).

Additional general pairs:

Mr. Goldsborough with Mr. Snell.
 Mr. Burch with Mr. Marshall.
 Mr. Kennedy of Maryland with Mr. Perkins.
 Mr. Richards with Mr. Walcott.
 Mr. Pettengill with Mr. Ekwall.
 Mr. Larrabee with Mr. Amlie.
 Mr. Moran with Mr. Hamlin.
 Mr. West with Mr. Caldwell.
 Mr. Berlin with Mr. Colmer.
 Mr. Kelly with Mr. Binderup.
 Mr. Cooley with Mr. Lesinski.
 Mr. Gildea with Mr. Hoeppel.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the bill was passed was laid on the table.

KETCHIKAN, ALASKA, BOND ISSUE

The SPEAKER laid before the House the following communication, which was read:

MAY 15, 1935.

The SPEAKER,
 House of Representatives, Washington, D. C.

SIR: Pursuant to the provisions of House Concurrent Resolution 21, Seventy-fourth Congress, I have this day presented to the President of the United States the signed duplicate copy of the enrolled bill, H. R. 6084, entitled "An act to authorize the city of Ketchikan, Alaska, to issue bonds in any sum not to exceed \$1,000,000 for the purpose of acquiring the electric light and power, water, and telephone properties of the Citizens' Light, Power & Water Co., and to finance and operate the same, and validating the preliminary proceedings with respect thereto, and for other purposes."

Very truly yours,

SOUTH TRIMBLE,
 Clerk of the House of Representatives.
 By H. NEWLIN MEGILL.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. SCOTT, at the request of Mr. COLDEN, on account of sickness.

To Mr. HOBBS, at the request of Mr. HILL of Alabama, on account of important business.

To Mr. OLIVER, at the request of Mr. HILL of Alabama, on account of illness.

HOUR OF MEETING TOMORROW

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning, with the understanding that no business of importance will be transacted between the hours of 11 a. m. and 12 m.

Mr. MARCANTONIO. Mr. Speaker, I reserve the right to object.

Mr. TRUAX. Mr. Speaker, I reserve the right to object.

Mr. LUDLOW. Mr. Speaker, I ask the indulgence of the House that I may explain the reason. We hope to conclude general debate on the legislative appropriation bill and to have a vote in time to adjourn over Saturday. We have numerous requests on both sides of the Chamber for time, and it would be a great accommodation to a number of gentlemen who want to speak on the bill if we could have this extra hour. That is the reason for the request.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. LUDLOW. Yes.

Mr. MARTIN of Massachusetts. Has the gentleman had sufficient applications to speak to take up all of tomorrow in general debate?

Mr. LUDLOW. More than enough. We will probably run over a couple of hours on Friday. Tomorrow, with the consent of my colleague on the gentleman's side, it is my purpose to ask to close debate at 2 o'clock on Friday afternoon. That would give us plenty of time to complete the reading of the bill under the 5-minute rule.

Mr. MARTIN of Massachusetts. It is not the intention of the gentleman to read the bill tomorrow?

Mr. LUDLOW. No.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. LUDLOW. Yes.

Mr. MARCANTONIO. I have a resolution being acted on by the Committee on the Judiciary. It went over yesterday as the unfinished business of today and will be the first order of business tomorrow morning. I do not know how that request will affect that resolution tomorrow morning.

The SPEAKER. It would not affect the resolution at all, because, as the gentleman stated, that is the unfinished business.

Mr. MARCANTONIO. The gentleman from Massachusetts [Mr. HEALY] is reporting on that resolution. Has he been informed about this?

Mr. LUDLOW. I have consulted on your side of the Chamber with the ranking member of the Committee on Appropriations, Mr. TABER, and also the ranking member on the subcommittee, Mr. POWERS, and I believe both gentlemen are agreeable to my request. I hope the gentleman from New York will not object.

The SPEAKER. Is there objection?

Mr. TRUAX. Reserving the right to object, as I understand it, this extra hour is for the purpose of allowing more Members to speak?

Mr. LUDLOW. That and nothing else.

Mr. TRUAX. Does not the gentleman think that in view of the small attendance now and the small attendance that will be here tomorrow at 11 o'clock, the same result would be accomplished by permitting Members to extend their own remarks?

Mr. LUDLOW. These gentlemen would like very much to have an opportunity to speak. I think no harm would be done to the public service or to any Members of this House by granting the request.

Mr. TRUAX. Only that we continually violate the N. R. A. and the 30-hour week.

Mr. LUDLOW. It will be an accommodation to a number of gentlemen who will obviously be crowded out unless we give them that extra hour. I would like for the House to know that in making this request for time I am thinking of a lot of very fine gentlemen who are our colleagues in this House, who would like to speak under the privilege of general debate on the legislative appropriation bill. I would like to accommodate everyone of them. That is why I am making this fight for extra time.

Mr. TRUAX. Does the gentleman assure us that no other business will be taken up at that hour in the morning?

Mr. LUDLOW. I can assure you that there will not be any other business of importance.

Mr. MARCANTONIO. Well, that is just the point. That resolution will come up tomorrow morning.

Mr. LUDLOW. The unanimous consent request was that when we adjourn tonight we adjourn to meet at 11 o'clock tomorrow morning so that we can get in an extra hour that will be devoted exclusively to debate and nothing else of any importance.

Mr. MARTIN of Massachusetts. I understand this is not controversial.

The SPEAKER. The Chair will state to the House that the unfinished business tomorrow is the resolution to which the gentleman from New York [Mr. MARCANTONIO] referred, which has been reported by the Committee on the Judiciary.

Mr. LUDLOW. Mr. Speaker, a parliamentary inquiry. How would that be affected by my unanimous-consent request?

The SPEAKER. That would be the unfinished business, and that would have to be disposed of first on tomorrow.

Mr. LUDLOW. Mr. Speaker, I think that is perfectly all right. It will have to be disposed of in any event during the day. If we meet 1 hour earlier we will gain that much time, and the same end will be served. I have no objection to that.

Mr. CONNERY. Reserving the right to object, for the protection of my colleague from Massachusetts [Mr. HEALEY], will the gentleman permit me to ask the gentleman from New York what that resolution calls for?

Mr. MARCANTONIO. That is a resolution of inquiry calling for certain information from the Attorney General's office on the kidnaping at Gallup, N. Mex.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. LUDLOW]?

There was no objection.

A TRIBUTE TO OUR OLD-FASHIONED PIONEER MOTHERS

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include a very interesting and illuminating speech by my colleague, Mr. JOHNSON, of Oklahoma.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, last Sunday, May 12, being Mother's Day, there was delivered in this Capital City a most eloquent and inspiring address by my colleague, Mr. JOHNSON of Oklahoma. The address, on the subject entitled "Mother", was delivered before the Vaughn Bible Class, of the Calvary Baptist Church, Washington, D. C., one of the largest men's Sunday-school classes in the United States. This beautiful tribute to motherhood is of such Nation-wide interest that I have asked permission to have my colleague's address printed as a part of the CONGRESSIONAL RECORD. It is worth reading and preserving. The address is as follows:

Members of the Vaughn class, ladies and gentlemen, and friends, today is Mother's Day in every town, hamlet, and community in this land. This is the one day of all days that good citizens everywhere, of all walks of life, of all trades and professions and avocations, pause to pay humble tribute to the sweetest, tenderest, and most revered of all names—that of Mother. As church bells this morning pealed forth what seemed to be the enchanting words, "Mother's Day"—"Mother's Day", the chimes of 10,000 bells rang out in our memory. This hour brings back to all of us the vision of the dearest face we have ever known. It revives all the countless and hallowed memories of the sweetest voice we

ever heard. Although that voice for many of us here today is now stilled, yet we rejoice in the thought that we know in our hearts her sacrificial life filled with helpful and kindly deeds to others lives on and on, with undiminished power.

To those of you who still have your mother with you, let me remind you how fortunate you are this Mother's Day. This should be a day of special rejoicing and thanksgiving for you. Today is a great homecoming for millions of mothers. It is a day of unusual happiness to the living mothers of this land. Let me suggest that if she is not too far away you go to that old mother of yours before the close of this day and pour out your heart to her as you did when you were a child. Tell her how dearly you love her and how much she still means to you. She will understand and will appreciate your presence immeasurably more than any gift you might send her. But if mother is too far distant, then let me urge that you send her a message of love that will fill her mother heart to the overflowing.

It is not essential to discuss at length the origin and purpose of Mother's Day. It will suffice to say that although Congress, by appropriate resolution in the year of 1914, officially designated the second Sunday in May as Mother's Day, this great movement was begun many years before then. It was in the year 1904 that Frank Herring, of Indiana, then a young silver-tongued orator, began a Nation-wide movement to have one day of the year set aside for Mother's Day. About the same time Miss Anna Jarvis, then of West Virginia but now of Philadelphia, began a Nation-wide campaign to have a special day designated by Congress to be known as Mother's Day. Last Friday Miss Jarvis sat in the gallery of the House of Representatives while many beautiful tributes were paid her. I might add also the records show that many fraternal, civic, and patriotic organizations endorsed the proposal. In the year of 1910 a great Nation-wide Sunday-school convention met in this city of Washington and unanimously endorsed the proposed Mother's Day. It is significant that 10,000 Sunday-school delegates marched by the National Capitol, and that Congress recessed out of respect to this great body of men and women, and to the Mother's Day movement they were so enthusiastically sponsoring.

This Nation now observes many important anniversaries. Our people celebrate with much pride the birthday anniversary of men who have served their country with distinction. We honor and revere the names of men who have won fame on field of battle, of statesmen who have fought and won battles in the Halls of Congress, poets, artists, sculptors, and inventors, but this day is a different kind of anniversary from any of the others. Someone has said that this is a "birthday anniversary of an idea that became an impulse." But it is more than that: it is, in fact, an impulse that almost overnight became a Nation-wide movement to honor the name and blessed memory of the moulder of men and nations—our mothers.

There is no other love in all the world comparable to that of a mother's love, and there is no other day in all the year that challenges the best that is in us as does Mother's Day. The very mention of Mother's Day, my friends, makes millions of hearts beat a little faster; it revives all the precious recollections of the past; it brings before us the most beautiful visions and the sweetest memories that any son or daughter can ever have. Today, we see mother's tears, her smiles, and once again hear her laughter and sweet lullabies of long ago. It makes our eyes grow dim with tears, our voices choke with emotion, and our hearts throb with tender vibrations as we reflect upon the unfathomable love of our devoted mothers.

Today, we forget for a time our own cares, our own heartaches and troubles, actual and imaginary, and let our minds wander back to days of yore. In our mind's eye we see an old home out yonder, somewhere, in the beautiful past; a home where "love lit the flame upon the altar", and where the name of God was honored and revered. We see a home where parents were loved, honored, and respected, and where a full measure of love was returned. As we reflect back to the childhood scenes of that old home of ours we see mother constantly working for us. Often we have been made to wonder how a busy mother managed to do so much for us; how she toiled, slaved, and sacrificed so cheerfully and unstintingly that her offspring might be given every possible opportunity to meet and solve life's problems.

This day of all days each one of us is thinking of the years spent with our own dear mother. Everything else seems to sink into oblivion. We see her first as we cuddle in her arms and hear her as she hums sweet lullabies until the sandman leads us gently into realms of slumber. We see her as she tenderly tucks us away and then lifts her eyes from us long enough to utter a fervent prayer to "Him who holds in the hollow of His hand the fate of nations and, yet, who notes the sparrow's fall" to guard and protect her child through the night. We see her as she read daily from the old family Bible and taught us to say so many of her favorite scripture verses. Those winter evenings, by the old open fireplace, are so sacred to us now. It was there we learned to lip our childish prayer of "Now I lay me down to sleep."

Again we see mother as she hustled us off to Sunday school, rain or shine, year in and year out. Mine was an old-fashioned pioneer mother who didn't believe in sending her children to Sunday school, but oh how she believed in taking them there! Excuses didn't go in our family household. The Bible, the book of all books, was honored and respected in our old home and the Biblical injunction to "remember the Sabbath Day and keep it holy" was interpreted to mean, among other things, to be at Sunday school and church every Sunday on time.

We see her again as we attended the little one-room country school, and recall how she shared with us our childish disappointments just as she rejoiced with us in our pleasures. Never was she too busy with her sewing, mending, cooking, and cleaning to solve those terrible old arithmetic problems that we had announced had the wrong answers. Nor was she too engrossed in social affairs to hear and solve any little personal problems of one of her children. Not only was she possessed of dauntless courage but she sought to imbue in her children the spirit of never say fail. She also instilled ideals and ambitions that only a loving, thoughtful mother can transmit to her children. She willingly endured countless hardships and privations that her children might have opportunities that she had been denied.

Again we see our old-fashioned mother as if it were yesterday. Another son was going away from home for the first time to college. After each of the other members of the family had given him advice, jokingly and otherwise, my mother stood there at the gate of the old farmyard and as she gave her farewell kisses said, "Good-bye, son, write your mother as often as you can. Be a good boy, and remember mother will be praying for you." This world needs more old-fashioned praying mothers.

A few years later the same dear old mother stood at the same gate to say good-bye to her soldier boy who was soon to go across the sea to engage in battle, against those whom he had never seen, in order to help "make the world safe for democracy." Vivid in my memory is the picture of my dear old, horny-handed father—God bless his memory—as he proudly took me by the hand, wished me Godspeed, and declared he was pleased that his son was giving his services for the defense of Old Glory. I can see him now as he stood there gripping my hand and bravely striving to keep back the tears as he gave assurance that it was glorious to fight for one's country in time of peril. But the most vivid scene that comes before me now, the picture that one could never forget, is that of my dear old mother. She felt that the price American mothers were called upon to pay for war was entirely too great. She felt that war was so useless, uncivilized, and barbaric; in fact, she hated war, just as all real mothers must loathe it. Though her faith in God was unbounded, she had no faith in the idea, or should I say, propaganda that it was a "war to end wars." And I might add here, incidentally, that if no future wars are ever fought by the nations of the earth until same are sanctioned by the mothers of men who must do the fighting, there will be no more wars in the land, but peace will breathe as fragrantly throughout the world as if the day of its redemption had come!

My mother, who had endured droughts, diseases, hardships, privations, pestilence, and storms, stood the ordeal of saying good-bye very bravely. As she followed her son out in the yard for her parting words one could never forget the tragic look on her angelic face. I see her now, with her lips quivering and tears trickling down the most beautiful cheeks in the world to me. Although nearly a score of years have passed since then, it seems only yesterday that mother clung to me that day, and then at the final parting smiled through her tears as she whispered once again, "My son, be a good boy, write as often as possible, and always remember that mother will be praying for you." No one can ever know what that mother's parting words in the trying days that have passed have meant, not only in the months that followed in training camps and later on those long hikes in the rain to the front, but still later during those nerve-racking days and nights up in what they called "no man's land." During all those times I could hear my mother's audible voice gently pealing out, "Be a good boy and always remember mother will be praying for you."

Although my own mother has gone to her reward, I rejoice in the thought that the power of her parting admonition has been my inspiration and comfort in every trying hour. Just as mother's prayers were a consolation to me during those long, dark, and terrifying days, it was no less consoling in the years that followed to feel that dear old mother was daily praying that her son might be remembered at the throne of mercy. May it ever be our aim and prayer that we so shape our lives and personal conduct that it would meet with mother's approbation if she were here.

What may be said of the life and character of one pioneer mother could also be said, in a large measure, of the sacrificial lives of millions of our mothers who have graced American homes. Whether that home was situated out in the country, an humble cottage in town or a lofty city mansion, the inspiration that American motherhood has been to the millions of sons and daughters of this land is utterly incalculable.

Words fail us as we endeavor to pay our tributes to those dauntless, courageous, and sacrificial souls we are so proud to call our mothers. Our words are so empty; nothing we could say could add to her glory. But we might show our respect and sincere affection for the cherished memory of mother by doing our bit to see that the crosses of other mothers are made more easy to bear.

This afternoon the annual Mother's Day program will be held yonder in the great amphitheater near the Tomb of the Unknown Soldier in Arlington Cemetery. Eight years ago I attended my first Mother's Day program at Arlington. Never shall I forget how a sweet-faced but poorly clad mother, with shoulders stooped from many years of toil and whose hair was snowy white with the frost of many winters, made her way up to the Unknown Soldier's Tomb and placed a little bouquet of wild flowers on it, and as she looked up into my face very earnestly, she said: "Who knows, this may be my only son."

In yesterday's mail I received a brief letter from a lonely mother living in Blaine County, Oklahoma, in the district I have the honor to represent in Congress. The letter was pasted on the outside of a package containing the rose that I today wear on my coat lapel. I shall read the letter to you:

"DEAR MR. JOHNSON: In memory of the son I lost I made this rose for you and trust that you will wear it Mother's Day in memory of your mother you lost not so long ago."

The letter is signed by Mrs. Lola Cronkhite Higbee, Hitchcock, Okla. May I add that I feel highly honored to wear this beautiful white flower, not only in honor of the memory of my own mother, but also to honor the memory of the dear son of this bereaved mother.

As we revel in all the tender memories that Mother's Day brings us let us not forget those mothers whose hearts are made sad today for that son who did not return but who paid the supreme sacrifice. Then, too, there are many other good mothers who have lost their sons and daughters and whose hearts are aching today. Let us not forget the aged mother of Senator Cutting, that great stalwart progressive statesman who lost his life so tragically a few days ago and whom the entire Nation mourns today.

Not only are there mothers who are sad because of the loss of loved ones but thousands of other mothers are homeless, penniless, and hungry, through no fault of their own. On this Mother's Day in this the richest land on earth, there are literally hundreds of thousands of mothers who are wondering where the next meal will come from to give sustenance to their offspring. Beautiful poems and pleasant platitudes will not suffice for such unfortunate mothers. The humane societies take care of old horses everywhere when they get too old and poor to work, but in this land of ours there are at least 7,000,000 dependent and aged fathers and mothers who, thus far, have been ignored by this great Government.

On this Mother's Day let us reconsecrate and rededicate our own lives to the ideals that our mothers held so sacred, and for which they gave their all so unstintingly. Let us show our appreciation, our honor and respect for the memory of the motherhood of America by caring for the living. May the blessed memories of our God-fearing, self-sacrificing mothers ever be an inspiration and a guiding star in our lives, until we, that day, by the grace and mercy of God, shall meet our mothers yonder in a brighter world, where there shall be no good-byes, and we shall live forever with Him in the land where the sun never sets and from "whence no traveler shall ever return."

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 46 minutes p. m.) the House, pursuant to its order previously entered, adjourned until tomorrow, Thursday, May 16, 1935, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(Thursday, May 16, 10:30 a. m.)

Committee will hold hearings on bill (H. R. 3473) to clarify the contract laborers provision of the immigration law with regard to alien actors.

COMMITTEE ON THE PUBLIC LANDS

(Thursday, May 16, 10:30 a. m.)

Committee will hold hearings on various bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

336. A letter from the Secretary of the Treasury, transmitting draft of a proposed bill to amend an act providing for the restoration of Fort McHenry, in the State of Maryland, and its permanent preservation as a national park and perpetual national memorial shrine as the birthplace of the immortal The Star-Spangled Banner, written by Francis Scott Key; to the Committee on Military Affairs.

337. A letter from the Secretary of the Treasury, transmitting draft of a proposed bill amending section 304 of the Revised Statutes, as amended; to the Committee on Ways and Means.

338. A letter from the Secretary of the Treasury, transmitting draft of a proposed bill amending sections 1 and 6 of the so-called "Harrison Narcotic Law"; to the Committee on Ways and Means.

339. A letter from the Secretary of the Navy, transmitting draft of a proposed bill authorizing the Secretary of the Navy to accept on behalf of the United States the devise and be-

quest of real and personal property of the late Paul E. McDonnold, passed assistant surgeon with the rank of lieutenant commander, Medical Corps, United States Navy, retired; to the Committee on Naval Affairs.

340. A communication from the President of the United States, transmitting deficiency estimates of appropriations for the District of Columbia for the fiscal year 1934 and prior fiscal years in the amount of \$100,467.04, and supplemental estimates of appropriations for the fiscal year 1935 in the amount of \$64,413.86; in all, \$164,880.90 (H. Doc. No. 188); to the Committee on Appropriations and ordered to be printed.

341. A communication from the President of the United States, transmitting a deficiency estimate of appropriations for the legislative establishment, House of Representatives, for the fiscal year 1934, in the sum of \$55.50 (H. Doc. No. 187); to the Committee on Appropriations and ordered to be printed.

342. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior, in the amount of \$300,000, to carry out during the fiscal year 1936 the provisions of the act approved February 22, 1935, entitled "An act to regulate interstate and foreign commerce in petroleum and its products by prohibiting the shipment in such commerce of petroleum and its products produced in violation of State law, and for other purposes" (H. Doc. No. 186); to the Committee on Appropriations and ordered to be printed.

343. A letter from the Comptroller General of the United States, transmitting a report and recommendation to the Congress concerning the claim of Thomas F. Gardiner against the United States; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. PIERCE: Committee on Agriculture. H. R. 6776. A bill to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended; with amendment (Rept. No. 919). Referred to the Committee of the Whole House on the state of the Union.

Mr. CONNERY: Committee on Labor. H. R. 7940. A bill to prohibit the interstate transportation of prison-made products in certain cases; without amendment (Rept. No. 920). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK: Committee on Mines and Mining. H. R. 7322. A bill to provide for the establishment and maintenance of a central research and experiment station of the Bureau of Mines at Salt Lake City, Utah; with amendment (Rept. No. 951). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 8052. A bill to amend the Agricultural Adjustment Act, and for other purposes; without amendment (Rept. No. 952). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HOUSTON: Committee on Claims. H. R. 830. A bill for the relief of Samuel Madison Strange; with amendment (Rept. No. 921). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2421. A bill for the relief of John R. Allgood; with amendment (Rept. No. 922). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 2707. A bill for the relief of Ben D. Showalter; with amendment (Rept. No. 923). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 2970. A bill for the relief of Jose Munden; with amendment (Rept. No. 924). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2974. A bill for the relief of Frank W. Childress; with amendment (Rept. No. 925). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 3282. A bill for the relief of Nina Drips; with amendment (Rept. No. 926). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3562. A bill for the relief of Mary A. Cox; with amendment (Rept. No. 927). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 3762. A bill to confer jurisdiction upon the United States District Court for the Eastern District of South Carolina to determine the claim of Lewis E. Magwood; with amendment (Rept. No. 928). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 4364. A bill for the relief of Andrew Johnson; with amendment (Rept. No. 929). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4373. A bill for the relief of Albert Gonzales; with amendment (Rept. No. 930). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 4697. A bill for the relief of Ralph Riesler; with amendment (Rept. No. 931). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4829. A bill for the relief of Weymouth Kirkland and Robert N. Goding; with amendment (Rept. No. 932). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4848. A bill for the relief of Charles E. Molster, disbursing clerk, Department of Commerce, and Dr. Louis H. Bauer, a former employee; with amendment (Rept. No. 933). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 4851. A bill to provide for the reimbursement of certain civilian employees of the naval operating base, Hampton Roads, Va., for the value of tools lost in a fire at Pier No. 7, at the naval operating base, on May 4, 1930; without amendment (Rept. No. 934). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 4923. A bill for the relief of Maj. E. Leslie Medford, United States property and disbursing officer for Maryland; without amendment (Rept. No. 935). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 5078. A bill for the relief of Mrs. Charles F. Eikenberg; with amendment (Rept. No. 936). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 5097. A bill for the relief of Mary E. Lord; with amendment (Rept. No. 937). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 5150. A bill for the relief of Alexander E. Kovner; with amendment (Rept. No. 938). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 5311. A bill for the relief of John Brown; with amendment (Rept. No. 939). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 5635. A bill for the relief of the mayor and aldermen of Jersey City, Hudson County, N. J., a municipal corporation; with amendment (Rept. No. 940). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 5827. A bill for the relief of Dorothy Wyhowski; with amendment (Rept. No. 941). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 7577. A bill for the relief of Mrs. William E. Smith and Clara Smith; without amendment (Rept. No. 942). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. S. 780. An act for the relief of the Standard Dredging Co.; with amendment (Rept. No. 943). Referred to the Committee of the Whole House.

Mr. PITTINGER: Committee on Claims. S. 925. An act to carry into effect the findings of the Court of Claims in the case of William W. Danenhower; with amendment (Rept. No. 944). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 1073. An act for the relief of Louis Finger; without amendment (Rept. No. 945). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 1290. An act for the relief of Walter Motor Truck Co., Inc.; without amendment (Rept. No. 946). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1431. An act for the relief of the Collier Manufacturing Co., of Barnesville, Ga.; without amendment (Rept. No. 947). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. S. 1817. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N. Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island; without amendment (Rept. No. 948). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 2205. An act for the relief of Thomas F. Cooney; without amendment (Rept. No. 949). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2487. An act for the relief of the Western Electric Co., Inc.; without amendment (Rept. No. 950). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rules XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KOCIALKOWSKI: A bill (H. R. 8073) to improve the health of the people of Puerto Rico by providing for an adequate meat supply; to the Committee on Ways and Means.

By Mr. McSWAIN (by request): A bill (H. R. 8074) to amend the act of March 3, 1925, relating to Fort McHenry; to the Committee on Military Affairs.

By Mr. DORSEY: A bill (H. R. 8075) to make further provision for the abatement and refund of Federal taxes on insolvent banks, and for other purposes; to the Committee on Ways and Means.

By Mr. GREEVER: A bill (H. R. 8076) to provide for the creation of a series of national parks to be known as the "Western Trails National Parks", and for other purposes; to the Committee on the Public Lands.

By Mr. CHURCH: A bill (H. R. 8077) to provide for the establishment of a Coast Guard station on the shore of Illinois at or near Montrose Harbor, Cook County, Chicago; to the Committee on Merchant Marine and Fisheries.

By Mrs. NORTON: A bill (H. R. 8078) to repeal sections 1, 2, and 3 of the act approved February 3, 1909; to the Committee on the District of Columbia.

By Mr. STEFAN: A bill (H. R. 8079) authorizing the erection of memorial statues of Maj. Frank North and Capt. Luther H. North; to the Committee on the Library.

By Mr. KOCIALKOWSKI: Joint resolution (H. J. Res. 290) to amend an act entitled "An act providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico", approved June 18, 1934; to the Committee on Insular Affairs.

By Mr. HILDEBRANDT: Joint resolution (H. J. Res. 291) making immediately available the appropriation for the fiscal year 1936 for construction, repair, and maintenance of Indian-reservation roads; to the Committee on Appropriations.

By Mr. PETERSON of Florida: Joint resolution (H. J. Res. 292) to clarify the definition of total permanent disability for purpose of automatic insurance; to the Committee on World War Veterans' Legislation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYERS: A bill (H. R. 8080) to authorize the issuance of a patent in fee to Erle E. Howe, Crowe allottee no. 1555; to the Committee on Indian Affairs.

By Mr. DORSEY: A bill (H. R. 8081) to confer jurisdiction upon the Court of Claims of the United States to hear and determine the claim of Diemer Bathurst; to the Committee on Claims.

Also, a bill (H. R. 8082) to confer jurisdiction upon the Court of Claims of the United States to hear and determine the claim of Nancy Patterson; to the Committee on Claims.

Also, a bill (H. R. 8083) to confer jurisdiction upon the Court of Claims of the United States to hear and determine the claim of Deatlef C. Mills; to the Committee on Claims.

By Mr. GEHRMANN: A bill (H. R. 8084) for the relief of John Hoffman; to the Committee on Claims.

Also, a bill (H. R. 8085) for the relief of John Morris; to the Committee on Claims.

By Mr. GRAY of Pennsylvania: A bill (H. R. 8086) granting a pension to Margaret Mary Montgomery; to the Committee on Invalid Pensions.

By Mr. GREEN: A bill (H. R. 8087) granting a pension to Mary J. Harvey; to the Committee on Pensions.

By Mr. GWYNNE: A bill (H. R. 8088) for the relief of Mrs. Nahwista Carr; to the Committee on Claims.

By Mr. KENNEDY of Maryland: A bill (H. R. 8089) for the relief of Joseph J. Baylin; to the Committee on Claims.

By Mr. LUDLOW: A bill (H. R. 8090) granting a pension to Catherine Thomas; to the Committee on Pensions.

By Mr. MARTIN of Colorado: A bill (H. R. 8091) for the relief of Fields B. Arthur and Arthur L. Allen, copartners, doing business as Arthur & Allen, and as assignees of Edward F. Rizer and A. B. Hoffman; also for the relief of the Colorado Culvert & Flume Co., a corporation; to the Committee on Claims.

By Mr. MORITZ: A bill (H. R. 8092) to refund to Mary Wilkins Ogden income tax erroneously and illegally collected for the calendar year 1928; to the Committee on Claims.

By Mr. NELSON: A bill (H. R. 8093) granting a pension to Margaret Wallace; to the Committee on Invalid Pensions.

By Mr. RAMSPECK: A bill (H. R. 8094) for the relief of Dr. J. C. Blalock; to the Committee on Claims.

By Mr. REED of Illinois: A bill (H. R. 8095) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Joliet National Bank, of Joliet, Ill., and Commercial Trust & Savings Bank, of Joliet, Ill., arising out of loans to the Joliet Forge Co., of Joliet, Ill., for the providing of additional plant facilities and material for the construction of steel forgings during the World War; to the Committee on Claims.

By Mr. SCOTT: A bill (H. R. 8096) granting a pension to Margaret Teed; to the Committee on Pensions.

By Mr. SHORT: A bill (H. R. 8097) granting an increase of pension to Susan C. Nobles; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8473. By Mr. BOYLAN: Letter from the Central Trades and Labor Council of Greater New York, New York City, approving the Mead shorter work-week bill (H. R. 6990) providing for a shorter work week in the Postal Service; to the Committee on the Post Offices and Post Roads.

8474. Also, resolution memorializing the Congress of the United States to pass the General Pulaski's Memorial Day

resolution now pending in Congress; to the Committee on the Judiciary.

8475. By Mr. DEBOUEN: Petition of the Legislature of the State of Louisiana, urging the enactment of the Frazier-Lemke bill without further delay; to the Committee on Agriculture.

8476. By Mr. GOODWIN: Petition of board of trustees, Pulaski, N. Y., memorializing Congress to adopt October 11 as General Pulaski's Memorial Day; to the Committee on the Judiciary.

8477. By Mr. KENNEY: Resolution adopted by the people of Cresskill, N. J., and citizens from neighboring communities in mass meeting assembled at Cresskill, N. J., April 25, 1935, favoring the adoption of a plan perfected by Maj. L. Alfred Jenny for linking northeastern New Jersey with New York by rapid transit; to the Committee on Interstate and Foreign Commerce.

8478. By Mr. O'CONNELL: Joint resolution of the City Council of the City of Providence, petitioning the President and the Congress of the United States to repeal the processing tax on cotton and to enact legislation to protect the cotton-textile industry against importations of goods manufactured by cheap labor abroad; to the Committee on Ways and Means.

8479. By Mr. PFEIFER: Petition of the Central Trades and Labor Council of Greater New York and vicinity concerning the Mead shorter work-week bill (H. R. 6990); to the Committee on Labor.

8480. By Mr. PLUMLEY: Petition of Samuel B. Pierce and some 37 other residents of Bellows Falls, Vt., urging favorable action on Senate bill 1629, to regulate trucking in interstate commerce; to the Committee on Interstate and Foreign Commerce.

8481. By Mr. RUDD: Petition of National Organization Masters, Mates, and Pilots of America, New York City, concerning the Crosser House Joint Resolution 219, Emergency Railroad Transportation Act extension; to the Committee on Interstate and Foreign Commerce.

8482. Also, petition of Common Council of the City of Pulaski and the State of New York, favoring the General Pulaski Memorial Day resolution; to the Committee on the Judiciary.

8483. By Mr. SMITH of West Virginia: Petition of citizens of Cedar Grove, W. Va., asking that Congress allow the Federal gasoline tax to expire at the end of the present fiscal year; to the Committee on Ways and Means.

8484. By Mr. STEFAN: Resolution adopted by the Nebraska House of Representatives, memorializing the Congress of the United States to enact into law the Nye-Sweeney bill (H. R. 6382); to the Committee on Banking and Currency.

8485. By Mr. TREADWAY: Resolutions adopted by the General Court of Massachusetts, relative to taking the profits out of war; to the Committee on Military Affairs.

8486. By the SPEAKER: Petition of the central executive body of district no. 22, U. M. W. A., of the Utah division; to the Committee on Labor.

8487. Also, petition of a mass meeting of various trade and labor unions, Canal and Claiborne Streets, New Orleans, La.; to the Committee on Labor.

SENATE

THURSDAY, MAY 16, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, May 15, 1935, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House

had passed the bill (S. 2276) to authorize participation by the United States in the Interparliamentary Union, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 4448. An act to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland;

H. R. 4901. An act to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions;

H. R. 6504. An act to amend an act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor";

H. R. 6673. An act providing for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts, and for participation in the meetings of the International Technical Committee of Aerial Legal Experts and the commissions established by that Committee;

H. R. 7160. An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges;

H. R. 7909. An act to amend the act creating a United States Court for China and prescribing the title thereof, as amended;

H. J. Res. 182. Joint resolution to provide for membership of the United States in the Pan American Institute of Geography and History; and to authorize the President to extend an invitation for the next general assembly of the Institute to meet in the United States in 1935, and to provide an appropriation for expenses thereof; and

H. J. Res. 249. Joint resolution to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum, and request a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Pittman
Ashurst	Copeland	La Follette	Pope
Austin	Costigan	Lewis	Radcliffe
Bachman	Couzens	Logan	Robinson
Bailey	Dickinson	Loneragan	Schall
Bankhead	Donahay	Long	Schwellenbach
Barbour	Duffy	McAdoo	Sheppard
Barkley	Fletcher	McCarran	Shipstead
Bilbo	Frazier	McGill	Steiwer
Black	George	McKellar	Thomas, Okla.
Bone	Gerry	McNary	Thomas, Utah
Borah	Gibson	Maloney	Townsend
Brown	Glass	Metcalf	Trammell
Bulkeley	Gore	Minton	Truman
Bulow	Guffey	Moore	Tydings
Burke	Hale	Murphy	Vandenberg
Byrd	Harrison	Murray	Van Nuys
Byrnes	Hastings	Neely	Wagner
Capper	Hatch	Norris	Walsh
Caraway	Hayden	Nye	Wheeler
Clark	Johnson	O'Mahoney	White
Connally	Keyes	Overton	

Mr. LEWIS. I announce that my colleague the junior Senator from Illinois [Mr. DIETERICH] and the Senator from South Carolina [Mr. SMITH] are unavoidably detained; that the Senator from Georgia [Mr. RUSSELL] is absent in attendance on the funeral of former Senator Cohen, of Georgia, and that the Senator from North Carolina [Mr. REYNOLDS] is absent on an official mission to the Virgin Islands. I ask that this announcement stand for the day.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that

the Senator from Wyoming [Mr. CAREY] and the Senator from South Dakota [Mr. NORBECK] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

LEAVE OF ABSENCE TO HOMESTEAD SETTLERS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1776) granting a leave of absence to settlers of homestead lands during the year 1935, which were, on page 1, line 7, to strike out "or"; and on page 2, line 14, after "except", to insert "upon proof satisfactory to the Secretary of the Interior that the entryman is acting in good faith and is financially unable to make the payments due, and".

Mr. O'MAHONEY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

ADDITIONAL HOME-MORTGAGE RELIEF—CONFERENCE REPORT

Mr. BULKLEY submitted a report, which was read and ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the amendment of the Senate insert the following:

"That subdivision (6) of section 2 of the Federal Home Loan Bank Act, as amended, is amended by striking out the word 'three' and inserting in lieu thereof the word 'four'."

"Sec. 2, Subsection (k) of section 6 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(k) All stock of any Federal Home Loan Bank shall share in dividend distributions without preference."

"Sec. 3. (a) Subsections (a), (b), and (c) of section 7 of the Federal Home Loan Bank Act, as amended, are amended, effective January 1, 1936, to comprise four subsections to read as follows:

"(a) The management of each Federal Home Loan bank shall be vested in a board of twelve directors, all of whom shall be citizens of the United States and bona fide residents of the district in which such bank is located.

"(b) Four of such directors shall be appointed by the Board and shall hold office for terms of four years; except that the terms of office of the two such directors heretofore appointed shall expire at the end of the calendar years 1936 and 1937, respectively, and the terms of office of the first two such directors hereafter appointed shall expire at the end of the calendar years 1938 and 1939, respectively.

"(c) Six of such directors, two of whom shall be known as class A directors, two of whom shall be known as class B directors, and two of whom shall be known as class C directors, shall be elected as provided in subsection (e), and shall hold office for terms of two years; except that the terms of office of the directors heretofore elected or appointed shall expire at the end of the terms for which they were elected or appointed.

"(d) Two of such directors shall be elected by the members of the Federal Home Loan Bank without regard to classes under rules and regulations to be prescribed by the Board, and shall hold office for terms of two years; except that the term of office of one of the directors first elected under this subsection shall expire at the end of the calendar year 1936."

"(b) Section 7 of the Federal Home Loan Bank Act, as amended, is further amended, effective January 1, 1936, by relettering subsections (d), (e), (f), (g), (h), and (i) as (e), (f), (g), (h), (i), and (j), respectively.

"Sec. 4. The Federal Home Loan Bank Act, as amended, is amended by adding after section 8 a new section to read as follows:

"FEDERAL SAVINGS AND LOAN ADVISORY COUNCIL

"Sec. 8a. There is hereby created a Federal Savings and Loan Advisory Council, which shall consist of one member for each Federal Home Loan bank district to be elected annually by the board of directors of the Federal Home Loan bank in such district and six members to be appointed annually by the Board. Each such elected member shall be a resident of the district for which he is elected. All members of the Council shall serve without compensation, but shall be entitled to reimbursement from the Board for traveling expenses incurred in attendance at meetings of such Council. The Council shall meet at Washington, District of Columbia, at least twice a year and oftener if requested by the Board. The Council may select its chairman, vice chairman, and secretary, and adopt methods of procedure, and shall have power—

"(1) To confer with the Board and board of trustees of the Federal Savings and Loan Insurance Corporation on general busi-

ness conditions, and on special conditions affecting the Federal Home Loan Banks and their members and such Corporation.

"(2) To request information, and to make recommendations, with respect to matters within the jurisdiction of the Board and the board of trustees of such Corporation."

"Sec. 5. Subsection (a) of section 10 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(a) Each Federal Home Loan bank is authorized to make advances to its members upon the security of home mortgages, or obligations of the United States, or obligations fully guaranteed by the United States, subject to such regulations, restrictions, and limitations as the Board may prescribe. Any such advance shall be subject to the following limitations as to amount:

"(1) If secured by a mortgage insured under the provisions of title II of the National Housing Act, the advance may be for an amount not in excess of 90 per centum of the unpaid principal of the mortgage loan.

"(2) If secured by a home mortgage given in respect of an amortized home mortgage loan which was for an original term of six years or more, or in cases where shares of stock, which are pledged as security for such loan, mature in a period of six years or more, the advance may be for an amount not in excess of 65 per centum of the unpaid principal of the home mortgage loan; but in no case shall the amount of the advance exceed 60 per centum of the value of the real estate securing the home mortgage loan.

"(3) If secured by a home mortgage given in respect of any other home mortgage loan, the advance shall not be for an amount in excess of 50 per centum of the unpaid principal of the home mortgage loan; but in no case shall the amount of such advance exceed 40 per centum of the value of the real estate securing the home mortgage loan.

"(4) If secured by obligations of the United States, or obligations fully guaranteed by the United States, the advance shall not be for an amount in excess of the face value of such obligations."

"Sec. 6. Clauses numbered (1) and (2) of subsection (b) of section 10 of the Federal Home Loan Bank Act, as amended, are amended to read as follows: '(1) the home mortgage loan secured by it has more than twenty years to run to maturity, or (2) the home mortgage exceeds \$20,000, or'.

"Sec. 7. The Federal Home Loan Bank Act, as amended, is amended by adding after section 10a the following new section:

"Sec. 10b. Each Federal Home Loan Bank is authorized to make advances to nonmember mortgagees approved under title II of the National Housing Act. Such mortgagees must be chartered institutions having succession and subject to the inspection and supervision of some governmental agency, and whose principal activity in the mortgage field must consist of lending their own funds. Such advances shall not be subject to the other provisions and restrictions of this act, but shall be made upon the security of insured mortgages, insured under title II of the National Housing Act. Advances made under the terms of this section shall be at such rates of interest and upon such terms and conditions as shall be determined by the Federal Home Loan Bank Board, but no advance may be for an amount in excess of 90 per centum of the unpaid principal of the mortgage loan given as security."

"Sec. 8. The first sentence of section 13 of the Federal Home Loan Bank Act, as amended, is amended to read as follows: 'Any and all notes, debentures, bonds, and other such obligations issued by any bank, and consolidated Federal Home Loan Bank bonds and debentures, shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.'

"Sec. 9. Section 19 of the Federal Home Loan Bank Act, as amended, is amended by adding at the end thereof the following new sentence: 'The receipts of the Board derived from assessments upon the Federal Home Loan Banks and from other sources (except receipts from the sale of consolidated Federal Home Loan Bank bonds and debentures issued under section 11) shall be deposited in the Treasury of the United States, and may be from time to time withdrawn therefrom to defray the expenses of the Board, and the salaries of its members and employees, whose employment, compensation, leave, and expenses shall be governed solely by the provisions of this act, specific amendments thereof, and rules and regulations of the Board not inconsistent therewith.'

"Sec. 10. Sections 2 (c) and 4 (d) of the Home Owners' Loan Act of 1933, as amended, are amended by striking out 'upon which there is located a dwelling for not more than four families, used by the owner as a home or held by him as his homestead, and having a value not exceeding \$20,000' and inserting in lieu thereof 'upon which there is located a dwelling or dwellings for not more than four families, which is used in whole or in part by the owner as a home or held by him as his homestead, and which has a value of not to exceed \$20,000'.

"Sec. 11. The first sentence of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(c) In order to provide for applications heretofore filed, for applications filed within thirty days after this amendment takes effect, and for carrying out the other purposes of this section, the Corporation is authorized to issue bonds in an aggregate amount not to exceed \$4,750,000,000, which may be exchanged as hereinafter provided, or which may be sold by the Corporation to obtain

funds for carrying out the purposes of this section or for the redemption of any of its outstanding bonds; and the Corporation is further authorized to increase its total bond issue for the purpose of retiring its outstanding bonds by an amount equal to the amount of the bonds to be so retired (except bonds retired from payments of principal on loans), such retirement to be at maturity or by call or purchase or exchange or any method prescribed by the Board with the approval of the Secretary of the Treasury: *Provided*, That no bonds issued under this subsection, as amended, shall have a maturity date later than 1952."

"Sec. 12. Subsection (d) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by adding at the end thereof the following new paragraph:

"For the purposes of this act, levies of assessments upon real property, made by any special district organized in any State for public improvements, shall be treated as general-tax levies are treated. The Board shall determine the reasonableness of the total annual burden of taxes and assessments of all kinds upon any property offered as security for the payment of a loan made by the Corporation and the effect of the total levies upon the loanable value of such property, but no deduction shall be made from the loanable value of any property for levies not due at the time of making such loan in any instance where the total annual taxes and assessments borne by the said property for all purposes does not exceed a sum which, in the discretion of the Board, is a reasonable annual tax burden for such property."

"Sec. 13. Subsection (j) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended, effective 90 days after the date of enactment of this act, by adding at the end thereof the following new sentence: 'No person shall be appointed or retained as an officer, employee, agent, or attorney, at a fixed salary, in any regional or State office of the Corporation who is an officer or director of any firm, corporation, or association engaged in lending money on real estate; nor shall any person be appointed or retained as an officer, employee, agent, or attorney in any State or district office of the Corporation, who has not been a bona fide resident of the State served by such office for a period of at least 1 year immediately preceding the date of his appointment.'

"Sec. 14. Subsection (l) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the last comma therein and the following: 'or in any case in which the home mortgage or other obligation or lien is held by an institution which is in liquidation.'

"Sec. 15. Subsection (h) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided, That no person shall be allowed to act as appraiser if he is in the employ of any company holding a loan on the property, or if he is interested in the subject matter of the loan.'

"Sec. 16. Subsection (m) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out '\$300,000,000' and inserting in lieu thereof '\$400,000,000'.

"Sec. 17. (a) Section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by adding at the end thereof a new subsection to read as follows:

"(n) The Corporation is authorized to purchase Federal Home Loan bank bonds, debentures, or notes, or consolidated Federal Home Loan Bank bonds or debentures. The Corporation is also authorized to purchase full-paid-income shares of Federal Savings and Loan Associations after the funds made available to the Secretary of the Treasury for the purchase of such shares have been exhausted. Such purchases of shares shall be on the same terms and conditions as have been heretofore authorized by law for the purchase of such shares by the Secretary of the Treasury: *Provided*, That the total amount of such shares in any one association held by the Secretary of the Treasury and the Corporation shall not exceed the total amount of such shares heretofore authorized to be held by the Secretary of the Treasury in any one association. The Corporation is also authorized to purchase shares in any institution which is (1) a member of a Federal Home Loan Bank, or (2) whose accounts are insured under title IV of the National Housing Act, if the institution is eligible for insurance under such title; and to make deposits and purchase certificates of deposit and investment certificates in any such institution. Of the total authorized bond issue of the Corporation \$300,000,000 shall be available for the purposes of this subsection, without discrimination in favor of Federally chartered associations, and bonds of the Corporation not exceeding such amount may be sold for the purposes of this subsection."

"(b) Section 9 of the Act entitled 'An act to guarantee the bonds of the Home Owners' Loan Corporation, to amend the Home Owners' Loan Act of 1933, and for other purposes', approved April 27, 1934, is hereby repealed.

"Sec. 18. Subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'And provided further, That any such association which is converted from a State-chartered institution may continue to make loans in the territory in which it made loans while operating under State charter.'

"Sec. 19. Section 6 of the Home Owners' Loan Act of 1933, as amended, is amended (1) by striking out '\$500,000' and inserting in lieu thereof '\$700,000' and (2) by adding at the end of the section the following new sentence: 'The sums appropriated and made available pursuant to this section shall be used impartially in the promotion and development of local thrift and home-financing institutions, whether State or federally chartered.'

"Sec. 20. Subsection (d) of section 8 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(d) The provisions of sections 29, 30, 32, 35, 37, 39, 112, 113, and 117 of the Criminal Code of the United States (U. S. C., title 18, secs. 73, 74, 76, 82, 83, 88, 91, 202, 203, and 207), insofar as applicable, are extended to apply to the Home Owners' Loan Corporation, its contracts or agreements, and an association under this Act which, for the purposes herein shall be held to include advances, loans, discounts, and purchase or repurchase agreements; extensions and renewals thereof; and acceptances, releases, and substitutions of security thereof."

"Sec. 21. Subsection (e) of section 8 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(e) No person, partnership, association, or corporation shall, directly or indirectly, solicit, contract for, charge, or receive, or attempt to solicit, contract for, charge, or receive, from any person applying to the Corporation for a loan, (1) any fee, charge, or other consideration, whether bond or cash, except ordinary fees authorized and required by the Corporation for services actually rendered for examination and perfection of title, appraisal, and like necessary services, or (2) any moneys, check, note, or other form of obligation, representing payment of any difference which may exist between the market value and the par value of the bonds of the Home Owners' Loan Corporation. Any person, partnership, association, or corporation violating the provisions of this subsection shall, upon conviction thereof, be fined not more than \$5,000, or imprisoned not more than two years, or both."

"Sec. 22. Paragraph (5) of subsection (c) of section 402 of the National Housing Act is amended by adding the following sentence at the end thereof: 'The Corporation shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government, and shall determine its necessary expenditures under this Act and the manner in which the same shall be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds.'

"Sec. 23. Subsection (b) of section 403 of the National Housing Act is amended (1) by striking out the words 'ten years' and inserting in lieu thereof the words 'twenty years', and (2) by striking out the period at the end of the subsection and inserting in lieu thereof a colon and the following: 'Provided, That for any year dividends may be declared and paid when losses are chargeable to such reserves if the declaration of such dividends in such case is approved by the Corporation.'

"Sec. 24. Subsection (d) of section 403 of the National Housing Act is amended to read as follows:

"(d) Any applicant which applies for insurance under this title after the first year of the operation of the Corporation shall pay an admission fee based upon the reserve fund of the Corporation, which, in the judgment of the Corporation, is an equitable contribution."

"Sec. 25. (a) Subsections (a) and (b) of section 404 of the National Housing Act are amended by striking out 'one-fourth' and inserting in lieu thereof 'one-eighth'.

"(b) Section 404 of the National Housing Act is further amended by adding at the end thereof the following new subsection:

"(c) Each insured institution which has paid a premium charge in excess of one-eighth of 1 per centum of the total amount of the accounts of its insured members and its creditor obligations shall be credited on its future premiums with an amount equal to the total amount of such excess."

"Sec. 26. The last sentence of section 406 (b) of the National Housing Act is amended to read as follows: 'The surrender and transfer to the Corporation of an insured account in any such association which is in default shall subrogate the Corporation with respect to such insured account, but shall not affect any right which the insured member may have in the uninsured portion of his account or any right which he may have to participate in the distribution of the net proceeds remaining from the disposition of the assets of such association.'

"Sec. 27. Section 406 of the National Housing Act is further amended by adding at the end thereof a new subsection to read as follows:

"(f) In order to prevent a default in an insured institution or in order to restore an insured institution in default to normal operation as an insured institution, the Corporation is authorized, in its discretion, to make loans to, purchase the assets of, or make a contribution to, an insured institution or an insured institution in default; but no contribution shall be made to any such institution in an amount in excess of that which the Corporation finds to be reasonably necessary to save the expense of liquidating such institution."

"Sec. 28. (a) The first sentence of section 2 of the National Housing Act is amended (1) by striking out 'January' and inserting in lieu thereof 'April', and (2) by inserting before the period at the end thereof a comma and the following: 'including the installation of equipment and machinery'.

"(b) The last sentence of section 2 of the National Housing Act is amended to read as follows: 'No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it (1) unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions, as the Administrator shall prescribe; and (2) unless the amount of such loan, advance of credit, or purchase is not in excess of \$2,000, except that in the case of any such loan, advance of credit, or purchase made for the purpose of such financing with respect to real property improved by or to be converted into apartment or multiple family houses, hotels, office, business or other

commercial buildings, hospitals, orphanages, colleges, schools, or manufacturing or industrial plants, such insurance may be granted if the amount of the loan, advance of credit, or purchase is not in excess of \$50,000.'

"Sec. 29. (a) Subsection (c) of section 203 of the National Housing Act is amended by adding at the end thereof the following new sentence: 'In the event that the principal obligation of any mortgage accepted for insurance under this section is paid in full prior to the maturity date specified in the mortgage, the Administrator is further authorized in his discretion to require the payment by the mortgagor of a premium charge in such amount as the Administrator determines to be equitable, but not in excess of the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured under this section until such maturity date.'

"(b) The first sentence of subsection (f) of section 205 of the National Housing Act is amended by striking out the words 'premium charge' and inserting in lieu thereof the words 'annual premium charge'.

"(c) The last sentence of subsection (a) of section 204 of the National Housing Act is amended to read as follows: 'For the purposes of this subsection, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Administrator, by adding to the amount of the principal of the mortgage which is unpaid on the date of such delivery, (1) interest on such unpaid principal from the date foreclosure proceedings were instituted or the property was otherwise acquired as provided in this subsection to the date of such delivery at the rate provided for in the debentures issued to the mortgagee, less any amount received on account of interest accruing on such unpaid principal between such dates, and (2) the amount of all payments which have been made by the mortgagee for taxes and insurance on the property mortgaged.'

"Sec. 30. Subsection (d) of section 301 of the National Housing Act is amended to read as follows:

"(d) No association shall transact any business except such as is incidental to its organization until it has been authorized to do so by the Administrator. Each such association shall have a capital stock of a par value of not less than \$2,000,000, and no authorization to commence business shall be granted by the Administrator to any such association until he is satisfied that such capital stock has been subscribed for at not less than par and paid in full in cash or Government securities at their par value."

"Sec. 31. Section 302 of the National Housing Act is amended to read as follows:

"Sec. 302. Each national mortgage association is authorized to issue and have outstanding at any time notes, bonds, debentures, or other such obligations in an aggregate amount not to exceed (1) twelve times the aggregate par value of its outstanding capital stock, and in no event to exceed (2) the current face value of mortgages held by it and insured under the provisions of title II of this Act, plus the amount of its cash on hand and on deposit and the amount of its investments in bonds or obligations of, or guaranteed as to principal and interest by, the United States. No national mortgage association shall borrow money except through the issuance of such notes, bonds, debentures, or other obligations, except with the approval of the Administrator and under such rules and regulations as he shall prescribe."

"Sec. 32. Section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., title 12, sec. 1016), is further amended by inserting after the second sentence thereof the following new sentence: 'For the purposes of this section, farm property may be valued at an amount representing a prudent investment, consistent with community standards and rentals, if (1) the person occupying the property is not entirely dependent upon farm income for his livelihood but receives a part of his income from other dependable sources, and (2) the farm income from the property, together with earnings from other dependable sources ordinarily available in the community to a person operating such property, would be sufficient to support his family, to pay operating expenses and fixed charges, and to discharge the interest and amortization payments on the loan.'"

And the Senate agree to the same.

ROBERT J. BULKLEY,

ROBERT F. WAGNER,

ALLEN W. BARKLEY,

W. G. MCADOO,

JOHN G. TOWNSEND, JR.,

FREDERICK STEIWER,

Managers on the part of the Senate.

HENRY B. STEAGALL,

ALAN T. GOLDSBOROUGH,

M. K. REILLY,

JOHN B. HOLLISTER,

JESSE P. WOLCOTT,

Managers on the part of the House.

CLAIM OF THOMAS F. GARDINER

The VICE PRESIDENT laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of Thomas F. Gardiner against the United States, which, with the accompanying paper, was referred to the Committee on Claims.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the House of Representatives of the State of Nebraska, which was referred to the Committee on Banking and Currency:

Resolution memorializing the Congress of the United States to enact into law the Nye-Sweeney bill, Senate File 2162, House Roll 6382

Whereas the Constitution of the United States provides that "the Congress shall have the power to coin money (and) regulate the value thereof and of foreign coin"; and

Whereas this power has been transferred to the large banking interests, thereby enabling them to control the amount of money in circulation through the issuance of banker's credit and currency; and

Whereas this control is unsafe, unsound, and dishonest in that it disappears when needed most; and

Whereas the Nye-Sweeney bill, Senate File No. 2162 and House Roll No. 6382, provides for the replacement of this power in the hands of Congress, where it can be used most effectively to establish and maintain the purchasing power of money at a fixed and equitable level, to increase the prices of agricultural products to a point where they will yield the cost of production plus a fair profit to the farmer; to provide a living and just wage which will enable every citizen willing to work and capable of working to maintain an educate his family on an increasing level or standard of living, to repay debts with dollars of equal value, and to lift in part the burden of taxation: Now, therefore, be it

Resolved by the House of Representatives of the State of Nebraska in fiftieth regular session assembled:

1. That this house hereby respectfully petitions and memorializes the Congress of the United States to enact into law the Nye-Sweeney bill, Senate File No. 2162 and House Roll No. 6382, providing for the replacement in the hands of Congress of the power to coin all money and regulate the value thereof.

2. That the chief clerk of this house is hereby ordered and directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed, to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, and to the United States Senators representing the State of Nebraska and to the Congressmen in the House of Representatives of the United States representing the State of Nebraska, to exercise all power and diligence at their command to the end that the Nye-Sweeney bill, Senate File No. 2162 and House Roll No. 6382, be enacted into law at the present session of the Congress.

The VICE PRESIDENT also laid before the Senate the following resolutions of the General Court of Massachusetts, which were referred to the Committee on Finance:

Resolutions memorializing Congress for the enactment of Federal legislation to substitute another tax for the discriminatory tax on cigarettes selling at a low price

Whereas the imposition of a Federal tax at the same rate on 10-cent cigarettes is imposed on cigarettes selling at 15 and 20 cents strengthens the power of the Tobacco Trust, known as "the big four", tends toward monopoly, and threatens to eliminate from the market the lower-priced product used by the great majority of consumers, and which is union made under clean and healthful conditions, established by collective bargaining in line with the new deal, so called, and comprising 90 percent of the workers in the industry; and

Whereas the fate of the 10-cent cigarette and of a majority of the workers on, and of small manufacturers of, cigarettes hangs in the balance until this issue is settled: Therefore be it

Resolved, That the Congress of the United States is hereby requested to repeal the present unfair and discriminatory tax burden and to impose in lieu of the present tax, levied according to volume, of \$3 per thousand cigarettes, or 6 cents per package of 20, regardless of the selling price of the same, a tax of \$2.70 per thousand on 10-cent cigarettes, of \$3 per thousand on 15-cent cigarettes, and of \$3.30 per thousand on higher-priced cigarettes, as provided in pending Federal legislation, the Secretary of the Treasury having recommended such change in tax and having stated that it would protect and maintain Federal revenues; and be it further

Resolved, That copies of these resolutions be forwarded forthwith by the secretary of the Commonwealth to the President of the United States, to the Secretary of the Treasury of the United States, to the presiding officer of each branch of Congress, and to the Senators and Representatives in Congress from Massachusetts.

The VICE PRESIDENT also laid before the Senate the petition of the National Highway Users Conference, on behalf of numerous national and other organizations, praying that the law providing for Federal excise taxes on gasoline, automobiles, parts, tires, oils, and other products used in motor transportation be not reenacted, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by the St. Rose de Lima branch of the Holy Name Society, New Orleans, La., protesting against alleged religious intolerance

and persecutions in the Republic of Mexico, which was referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by Hamilton Council, No. 35, Sons and Daughters of Liberty, Brooklyn, N. Y., protesting against the enactment of legislation weakening the present alien-deportation law, and favoring the prompt passage of House bill 5921, to strengthen the existing law pertaining to the deportation of aliens, which were referred to the Committee on Immigration.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. Long and Mr. Overton], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate a letter and telegrams in the nature of petitions from several citizens and veterans' organizations of the United States, praying for the enactment of the so-called "Patman bonus bill", which were ordered to lie on the table.

Mr. WALSH presented a resolution adopted by Barbara Frietchie Council, No. 42, Sons and Daughters of Liberty, Cambridge, Mass., protesting against the passage of House bill 6795, the so-called "Kerr bill", relative to the deportation of aliens, which was referred to the Committee on Immigration.

He also presented a petition of sundry citizens of Greenfield and vicinity, in the State of Massachusetts, praying for a rehearing before the Supreme Court of the United States of the case involving the so-called "Railroad Retirement Act", which was ordered to lie on the table.

Mr. COOLIDGE presented a resolution adopted by the Building Trades Council of Boston, Mass., and vicinity, favoring the adoption of labor regulations in connection with work-relief projects so as to include an equal opportunity for employment to so-called "self-sustaining labor", which was referred to the Committee on Education and Labor.

He also presented a resolution of Aerie No. 448, Fraternal Order of Eagles, of Fitchburg, Mass., favoring the enactment of old-age pension legislation, which was referred to the Committee on Finance.

He also presented a petition, numerous signed, of sundry citizens, being railroad employees, in the State of Massachusetts, praying for the enactment of legislation extending the effective period of the Emergency Railroad Transportation Act for 1 year, which was ordered to lie on the table.

Mr. TYDINGS presented a resolution adopted by officers and directors of the Baltimore (Md.) Association of Credit Men, protesting against the enactment of banking legislation that would materially change the control and operation of the Federal Reserve System, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Poultry Association of Talbot County, Md., favoring the enactment of House bill 5802, providing increased tariff duties on imported egg products, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Fernald, Md., praying for the enactment of the bill (H. R. 2827) to provide for establishment of unemployment, old age, and social insurance, and for other purposes, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Fourteen Holy Martyrs Section of the Holy Name Society, of Baltimore, Md., protesting against alleged religious persecutions in the Republic of Mexico and favoring the recall of the American Ambassador to that country, which was referred to the Committee on Foreign Relations.

He also presented resolutions adopted by Independent Council, No. 22, of Mount Washington; Riverdale Council, No. 29, and Pride of Parkville Council, No. 39, all of the Sons and Daughters of Liberty, in the State of Maryland, and Mary-Bell Council, No. 33, Sons and Daughters of Liberty, of Delmar, Del., favoring the enactment of House bill 5921, to strengthen the existing law pertaining to the deportation

of aliens, which were referred to the Committee on Immigration.

He also presented the petition of Premier Council, No. 23, Junior Order United American Mechanics, of Baltimore, Md., praying for the enactment of legislation to strengthen the existing immigration laws, which was referred to the Committee on Immigration.

He also presented a petition, signed by officers, members, and friends of Liberty Council, No. 16, Junior Order United American Mechanics, of Baltimore, Md., praying for the passage of the bill (S. 22) to provide for the deportation of aliens convicted of certain crimes, which was referred to the Committee on Immigration.

He also presented a resolution adopted by the Kiwanis Club, of Baltimore, Md., favoring the enactment of pending legislation providing for the return of the frigate *Constellation* to her original station at Fort McHenry, Md., as a naval museum, which was referred to the Committee on Naval Affairs.

He also presented a memorial of sundry citizens of Carroll County, Md., remonstrating against an increase in armaments, and also against the holding of naval maneuvers in the Pacific Ocean, which was referred to the Committee on Naval Affairs.

EXCISE TAXES ON OILS, GASOLINE, ETC.

Mr. GORE presented the petition of the National Highway Users Conference, on behalf of numerous national and other organizations, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

A PETITION TO THE PRESIDENT OF THE UNITED STATES AND THE MEMBERS OF THE CONGRESS

The undersigned respectfully present for your consideration the following reasons why it is firmly believed that laws providing for Federal excise taxes on gasoline, automobiles, parts, tires, oils, and other products used in motor transportation should not be reenacted:

1. Motorists of the United States are now subjected to special class taxation (in addition to their general taxes) amounting to approximately one and one-quarter billions of dollars per year.

2. Since each State and the District of Columbia levy special taxes on motorists, special Federal taxation on the same tax-burdened class of citizens clearly constitutes unfair double taxation, and it is an invasion of a field which admittedly should be left to the taxing agencies of the States. This latter point is of grave importance because of the fact that many States have pledged their gasoline-tax revenues to the payment of bond issues.

3. These additional burdens of class taxation on motor transportation are a handicap which is not suffered by any competing forms of transport; and they detract materially from the economy and efficiency which motor transportation has brought to the shipping and consuming public.

4. In the case of the tax on gasoline particularly, the measure of a citizen's contribution to general Federal governmental purposes under this tax is the distance which he is obliged to travel or to transport his products by motor. In the case of the farmer, the measure of his contribution under this tax is the distance he lives from market. Such yardsticks for measuring the amount of an individual's contribution to governmental expenses are so obviously absurd as to need no further comment.

5. Both the Finance Committee of the Senate and the Ways and Means Committee of the House of Representatives have expressed themselves in opposition to the continuance of these unfair taxes.

6. The oft-repeated statement that special Federal taxes on motorists are justified as a means of furnishing funds for Federal aid in highway construction is entirely erroneous and unwarranted for the reason that—

a. Federal aid in road building is amply justified as a measure necessary for the national defense of all citizens—not merely the motorists.

b. Federal aid is also necessary to facilitate the distribution of the mails for the benefit of all citizens—not merely the motorists.

c. When the principle of Federal aid was inaugurated it was not the thought of Congress that it should ever be contingent on the imposition of special Federal taxes on highway transportation.

7. The motor industry and allied industries are now successfully leading the way to national recovery. The placing of unjust burdens of taxation directly or indirectly on motorists and the industries purveying the products used in motor transportation is therefore extremely unwise from a standpoint of national recovery.

8. That the unfairness and injustice of these taxes is generally recognized is evidenced by the fact that legislatures of 21 States have memorialized Congress asking that the Federal gasoline tax be allowed to lapse on the expiration date, June 30, 1935; and more than 200 organizations are on record as opposing these taxes. The names of these States and organizations are given in exhibits A and B, respectively, attached hereto.

For these reasons the signatories hereto urge that, in common justice and in the interest of national recovery, no legislation be enacted by the Congress to continue these unfair taxes.

Respectfully submitted.

Thos. P. Henry, president American Automobile Association; Chester H. Gray, Washington representative American Farm Bureau Federation; F. E. Mollin, secretary American National Live Stock Association; Fred Brenckman, Washington representative National Grange; E. H. Ever-son, national president Farmers' Union; R. J. O'Hare, chairman transportation committee International Association of Milk Dealers; A. M. Lcomis, secretary National Dairy Union; Thomas J. Keefe, general manager American Motorists Association; Geo. W. Vaughn, president American Trucking Association, Inc.; F. W. A. Vesper, president National Automobile Dealers Association; J. E. Pennybacker, managing director The Asphalt Institute; R. H. MacCleary, director American Petroleum Industries Committee; Albert H. Byles, president American Petroleum Institute; Rowland Jones, Jr., Washington representative National Association of Retail Druggists; H. A. Jensen, secretary-manager American Association of Creamery Butter Manufacturers; Ben F. Gordon, chairman highway users committee, National Food Distributors Association; Arthur M. Hill, president National Association of Motor Bus Operators; A. H. Elcuroe, general manager Motor and Equipment Manufacturers Association, 250 West Fifty-seventh Street, New York, N. Y.; R. B. Brown, general counsel Independent Petroleum Association of America; A. L. Viles, president Rubber Manufacturers Association; Alfred Reeves, vice president Automobile Manufacturers Association; Herbert P. Sheets, managing director National Retail Hardware Association.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. CAPPER. Mr. President, I have received a telegram from the Kansas State commander of the Veterans of Foreign Wars, which I desire to place in the RECORD. Before doing so I wish to reiterate my stand in favor of passage of the so-called "Patman bill" providing for immediate cash payment of the veterans' adjusted-service certificates. The measure is a fair measure, a just measure, and I was glad to note in the press that such eminent gentlemen as Mar-riner S. Eccles, Governor of the Federal Reserve Board, and Jesse Jones, Chairman of the Reconstruction Finance Corporation, are in agreement with the majority of the Senate, and I believe of the country, that the enactment into law of this measure will not harm the credit of the Government of the United States. May I also express the hope that the President will see the wisdom and good judgment of approving the measure?

I send the telegram to the desk and ask that it be printed in the RECORD and lie on the table.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

KANSAS CITY, KANS., May 14, 1935.

Senator ARTHUR CAPPER,

United States Senate:

Business men, professional, 60,000 certificate holders, and Kansans over entire State are definitely for Patman bill. Please read on Senate floor.

C. R. BARNES,

State Commander Veterans Foreign Wars.

Mr. RADCLIFFE. Mr. President, I send to the desk and ask to have printed in the RECORD and lie on the table a telegram addressed to me by James J. McGuirk, commander of the Department of Maryland of the Veterans of Foreign Wars, with reference to the payment of the adjusted-service certificates.

The VICE PRESIDENT. Without objection, the telegram will lie on the table and be printed in the RECORD.

The telegram is as follows:

BALTIMORE, Md., May 14, 1935.

Senator GEORGE L. RADCLIFFE:

Every member of the Department of Maryland Veterans of Foreign Wars, numbering 8,000, request that you do everything in your power to have Patman bill adopted. Please read this telegram on Senate Chamber floor Tuesday afternoon, May 14.

JAMES J. MCGUIRK,
Department Commander.

REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (H. R. 6143) to extend the time during which domestic animals which have crossed the

boundary line into foreign countries may be returned duty free, reported it without amendment and submitted a report (No. 625) thereon.

Mr. TRAMMELL, from the Committee on Naval Affairs, to which was referred the bill (H. R. 4760) to increase the statutory limit of expenditure for repairs or changes to naval vessels, reported it with amendments and submitted a report (No. 626) thereon.

Mr. ADAMS, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 59) to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes, reported it with an amendment and submitted a report (No. 627) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. TYDINGS:

A bill (S. 2837) to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to Washington Parker, a former employee of the United States Naval Academy dairy farm, Gambrills, Md.; to the Committee on Claims.

(By request.) A bill (S. 2838) to establish an assessed valuation real property tax in the Virgin Islands of the United States; and

(By request.) A bill (S. 2839) to amend the act entitled "An act providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico", approved June 18, 1934; to the Committee on Territories and Insular Affairs.

By Mr. STEIWER:

A bill (S. 2840) for the relief of Oscar Gustof Bergstrom; to the Committee on Claims.

A bill (S. 2841) granting an increase of pension to Mary A. Ballard; and

A bill (S. 2842) granting an increase of pension to June MacMillan Ordway; to the Committee on Pensions.

By Mr. VANDENBERG:

A bill (S. 2843) to amend the act entitled "An act to provide for the appointment of Army field clerks and field clerks, Quartermaster Corps, as warrant officers, United States Army"; and

A bill (S. 2844) to provide for the appointment of Gerard Farmer (demobilized Army field clerk, United States Army, July 1, 1921) to the grade of warrant officer, unassigned, United States Army, and immediate retirement from the service; to the Committee on Military Affairs.

By Mr. TRAMMELL:

A bill (S. 2845) to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the Postgraduate School, United States Naval Academy; and

A bill (S. 2846) authorizing the Secretary of the Navy to accept on behalf of the United States the devise and bequest of real and personal property of the late Paul E. McDonnold, passed assistant surgeon with the rank of lieutenant commander, Medical Corps, United States Navy, retired; to the Committee on Naval Affairs.

By Mr. O'MAHONEY and Mr. BURKE:

A bill (S. 2847) to provide for the creation of a series of national parks to be known as the "Western Trails National Parks", and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. BONE:

A bill (S. 2848) to provide for the establishment of the Whitman National Monument in the State of Washington; to the Committee on Public Lands and Surveys.

A bill (S. 2849) to provide funds for cooperation with Wellpinit School District No. 49, Stevens County, Wash., for the construction of a public-school building to be available for Indian children of the Spokane Reservation; to the Committee on Indian Affairs.

By Mr. CONNALLY and Mr. SHEPPARD:

A joint resolution (S. J. Res. 131) providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes; to the Committee on the Library.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated below:

H. R. 7160. An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges; to the Committee on Agriculture and Forestry.

H. R. 4448. An act to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland;

H. R. 4901. An act to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and Associated Unions;

H. R. 6504. An act to amend an act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor";

H. R. 6673. An act providing for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts, and for participation in the meetings of the International Technical Committee of Aerial Legal Experts and the commissions established by that Committee;

H. R. 7909. An act to amend the act creating a United States Court for China and prescribing the title thereof, as amended; and

H. J. Res. 182. Joint resolution to provide for membership of the United States in the Pan American Institute of Geography and History; and to authorize the President to extend an invitation for the next general assembly of the Institute to meet in the United States in 1935, and to provide an appropriation for expenses thereof; to the Committee on Foreign Relations.

H. J. Res. 249. Joint resolution to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935; to the calendar.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. STEIWER submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

SOCIAL SECURITY—AMENDMENTS

Mr. TYDINGS submitted sundry amendments intended to be proposed by him to the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment-compensation laws; to establish a social-security board; to raise revenue; and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

DISPOSITION OF LIGHTHOUSE RESERVATIONS

Mr. COPELAND. Mr. President, yesterday in my absence, while in attendance at a committee meeting, the Senate passed the bill (H. R. 7131) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes. I regret this action because the Com-

mittee on Commerce had instructed me to offer an amendment. I understand the bill has not as yet gone to the other body. Accordingly, I ask unanimous consent to have the amendment considered and acted upon by the Senate.

Mr. ROBINSON. Mr. President, the Senator would first have to ask reconsideration of the votes by which the amendments were ordered to be engrossed and the bill read a third time and passed.

Mr. BLACK. Mr. President, I should like to have the bill read. I am not familiar with it.

Mr. ROBINSON. Mr. President, I happen to be familiar with the bill. It merely authorizes the disposition of certain properties which are no longer needed or required for use in connection with the Lighthouse Service. The Senator from Ohio [Mr. DONAHEY] is particularly interested in the measure. I see no objection to reconsidering the vote by which the bill was passed in order that the amendment referred to by the Senator from New York may be considered.

Mr. BLACK. I shall not object to reconsideration.

Mr. WALSH. Mr. President, the Senator from Ohio is not present.

Mr. COPELAND. I am sure the Senator from Ohio would not object.

Mr. ROBINSON. It is my thought that, the committee having instructed the Senator from New York to offer the amendment, the Senator from Ohio would not be interested in opposing the amendment, and therefore I do not suggest the absence of a quorum.

Mr. COPELAND. I ask unanimous consent that the votes by which the amendments were ordered to be engrossed and the bill to be read a third time and passed may be reconsidered.

The VICE PRESIDENT. Without objection, the votes are reconsidered. The bill is before the Senate. The clerk will state the amendment of the Senator from New York.

The LEGISLATIVE CLERK. On page 18, line 5, before the word "shall", it is proposed to strike out "and 28" and insert "28, and 37."

The amendment was agreed to.

The LEGISLATIVE CLERK. On page 18, after line 20, it is proposed to insert a new section, as follows:

Sec. 37. The Secretary of Commerce is authorized to convey to the city of Evanston, Ill., for public-park purposes the Grosse Point Lighthouse Reservation, comprising an area of about 100 feet by 535 feet and appurtenant structures thereon with the exception of the brick light tower and the plot of land surrounding same about 45 feet by 65 feet, together with the rights of ingress and egress, for the purpose of maintaining the light. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred, and the conditions imposed by section 36 of this act.

The amendment was agreed to.

The VICE PRESIDENT. If there be no further amendment the question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SOUTH AMERICAN LOANS

Mr. FLETCHER. Mr. President, I ask to have printed in the RECORD a statement from the American Council of Foreign Bond Holders, Inc., on the subject of South American loans.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AMERICAN COUNCIL OF FOREIGN BONDHOLDERS, INC.,
New York City, May 11, 1935.

SOUTH AMERICAN LOANS—POSITION AND PROSPECTS

Eight of the ten South American Republics have dollar loans outstanding in the American market, and all eight are in default, in whole or in part. The total outstanding at the beginning of the year, represented by governmental, provincial, and municipal obligations, as well as by bond issues guaranteed by governments or political subdivisions, aggregated \$1,365,013,935 out of the original amount of \$1,565,419,235, thus indicating that \$200,405,000 has been repaid or refunded. Of the amount involved, \$535,517,900, or 39.23 percent, of the total outstanding is in complete default; \$514,849,800, or 37.72 percent, is in partial default; while \$314,646,235 is being serviced in full.

	Federal Government	Provinces	Municipalities	Total
ARGENTINA				
Amount issued.....	\$293,095,000	\$102,601,500	\$27,017,000	\$422,713,500
Amount outstanding.....	249,695,000	87,345,500	24,154,500	361,195,000
Amount receiving full interest.....	249,695,000	5,500,000	13,825,000	269,020,000
Amount receiving partial interest.....		81,845,500	8,577,500	90,020,000
Amount in complete default.....			1,752,000	1,752,000
BOLIVIA				
Amount issued.....	68,400,000			68,400,000
Amount outstanding.....	59,422,000			59,422,000
Amount in complete default.....	59,422,000			59,422,000
BRAZIL				
Amount issued.....	198,280,735	171,610,000	71,920,000	441,810,735
Amount outstanding.....	156,462,235	148,368,300	63,031,500	366,862,035
Amount receiving full interest.....	21,789,735	23,836,500		45,626,235
Amount receiving partial interest.....	134,672,500	122,551,800	63,031,500	320,255,800
Amount in complete default.....		1,980,000		1,980,000
CHILE¹				
Amount issued.....	184,912,000	\$90,000,000	21,200,000	286,112,000
Amount outstanding.....	175,404,000	\$68,756,000	20,459,500	264,619,500
Amount in complete default.....	175,404,000	\$68,756,000	20,459,500	264,619,500
COLOMBIA²				
Amount issued.....	\$76,000,000	67,350,000	26,085,000	169,435,000
Amount outstanding.....	\$62,001,000	59,989,000	22,149,900	144,139,900
Amount receiving partial interest.....	51,223,500			51,223,500
Amount in complete default.....	10,777,500	59,989,000	22,149,900	92,916,400
ECUADOR				
Amount issued.....	14,682,000			14,682,000
Amount outstanding.....	13,122,000			13,122,000
Amount in complete default.....	13,122,000			13,122,000
PERU				
Amount issued.....	90,000,000	1,500,000	3,000,000	94,500,000
Amount outstanding.....	87,210,000	1,189,000	2,887,000	91,286,000
Amount in complete default.....	87,210,000	1,189,000	2,887,000	91,286,000
URUGUAY				
Amount issued.....	56,586,000		11,171,000	67,757,000
Amount outstanding.....	52,947,500		10,420,000	63,367,500
Amount receiving partial interest.....	52,947,500			52,947,500
Amount in complete default.....			10,420,000	10,420,000
TOTAL, SOUTH AMERICA				
Amount issued.....	681,964,735	423,061,500	160,393,000	1,565,419,235 ³
Amount outstanding.....	856,263,735	365,647,800	143,102,400	1,365,013,935
Amount receiving full interest.....	271,484,735	29,336,500	13,825,000	314,646,235
Percent of total.....	31.71	8.01	9.67	23.05
Amount receiving partial interest.....	238,843,500	204,367,300	71,609,000	514,819,800
Percent of total.....	27.90	55.84	50.08	37.72
Amount in complete default.....	345,935,500	131,914,000	57,668,400	535,517,900
Percent of total.....	40.39	36.15	40.25	39.23

¹ Amounts are exclusive of \$48,500,000 par value of corporate bonds also in complete default.

² Represents bonds of mortgage banks guaranteed by the Government.

³ Amounts are exclusive of \$13,633,500 par value of private mortgage bank bonds in complete default.

⁴ Includes \$16,000,000 par value of mortgage bank bonds guaranteed by the Government.

⁵ Includes \$10,777,500 par value of mortgage bank bonds guaranteed by the Government.

What are the prospects for American investors, institutions, and individuals who have staked well over one and one-third billions in the bonds of their southern neighbors? Will those of the South American debtors who have maintained their service continue to do so, and will those who have been in complete default, because of inability or unwillingness, continue to disregard the rights and privileges of their creditors? To what extent will irregularities and abuses which characterized certain of the South American issues influence the borrowers in question in their plans regarding possible adjustments of their outstanding engagements? These are questions to which holders of the various South American issues or prospective buyers must find an answer before they decide upon the retention of bonds already held or the fresh acquisition of obligations.

At the outset it must be stated that it is erroneous as well as dangerous to generalize about South American loans. There are all types and categories, varying from bonds of investment caliber to those which are highly speculative. In the former group belong the issues of the Argentine Government and those of the city of Buenos Aires, which, while not guaranteed by the Federal Government, enjoy to some extent Government protection.

For more than a generation the service on these bonds has been met promptly and faithfully. In 1932 Argentina almost succumbed, but despite economic as well as political difficulties which confronted the nation, she refused to emulate the example set by

her neighbors. The situation in the country has improved appreciably. Trade is heavily in favor. Exchange conditions are decidedly better and further gains are confidently expected as a result of the recently created Central Bank. Argentina's attitude toward bondholders has been adequately rewarded. She was recently enabled to effect some rather important conversion operations which should result in material savings. About a quarter billion dollars are still outstanding in the United States. Most of this debt bears interest at the rate of 6 percent per annum. A conversion into a lower coupon bond appears quite within the realm of probability. The principal impediment to such step is the decidedly unsatisfactory record of most of the country's political subdivisions: Of provincial issues outstanding at eighty-seven and one-half millions, only five and one-half millions is being serviced in full, while of more than twenty-four millions of municipal debts, \$13,825,000 is interest and sinking funds. If Argentina is anxious to contract new bonds in the American market, either for refunding purposes or for revenue-producing projects, an adjustment of the provincial or municipal debt, which is either completely or partially in default, appears essential.

Although speculative in character, Brazilian loans, especially those outstanding on behalf of the Federal Government, are distinctly promising at prevailing levels. The country's fiscal record is rather unusual. Brazil has never been guilty of complete cessation of payments. When in difficulties she pays in new bonds. Since 1898 there have been three so-called "funding operations" at intervals of about 17 years. The third took place in 1931. Early last year an arrangement was submitted by the Brazilian Government which an American group (presumably speaking for bondholders) was ready to accept, although the terms were most inequitable and unfair. How easy it is to make sacrifices for the other party! The 1934 debt adjustment provided for the suspension of sinking-fund payments and the reduction in the rate of interest to 35 percent of the amount stipulated for 1935 and 1936, to 40 percent for 1937, and to 50 percent for 1938, when the Government is scheduled to review the situation with a view to making a new and presumably a more equitable arrangement. The outlook is encouraging. Brazil, which has heretofore been a one-product country, the welfare of the Republic depending almost exclusively on coffee, is gradually becoming one of the leading cotton-growing and cotton-exporting countries. While United States planters are being handsomely rewarded for not growing cotton, Brazil is doing all she can to increase the output of what promises to play an increasingly important role in the country's economy.

Bolivian bonds are selling for hardly more than what one might term "souvenir values." The entire debt of nearly fifty-nine and one-half millions is in complete default and threatens to remain in default for some time to come. The pronounced rise in the price of tin, Bolivia's principal standby, has not benefited the nation's creditors, who, by a curious coincidence, are all Americans. Virtually all the income is being consumed by a most senseless war with Paraguay over the so-called "Chaco Boreal", a swampy tract of land said to contain valuable oil fields. Neither Bolivia nor Paraguay is desirous to cease hostilities, but prefer instead to slaughter each other's sons and ruin themselves for decades. How bankers could permit a country like Bolivia to accumulate a debt of sixty millions, which even in normal times appears far beyond the nation's capacity, is difficult to comprehend. American bondholders are now paying the penalty for the mistakes of those who were charged with the guidance of the fiscal destinies of the American people.

Ten years ago an American financial commission left for Chile. An orgy of borrowing or rather lending followed. Within a short time the dollar debt of the Republic trebled. In 1931 Chile's fiscal structure collapsed completely. Nothing has been done on the country's foreign debt since. The other day, or almost exactly 10 years after we went to Chile, presumably to convince her of the desirability of borrowing from us to the limit, the Chileans paid us a return visit. They came to tell us that Chile is prepared to settle her dollar debt on a basis which is equivalent to virtual repudiation. The negotiations are likely to be held with the banking houses which are identified with the origination and distribution of Chilean loans, but which do not own any bonds themselves. Once again sacrifices are expected to be made for or on behalf of bondholders. The indifference of the investor is indeed extraordinary and his patience is that of a saint. Although the situation in Chile still leaves a good deal to be desired, the progress registered in the country is sufficiently marked to warrant the assertion that a more favorable proposal than has been submitted is fully warranted.

Anyone familiar with the past fiscal record of Colombia and the attitude which the Republic has adopted toward its foreign creditors in general and American creditors in particular will agree that obligations of our southern neighbor are not entitled to serious consideration by conservative and discriminating investors. From the speculative point of view, however, Colombian issues may be regarded with reasonable interest, but there would be no justification for acquiring issues of this type unless the yield appears favorable with the return on other foreign issues of at least equal quality.

Despite the fact that the United States absorbs almost 90 percent of Colombia's shipments of coffee abroad, resulting in a very substantial balance of trade in favor of Colombia, all departmental and municipal obligations floated in the United States are in complete default, while interest on Colombian Government issues is payable in 4-percent funding bonds.

Whether the proposed treaty between the United States and Colombia will result, as did a similar treaty with Cuba, in con-

ferring valuable privileges upon our southern neighbor, without receiving consideration in return for such favors, is something that cannot be determined at this moment. However, if American bondholders will enjoy the dubious benefit of that kind of representation which has characterized similar arrangements in the past, one cannot look forward to a revision for the better of Colombia's present debt plan.

To investors in the United States, Ecuador is little more than a name. No bonds sold by its Government are listed on the New York Stock Exchange or Curb, and few brokers now trading "over the counter" have handled "Salt", "Condors", or Guayaquil & Quito Railroad bonds. Yet, strange to say, Ecuador's entire foreign debt, contracted prior to 1927, originated from endorsement by the Government of the obligations of an American corporation. Although all securities issued have their market in London, they are dollar bonds, with the exception of a small loan totaling £76,000.

Outstanding foreign funded debt dates from 1897, when Archer Harman, representative of an American syndicate, contracted to finance and build a railroad from Guayaquil to Quito. The concern was incorporated in the United States of America and sold in London \$12,282,000 6-percent bonds, guaranteed by the Ecuadorian Government.

The line was duly built and constitutes a most spectacular feat of engineering, but the railroad company has had a checkered life and has not been able to pay the service on its bonds. This duty has therefore fallen to the lot of the Government, which has not always been equipped to meet the obligation. In order to remove this distressing disability, largely due to an unaccountable disinclination on the part of foreign traders to accept the sucre at its par value in payment for imported goods, the Government resolved to consult the great American wizard economist, who had unloosed streams of American dollars to Colombia, Bolivia, and Chile.

By an interesting and instructive coincidence Professor Kemmerer's prescription of a specific for Ecuador's infirmities was the creation of a bank. This institution was financed by an issue of 10,000,000 sucres (\$2,000,000) 8-percent bonds at 88, the service on which was to be paid by Ivar Krueger in exchange for a match monopoly. In 1931 the monopoly was canceled and service of the debt accepted as a Government obligation which is, however, temporarily in default.

Peru's total foreign debt, held almost entirely by American investors, is in complete default. The outlook for an early adjustment is anything but promising. Even if Peru's principal products—cotton, silver, copper, oil, and vanadium—were to advance very materially in price, and even if the advance could be maintained, the service on the nation's engagements is not likely to be resumed in accordance with the terms of original loan agreements. That the investment of capital grew at too rapid a pace is evident from the fact that America's stake in Peru approximated \$224,500,000, or almost 6½ times the pre-war figures.

One point in favor of Peru is the fact that the Republic has always endeavored to treat her creditors fairly and even after the disastrous war of the eighties when Chile seized the Department of Tarapaca and with it more than a billion dollars' worth of minerals, the Government readily offered its entire supply of minerals and guano deposits to the bondholders rather than to plead poverty as an excuse for debt repudiation. It was doubtless this commendable sense of responsibility which prompted the Peruvian Government to engage from time to time the service of North American celebrities who might be expected to enjoy friendly relations with bankers in New York from whence emanated such ample supplies of gold credits to the neighboring republics in the course of the twenties.

Political disturbances in Uruguay will doubtless adversely affect quotations of existing Uruguayan loans, notably those outstanding in the American market. Such influence, however, is likely to prove only of a transitory nature, since the Republic is confidently expected to continue the service on dollar debts at least in accordance with the terms at present in force; that is, 3½ percent per annum, regardless of the face amount of coupons. If bonds react to between 30 and 35, they should be regarded as interesting commitments.

Although Uruguay has, on more than one occasion in the past, defaulted in one form or another on its contractual obligations, direct and guaranteed, her credit was held in high esteem for a number of years. This was especially true in the United States, as illustrated by the relative ease with which she obtained financial accommodations in the American market. However, those who were inquisitive enough to study the nation's past fiscal record doubtless discovered that its past performance did not entirely warrant the credit standing it enjoyed. Uruguay's first contact with foreign bankers occurred about 70 years ago. In 1864 an external loan of £1,000,000 was offered at 60, to be used for the conversion of internal obligations.

It is rather curious to find that Uruguay's first loan in the American market synchronized with her default in regard to sinking-fund payments, which apparently did not deter American bankers from calling upon our investing public to take up Uruguayan issues and which may, to some extent, account for the indifference on the part of Uruguay toward her foreign, including American, creditors.

On the 26th of this month the representatives of 21 American Republics will assemble at Buenos Aires in connection with the Pan American Commercial Conference. The economic and commercial relations between the United States and her sister republics are expected to be discussed at length, especially in the light of the recently arranged reciprocal treatments with some of the Latin American Republics and the prospects of similar treaties with the other countries. Whether the fate of the bondholders

will be taken into consideration at the session and whether anything concrete will be achieved at the conference cannot be said with any degree of definiteness at this moment. On the basis of precedent, however, it would seem reasonably safe to assume that very little, if anything, that is genuinely concrete will be accomplished. Thus far those guiding Pan American conventions have rarely gone beyond two tangible achievements.

AMERICAN COUNCIL OF FOREIGN BONDHOLDERS, INC.,
MAX WINKLER, President.

FARMERS' MEETING IN WASHINGTON

Mr. BANKHEAD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by W. H. Robertson, of Loachapoka, Ala., as chairman of the recent farmers' meeting held at Constitution Hall, in Washington.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Recognizing that this is an unprecedented occasion and that there are undoubtedly many who are wondering who we are and why we are in Washington, it seems proper first of all to say that we are farmers from the Cotton Belt and the Tobacco Belt and from the Wheat Belt and from the Corn Belt, and that this trip is of our own planning. We left the plow handles to come here, and are paying our own way, and are not the pawns of high-powered lobbyists. We have come to Washington because we have the right to come and speak for ourselves and for the great industry we represent, which right we observe is so freely exercised by other groups. Moreover, we came because we felt that we would be welcomed especially by those who are championing the cause of a square deal for the farmer as that cause is represented in the Agricultural Adjustment program. We have come here to approve and to commend that program.

The records show that there is not a community in the Cotton Belt that is not represented in this body. The same holds good for many of the other major crop and livestock producing regions of our country. Every type of producer from tenant to extensive plantation owner is here. Owners of average-sized farms and farmers of average production are in the majority. Those of us who are not paying our way out of our own pockets are having our expenses paid by our fellow farmers whom we personally represent.

This is undoubtedly the first occasion of this kind in history. It probably is the first time in history when a group has visited this city merely for the sake of thanking a great President and his administration for their helpfulness. Particularly do we wish to commend those Congressmen and Senators who have stood so loyally by the program.

As we read the papers and as we canvass history it appears that almost without exception when groups come to Washington they either come to plead for especial privilege or to condemn and denounce, or for all these purposes. We have not a word of denunciation, nor are we seeking special privilege. As indicated, we have come to say "thank you" to the administration in our own name and in our own way. We are here to say that the Agricultural Adjustment program which has done so much to restore economic conditions on the farms of the Nation, to set business going again, and which for the first time in history has actually brought to the farmer something of equality with industry and labor and finance, must be continued. We have come to say that the processing tax and the manner in which it is now used to carry out the various adjustment programs must not be disturbed. The principle underlying the processing tax is exactly the same as that underlying the tariff to which the Nation has been committed for so many generations, and which has exacted tribute in untold millions from agriculture. The processing tax represents the application of the same principle to agriculture that has provided the guaranties that surround labor and capital and that long has been accepted as national policy.

We should like to make plain that we are no more interested in temporary expedients than industry or labor or finance would be. And we resent any suggestion or device that would put agriculture on the relief rolls. Our problem is not a temporary problem nor is it a relief problem. In the past we have had no idea one year what would happen the next. We can't go on like that. We must have a safer and a saner way.

We want a long-time policy. We want it based upon the principle of equality for all and special privilege for none. The present agricultural adjustment program is based upon that principle and for the first time in history, as indicated already, has brought to the farmer, perhaps not all that he is entitled to, but something at least of that to which he in simple justice has a right.

We believe that the security of agriculture is the security of the Nation and that there can be no sustained progress or sustained prosperity that does not have its foundation in a prosperous agricultural people. The system of ruthless exploitation that has ground agriculture down for the past century had to take a turn for better or worse sooner or later, or plunge the Nation into utter chaos. It almost did that by 1932. In the present agricultural program the turn things have taken is the only turn that would lead to the peaceful and constructive rebuilding of the Nation's lost morale and its prostrate economic structure.

At the close of 1932 this Nation had sunk to a level that threatened its very existence. Under the plan for agriculture that was

adopted the next year we have seen unprecedented recovery not only in agriculture but generally. Unable to reconcile the violent attacks of the critics with the facts or to judge the possible effect, we are here to gratefully acknowledge the gains that have been made and the tremendous benefits that have come to us all and to say that the gains that have been made must be consolidated and made secure. To that end we pledge our unqualified support. We are here to voice the very emphatic conviction that the instrumentalities that have served us so well must not only be continued unhampered, but must be strengthened and made more effective. Specifically, it is necessary to continue the processing tax; it is necessary that the amendments to the Agricultural Adjustment Act now pending before Congress be written into law, and as a cotton producer speaking for cotton, we must have the continuance of the Bankhead Cotton Control Act or again face the disasters of overproduction. We think it is also important to say that we are here today to represent American agriculture as a whole, and that we are viewing our problems as a whole. We want each division of American agriculture to receive the consideration to which it is entitled. This is not only in the interests of fairness to all groups alike, but is very definitely in the interest of the national well-being. In this connection and as a final word, I want to say that, first of all, and above all, we are American citizens and believe that the national well-being transcends all things else in importance and that national well-being should be our first concern and is our first concern.

CHAMBER'S BACKERS ON SECRET LIST—EDITORIAL FROM LABOR

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD a very able editorial from Labor for May 14, 1935, entitled "Chamber's Backers on Secret List."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CHAMBER'S BACKERS ON SECRET LIST—BIG NATIONAL PROPAGANDA AGENCY REFUSES TO MAKE PUBLIC NAMES OF THOSE WHO SUPPLY BULK OF ITS FUNDS

Who are the backers of the United States Chamber of Commerce? This organization claims to speak for millions of American business men. It owns and occupies an immense marble palace facing the White House. It spends vast sums on propaganda. It has just publicly challenged every liberal feature of the new-deal program.

In the circumstances, Labor submits, the people have a right to know the individuals and corporations that supply the chamber with the sinews of war. This week a representative of Labor endeavored to secure this information. He didn't succeed, but he did uncover the following extremely interesting facts:

Names of the contributors to the United States Chamber of Commerce are not made public. A list was given out some years ago, but the reaction was so unfavorable that the practice has been abandoned.

The annual report of the chamber's board of directors shows that during the last calendar year the chamber collected \$2,108,127 and expended \$1,978,141.

Who put up this money? The report says that \$89,476 came from organization members, \$144,023 from individual members, and \$786,617 from associate members. This is a total of \$1,020,117 from members.

Another \$1,000,000 came from subscriptions and advertising in the chamber's magazine, Nation's Business. Advertising was the big item, and it was furnished by the concerns whose economic policies the chamber champions.

The "organization" members are the local and State chambers of commerce and other business organizations which the United States Chamber is supposed to represent. The "individual" and "associate" members are those whose names and contributions are kept secret. They are described as "persons, firms, and corporations elected by the board of directors of the United States Chamber."

From this secret list the chamber draws more than 90 cents of every dollar of revenue it receives from its members. There is an old adage that "he who pays the fiddler calls the tune."

Of course, those "persons, firms, and corporations" that are on the secret list, and which paid nine-tenths of the membership dues, dictate the policy of the United States Chamber of Commerce.

When the representative of labor suggested that he would like to see the secret list of membership contributors, an official of the chamber replied:

"That is as unreasonable as if we were to ask to be permitted to examine the books of labor."

Of course, the answer is that labor will gladly open its books to the United States Chamber of Commerce or anyone else who desires to examine them. Labor has been in existence for 15 years. During all that time it has never received a dollar which it is ashamed to acknowledge. Labor's supporters are the railroad workers of the United States and Canada. Their names are on our mailing lists. They are not ashamed of labor, and labor is not ashamed of them.

Evidently the United States Chamber of Commerce is ashamed of its principal supporters. If not, why does it refuse to make public their names and the amounts of their contributions?

TAXATION—ADDRESS BY SENATOR LA FOLLETTE

Mr. NYE. Mr. President, on Sunday, April 28, 1935, the senior Senator from Wisconsin [Mr. LA FOLLETTE] delivered over the Columbia Broadcasting System an address on the subject of Taxation, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Before this session of Congress adjourns, the vital question of taxation will have to receive consideration. Graduated income, estate, and inheritance taxation is based upon the sound principle that taxes should be levied in accordance with the ability of the taxpayer to carry the burden. Ever since the constitutional amendment was adopted, there has been a sharp conflict in Congress at each session, when a tax bill has been under consideration. On one side have been those who have endeavored to prevent the levying of higher rates of taxation upon large fortunes and big incomes. On the other side have been those who have contended consistently that more and more of the burdens of government should be imposed upon those who are best able to pay.

Opponents of higher income taxes argue that lower rates of taxation produce greater aggregate revenue than the higher rates would yield. They also contend that with the large amount of tax-exempt securities outstanding in this country today, that higher income-tax rates will cause large holders of industrial and other securities to invest in tax-exempt issues.

There are no figures available to prove the contention that high rates of income taxes would produce less aggregate revenue. The figures which opponents use are based upon the experience during the three past Republican administrations when income taxes were decreased. These figures, however, do not take into consideration the much higher level of economic activity prevailing in the boom period. It is interesting to note that if Congress had maintained the rates contained in the 1921 tax bill throughout the period preceding the economic crisis, sufficient revenue would have been raised to have entirely extinguished the public debt.

Insofar as the tax-exempt argument is concerned, I am perfectly willing to admit that until the income derived from these securities is made subject to taxation we shall not have a satisfactory tax system in this country. Nevertheless, I am convinced that the argument concerning tax-exempt securities and their relation to tax yield have been grossly exaggerated. The most recent information that we have on this subject is to be obtained from the report of the Federal Trade Commission in 1924, following the relatively high rates of the war and the immediate post-war period. This report shows that only 3.16 percent of the income of all persons receiving \$10,000 a year, or more, was derived from tax-exempt securities.

It is now generally recognized that one of the principal causes of this economic crisis was the failure of mass purchasing power to keep abreast of our increased capacity to produce both agricultural and manufactured products. It is obvious that we cannot employ mass production in industry and scientific methods of agriculture on the farm unless there is an equitable distribution of purchasing power among the people. In 1932 the Taylor Society published a study of purchases by income groups in the year of 1929. This study shows that individuals with incomes of \$5,000 or less, purchased approximately 80 percent of all the goods sold in that year, and that those with incomes of \$5,000 or more, purchased approximately only 20 percent of all the goods sold.

Until we restore the buying power of that group which in 1929 purchased approximately 80 percent of the goods sold, it is clear that we shall continue to find ourselves in the same or a worse economic situation.

The concentration of wealth in the hands of a relatively small number of people is the inevitable consequence of a maldistribution of our national income. This process has gone on in this country for many generations. The war speeded up the concentration of wealth and it went forward rapidly during the period preceding the economic crisis.

Recognized studies of this problem have been made. Based upon these studies, a simple illustration serves graphically to present the problem with which we must deal. Let us assume that \$100 represents the entire vast wealth of this Nation and its people. Let us assume that 100 people represent our entire population. If we divide this \$100, representing our total wealth, among these 100 people, representing our total population, as wealth is actually distributed in this country today, we get the following results: 1 person would have \$59 out of the hundred; 1 would have \$9; 22 people would have \$1.22 each, and 76 or all the rest, would have less than 7 cents apiece out of the \$100, representing our total wealth.

The tragic suffering and losses of the people during the last few years must teach us that a society such as ours has now become, based upon scientific methods of production on the farm and mass production methods in industry cannot exist very long with the wealth and purchasing power of this country concentrated, as it is today, in the hands of a relatively small proportion of our population.

In order to meet the immediate emergencies of this crisis, it has been necessary for the Federal Government to come to the aid of its citizens, to relieve distress and want and to prevent, in part, human suffering and malnutrition. It has been necessary, like-

wise, for the Federal Government to provide employment for some of those who are out of work and who cannot find employment in normal business activities. In this session of Congress, an appropriation of \$4,880,000,000 has been made to provide work and relief. The announced objectives of this program are to provide employment for those who are employable and who are now upon the relief rolls.

This program does not go far enough because I believe that we can remedy the immediate problems of the crisis only by providing work for all those who cannot secure it in private employment. Nevertheless, it will be conceded, I believe, that the vast expenditures made necessary by the economic crisis cannot be continued unless we are willing to tax more heavily than we have done in the past.

It is clear from the experience of other countries that we cannot carry on these huge expenditures, which are absolutely essential, without taxing to the limit, unless we are willing to embrace the other alternative, which is uncontrolled inflation.

Much has been made of the fact that Great Britain has announced a balanced budget. Reactionaries contend that this example should be followed by the Government of the United States. They fail to emphasize, however, the fact that Great Britain is the only large industrial country in the world which has had the courage to impose drastic income and inheritance taxes to meet the extraordinary expenditures made necessary to relieve human suffering.

It is difficult to make estimates as to the amount of money which would be raised in this country if the British system of taxation were employed in the United States, but one estimate, which I regard as exceedingly conservative, indicates that if we had the courage and the will to impose taxes similar to those that are now in force in Great Britain, we would secure approximately \$4,130,000,000 in addition to the revenue which we are now collecting.

If these estimates are correct—and I believe that they are substantially so—it is clear that if we had taxed as heavily in this country as they have done in Great Britain, we would have had a balanced Budget both in 1933 and 1934.

Those who are most anxious to balance our Budget, are often those who protest vociferously against any attempt to increase taxes upon wealth and income, in accordance with ability to pay. The reactionaries, who are arguing that this Government should follow the example of Great Britain and attempt to balance its budget, are in a completely inconsistent position until they are ready to accept the tax burden necessary to accomplish that end.

We are now in possession of information which indicates a substantial increase in profits even during the years of depression. Although pay rolls in December 1934 were only about 60 percent of the total in 1926, dividends and interest were 150 percent of their total in 1926. The Federal Reserve Bank of New York reported the total net profits of 290 industrial and mercantile concerns were \$430,500,000 in the first 9 months of 1934, compared with \$202,800,000, in the same period in 1933; an increase of 137 percent. The Treasury Department reports that in 1933, the net income of corporations reporting net income was \$2,506,000,000, compared with \$1,851,000,000 in 1932; an increase of 35.3 percent.

The Government would be fully justified in increasing the taxes upon incomes, estates, and inheritances, because the large expenditures being made by the Government have contributed to the increases in incomes, profits, and dividends. Those who are indirect beneficiaries of the huge expenditures, made necessary by this economic crisis, should be required to carry their full and fair share of the burdens entailed. Only in this way can we carry on these expenditures and avoid uncontrolled inflation. In this way we can secure a more equitable distribution of national income. In this way we can increase the production of wealth, provide employment, and restore morale.

The administration of President Roosevelt has thus far failed to meet the issue of taxation. In the last session they were willing to advocate only legislation designed to plug up the loopholes in the income-tax law which had been revealed by the Senate Committee on Banking and Currency. When efforts were made to amend the bill to increase the rates upon incomes, the Treasury refused to take a position. But in the Senate we faced the open opposition of the administration's spokesmen. The attitude of the administration toward taxation at this session has not been revealed. It is to be hoped that it will take a courageous position for heavily increased taxation in accordance with ability to pay. If it fails to meet this issue, it will thereby undermine and ultimately thwart the achievement of its announced objectives. Regardless of the action, or inaction, of the administration, Progressives in Congress will make the best fight of which they are capable to meet the emergency by drastic increases in taxes levied upon wealth and income.

SETTLEMENT OF LABOR DISPUTES

The Senate resumed the consideration of the bill (S. 1958) to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the first amendment reported by the committee.

Mr. McNARY. Mr. President, I inquire if consent was granted first to consider committee amendments?

The VICE PRESIDENT. There was a unanimous-consent agreement entered yesterday that the committee amendments should first be considered; and the first committee amendment inserting in line 3, page 1, the words "Findings and" in the caption was stated. The question is on agreeing to that amendment.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will continue the statement of the committee amendments.

The next amendment of the Committee on Education and Labor was, on page 1, after line 3, to strike out:

SECTION 1. Equality of bargaining power between employers and employees is not attained when the organization of employers in the corporate and other forms of ownership association is not balanced by the free exercise by employees of the right to bargain collectively through representatives of their own choosing. Experience has proved that in the absence of such equality the resultant failure to maintain equilibrium between the rate of wages and the rate of industrial expansion impairs economic stability and aggravates recurrent depressions, with consequent detriment to the general welfare and to the free flow of commerce. Denials of the right to bargain collectively lead also to strikes and other manifestations of economic strife, which create further obstacles to the free flow of commerce.

And in lieu thereof to insert:

SECTION 1. The inequality of bargaining power between employer and individual employees which arises out of the organization of employers in corporate forms of ownership and out of numerous other modern industrial conditions impairs and affects commerce by creating variations and instability in wage rates and working conditions within and between industries and by depressing the purchasing power of wage earners in industry, thus increasing the disparity between production and consumption, reducing the amount of commerce, and tending to produce and aggravate recurrent business depressions. The protection of the right of employees to organize and bargain collectively tends to restore equality of bargaining power and thereby fosters, protects, and promotes commerce among the several States.

The denial by employers of the right of employees to organize and the refusal by employers to accept the procedure of collective bargaining leads to strikes and other forms of industrial unrest which burden and affect commerce. Protection by law of the right to organize and bargain collectively removes this source of industrial unrest and encourages practices fundamental to the friendly adjustment of industrial strife.

The amendment was agreed to.

The next amendment was, under the subhead "Definitions", on page 4, line 2, after the word "organization", to insert "(other than when acting as employer)", so as to read:

Sec. 2. When used in this act—

(1) The term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers.

(2) The term "employer" includes any person acting in the interest of an employer, directly or indirectly, but shall not include the United States, or any State or political subdivision thereof, or any person subject to the Railway Labor Act, as amended from time to time, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.

The amendment was agreed to.

The next amendment was, on page 4, line 23, before the word "hours", to strike out "or", and in the same line, after the word "employment", to insert a comma and "or conditions of work", so as to read:

(5) The term "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

The amendment was agreed to.

The next amendment was, on page 5, line 1, after the word "trade" and the comma, to insert "traffic", so as to read:

(6) The term "commerce" means trade, traffic, or commerce, or any transportation or communication relating thereto, among the several States, or between the District of Columbia or any Territory of the United States and any State or other Territory, or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia or any Territory, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign country.

The amendment was agreed to.

The next amendment was, on page 6, line 5, after the words "Executive Order", to insert "No. 6763", so as to read:

(11) The term "old Board" means the National Labor Relations Board established by Executive Order No. 6763 of the President on June 29, 1934, pursuant to Public Resolution No. 44, approved June 19, 1934 (48 Stat. 1183).

The amendment was agreed to.

The next amendment was, on page 7, after line 3, to insert:

(c) The Board shall at the close of each fiscal year make a report in writing to Congress and to the President stating in detail the cases it has heard, the decisions it has rendered, the names, salaries, and duties of all employees and officers in the employ or under the supervision of the Board, and an account of all moneys it has disbursed.

The amendment was agreed to.

The next amendment was, on page 7, line 13, after the word "appoint", to strike out "such employees, and"; in line 15, after the word "laws", to strike out "or" and insert "but subject to"; in line 16, after the word "amended" and the comma, to strike out "appoint and fix the compensation of"; in line 17, after the words "executive secretary", to strike out "assistant executive secretaries"; in line 18, after the word "attorneys" and the comma, to strike out "special experts"; in line 19, after the word "directors" and the comma, to insert "and shall appoint such other employees with regard to existing laws applicable to the employment and compensation of officers and employees of the United States," and on page 8, line 2, after the word "needed" and the period, to insert "attorneys appointed under this section may, at the direction of the Board, appear for and represent the Board in any case in court. Nothing in this act shall be construed to authorize the Board to appoint individuals for the purpose of conciliation or mediation (or for statistical work), where such service may be obtained from the Department of Labor."

So as to read:

SEC. 4. (a) Each member of the Board shall receive a salary of \$10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. The Board shall appoint, without regard for the provisions of the civil-service laws but subject to the Classification Act of 1923, as amended, an executive secretary, and such attorneys, examiners, and regional directors, and shall appoint such other employees with regard to existing laws applicable to the employment and compensation of officers and employees of the United States, as it may from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress. The Board may establish or utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may, at the direction of the Board, appear for and represent the Board in any case in court. Nothing in this act shall be construed to authorize the Board to appoint individuals for the purpose of conciliation or mediation (or for statistical work), where such service may be obtained from the Department of Labor.

The amendment was agreed to.

The next amendment was, on page 8, line 20, after the word "Board", to strike out "at their present grades and salaries" and insert "with salaries under the Classification Act of 1923, as amended", so as to read:

(b) Upon the appointment of the three original members of the Board and the designation of its chairman, the old Board shall cease to exist; and all pending investigations and proceedings of the old Board, and all proceedings in the courts pursuant to Public Resolution No. 44, approved June 19, 1934 (48 Stat. 1183), to which the old Board is a party, shall be continued by the Board in its discretion. All orders made by the old Board pursuant to said Public Resolution No. 44 shall continue in effect unless modified, superseded, or revoked by the Board after due notice and hearing. All employees of the old Board shall be transferred to and become employees of the Board, with salaries under the Classification Act of 1933, as amended, without acquiring by such transfer a permanent or civil-service status. All records, papers, and property of the old Board shall become records, papers, and property of the Board, and all unexpended funds and appropriations for the use and maintenance of the old Board shall become funds and appropriations available to be expended by the Board in the exercise of the powers, authority, and duties conferred on it by this act.

The amendment was agreed to.

The next amendment was, on page 9, after line 23, to strike out:

(b) The Board shall have authority and is directed to study the activities of such boards and agencies as have been or may be hereafter established by agreement, code, or law to deal with labor disputes, and to receive from such boards reports of their activities.

The amendment was agreed to.

The next amendment was, under the heading "Rights of Employees", on page 11, line 9, after the words "representatives of the", to strike out "majority of the"; and in line 9, after the word "employees", to insert "as provided in section 9 (a)", so as to read:

SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection.

SEC. 8. It shall be an unfair labor practice for an employer—
(1) To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7.

(2) To dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it: *Provided*, That subject to rules and regulations made and published by the Board pursuant to section 6 (a), an employer shall not be prohibited from permitting employees to confer with him during working hours without loss of time or pay.

(3) By discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization: *Provided*, That nothing in this act, or in the National Industrial Recovery Act (U. S. C., title 15, secs. 701-712), as amended from time to time, or in any code or agreement approved or prescribed thereunder, or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization (not established, maintained, or assisted by any action defined in this act as an unfair labor practice) to require as a condition of employment membership therein, if such labor organization is the representative of the employees as provided in section 9 (a), in the appropriate collective-bargaining unit covered by such agreement when made.

The amendment was agreed to.

The next amendment was, on page 11, after line 15, to insert:

(5) To refuse to bargain collectively with the representatives of his employees, subject to the provisions of section 9 (a).

The amendment was agreed to.

Mr. TYDINGS. Mr. President, at this point I desire to ask the Senator in charge of the bill a question. I ask the question of the Senator from New York [Mr. WAGNER] because I know he is familiar with it and I want to get his philosophy on the matter.

On page 11, I ask if he individually would have any objection to an amendment being inserted between lines 15 and 16 to read as follows:

4. It shall be an unfair labor practice for any person (a) to coerce employees in the exercise of the rights guaranteed in section 7; (b) to interfere with, restrain, or coerce employees in their rights to work and to join or not to join any labor organization.

That amendment is proposed to be inserted on page 11, as a new provision, between lines 15 and 16.

Mr. WAGNER. Mr. President, I should seriously object to it. An amendment like that was considered by the committee. At this moment, while we are considering only committee amendments, I should seriously object to the inclusion of any such amendment as that proposed by the Senator from Maryland.

Mr. TYDINGS. Mr. President, I desire to state that the amendment I have just read springs from this sort of situation. There are in one plant alone in Maryland about 12,000 men who belong to a company union. Their representatives have been to see me several times. They purport to speak for at least the overwhelming majority of the men working in that plant. They have no objection to the establishment of the principle of collective bargaining, but they say that if they have their own organization and it is satisfactory to them, they should be allowed to keep it and that it should not be legislated out of existence. My amendment seeks to give them the right to have the kind of organization they want and not be coerced into having the kind of organization they do not want.

Mr. BORAH. Mr. President, if there is anything in the bill which has the effect of which the Senator from Maryland now speaks, I have not been able to discover it.

Mr. TYDINGS. If I understood the remarks of the Senator from New York [Mr. WAGNER] yesterday, though I do not know just where they apply in the bill, he spoke about outlawing, in effect, the company unions.

Mr. WAGNER. No; a company-dominated union.

Mr. BORAH. There is nothing in the bill to prevent a company union if the working men want a company union.

Mr. WAGNER. That is exactly what I said in several places in my address yesterday.

Mr. TYDINGS. May I read my amendment to the Senator from Idaho? I cannot see why there should be any objection to the amendment, which reads as follows:

It shall be an unfair labor practice for any person (a) to coerce employees in the exercise of the rights guaranteed in section 7—

Mr. BORAH. I am not clear, hearing it read in the first instance, that there is any objection to it, but I certainly should not want it offered on the theory which has been suggested, that there is anything in the bill which makes it necessary. We are here dealing with the relation between employer and employee. If we take up the matter of legislating between employees as perhaps we should, then we shall have to make far more machinery than the amendments provide. That is the only objection I see to placing it in this bill. It introduces a wholly new field of legislation.

Mr. TYDINGS. I want to make my position clear. I have no objection at all to the principle of collective bargaining, but I take the position that men ought not to be coerced to join any organization which they do not want to join.

Mr. BORAH. Certainly not.

Mr. TYDINGS. It is just as important to save their rights to them as it is to give others the right of collective bargaining. What the amendment would do would be to make illegal the coercion of any group of men who were satisfied with their present condition.

Mr. BORAH. It has been stated over and over again by the critics of the bill that the bill prohibits the company union. There is nothing in the bill which prohibits a group of men coming together and organizing a company union if they themselves, the workers, desire a company union. The intention is to prevent companies from dominating and controlling a union in making the organization. I want to see the workman free to join a union or to remain out of a union. I want working men free to form any kind of a union if it is freely formed; that is, formed of the free will of the employees. This bill does not do what so many seem to think.

Mr. TYDINGS. That is not the subject to which I am addressing myself. I am assuming as accurate the information which has been conveyed to me, that these men have a fear that they will be coerced into joining a union which they might not want to join. Whether it is right for them to join that union or not right for them to join that union, I am not discussing. My whole interest is to preserve for them the right to belong to the kind of union they want. If it is a company union all well and good. If it is not a company union, and is some other kind of a union, all well and good. I am not arguing whether one union or another is better for them. I am interested in preserving for them their American rights to join whatever union they think is best suited to their needs.

Mr. BORAH. If the bill does not do that then the bill ought not to be considered at all.

Mr. TYDINGS. Then there ought not to be any objection to my amendment, because it simply provides that they shall not be coerced into joining any kind of union that they themselves do not want to join.

Mr. BORAH. As I understand the matter, the bill is designed to give absolute freedom to American workingmen—

Mr. TYDINGS. That is what I want.

Mr. BORAH. The right to have a union or not to have a union, to be out of a union or in a union, to be in an organized labor union or in a company union, as the workingmen themselves shall determine. The only point is to prevent someone else from dominating and controlling them at all.

Mr. TYDINGS. I am just as anxious that the employees shall not dominate and control as is the Senator from New York [Mr. WAGNER]. I am just as interested that nobody else shall coerce or dominate or control them against their will as is anyone else.

Mr. WALSH. Mr. President, let us proceed with the committee amendments.

Mr. McNARY. Mr. President, I inquire if the Senator from Maryland has formally offered his amendment?

Mr. TYDINGS. I intended to propose it, but in view of the fact that committee amendments are now being considered I shall not detain the Senate further at this time. We were on the question at the moment, and I merely wanted to get the view of the Senator from New York.

The VICE PRESIDENT. The next amendment will be stated.

The next amendment of the Committee on Labor and Education was, under the heading, "Representatives and elections", on page 12, line 3, after the word "employer", to strike out "through representatives of their own choosing", so as to read:

SEC. 9. (a) Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment: *Provided*, That any individual employee or a group of employees shall have the right at any time to present grievances to their employer.

The amendment was agreed to.

The next amendment was, on page 12, line 19, after the numerals "10", to strike out "(d)" and insert "(c)"; at the beginning of line 25, after the numerals "10", to strike out "(f)" and insert "(e)", and in the same line, after "or 10", to strike out "(g)" and insert "(f)", so as to read:

(d) Whenever an order of the Board made pursuant to section 10 (c) is based in whole or in part upon facts certified following an investigation pursuant to subsection (c) of this section, and there is a petition for the enforcement or review of such order, such certification and the record of such investigation shall be included in the transcript of the entire record required to be filed under subsections 10 (e) of 10 (f), and thereupon the decree of the court enforcing, modifying, or setting aside in whole or in part the order of the Board shall be made and entered upon the pleadings, testimony, and proceedings set forth in such transcript.

The amendment was agreed to.

The next amendment was, under the heading "Prevention of unfair labor practices", on page 13, line 12, after the word "otherwise", to strike out the comma and "except as provided in section 11", so as to read:

SEC. 10. (a) The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in sec. 8) affecting commerce. This power shall be exclusive, and shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, code, law, or otherwise.

The amendment was agreed to.

The next amendment was, on page 13, after line 12, to strike out:

(b) The Board may, in its discretion, defer its exercise of jurisdiction over any such unfair practice in any case where there is another means of prevention provided for by agreement, code, law, or otherwise, which has not been utilized. But in any case where the Board has so deferred, the Board may at any time thereafter institute proceedings under this act in order to assure the effectuation of the policy of this act and the development of a uniform body of administrative interpretation and practice with respect to unfair labor practices as defined herein.

The amendment was agreed to.

The next amendment was, on page 13, after line 23, to strike out "(c) Whenever there is a charge or the Board shall have reason to believe" and insert "(b) Whenever it is charged"; on page 14, line 6, before the word "days", to strike out "three" and insert "five"; in line 12, after the word "answer", to insert "to the original or amended complaint"; and in the same line, after the word "complaint", to strike out the comma and "and to invoke the compulsory process of the Board in summoning witnesses in its behalf", so as to read:

(b) Whenever it is charged that any person has engaged in or is engaging in any such unfair labor practice, the Board, or any agent

or agency designated by the Board for such purposes, shall have power to issue and cause to be served upon such person a complaint stating the charges in that respect, and containing a notice of hearing before the Board or a member thereof, or before a designated agent or agency, at a place therein fixed, not less than 5 days after the serving of said complaint. Any such complaint may be amended by the member, agent, or agency conducting the hearing or the Board in its discretion at any time prior to the issuance of an order based thereon. The person so complained of shall have the right to file an answer to the original or amended complaint and to appear in person or otherwise and give testimony at the place and time fixed in the complaint. In the discretion of the member, agent, or agency conducting the hearing, or the Board, any other person may be allowed to appear in the said proceeding to present testimony. In any such proceeding the rules of evidence prevailing in courts of law or equity shall not be controlling.

The amendment was agreed to.

The next amendment was, on page 14, line 21, before the word "The", to strike out "(d)" and insert "(c)"; in line 23, after the word "Board", to insert "upon notice"; on page 15, line 6, after the word "including", to strike out "restitution" and insert "reinstatement of employees with or without back pay", and in line 15, after the words "order", to strike out "dissolving" and insert "dismissing", so as to read:

(c) The testimony taken by such member, agent or agency or the Board shall be reduced to writing and filed with the Board. Thereafter, in its discretion, the Board upon notice may take further testimony or hear argument. If upon all the testimony taken the Board shall be of the opinion that any person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue and cause to be served on such person an order requiring such person to cease and desist from such unfair labor practice, and to take such affirmative action, including reinstatement of employees with or without back pay, as will effectuate the policies of this act. Such order may further require such person to make reports from time to time showing the extent to which it has complied with the order. If upon all the testimony taken the Board shall be of the opinion that no person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue an order dismissing the said complaint.

The amendment was agreed to.

The next amendment was, on page 15, after line 20, to strike out: "(f) If such person fails or neglects to obey such order of the Board while the same is in effect, the Board may petition any circuit court of appeals of the United States within any circuit wherein the unfair labor practice in question occurred or wherein such person resides or transacts business, or the Court of Appeals of the District of Columbia", and insert: "(e) If such person fails or neglects to obey such order of the Board while the same is in effect, the Board may petition any circuit court of appeals of the United States (including the Court of Appeals of the District of Columbia), or if all the circuit courts of appeals to which application may be made are in vacation, any district court of the United States (including the Supreme Court of the District of Columbia), within any circuit or district, respectively, wherein the unfair labor practice in question occurred or wherein such person resides or transacts business", and on page 17, line 21, after the word "review", to insert "by the appropriate circuit court of appeals if application was made to the district court as hereinabove provided, and", so as to read:

(e) If such person fails or neglects to obey such order of the Board while the same is in effect, the Board may petition any circuit court of appeals of the United States (including the Court of Appeals of the District of Columbia), or if all the circuit courts of appeals to which application may be made are in vacation, any district court of the United States (including the Supreme Court of the District of Columbia), within any circuit or district, respectively, wherein the unfair labor practice in question occurred or wherein such person resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall certify and file in the court a transcript of the entire record in the proceeding, including the pleadings and testimony upon which such order was entered and the findings and order of the Board. Upon such filing, the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper, and shall make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, or setting aside in whole or in part the order of the Board. No objection that has not been urged before the Board, its mem-

ber, agent, or agency, shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Board as to the facts, if supported by evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Board, its member, agent, or agency, the court may order such additional evidence to be taken before the Board, its member, agent, or agency, and to be made a part of the transcript. The Board may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which, if supported by evidence, shall be conclusive, and shall file its recommendations, if any, for the modification or setting aside of its original order. The jurisdiction of the court shall be exclusive, and its judgment and decree shall be final, except that the same shall be subject to review by the appropriate circuit court of appeals if application was made to the district court as hereinabove provided, and by the Supreme Court of the United States upon writ of certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

The amendment was agreed to.

The next amendment was, on page 18, at the beginning of line 3, before the word "Any", to strike out "(g)" and insert "(f)"; in the same line, after the word "by", to strike out "an" and insert "a final"; and in line 19, after the word "subsection", to strike out "(f)" and insert "(e)", so as to read:

(f) Any person aggrieved by a final order of the Board granting or denying in whole or in part the relief sought may obtain a review of such order in any circuit court of appeals of the United States in the circuit wherein the unfair labor practice in question was alleged to have been engaged in or wherein such person resides or transacts business, or in the Court of Appeals of the District of Columbia, by filing in such court a written petition praying that the order of the Board be modified or set aside. A copy of such petition shall be forthwith served upon the Board, and thereupon the aggrieved party shall file in the court a transcript of the entire record in the proceeding, certified by the Board, including the pleading and testimony upon which the order complained of was entered and the findings and order of the Board. Upon such filing, the court shall proceed in the same manner as in the case of an application by the Board under subsection (e), and shall have the same exclusive jurisdiction to grant to the Board such temporary relief or restraining order as it deems just and proper, and shall in like manner make and enter a decree enforcing, modifying, or setting aside, in whole or in part, the order of the Board; and the findings of the Board as to the facts, if supported by evidence, shall in like manner be conclusive.

The amendment was agreed to.

The next amendment was, on page 19, at the beginning of line 1, before the word "The", to strike out "(h)" and insert "(g)"; and in line 2, after the word "section" where it occurs the first time, to strike out "(f) or (g)" and insert "(e) or (f)", so as to read:

(g) The commencement of proceedings under subsection (e) or (f) of this section shall not, unless specifically ordered by the court, operate as a stay of the Board's order.

The amendment was agreed to.

The next amendment was, on page 19, at the beginning of line 5, before the word "When", to strike out "(i)" and insert "(h)"; and in line 6, before the word "restraining", to insert the article "a", so as to read:

(h) When granting appropriate temporary relief or a restraining order, or making and entering a decree enforcing, modifying, or setting aside, in whole or in part, an order of the Board, as provided in this section, the jurisdiction of courts sitting in equity shall not be limited by the act entitled "An act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes" (U. S. C., title 29, secs. 101-115).

The amendment was agreed to.

The next amendment was, on page 19, at the beginning of line 13, before the word "petitions", to strike out "(j)" and insert "(i)", so as to read:

(i) Petitions filed under this act shall be heard expeditiously, and if possible within 10 days after they have been docketed.

The amendment was agreed to.

The next amendment was, on page 19, after line 15, to strike out:

Sec. 11. The several district courts of the United States are hereby invested with jurisdiction to prevent and restrain any

unfair labor practice affecting commerce; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, but solely at the request of the National Labor Relations Board, to institute proceedings in equity to prevent and restrain any such unfair labor practice, in the judicial district wherein such unfair labor practice occurred or wherein the person complained of resides or transacts business. Such proceedings may be by way of petition setting forth the case and praying that such violation be enjoined and that such affirmative action, including restitution, be required as will effectuate the policies of this act. When such person shall have been duly notified of such petition the court shall proceed, as soon as may be, to the hearings and determination of the case; and pending such petition and before final decree, the court may at any time make such temporary restraining order or prohibition as shall be deemed just in the premises.

The amendment was agreed to.

The next amendment was, on page 20, after line 10, to strike out:

ARBITRATION

Sec. 12. (a) The Board shall have power to act and to appoint any person, agent, or agency to act as arbitrator in labor disputes, when parties agree to submit the whole or any part of a labor dispute to the arbitration of the Board or its appointees. A provision in a written contract or a written agreement to submit to the arbitration of the Board or its appointees, when accepted by the Board after the dispute has arisen, shall be valid and irrevocable as to the parties to the agreement, save upon such grounds as exist at law or in equity for the revocation of any contract. If any party fails, neglects, or refuses to perform under such contract or submission, the Board, its agents or appointees, may nevertheless, in the discretion of the Board, proceed to hear the case ex parte, and the Board, its agents or appointees, shall have the power to issue an award applicable to the submitting parties.

(b) The Board shall make and publish, pursuant to section 6 (a), rules for the conduct of arbitrations, and an agreement to submit to the arbitration of the Board, or its appointees or its agents, shall be deemed consent to the proceeding being conducted in accordance with such rules then obtaining unless otherwise specified in the arbitration contract or submission. An agreement to submit to the Board shall authorize the Board to appoint agents to take evidence, and in the discretion of the Board, to render a decision in the name of the Board on the findings thus presented, unless otherwise specified in the agreement. The Board may, however, in its discretion, render a decision on testimony taken before its agents.

(c) In any case in which an award has been made, the Board shall file the award in the clerk's office of the United States District Court that has been agreed upon by the parties, or, in default of such agreement, that of the district wherein the labor dispute arose or the Supreme Court of the District of Columbia. Notice of the filing shall be personally served or sent by registered mail to each submitting party. Unless a petition to impeach the award on the grounds hereinafter set forth shall be filed in the clerk's office of the court in which the award has been filed, the court shall enter judgment in accordance with the terms of the award: *Provided*, That no employee individually, and no group of employees collectively, shall be compelled to render labor or services without their consent.

(d) A petition for the impeachment of any award may be filed not more than 10 days after the communication of notice of the filing of the award to the submitting parties. Notice of filing of such petition shall be served personally or sent by registered mail to each submitting party. The petition shall be sustained by the court only on one or more of the following grounds:

1. That the proceedings were not substantially in conformity with the provisions of the arbitration agreement or rules adopted for the conduct of the arbitration.

2. That an arbitrator or member of the Board participating in the award was guilty of fraud or corruption; or that a party to the award practiced fraud or corruption which affected the result; *Provided*, That partisanship known, or which by the exercise of due care should have been known, by a party prior to the arbitration proceeding, shall not constitute fraud of which he may avail himself within the meaning of this section.

(e) The court shall not set aside an award on the ground that it is invalid for uncertainty. In such case the court shall suspend action pending its resubmission of said award to the Board for interpretation.

(f) Where there was an evident material miscalculation of figures, or an evident material mistake in the description of any person, thing, or property referred to in the award, or where the arbitrators have awarded on a matter not submitted to them, unless it is a matter affecting the merits of the decision on the matters submitted or where the award is imperfect in the matter of form not affecting the matter of the controversy, the court shall modify and correct the award so as to effect the intent thereof and promote justice between the parties, and thereupon shall enter judgment in accordance with subsection (a).

(g) The court shall construe every award with a view to favoring its validity. If the court shall determine that a part of the award is invalid on some ground or grounds designated in this section as a ground of invalidity, but that a part of the award is valid, the court shall nevertheless enter judgment upon such part or parts of the award as are valid unless such part or parts are inseparable from the remainder of the award, in which case the entire award shall be vacated.

(h) If the petition for impeachment of the award is not sustained, the court shall enter judgment in accordance with the terms of the award, and in accordance with subsection (c). Where a petition for the impeachment of an award is granted, the award shall be vacated, and the court shall remand the arbitration to the Board, which may, in its discretion, accept the case for resubmission to arbitration in accordance with the terms of the original agreement or with such modification as the Board deems fit, or it may refuse to take any further action regarding it.

The amendment was agreed to.

The next amendment was, under the heading "Investigatory powers", on page 24, line 12, after "sec.", to strike out "13" and insert "11", and in line 15, after the word "by", to strike out "section 9, section 10, and section 12 (in any arbitration affecting commerce)" and insert "section 9 and section 10", so as to read:

SEC. 11. For the purpose of all hearings and investigations, which, in the opinion of the Board, are necessary and proper for the exercise of the powers vested in it by section 9 and section 10—

The amendment was agreed to.

The next amendment was, on page 25, line 12, after the word "possession", to insert "or the Supreme Court of the District of Columbia"; and in line 16, after the word "business", to strike out "and the Supreme Court of the District of Columbia," so as to read:

(2) In case of contumacy or refusal to obey a subpoena issued to any person, any District Court of the United States or the United States courts of any Territory or possession, or the Supreme Court of the District of Columbia, within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Board shall have jurisdiction to issue to such person an order requiring such person to appear before the Board, its member, agent, or agency, there to produce evidence if so ordered, or there to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

The amendment was agreed to.

The next amendment was, on page 27, line 12, after "Sec.", to strike out "14" and insert "12", and in the same line, after the word "willfully", to strike out "assault," so as to read:

SEC. 12. Any person who shall willfully resist, prevent, impede, or interfere with any member of the Board or any of its agents or agencies in the performance of duties pursuant to this act shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than 1 year, or both.

The amendment was agreed to.

The next amendment was, on page 27, line 19, after "Sec.", to strike out "15" and insert "13", so as to read:

SEC. 13. Nothing in this act shall be construed so as to interfere with or impede or diminish in any way the right to strike.

The amendment was agreed to.

The next amendment was, on page 27, line 22, after "Sec.", to strike out "16" and insert "14"; and on page 28, line 11, after the word "shall", to strike out "apply" and insert "remain in full force and effect", so as to read:

SEC. 14. Wherever the application of the provisions of section 7 (a) of the National Industrial Recovery Act (U. S. C., title 15, sec. 707 (a)), as amended from time to time, or of section 77 (b), paragraphs (l) and (m) of the act approved June 7, 1934, entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto" (48 Stat. 922, pars. (l) and (m)), as amended from time to time or of Public Resolution No. 44, approved June 19, 1934 (48 Stat. 1183), conflicts with the application of the provisions of this act, this act shall prevail: *Provided*, That in any situation where the provisions of this act cannot be validly enforced, the provisions of such other acts shall remain in full force and effect.

The amendment was agreed to.

The next amendment was, on page 28, line 12, after "Sec.", to strike out "17" and insert "15", so as to read:

SEC. 15. If any provision of this act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

The amendment was agreed to.

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The next amendment was, on page 28, line 17, after "Sec.", to strike out "18" and insert "16", so as to read:

SEC. 16. This act may be cited as the "National Labor Relations Act."

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. TYDINGS. Mr. President, I have two amendments which I desire to offer. The first amendment is, on page 10, line 10, after the word "protection", to insert "free from coercion or intimidation from any source."

The VICE PRESIDENT. The Senator from Maryland offers an amendment, which will be stated.

The CHIEF CLERK. On page 10, line 10, after the word "protection", it is proposed to insert:

Free from coercion or intimidation from any source.

Mr. TYDINGS. So that the whole section will then read as follows:

RIGHTS OF EMPLOYEES

SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection, free from coercion or intimidation from any source.

Is there any objection to that amendment?

Mr. WAGNER. There certainly is.

Mr. McNARY. Mr. President, does the Senator propose that as a new subdivision (5) on page 11?

Mr. TYDINGS. No; that is the next amendment. The two amendments seek to accomplish the same purpose. I cannot see why employees should not be allowed to bargain collectively without coercion or intimidation from any source whatsoever.

Mr. WAGNER. Mr. President, I understand the concern which the Senator from Maryland has for the particular representative plan which he has in mind. As was developed at the hearings before the committee—

Mr. TYDINGS. Mr. President—

Mr. WAGNER. Let me finish, please, because I know the plan of which the Senator speaks. It is a so-called "company union" plan, and my own opinion is that it is a company-dominated union, for the employer finances it.

Mr. TYDINGS. Let us assume that it is.

Mr. WAGNER. Very well.

Mr. TYDINGS. That is not the question at issue here.

Mr. WAGNER. Just one minute. Besides prohibiting the financing of such a union, the bill gives the workers absolute freedom to select representatives of their own choosing, and the way it is done is this—

Mr. TYDINGS. Yes; but if the Senator will permit me—

Mr. WAGNER. I should like to finish.

Mr. TYDINGS. But the Senator is proceeding on a wrong premise. I leave out all consideration of any particular union, a company union, or any other kind of union. All this amendment seeks is the right of the men themselves to have whatever kind of union they want, without coercion or intimidation by anybody.

Mr. WAGNER. Exactly; and that is what they are given under—

Mr. TYDINGS. Does the Senator want them coerced or intimidated?

Mr. WAGNER. There is a difference between using the word "coercion" as between employees and using it as between an employer and an employee. The elections which are provided for in this bill will be conducted under Government supervision.

Mr. TYDINGS. I do not interfere with that.

Mr. WAGNER. And each person who votes will choose the organization which he wishes to have represent him, or decide not to be represented by any organization.

Mr. TYDINGS. Mr. President, if the Senator will yield, I did not use it as between employee and employee. I said that no person should interfere with the right of the employee to select his own organization.

Mr. WAGNER. The amendment which the Senator suggests is not new to me. If I had been willing to accept that amendment, all the large employers who are trying to prevent their workers from organizing would have accepted this bill, because the amendment is exactly what they want.

So far as coercion is concerned, if it exists among employees, there is now an absolute legal right to go into court and seek an injunction if such coercion takes the form of intimidation or violence of any kind or character. When I was a judge I issued such injunctions myself. But how has the word "coercion" as among employees been interpreted by the courts? The use of pickets, mere persuasion without any force, threats, or intimidation, has been deemed coercion; and employees simply trying to persuade their fellow workers to join a particular organization have been charged with coercion.

This question came up when the Railway Labor Act was before the Interstate Commerce Committee. The railroad companies, which still had company-dominated unions, desired to have an amendment similar to that of the Senator from Maryland placed in the act. As I recall, the committee rejected that proposal by a unanimous vote. Mr. Eastman appeared before the committee and testified upon that question, and for the enlightenment of the Senate I should like to read from his testimony.

Mr. TYDINGS. The Senator is really speaking in my time. He has not yet given me a chance to complete my statement.

Mr. WAGNER. I thought I had the floor.

Mr. TYDINGS. I did not so understand.

The PRESIDENT pro tempore. The Senator from Maryland has the floor.

Mr. WAGNER. I beg the Senator's pardon.

Mr. TYDINGS. I am ready to answer any questions, but I do not want the Senator to cry down my amendment at least before I state my own position.

Mr. WAGNER. The Senator asked me if I objected to the amendment, and I was trying to answer his question. That could not be done in a word.

Mr. TYDINGS. Mr. President, let me again read section 7 as it would stand with this amendment. I think we are discussing something which is not before the Senate. Here is the way it would read:

RIGHTS OF EMPLOYEES

SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection—

Then I add—

free from coercion or intimidation from any source.

If we are going to give the employees this right, why should they not be allowed to exercise it, not only without coercion from those who employ them but without coercion from those who may not employ them? Is not this still a country where a man can select, without coercion or intimidation, the kind of organization to which he shall belong? If this bill is fair, if it attempts to give to those who toil the right to work out their own destiny, then it is wrong not to say they shall not be coerced or intimidated in regard to joining whatever organization they think will give them the opportunity to secure a chance to work under the best conditions.

What harm can there be in saying that the employees shall have this right without coercion or intimidation from any person, employer, or anyone else whatsoever?

Mr. COUZENS. Mr. President—

Mr. TYDINGS. I will yield to the Senator from Michigan in just a minute.

Or do we mean, by inference, in speaking against this amendment, that the employees shall be subjected to certain coercion or intimidation from some other source, although the employer shall not intimidate or coerce them?

I now yield to the Senator from Michigan.

Mr. COUZENS. Mr. President, of course the Senator from Maryland knows, as does the Senator from New York—and that is the reason why I am astonished by the objection of the Senator from New York to this amendment—that in

every big industrial community there is competition between one union and another. There is just as much fight, there is just as much effort, there is just as much salesmanship, there is just as much force used in many cases to induce workmen to join one union as to join another. For the life of me I do not understand why a union should be enabled to coerce a worker into an organization which he does not choose to join.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator.

Mr. WAGNER. Such acts are today illegal and remediable if they amount to threats or intimidation or force of any kind or character. Application may be made to a court for an injunction, and injunctions are issued by the thousands by courts all over the country to prevent such action. There is no remedy today, however, when an employer uses his economic pressure to compel a worker to join a particular organization or not to join a particular organization. There has been no enforcement power anywhere to prevent that type of economic coercion.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield to the Senator from Michigan.

Mr. COUZENS. The Senator from New York insists on confusing the issue.

Mr. WAGNER. I think the Senator from Michigan is confusing the issue.

Mr. COUZENS. The Senator from Maryland yielded to me, and I was not discussing coercion on the part of the employer.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I have yielded first to the Senator from Michigan. When he finishes, I will yield to the Senator from Kentucky.

Mr. COUZENS. The Senator from New York injected that matter into the issue to confuse it. The Senator from Michigan is not in any way attempting to weaken the bill of the Senator from New York with respect to the coercion of the employer.

Mr. TYDINGS. Neither am I.

Mr. COUZENS. What the Senator from Michigan is trying to do is to support the contention of the Senator from Maryland that coercion between union and union should be prohibited. It is not enough to say that in 48 jurisdictions there is sufficient remedy. If there is sufficient remedy, as the Senator from New York contends, let us put it in the act.

Mr. TYDINGS. And if there is sufficient remedy, then the mere insertion of these words, which make that for which the Senator from New York contends mandatory, can have no effect at all but to strengthen the bill for the ideal purpose which he espouses, of allowing labor to combine and collectively bargain without coercion from any source whatsoever.

Mr. WAGNER. Mr. President—

Mr. TYDINGS. I yield to the Senator from New York.

Mr. WAGNER. I thought the Senator had concluded.

Mr. BORAH. Before the Senator from Maryland takes his seat I should like to ask a question. I understand the Senator from Maryland would add certain words to section 7.

Mr. TYDINGS. The words "without coercion or intimidation from any source."

Mr. BORAH. Does the Senator from Maryland believe that if the situation is as he describes it, and a remedy is called for, those simple words will be sufficient to afford protection?

Mr. TYDINGS. I have another amendment in the same tenor which I intend to offer, to be inserted on page 11, between lines 15 and 16.

Mr. BORAH. Without taking too much time may I ask the Senator to read the amendment?

Mr. TYDINGS. This amendment would read:

It shall be unfair labor practice for any person to coerce employees in the exercise of their rights guaranteed in section 7, or to coerce employees in their right to work or to join or not to join any labor organization.

Mr. BORAH. That seems to me to state a fundamental principle.

Mr. TYDINGS. Inasmuch as that is what the Senator from New York says he wants to obtain, namely, the right of labor to be removed from any coercion or intimidation, the right to collectively bargain for whatever they think would be better for themselves, and that nobody shall step in and frighten them, that nobody shall coerce them, if we do not keep that principle in the bill, then this boasted thing about labor having freedom is a farce, because we would simply take coercion away from one side and permit it on the other side. If it is wrong on one side, it is wrong on the other side.

A laborer ought to be entitled without coercion from any side to say whether he wants to join this, that, or the other union, and if it is wrong for the employer, as it is wrong, to coerce labor or intimidate labor, it is equally wrong for somebody else to coerce laborers and intimidate them. All I am asking is that labor be protected from any coercion or intimidation from any source whatsoever.

Mr. HASTINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Maryland yield to the Senator from Delaware?

Mr. TYDINGS. I yield.

Mr. HASTINGS. The Senator will recall also that the bill provides that the majority may make the bargain for the minority.

Mr. TYDINGS. That is correct.

Mr. HASTINGS. So that under the provisions of the bill, if they succeed in getting a majority, by force, or coercion, or any other improper means, it is absolutely controlling over the 49 percent who have absolutely no rights and nothing to say.

Mr. TYDINGS. I am going to ask the Senator from New York a direct question. He does not need to answer it now, because he is going to respond in his own time.

I do not mean to belittle the efforts of the Senator from New York; I rather applaud them, because no Senator in this body is more anxious to help labor than is the Senator from New York. His whole impulse is to help the workingman, and certainly, although I have been against the Senator from New York on some propositions, I am in favor of the same rights being accorded labor.

I wish to ask the Senator from New York a question. He implies in his argument that it is wrong for the employer to coerce the employee, and with that I am in accord; but he implies in his argument that it is not wrong for a labor organization to coerce an employee who does not want to belong to the organization to which the coersers belong. It strikes me that, as a matter of logic, and in all fairness to the Senator, what he wants to obtain is the free and untrammelled right of labor to bargain without coercion of employee and without coercion of employer. He wants them both to have the right, without respect to any outside influence, to bargain for the common good.

Does he not say in effect that, although it is wrong for the employer to coerce labor—and he is right there—it is not wrong for an employee to coerce another employee?

Mr. LONG. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LONG. I should like to ask the Senator a question. What is coercion by a labor representative would be for the court's interpretation, would it not?

Mr. TYDINGS. I think so.

Mr. LONG. So the court might hold that there was intimidation or coercion if an organizer said, "Only laboring men who are affiliated with our union are going to get jobs."

Mr. TYDINGS. Of course, the whole act will be interpreted by the courts, so far as that is concerned, but my business is not sitting on the court; my business, sitting here as a Senator, is to safeguard, so far as my humble intelligence will allow, the right of the American workingman not to be coerced by anybody in doing a perfectly legal thing, namely, collectively bargaining for his advancement and

progress and better working conditions. I care not whether the coercion comes from above, comes from the bottom, or comes from an extraneous source, if it is coercion or intimidation, the laboring man does not have the chance to which he is entitled.

Mr. LONG. Mr. President, will the Senator yield again?

Mr. TYDINGS. I yield.

Mr. LONG. The Senator knows that we have been trying to get laborers the right to organize for quite a while, and we never have been able to draft a law yet which has not been whittled down. By interpretation the laws have always been cut down. Does not the Senator think we can take a little chance for once in our lives for a little while? If the Senator from New York can draft an act that will protect labor, he will be the only man who has ever been able to do it. Nobody else has ever been able to do it with the court interpretations. I do not believe we ought to whittle away the bill and not take a chance.

Mr. BARKLEY. Mr. President, will the Senator from Maryland yield to me?

Mr. TYDINGS. I yield.

Mr. BARKLEY. I am unable to visualize an exactly parallel situation between the possible coercion of a workingman by his employer and the possible coercion of a workman by some other employee.

Mr. TYDINGS. If the Senator will permit me to interrupt him right there, I will give him an opportunity to go on in my time. I take it for granted that the Senator does not want the laborer coerced by anybody. Is that correct?

Mr. BARKLEY. I do not.

Mr. TYDINGS. If we all agree on that objective, then what is the harm in saying he shall not be coerced from any source whatever?

Mr. BARKLEY. There is nothing in the bill which assumes he is going to be coerced.

Mr. TYDINGS. Let us say so.

Mr. BARKLEY. He cannot be coerced to the same degree by a fellow employee as he might be by his employer. The employer might threaten to discharge him from his position. The employer might threaten him with a reduction in wages. The employer might threaten an employee by all sorts of forms of coercion and intimidation that would result in unemployment. But I do not know of such power as that possessed by an employee over one of his fellow employees.

Mr. COUZENS. Mr. President, will the Senator from Maryland yield?

Mr. TYDINGS. I will yield to the Senator from Michigan in just a moment. Under my amendment the employer could not threaten an employee with a reduction in wages, he could not threaten him with longer hours, he could not threaten him with anything, because under the amendment an employee could not be coerced or intimidated by anybody.

Mr. BARKLEY. He could not be under the bill, so far as that is concerned, even without an amendment. It might be possible for an employee to persuade a fellow employee that he ought to belong to one union or another, but I cannot understand how a man who is working for wages can go to a man working for the same employer, or for a different employer, and intimidate or coerce the other employee to join or not to join a particular union, because neither one of them can fire the other from his job.

Mr. TYDINGS. I yield to the Senator from Michigan.

Mr. COUZENS. There is nothing in the bill and nothing in the amendment proposed by the Senator from Maryland which would confine the coercion to employees in the same plant. I do not know whether or not the Senator from Kentucky was in the Chamber when I spoke, but I have worked in plants where hundreds of thousands of men were employed, and I know that there is competition between unions to get membership. I know of cases where leaders of labor unions who were not employees of the plants have gone out and threatened wives and children, telling them that if the husbands and fathers did not join their union, they would be discharged.

Mr. BARKLEY. That must be an extremely exceptional case.

Mr. COUZENS. That is a kind of coercion with which I am wholly familiar and, therefore, I believe it is vitally necessary to protect all employees against coercion. I have never, in my capacity as an employer, attempted to coerce any man to keep him from joining any union.

Mr. BARKLEY. I realize that, of course.

Mr. COUZENS. And I do not want any employer to do it. But why should an outside union, located here in Washington, or in Toledo, or somewhere else, go to Detroit and say to employees in some plant there, "If you do not join our union, we will punish your wife and children"? That is the kind of thing I want to have prevented.

Mr. BARKLEY. Mr. President, will the Senator yield right there?

Mr. COUZENS. I cannot talk if the Senator keeps talking at the same time.

Mr. BARKLEY. I thought the Senator from Michigan had found a stopping place.

Mr. COUZENS. No; unfortunately, I never can keep up with the Senator from Kentucky, so I take my seat and will let him talk for the rest of the day, as he usually does.

Mr. BARKLEY. The Senator need not get his ire up. I am asking him a sincere question, and I hope I will not give vent to my temper in doing it. I meant no reflection on the Senator from Michigan. I wanted to ask him a perfectly sincere and a perfectly civil question, the answer to which might grow out of his own experience.

I desired to ask the Senator from Michigan this question: Assuming he and I were employed by the same employer or by different employers as laboring men not belonging to any union, and somebody, either from the inside or from the outside, came to him or to me, or to both of us, to persuade us to join a particular union by arguing with us that it was a better union, or a more efficient or a more effective union than some other union. Would that be regarded as coercion or intimidation?

Mr. TYDINGS. No.

Mr. COUZENS. I certainly would not put such an absurd interpretation on it. That is just salesmanship, and I have no objection to labor unions anywhere selling their service and their membership. I want them to do it. But if I reach the conclusion that I want to decline to join any affiliation of the American Federation of Labor, I do not want some labor leader to go around threatening what they are going to do to me if I fail to submit to their salesmanship.

Mr. BARKLEY. One other question—and I propound this question to both the Senator from Michigan [Mr. COUZENS] and the Senator from Maryland [Mr. TYDINGS], as well as to other Senators. Inasmuch as the court must pass on this bill if it shall be enacted, and must make an interpretation of conduct of men, is there a possibility that some court, some Federal judge, might hold that an effort to persuade me or the Senator from Michigan or anybody else to join a certain union or not to join another one, would be intimidation or coercion on the part of the fellow laborer?

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. COUZENS. If the Senator from Kentucky wants to draw up an amendment so as to exclude that sort of interpretation, which I think would be ridiculous, I would support the amendment.

Mr. BARKLEY. It would be no more ridiculous than some interpretations given heretofore by judges of provisions of the law.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. TYDINGS. I yield.

Mr. BORAH. There is a very large body of workingmen who would not be covered either by the Senator's amendment or by the bill, that would enter into the question, of

course; that is the body of men who do not belong to a union at all or who do not desire to.

Mr. TYDINGS. That is true.

Mr. BORAH. They would not be covered either by the amendment or by the provisions of the bill. If we are to enter the field of legislation as between employees the bill would have to be radically changed.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. COUZENS. I understood from the Senator's amendment that coercion on the part of any person was prevented, which would include all, whether that provision was in the bill or not.

Mr. BORAH. I am speaking of the right to collectively bargain.

Mr. TYDINGS. Yes; the right to collectively bargain.

Mr. BORAH. Section 7 of the bill deals only with collective bargaining.

Mr. TYDINGS. Let me try to reduce the issue which has been joined here to its narrowest or most accurate limitations.

Mr. HASTINGS. Mr. President—

Mr. TYDINGS. Just a moment. Let me develop this so that it will be before Senators as I see it. I do not believe there is a Senator on the floor who will contend that if my amendment is adopted, an employer can coerce an employee thereafter. Is there anyone who takes issue with that statement? There is not one Member of the Senate who does.

Mr. WALSH. Mr. President, without the Senator's amendment the bill forbids that. That is the very purpose of the bill. The Senator from Maryland is losing sight of the objective of the bill. It is not to regulate the relation of employee to employees, it is to regulate the relation of employees to employers.

Mr. TYDINGS. Just a moment. I asked if there was any Senator in this body who would say that if my amendment were adopted it would be legal for any employer to coerce any employee?

Mr. WALSH. Without the adoption of the Senator's amendment such coercion is illegal. That is provided in the bill.

Mr. TYDINGS. But my question is whether any Senator would make that statement if my amendment were adopted?

Mr. WALSH. The trouble is, however, that the amendment of the Senator from Maryland includes that and more too.

Mr. BARKLEY. Mr. President—

Mr. TYDINGS. Just a moment. I do not want an argument at this point. I wish to know if there is any Senator who contends that if my amendment were adopted an employer could coerce an employee?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TYDINGS. Does the Senator from Kentucky say "yes" in answer to my question?

Mr. BARKLEY. I desire to answer.

Mr. TYDINGS. Will the Senator from Kentucky answer my question first and then make an explanation?

Mr. BARKLEY. Of course I will.

Mr. TYDINGS. Very well.

Mr. BARKLEY. Nobody can contend that under the Senator's amendment an employer could coerce an employee.

Mr. TYDINGS. That is right.

Mr. BARKLEY. But he cannot do that even without the Senator's amendment. The language of the bill specifically prohibits that.

Mr. TYDINGS. Then what harm is there in putting my amendment in the bill?

Mr. BARKLEY. Because the Senator intends it to go much further than the relationship of employer and employee.

Mr. HASTINGS and Mr. WAGNER addressed the Chair.

Mr. TYDINGS. I cannot answer unless I have the opportunity to continue.

The PRESIDING OFFICER. Senators who desire to be recognized will address the Chair in proper order. Several

Senators have addressed the Chair. Does the Senator from Maryland yield, and, if so, to whom?

Mr. TYDINGS. I will not yield now, but I will yield in just a moment, as soon as I have addressed myself to the point raised by the Senator from Kentucky.

Now, we have the situation that there is not a Senator in this body who contends that if my amendment were adopted any employer could coerce any employee. Not one says that is not true. They all say it is true. The Senator from Kentucky just said it is true. He said that would be true without my amendment. Certainly my amendment puts the clincher on it.

If that be true, who, then, is to be given the right or permitted to have the right to coerce and intimidate? Is someone else to have this right against which we inveigh in one breath and inferentially embrace in the next. If it is wrong for the employer to coerce his men—and it is wrong—is somebody else to be given the right to do the same wrong because he occupies, forsooth, a different position? What kind of logic is that, assuming that we are impelled by the high-sounding purpose written into this bill?

I now yield to the Senator from Delaware.

Mr. HASTINGS. Mr. President, I desire to call the attention of the Senator from Maryland to a paragraph in the statement made by the President in the settlement of the automobile-industries strike in 1934, in which he used this language:

The Government makes it clear that it favors no particular union or particular form of employee organization or representation. The Government's only duty is to secure absolute and uninfluenced freedom of choice without coercion, restraint, or intimidation from any source.

Almost the exact language of the amendment of the Senator from Maryland.

Mr. TYDINGS. Mr. President, I shall detain the Senate but a minute more. We have established a premise, and everybody agrees that under this amendment, and, it is contended, that even without it, no employer has the right to coerce or intimidate labor. Is there anyone here who contends that anybody else ought to have that right? I now pause for an answer to that question.

Mr. BORAH. Mr. President—

Mr. TYDINGS. Just a moment. Let me make my question plain. Is there anyone in the Senate who contends that anybody ought to have the right to coerce and intimidate any labor group which desires to collectively bargain?

I yield to the Senator from Idaho.

Mr. BORAH. I would answer of course "no"; but I want the Senator to think of the proposition, that if we enter the field of collaborators or counions we must also include the man who does not belong to a union at all. We must protect him from coercion. That is where the great coercion operates. In framing this bill we have not entered that field at all.

Mr. TYDINGS. That is right.

Mr. BORAH. We have simply dealt with the employer and the employee. However, there is another field in which such legislation might be advisable. It cannot be incorporated, however, by a single amendment in this bill. There is much more to do in regard to it. That is what I should like to have the Senator think over before we vote on the question.

Mr. WAGNER rose.

Mr. TYDINGS. Let me answer the Senator from Idaho, and then I will yield to the Senator from New York. I agree with the observations he has made. They deserve thought. However, I come back to this premise: Whatever we are dealing with within this bill, let us deal with it consistently. We are dealing with employers of a class and employees of a class, and certainly if we want to remove the employee from the coercion and the intimidation of the employer, let us remove the same employee from any other coercion and intimidation from which we can remove him.

I now yield to the Senator from New York.

Mr. WAGNER. I wish to call to the attention of the Senator a point which was emphasized by the chairman of the committee, who, I am sure, will in due time explain the opposition of the committee toward the amendment which the Senator has offered. Aside from a few representatives

of company unions, there was no one who seeks this amendment except the employer, who really is not concerned about protecting the workers in their efforts to organize. The Senator asks: "Is there any danger in this amendment? Should not coercion be prohibited?" If "coercion" were interpreted always as the Senator would like it to be, I should agree with him.

Mr. TYDINGS. I would have no objection to the Senator from New York writing out a definition of the word "coercion" and including that in the language.

Mr. WAGNER. The difficulty is that it cannot be done, because of interpretation by the courts. The courts have said that a threat to strike is coercion. With that in mind, the Senator can see the reason why the large employers have been fighting for his amendment. The Chairman of the Committee on Education and Labor will support my statement that if we had agreed to that amendment the employers would have cheered for this bill. It would have helped them more than domination of a union.

Mr. TYDINGS. Will the Senator allow me to interrupt him?

Mr. WAGNER. The Senator has asked me a question, and I am answering his question.

Mr. TYDINGS. Yes; but let me point out to the Senator that he is talking about an erroneous proposition.

Mr. WAGNER. Oh, no; I am talking about the interpretation by the courts of the word "coercion."

Mr. TYDINGS. No; the Senator is branching off into the philosophy of the bill and is not talking on the amendment.

Mr. WAGNER. I am talking about the court's interpretation of "coercion."

Mr. TYDINGS. If the Senator will just be patient for a minute, I think I will show him where he is wrong.

Mr. WAGNER. Very well.

Mr. TYDINGS. The amendment would make the section read as follows:

SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection free from coercion or intimidation from any source.

The Senator from New York cites as being in conflict with this amendment a case where a group of men threaten to strike. All I am attempting to do by my amendment is to permit them to threaten to strike without coercion or intimidation from any outside source. They can collectively bargain and nobody can coerce them or intimidate them. The illustration which the Senator presents is that if the Senate should put in the bill the provision that employees shall not be coerced or intimidated, they could not even threaten to strike for higher wages; and that is beside the point.

Mr. WAGNER. Mr. President, will the Senator further yield? The Senator did not permit me to finish my recital of what the courts have held.

Mr. TYDINGS. No; because the Senator was discussing something not before the Senate.

Mr. WAGNER. Oh, yes; it is before the Senate. How about peaceful persuasion? That has been held in some jurisdictions to be coercion.

Mr. GORE. I suggest that we can "except" that out.

Mr. TYDINGS. Will the Senator bear with me a moment? I know what he is discussing; but he is not discussing my amendment.

My amendment simply gives to employees the right to bargain collectively without coercion or intimidation from anybody, and if they want to bargain and say, "We are going to strike if you do not raise our wages 10 percent", there is nothing in my amendment which would prevent it, and the Senator knows it. If they want to say to an employer, "The working conditions here are horrible, and we are not going to keep on under these conditions", there is nothing in the amendment—and the Senator knows it—which will require them to continue working. What the Senator is arguing is that if these words are put into the

bill labor cannot strike. I say that under this amendment they can take any action they desire to take, and they have the assurance that they shall not be coerced or intimidated—not the employer but the workingman shall not be coerced or intimidated by anybody in collective bargaining.

The Senator has not been addressing his remarks to that question; he has been addressing them to a supposition which the amendment does not embrace. What is that supposition? That, if the amendment were adopted and a group of men should meet and collectively bargain in an effort to obtain shorter hours or more pay or better working conditions, the fact that we say they shall not be coerced and intimidated is going to militate against them in accomplishing the objective they seek to attain. All that I propose to provide by this amendment is that if labor organizes and bargains collectively for any purpose whatsoever, nobody shall dare to coerce or intimidate them in the seeking of any objective they may have in mind.

Now, Mr. President, I am going to conclude by reading the section as it will read if my amendment shall be adopted. Here is how it will then read:

Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection free from coercion or intimidation from any source.

Instead of taking rights away from them in collective bargaining the amendment would throw additional safeguards around those rights. It provides that they shall not be coerced and that they shall not be intimidated from any source whatsoever in asking for more wages or for shorter hours or better working conditions or for this or for that. That is all the amendment provides, and I hope the Senate will adopt it.

Mr. WALSH. Mr. President, I have refrained from discussing this bill because the able Senator from New York [Mr. WAGNER] presented every aspect of it fully and ably yesterday, but the amendment now proposed by the Senator from Maryland [Mr. TYDINGS] raises the question of what is this bill all about? What is its objective? What does it do and what does it not do?

First of all, it does not require or request any employee to join any organization of any kind, shape, form, or character. Secondly, it does not seek to encourage or bring about the establishment of any labor organization under any employer where there is now none. It makes absolutely no change whatever in existing law, so far as the relation of employers and employees are concerned, except in those limited respects that relate to collective bargaining and the right of employees to organize without interference by employers. What the law now is with respect to the relations of employees with each other remains as it is. This is not a police court bill to punish employers or employees in the criminal courts for assaults, threats, or use of force. It does make two important changes in the relations of employer and employee; and the reason for the changes is an act passed by Congress, the National Recovery Act, which included a section known as section 7 (a). In that act, and under section 7 (a), we declared as a Federal policy the right of employees to organize, to choose the representatives of their own selection for the purpose of engaging in collective bargaining with their employers. It was a mere declaration of a principle. It was like saying religion is free and doing nothing to prevent barriers being set up designed to obstruct the free exercise of religion; it was like saying the press is free and doing nothing to prescribe what should be considered violations of the rights of the press to be free.

A voluntary Board, the National Labor Board, with Senator WAGNER as chairman, was set up by the President which had no real legal authority to administer that declaration of the right of employees to engage in collective bargaining. The Board had the right to make suggestions to the officials of the N. R. A., and the N. R. A. in some instances had the right to take away the Blue Eagle which was given to the employers by reason of their loyalty to the principles of the N. R. A. It was ineffective; the Board was helpless. The

result was that a bill was presented to Congress at the last session similar in substance to the pending bill, attempting to set up machinery to make effective the declaration of Congress that employees should have the right to engage in collective bargaining.

Toward the latter part of the session the bill was reported to the Senate, but, because the Congress was getting ready to adjourn, the President suggested a compromise measure, which became known as Resolution 44, which authorized the President to set up a Board for the purpose of regulating elections held by employees for the purpose of designating their representatives for collective bargaining. Even that resolution was powerless, though it did attempt to give authority to the Board to hold elections of employees to determine who should represent them in collective bargaining. It was impotent, because, where employers resist an election order by the Board, provision is made for a court review prior to holding the election, and several cases are now in the courts, and the Board has not been able to hold elections.

So we have a situation of saying employees are free to engage in collective bargaining—

Mr. COUZENS. Mr. President, will the Senator yield at that point?

Mr. WALSH. Yes.

Mr. COUZENS. The Senator said that Resolution 44 was ineffective. Will he tell us before he concludes why Resolution 44 was ineffective?

Mr. WALSH. It was ineffective, as I think I stated, because of appeals to the courts. In cases where attempts have been made to hold elections the claim has been made that the Board had no legal authority; the cases have been brought into court, and they are in the courts and undecided. It has been effective where the employer was willing to cooperate with the Board and hold elections; it has been effective in that respect; but where there has been resistance there has been no effect.

Mr. COUZENS. Would the passage of the pending bill remove the appeals to the courts?

Mr. WALSH. Yes; it would because it limits appeals. It provides for review in the courts only after the election has been held and the Board has ordered the employer to do something predicated upon the results of the election.

Now, let me proceed. I was stating the effect of Resolution 44.

What does the pending bill do? It does two things: It seeks to make effective the right of employees to organize and engage in collective bargaining. To that I have heard no objection. It also defines what is improper or unfair for the employer to do in trying to prevent the accomplishment of that objective. These are called "unfair labor practices."

Why does it deal with the employer and say, "You cannot coerce any employee"? Here is the fundamental problem involved in all this: The employer is the only person who can effectively coerce an employee.

Mr. HASTINGS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Delaware?

Mr. WALSH. I will yield when I shall have finished the thought. The employer has the economic power; he can discharge any employee or any group of employees when their only offense may be to seek to form a legitimate organization among the workers for the purpose of collective bargaining. This bill declares that is wrong. It declares that the employee has the right to engage in collective bargaining, and it says, "Mr. Employer, you must keep your hands off; you shall not use that effective power of dismissal from employment which you have and destroy the organization of the employees by the dismissal of one or more of your employees when they are objectionable on no other ground than that they belong to or have organized a labor union."

I now yield to the Senator from Delaware.

Mr. HASTINGS. Mr. President, my clear recollection is that during the textile strike the newspapers carried a story to the effect that the members of the union who were responsible for the strike sent their own crews, their own

groups, to other mills where the union did not prevail and made it so uncomfortable for the employees at the other mills that they were compelled to quit work and close the mills. Is that a thing the Congress would like to approve of, in the first place, and, if it is not, would not the amendment offered by the Senator from Maryland prevent that sort of thing?

Mr. WALSH. If that happened under present conditions and under the present law, a court of equity could now restrain it, but this proposed board is not an appropriate tribunal to restrain that sort of thing, as is clearly pointed out in the committee report. That is the trouble. There is plenty of law otherwise to deal with that sort of thing, and I will come to that in a moment.

One of the reasons why personally I am one of the few Senators here who do not particularly engage in running debate is that I think the more effective way to present a case to the Senate is for the Senator who moves an amendment to discuss and explain it, and then let the answer be made, because otherwise there is iteration and reiteration which consumes the time of the Senate. Therefore I should like to be permitted to continue my argument, because before the conclusion of my presentation I expect to deal with the subject the Senator raises.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. WALSH. Certainly.

Mr. VANDENBERG. The Senator from Massachusetts has said, as I understand, that the proposed law changes the existing status only in two fundamental particulars. Will he discuss before he concludes whether or not it does not change another fundamental proposition, namely, the right of the majority to control the minority, the existing status under the Executive order of the President, as I understand, being that there is proportionate representation in connection with collective bargaining?

Mr. WALSH. I will be glad to discuss that question.

Mr. VANDENBERG. Is not that another fundamental difference?

Mr. WALSH. I would not say so. It is fundamental to the extent of that part of the bill which relates to designating who shall be the representatives of the employees in collective bargaining. If a labor union is going to be organized, there has to be someone to speak for the employees, and that someone must be the representative of the majority; but that does not prevent the other employees discussing their grievances with their employer. It means that for the purpose of collective bargaining, when the representatives of the employees knock at the door of the employer, he will say, "Do you represent a majority of my employees? If so, all right; come in and I will undertake to engage in collective bargaining with you as the chosen representatives of my employees." That is all it means.

Mr. WAGNER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from New York?

Mr. WALSH. Certainly.

Mr. WAGNER. There is no Executive order, so far as I know, that provides for proportionate representation. When I was Chairman of the National Labor Board, there was an Executive order which directed the Board to provide for elections, after which those selected by the majority were to represent all in the collective-bargaining process.

Mr. VANDENBERG. Mr. President, will the Senator forgive another interruption, because I am anxious to be sure I understand this phase of the situation?

Mr. WALSH. I yield.

Mr. VANDENBERG. So far as the great automobile industry is concerned, it is operating, is it not, under the Presidential order which recognizes, in effect, proportionate representation?

Mr. WAGNER. An automobile labor board was appointed to deal with that subject. However, that was a settlement out of court. So far as the fundamental principle to which the Senator has referred is concerned, majority rule is the only sound rule in collective bargaining.

Mr. ROBINSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Arkansas?

Mr. WALSH. Certainly.

Mr. ROBINSON. If we recognize the right of collective bargaining, does it not follow of necessity that we must deal with representatives chosen by the majority? Otherwise, the problem would be reduced to an absurdity. If we had to recognize one minority we would have to recognize other minorities, and so we would defeat the entire purposes of collective bargaining if we should adopt any other rule than that of recognizing the representatives chosen by the majority.

Mr. VANDENBERG. That might be an absurdity, but that is the fact acknowledged in the order of the President settling the automobile difficulties. As I understand, under the pending bill the majority chosen to speak collectively in a given unit thereby automatically speak for the entire unit.

Mr. WALSH. Yes; but this discussion is, of course, not germane to the amendment pending.

Mr. VANDENBERG. Oh, I understand that.

Mr. WALSH. Let me say that the bill requires no employer to sign any contract, to make any agreement, to reach any understanding with any employee or group of employees. The trouble about the bill is that it is so much misunderstood. Let me state just what the bill does not do, for it is greatly misunderstood and much misrepresented.

The board created in the bill is not going to be empowered to settle all labor disputes. Indeed, we can perhaps best understand the limited but important provisions of this bill by reciting, first, what aspects of the employers' relationship with employees the bill does not deal with.

Nothing in this bill allows the Federal Government or any agency to fix wages, to regulate rates of pay, to limit hours of work, or to effect or govern any working condition in any establishment or place of employment.

Nothing in this bill requires any employee to join any form of labor organization.

Nothing in this bill requires the employees in any industry to organize.

Nothing in this bill requires an employer to compel his employees to organize. All employees are free to choose to organize or not to organize, to join any or whatever labor organization or union they choose. If employees choose to organize a shop committee or a union for a particular plant or company, they may do so. If employees choose to form a union affiliated with any national or international organization, they may do so. There is nothing in this bill that compels any employer to make any agreement about wages, hours of employment, or working conditions with his employees.

The bill does provide the means and manner in which employees may approach their employers to discuss grievances and permit the board to ascertain and certify the persons or organization favored by a majority of the employees to represent them in collective bargaining, when the question of that representation is in doubt or dispute. Beyond this the bill does not go.

A crude illustration is this: The bill indicates the method and manner in which employees may organize, the method and manner of selecting their representatives or spokesmen, and leads them to the office door of their employer with the legal authority to negotiate for their fellow employees. The bill does not go beyond the office door. It leaves the discussion between the employer and the employee, and the agreements which they may or may not make, voluntary and with that sacredness and solemnity to a voluntary agreement with which both parties to an agreement should be enshrouded.

When a dispute arises between an employer and a group or groups of employees as to which organization is the legal one, the company union, the A. B. C. union, the fellowship union, or the trade union, the board takes jurisdiction, and thus is determined who and what kind of a labor organization represents the employees. The board will arrange for

an election and provide for secret ballot. It will then find out what organization represents the majority of the employees and who are to be the representatives.

What is the second feature? It is well known from experiences between employers and employees that employers at times, though not all of them, seek to deny their employees the right to organize, and do so by indirect means, by economic pressure of one kind and another. They sometimes seek to dictate the kind of organization. In some instances they seek to control, by financial assistance and by favors extended to a certain class of employees, the particular kind of organization they desire. All the bill does is to define these as unfair labor practices on the part of the employer and say, "These things you may not do, because your employees must be free to say what kind of organization they want, whether a company union, a trade union, a fraternal union, or whatever it may be. You must keep your hands off. You may not dismiss a man because he joins one of these unions. You may not dismiss a man because he is a representative chosen by his fellows."

In substance, reduced to a very few sentences, that is really all there is to the bill.

Let me emphasize again: When the employees have chosen their organization, when they have selected their representatives, all the bill proposes to do is to escort them to the door of their employer and say, "Here they are, the legal representatives of your employees." What happens behind those doors is not inquired into, and the bill does not seek to inquire into it. It anticipates that the employer will deal reasonably with the employees, that he will be patient, but he is obliged to sign no agreement; he can say, "Gentlemen, we have heard you and considered your proposals. We cannot comply with your request"; and that ends it.

There is no effort in that respect to change the situation which exists today. All employers are left free in the future as in the past to accept whatever terms they choose.

There is practically no change whatever in the present conditions affecting employers and employees except to provide for the creation of the machinery without interference by employers to permit employees to choose representatives to go to their employers for the purpose of collective bargaining. This is done because we have found that the reason why there are labor difficulties, labor disputes from time to time, is that employers will not confer with their men, will not meet them, do not know who are their representatives, because some of them say, "I will talk with this group but not with that group." The bill would provide that the men chosen by the employees shall represent their fellow employees and would say to the employer, "They are legally here to deal with you and engage in collective bargaining."

Mr. ROBINSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Arkansas?

Mr. WALSH. Certainly.

Mr. ROBINSON. I wish to ask the Senator from Massachusetts a question. It has been repeatedly stated in criticism of the bill that it outlaws the company union. I inquire of the Senator from Massachusetts whether that is correct and, if so, how the end is accomplished?

Mr. WALSH. I shall be pleased to answer the Senator's question and he will pardon me if I take a little time to do so.

After section 7 (a) was adopted the representatives of organized labor in the country felt that the time had come to extend their activities in the way of organizing employees where there were no labor organizations. In many sections of the country employees proceeded to try to organize unions of one kind or another. Certain employers, for the purpose of preventing what they thought was an antagonistic or hostile labor union, began organizing what are known as "company unions." They got a majority of their employees to form a union and to choose representatives from that union to represent them in collective bargaining.

Much contention, resulting in many strikes, followed. There were counterclaims by the trade-union organizers and

the company-union organizers as to which had a majority of the employees in a particular shop, with the result that elections were demanded and held.

This bill gives no legal sanction or approval to any labor organization whatever. It does not mention the name "trade union" or any other national or local labor organization. It does not mention the name "American Federation of Labor." It does not mention the name "company union." It does this, which some employers who have company unions resist; namely, it restricts somewhat the methods now pursued in financing company unions.

In some company unions the employer hires the hall where the union meets, pays for the ballots, employs clerical help for the union, pays salaries to the representatives of the workers. This is called, among the employees, a "company-dominated" union. That is why the Senator from New York uses that expression, meaning that it is not free, because the financial hand and the influence of the employer are such that they become dominating, and it is not a union such as free employees are entitled to have if they choose.

So the result is that we restrict contributions made to any union—the American Federation of Labor or the company unions; and money can be paid by an employer in the case of either one of them—the American Federation of Labor or any other trade union or any other international union—only to the representatives of the employees when they are, during working hours, sitting in with their employers, engaged in collective bargaining. We permit that to be done; but the other expenditures which have been made in the past have been the source of some criticism.

Personally, I feel in any law no distinction ought to be made between company unions and trade unions. If company unions are wrong, if they are not representative of the men, if they are not really engaged in honest collective bargaining, we must give the employees of this country, men and women, credit for recognizing that and overthrowing, in time, such organizations. Similarly, if the American Federation of Labor or any other union is not honestly and sincerely and devotedly interested in the welfare of its members, we must recognize the fact that sooner or later the employees belonging to it will, in some election, move out of the American Federation of Labor and into an international union or other union of some kind, a different union of their own.

Mr. WAGNER. Mr. President, I am sure the Senator meant to name one other common practice of these company-dominated unions. In nearly all cases, their constitutions are drafted by the employer, and contain provisions preventing modification without the consent of the employer.

Mr. WALSH. What the Senator from New York has said is very important. We found at our hearings that many of the company unions had had their constitutions and by-laws prepared by the employers and handed over to them, and there are provisions in the constitutions and by-laws that no changes can be made without the consent of the employers. Of course, such an organization is not a free labor organization, and cannot be held to be such.

Directly answering the Senator from Arkansas [Mr. ROBINSON], I should say that there is nothing in this bill which is antagonistic to company unions except that some of them will have to lessen the amount of contributions made by the employers to the representatives of the employees in company unions; but they are permitted to make the expenditures I have named.

Now we come to the immediate problem under consideration.

We have not gone in this bill into the field of relationship between employee and employee. We have been dealing only with the right of the employee to engage in collective bargaining with his employer. If an employee threatens to burn the house of a fellow employee unless he joins his union, there is ample provision of law to cover such a case. If an employee or employer assaults an employee, there is ample existing law to cover that case. That is a domain that we have not entered into, because we are not dealing with it. We are not going to encourage or discourage employees with

reference to organizing unions. It is made their business, but if they desire to organize, this bill provides the method and protection to do so.

Many employers have urged that the bill should contain a provision to the effect that it constituted an unfair labor practice for an employee or a group of employees to interfere or coerce an employee to join any particular labor organization.

They have indicated that the bill would be acceptable to them if such a provision was included in the bill, because they stated it would put both employees and employers in a like status so far as interference or coercion by employee or employer with respect to joining or refraining from joining a labor organization is concerned.

The committee carefully considered this proposal and reached the conclusion that such an adoption would be unwise and that this principle was founded upon a misconception of the bill.

An employee, like an employer, of course, has the right to discuss the merits of any organization. Indeed, Congress could not constitutionally pass a law abridging the freedom of speech.

On the other hand, an employee, like an employer, cannot lawfully use threats of physical violence, or inflict physical damage upon persons or tangible property. If he does so, the civil and in many cases the criminal laws of the several States could be invoked, and he could be fined or sent to jail.

The bill now under consideration does not enter into these realms of free speech or physical violence. It does not establish a police court. It does not deal with physical coercion, but with economic coercion. And economic coercion is a weapon that could be exercised by the man who hires and discharges, and not by a fellow employee. Only an employer has it within his power to use economic pressure.

The use of the clause suggested has another danger that is not immediately apparent, but against which it is necessary to guard. The Supreme Court of the United States in the *Hitchman* case, and State courts in other cases, have construed the word "coercion" to embrace strikes and picketing. Strikes and picketing are in many cases unjustifiable and unwise, but the purpose of this bill is not to outlaw all strikes and all pickets. Yet if Congress were to make it an unfair practice for an employee to coerce his fellow employees to join or to refrain from joining an organization, some court, relying on earlier decisions, and not adequately informed of the purpose of this bill, might conclude that strikes and pickets had been made unlawful.

I hope I have removed some of the prevailing misgivings and misrepresentations concerning this bill and retained respect for the purposes of this legislation. The bill is intended to provide a medium and method of peaceful settlement of disputes arising over employees' rights to organize and to assure employees protection against interference and coercion by their employers.

This is not intended to be a reflection upon the employers of this country. For most of them no such legislation is needed. For most people no statute is needed preventing larceny, but because there is a statute forbidding larceny there is no intention to reflect upon the honesty and law-abiding spirit of our people. This bill is intended to restrain that class of employers who have failed to realize the thing we call social justice as between employer and employee.

If employers accept the law in a friendly and cooperative way, and if employees realize that these rights are granted not for the purpose of arousing hostilities or misunderstandings between them and their employees but for the purpose of paving the way for cooperation and mutual progress, it should instill and promote better relations between all classes and groups in industry.

When an employer undertakes to interfere because he does not want a labor union among his employees, dismissing and discharging people in various ways, or ordering them out of the tenement houses of his company because they have joined a union, that is a coercion and an interference, this bill declares, over which this National Labor Relations Board shall have jurisdiction.

The courts will have in the future all the jurisdiction they have ever had in relation to all the differences which arise between employers and employees; but this newly created board will have jurisdiction only over the things that relate to the election of representatives of employees, and only in the prevention of the unfair practices that impede and stop the worker from organizing and engaging in collective bargaining with his employer.

JAMES STEWART CO.

Mr. LONG. Mr. President, I was called out of the Chamber, and a message was delivered to me by a gentleman who tells me that he is an attorney at law. I desire to send it to the desk and ask to have it read, in view of the fact that some of my colleagues the other day made the suggestion that when such matters as this came to my knowledge they should not be withheld.

Therefore I ask that the clerk read the statement, which I send to the desk, as my voice is a little weak. This is a message delivered to me by an attorney at law, who gives me his name, which I can furnish later.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

I have two clients, Monon Stone Co. and Wollery Stone Co., of Bloomington, Ind., whose officers would like an opportunity to appear before the United States Senate to tell that Mr. Watts, the vice president of the James Stewart Co., made a deal with them and instructed that, in advance of formal approval by the Government, that the said concerns should begin to fabricate certain stone for public works of the United States, particularly the Department of Labor and Interstate Commerce Commission buildings, the said Watts stating: "Go right ahead without the approval of the supervising architects. We can get the approval of the agents of the Government on whatever we want to use", or words to the effect. That these facts were alleged in a suit now pending and the said Stewart Co. moved to strike out the part relating to the said Watts' instructions on the ground that it was contrary to public policy, but the United States court overruled the motion. That these persons, who will prove these facts and others of its kind, are available for call at any time.

This the 16th day of May 1935.

Mr. O'MAHONEY subsequently said: Mr. President, earlier in the day the Senator from Louisiana [Mr. LONG] presented for the RECORD a message from an unnamed attorney which has just been called to my attention. This message was to the effect that certain clients of the attorney—the Monon Stone Co. and the Wollery Stone Co.—had entered into some sort of deal with Mr. Watts, vice president of the James Stewart Co., in which Mr. Watts had instructed the officers of these two companies that they should proceed to fabricate certain stone for public works of the United States, particularly the Department of Labor and Interstate Commerce Commission building, in advance of the approval of the contract.

I am advised that the contract for this building—it is one building, the Department of Labor and the Interstate Commerce Commission building—was let on June 18, 1932, almost a year before the beginning of the present administration, and that the stonework was all completed before the present administration began. So, if there was any such deal, it was made before this administration came into power.

Mr. LONG. Mr. President, I understand from this attorney that the deal applied to several buildings, the Interstate Commerce Commission building, the Labor building, and other buildings.

It is too bad that the authorities will not allow these witnesses to appear and testify to these matters. It is too bad that these ex parte statements confuse matters all the time. My understanding is, however, that these things carried over.

It is too bad that we have these ex parte statements from either side, but the citizens of the United States desiring to testify about these corruptions which they allege to exist are not permitted to come and give their testimony. That is not my fault, and, of course, it is not a fault to be charged against the Senator from Wyoming, except that he votes wrong.

DONALD R. RICHBERG

Mr. CLARK. Mr. President, I have no desire whatever to delay the consideration of this very important measure. Therefore, I shall make my remarks as brief as may be possible. However, in view of the incident which took place on the day before yesterday, while the Senate of the United States had under consideration a joint resolution dealing with the N. R. A., I do feel that some notice of it should be taken in this body.

Mr. President, never since the decadent days of the Roman Empire, when the Praetorian Guard arrogated to itself the right to set up and pull down emperors, has there been a more arrogant performance than that of day before yesterday upon the part of Mr. Donald R. Richberg, Chairman of the National Industrial Recovery Board.

It is an amazing spectacle, to say the least, for a Federal employee to call a meeting of several hundred other Federal employees, there to denounce the Senate of the United States, elected by the people, because in pursuance of the authority and duties imposed upon it by the Constitution, it saw fit not to obey the behest of Mr. Richberg by guaranteeing these employees a tenure of 2 additional years on the pay roll, but, for the present, limited these pay-roll enjoyments to a period which would enable the Congress to legislate in the light of a Supreme Court decision.

When it is remembered that the 1,500 employees assembled to hear, and doubtless to cheer, Mr. Richberg's pronunciamento occupy their places at the will of Mr. Richberg, that the terms and salaries of their employment are subject not to regulation by law but to regulation by Mr. Richberg and his Board, the spectacle of Mr. Richberg lecturing the Senate before such an audience for its well-nigh unanimous action becomes the more striking.

To be sure, Mr. President, we learn today from the public press—the Baltimore Sun and other public prints—that it is the statement of high N. R. A. officials that it was the intention to have only the higher executives of the N. R. A. present at Mr. Richberg's address, but that other employees simply drifted in. It was a singular coincidence, however, that the meeting arranged for Mr. Richberg and the higher executives of the N. R. A. happened to be held in an auditorium which will comfortably seat some 2,000 persons, and that employees to the number of some 1,500 just happened to drift into the meeting.

It may not be out of place to add that if the N. R. A. has no more to do than to permit 1,500 employees, drifting idly about the halls, to interpose their presence at a meeting to which they were not invited, and which was not intended for them, the sooner such employees are separated from the Federal pay roll the better it will be at least for the public.

We are told that in his arrogance Mr. Richberg took it upon himself to overrule the judgment of this body by dubbing its action complete folly, and denounced the overwhelming majority of Senators as opposing concepts so sound that only confused, muddled minds could attack them. By inference he both criticized the courts of the land and anticipated the decision of the highest court by alleging that the courts were to be left to deal with the N. R. A. just as harshly as possible.

Who gave Mr. Richberg the right to anticipate court action and to assert that the N. R. A. would be treated just as harshly as possible by the courts of the land?

Upon what meat doth this our Caesar feed,
That he is grown so great?

Having now put the Senate in its place, if the resolution passed by the Senate day before yesterday shall be adopted by the Congress doubtless Mr. Richberg will call another meeting of N. R. A. employees to include the whole Congress within the scope of his denunciation.

If the Supreme Court should see fit, in the performance of its functions, to declare unconstitutional any part of the act, doubtless prompt appeal will be taken by Mr. Richberg to the pay-roll brigade of the N. R. A., and the highest court will be roundly denounced for its harsh treatment.

If, perchance, the President of the United States should see fit to sign the resolution extending the period of the operation of N. R. A. until only April 1, 1936, the council of N. R. A. employees will doubtless decree his deposition from office and banishment from the imperial favors of Mr. Richberg's smile.

Mr. President, the head and front of the Senate's offending is, first, that it refused to guarantee the jobs of the bureaucrats of the N. R. A., great and small, for a period of 2 years after June 16, 1935.

Second, that it refused to permit Mr. Richberg to write into the law a new, revolutionary, and, in my opinion, unconstitutional definition of interstate commerce.

Third, that it refused to take action rendering all pending cases in the courts moot, and preferred to consider permanent legislation in the light of construction by the courts.

Mr. President, it was stated the other day by the distinguished Chairman of the Committee on Finance, the Senator from Mississippi [Mr. HARRISON], that in his opinion 90 percent of the vices of the N. R. A., so abundantly proved and disclosed in the 7 or 8 weeks' investigation by the Finance Committee, were due to vices of administration. I agree with the chairman of the committee that vicious practices of administration, outrageous assumption of powers not given by the act, constant attempts to reach out and gather in jurisdiction never intended to be conferred by the act, ruthless oppression of small business, have been very largely due to administrative conduct of the N. R. A., and have vastly complicated the inherent defects in the act itself. I submit that the conduct of the N. R. A. executives in holding this meeting to denounce action of the Senate while the Congress of the United States was in process of considering appropriate action, gives a large measure of suggestiveness as to the responsibility for the administrative practices which have so largely contributed to make the N. R. A. a failure.

Mr. BARKLEY. Mr. President, I have no desire to engage in any controversy with my good friend the Senator from Missouri [Mr. CLARK] with respect to the N. R. A. or any of its administrative officers. He and I disagree fundamentally on the N. R. A. I favored the law when it was enacted, and the Senator from Missouri opposed it. I still believe that great good has been accomplished by the N. R. A., and when, as a member of the Committee on Finance, I entered, along with my colleagues, into the investigation which had been ordered by the Senate, which lasted for some 7 weeks, it was my understanding that we were commissioned, in part at least, to ascertain what good had come from the N. R. A., what there was about it which was workable and practicable and which ought to be preserved, while at the same time eliminating whatever had been found to be unjust or unworkable or impracticable.

At the end of the 7 weeks' deliberation, in which we went minutely and exhaustively into the administration of the N. R. A., instead of writing a bill, as I understood our province or our expectation was, the joint resolution which has already passed the Senate was reported.

I shall not enter into a discussion of that. In the committee I did not believe in an 8 months' extension of the N. R. A. because I believed it would leave business still up in the air and uncertain as to what its fate would finally be. On the other hand, I did not believe it wise to precipitate the issue of the N. R. A. into the middle of a presidential campaign without regard to anybody's opinion of it.

I also entertained the belief, and I now entertain the belief, which I shall only state, but not discuss, that it was unfair to corporations engaged in interstate commerce to require that they should be under a code of fair practice, that they should reduce the hours of labor of their employees and increase the wages of their employees, and be compelled to eliminate cut-throat and unfair practices while leaving their competitors, many of whom probably were more extensive in their business than those engaged in interstate commerce, free from any restriction whatever along that line.

In the famous Shreveport case the Supreme Court held that Congress had the right not only to regulate the prac-

tices of railroads engaged in interstate commerce, but that they might likewise regulate and nullify the practices of railroads engaged wholly in intrastate commerce if such practices operated as burdens upon interstate commerce. The Supreme Court held that in that field, if Congress saw fit to take charge of it, Congress was supreme. So I felt that there might be justification for including an amendment which would not only authorize the formation of codes among institutions engaged in interstate commerce but that it might likewise take in other institutions, although engaged in intrastate commerce, whose business was so extensive and of such a character as to compete substantially and materially with that of corporations engaged in interstate commerce.

I did not press that view, but I expressed it in the committee and in the conference which the majority held, and I have not changed my views up to the present time.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BARKLEY. I do not want to get into a discussion of that question; I am merely stating what my view was; but I yield.

Mr. LONG. It seems to me that the Senator from Missouri, if I may have his attention, was complaining because of the mere fact that some man in charge of a bureau was haranguing the Senate—

Mr. BARKLEY. I am coming to that later.

Mr. LONG. Overruling the Senate.

Mr. BARKLEY. I am coming to that. But I wanted to state the background of circumstances which leads me to suggest that personally I agree with some of the opinions expressed before our committee by Mr. Donald Richberg, who is the object of the criticism of the Senator from Missouri.

Mr. LONG. Will the Senator permit me just to finish my observation?

Mr. BARKLEY. Yes.

Mr. LONG. I felt that the Senator from Missouri was rather late.

Mr. BARKLEY. I suppose that nobody could criticize any member of the N. R. A. administrative staff for coming before the Committee on Finance any more than criticism would be made of a Cabinet officer or any other administrative officer of the Government for coming before a committee to testify upon matters in the administration of which he had had experience.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CLARK. I agree entirely with the Senator in that respect. I certainly had no thought of criticizing any member of the N. R. A. or any other Government official who might be summoned to come before a Senate or House committee, there to give testimony. My criticism goes to the point of one Government employee getting together a mass meeting of other Government employees to denounce action being taken by a branch of the National Legislature.

Mr. BARKLEY. I have seen in the public press and elsewhere criticism of the fact that Mr. Richberg held a conference yesterday or last night with the majority members of the Ways and Means Committee, discussing for some 3 hours the problem of the N. R. A. extension.

Getting down to the matter now under discussion, after the Senator from Missouri yesterday gave notice that he would make a speech this morning with respect to the meeting at the auditorium of the Commerce Building, at which he took offense, I called up Mr. Richberg and asked if there was a copy of the speech which he delivered. He advised me that it was not a prepared speech, that it was delivered wholly extemporaneously, but that a stenographer was there and took a stenographic report of the speech which he delivered. I asked him to send a transcript of the speech to me in order that we might see what he said and the circumstances under which he said it, in order that inasmuch as he has no right to speak here in the Senate, at least his attitude and the occasion for the speech and the reason for it might be divulged to the Senate.

The speech was transmitted to me this morning, and I have also received a letter from Mr. Richberg, which I think I should read into the RECORD. It is dated May 16, and is as follows:

NATIONAL RECOVERY ADMINISTRATION,
Washington.

HON. ALBEN W. BARKLEY,
United States Senate, Washington, D. C.

DEAR SENATOR: You may be interested in learning the reason for the speech I made to the members of the N. R. A. organization on Tuesday. Several days before I had been advised by administrative officials that it would be desirable to address the organization for the purpose of improving its morale. It should be realized that the uncertainty over the extension of the N. R. A. would necessarily have a demoralizing effect upon its personnel. Furthermore, the N. R. A. has contained a large percentage of enthusiastic workers who have worked overtime, or in many cases have volunteered their services without compensation, because of their faith and interest in the program.

Therefore I agreed to talk to the organization, and only made the meeting public because otherwise the newspapermen would have given it undue importance as a secret meeting. My remarks were made extemporaneously and for the purpose of pointing out, first, that the N. R. A. was merely one phase of the necessary development of improved industrial cooperation, and that therefore, whether this particular work continued or not, the organization had played a useful part in bringing about new measures of human cooperation. Second, that the experience they had all received would have a lasting value. Third, that it appeared that in any event this work would go forward either through extension of the present law or through some other form of supplying a necessary public service.

A transcript of my remarks was made and I enclose a copy. You will observe that they were not directed in any way as personal criticism of any Members of the Senate or House. They consist largely of an historical review and a philosophic discussion of the future. One or two phrases taken out of their context may have led to a misunderstanding of the purpose of my remarks or of what I actually said. But I believe, if you will glance them over, you will see that they were in good temper and in good taste, and that they were designed for no other purpose except to help improve the good will, loyalty, and efficiency of a large organization which is being required to carry forward a very difficult task under very difficult conditions. You will also note that I pointed out with due humility that whereas we in the organization might think we knew more intimately the problems with which we had been dealing than those who were criticizing the N. R. A., nevertheless we might be wrong and the critics might be right. If these remarks are subject to attack, it seems to me they should be considered as a whole and that a few expressions should not be taken out of the context and given a wholly different meaning from that clearly intended.

Sincerely yours,

DONALD R. RICHBERG.

Perhaps I should add that since I accepted appointment to my present position only on the express understanding that it would be temporary, and since I have frequently expressed my desire and intention of returning to private practice, I have no private interest in the extension of the N. R. A., and have always felt free to express my opinions without any bias of selfish interest. I have no interest in making or retaining any public job for myself or anyone else. But I do believe that the public interest is deeply involved in the success of President Roosevelt's administration and his recovery program.

I hesitate to take the time of the Senate to have the very brief speech which Mr. Richberg delivered on that occasion read to the Senate, because I am sure the Senate would consent that it be printed in the RECORD; but it seems to me this speech was so in point, it was in such good taste, it was in such fine humor, and it was of such a philosophic nature in dealing with the great problems which confront the country, that it would be valuable to have it read, and I ask that it be read by the clerk in my time.

The PRESIDING OFFICER (Mr. MINTON in the chair). Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

ADDRESS OF MR. DONALD R. RICHBERG, CHAIRMAN NATIONAL INDUSTRIAL RECOVERY BOARD, WASHINGTON, D. C., MAY 14, 1935

[Not a prepared speech. Delivered extemporaneously. This is a stenographic transcript]

I want to say in advance that the purpose of this talk is not to voice any criticism of anyone, either in or outside of N. R. A., and it is not for the purpose of publicity, although it is in no sense a secret meeting. It is not designed for the purpose of making any publicity.

I want to talk to the members of the organization somewhat upon the background of the present situation and upon the attack on N. R. A. When I see the new and hereditary foes of wicked business and commercial evils out gunning for the N. R. A., I am

reminded of a very old story that happens to be so appropriate that I think it is worth retelling.

A Dutchman went out hunting, but came back with nothing in the hunting bag and looking very glum. A friend said to him, derisively, "You been hunting?"

"Yes."

"Shoot anything?"

"I shoot my dog."

"Was he mad?"

"Didn't seem so damn pleased."

I don't think anybody is going to be so pleased after the dog is shot, if the dog is shot.

We have been engaged here in a very ancient effort to make the competitive struggle serve the common good. The effort is as old as the origin of anything resembling trade and commerce. The fight against monopolistic or unfair competitive tendencies goes away back into the earliest stages and phases of trade and commerce. The particular phase of our modern commercial operations—indeed, I might say our entire modern civilization—began, well, about 50 years ago. So I believe I have had an opportunity in my own lifetime to see the major developments of our present problems, although recognizing it is a very ancient problem.

Just to give a little indication of that, so that I can say a few things in a few words and have them accepted as having a background, I can recall the fact that nearly 30 years ago a brash young lawyer in Chicago wrote an article in a law review suggesting the imprisonment of criminal corporations as a means of breaking up such operations; and, at the suggestion of the then President Roosevelt, he discussed his idea with the Attorney General here in Washington; and just a few years later that same brash young lawyer drafted, with the aid of a rather distinguished committee of lawyers, a bill for a group of Members of Congress which was introduced to establish a Federal Trade Commission, and which set up the standards of unfair competition as a basis of Federal Trade Commission action which, after vigorous opposition when it was early brought forward, was adopted and put in the Federal Trade Commission bill, which was then enacted.

I might add merely as an ancient reminiscence that that same lawyer narrowly escaped, through senatorial courtesy, an appointment to the Federal Trade Commission in its early days.

I refer to these matters because I should not like my observations to appear as coming from a person who in the last 2 years of N. R. A. had had his first study and insight into the problems with which we are dealing. I might mention incidentally that in the 20 years prior to the inauguration of N. R. A. I happened to be personally engaged actively in the problems of public-utility regulation and labor regulation, which, as you all know, are rather closely akin to most of the problems we have had here in N. R. A.

Now, I want to go back for a moment to a book which was published in 1912. I am doing this because I wish to place the N. R. A. in your minds in its proper place in an historical development so that you will not see it as something either at the end or the beginning of the rainbow, as an isolated phenomenon, but so that you may see it as simply a part in a development which has been going on for so many years. I picked up this morning to refresh my recollection a book written by George Van Hise, then president of the University of Wisconsin in 1912, on Concentration and Control, a solution of the trust problem; and I want to read you one paragraph from the last pages of that book, where he says:

"In conclusion, there is presented, as the solution of the difficulties of the present industrial situation, concentration, cooperation, and control. Through concentration, we may have the economic advantages coming from a magnitude of operations. Through cooperation, we may limit the wastes of the competitive system. Through control by commission, we may secure freedom for fair competition, elimination of unfair practices, conservation of natural resources, fair wages, good social conditions, and reasonable prices."

That, as the matured thought of a distinguished scholar in the year 1912, indicates that the underlying problems of N. R. A. have been under consideration for quite some time before the N. R. A. developed.

All of us recognize, of course, that developments of transportation and communication, together with mechanization of production, have made the concentration of which President Van Hise spoke inevitable. The tendency toward mass production was first stimulated tremendously in this country during the war, the Civil War, then gained a new momentum before and again during the World War. Our problems have not developed out of wicked intention; out of malevolent or vicious purposes of groups of individuals; they developed out of the natural economic changes which bring about the necessity for new political handling.

With this audience I do not believe I need pay very much attention to describing the N. R. A.'s solution. That has been our breath of life for the last 2 years. We have probably all talked it back and forth so much that we are wearied with phrases that once had a great deal of meaning to us but now seem stale from mere repetition. But, avoiding the details, let me just state it in the fundamentals, because what I am coming to is the question of the future of N. R. A.

In fundamentals, what have we been trying to work out? We have been trying to work out mechanisms of cooperation, mechanisms of collective thinking and acting upon problems affecting multitudes, and problems in the end affecting all. We have been trying to work out techniques for using concerted action, not as an instrument of warfare between trade and industrial groups, or between enterprises, but trying to use a concert of action as a means of helping us do that which, willy-nilly, we must do in

the long run; and that is, work together for the improved production and exchange of all the goods and products which we can produce and exchange.

Now, is there any question as to the validity of that program? Not the slightest.

Those who might wish to go far in the direction of what is sometimes called "the left" are merely seeking to accelerate and to concentrate that idea. They are merely seeking to leap over obstacles which will require long overcoming and to leap over gulfs that are a little beyond the leaping power of leadership. And those who would turn back and go toward what is sometimes called "the right" are simply asking for that temporary breathing space before the inevitable necessity of going forward again to meet the new conditions with new remedies.

My background, therefore, for the future of N. R. A., is that the future of that which we have been trying to do here for the last 2 years is just as sure and certain as the future of government itself. It is just as sure and certain that there must be devised improved mechanisms for rational control and intelligent direction of business operations, just as much as for the rational control and intelligent direction of political operations.

The idea that you can abandon effort at cooperation and improvements in self-discipline and social discipline simply assumes that you are to abandon the onward march of civilization. So what we should be considering today in a wholly sane world is merely the improvement of the administrative machinery, and not an attack upon a fundamental concept which is so obviously sound that only a confused and muddled mind could think of attacking it. I assume, therefore, that in the end sanity must prevail, unless we take the unhappy assumption of those who believe that the world is progressively moving toward insanity. I decline that assumption for the sake of my present sanity.

But when I listen to some of the suggestions which are made by the doctors gathered around the table and looking at the patient I am again reminded of a man who made a mistake by asking his small boy to listen in on the consultation of doctors after they left the sick chamber. The small boy came back to his father and said, "They talked such big words I couldn't understand them. All I remember is that the tall man with the black hair said, 'Well, I will tell you this; I'll bet I'll be proved right in the autopsy.'"

Those who are so anxious to see the N. R. A. left without the benefit of its gains of 2 years of experience, which certainly have given some idea of self-improvement, but desire it left just as it is, in order that the courts may have the opportunity to deal with it just as harshly as possible, remind me of the doctor who was betting he would be shown to be right in the autopsy.

The idea of N. R. A. is going ahead. The passage of one piece of legislation or another cannot affect the steady tendency, the trend of events, the force of economic and political changes that have brought us from the antitrust laws of 1890 to the passage of the National Industrial Recovery Act in 1933. The tendency to go on is inevitable. One form or another of legislative sanction is inevitable. The action of the Federal Government to meet its responsibilities is inevitable. The sustaining of the authority of the Federal Government in the field committed to it by the Constitution is inevitable. I am not talking about the decision of any particular case.

But, as an organization, you may be acutely interested at the present time in the future of the N. R. A. as an organization. Far be it from me to attempt any prophecy along that line. But when even the staunchest opponents of the N. R. A., and those who would like to cut its throat, are finally convinced that it is necessary to at least advocate an extension for a period of time, even though it be an inadequate period, it seems to me it is not necessary for us to discuss, or consider, or worry about the technical question of the extension of N. R. A. We may be very deeply concerned with the form and time of extension, as to whether an adequate opportunity is given to this organization to carry forward in the light of its experience with the gains that it has made, whether it is going to have an adequate opportunity to do the kind of job that ought to be done, or whether it is going to be enmeshed in all the possible difficulties that can be placed in its way and then be asked in some way or other to perform the miracle of being a great success. But I am not interested at the moment, and I do not think you need be, in that question as to the immediate future of the N. R. A.

I think we should be profoundly interested in the question of at least having the ability to profit by our mistakes, to improve upon our performance, to contract our operations within human limits. We deluded ourselves for a year or so with the notion that perhaps we were a group of supermen who could work longer hours a day than any others, and think more rapidly. We might get over that. We have had such an intensive experience in the N. R. A. with problems with which others have had so much less experience in an intensive way that perhaps we have often been too impatient of the criticisms of the less informed individual, and forget two things—that perhaps after he got some further information he might agree with us, and second, that after we both got the same amount of information we might find we were wrong ourselves. And out of the intensity of our experience we did develop a certain impatience of the criticism of those who proceeded upon the basis of so much less experience in the precise problem.

Sometimes I think we have adopted unfortunately the attitude of the railroad section foreman who was cussing one of his gang, and who said, "I have taught him everything I know, but he don't know nuthin' yet."

We felt a little bit that way toward some of the people to whom we have tried to explain the beauty and the light of the processes we were engaged in. But I believe that this organization at the present time is entitled to feel two things. That is the particular reason I want to talk to you. First, a sense of permanence in the work in which we have been engaged. Regardless of temporary obstacles or difficulties, it is a great, permanent work. It is a work in which any contribution made is a contribution of long and lasting value, because you are working, and you have been working, in a great tide of human affairs, and in the direction of the tide, and not rowing against it.

One other point: This organization was gathered together hastily; a mass of volunteer workers were brought in. Men throughout the organization came to serve 3 months but remained a year; they came to serve 6 months but remained 2 years. There was a sense of impermanence in the organization itself. We were dealing with the heat of a great emergency, an emergency not entirely past but one greatly relieved, and for which we are entitled to take our share—not too great a share but a fair share of the credit.

Now, if the N. R. A. is to carry on a program of this long-term and lasting importance—and that is what it is—the inevitable program of developing necessary improved machineries of cooperation in the handling of trade and industry. If we are to play a part effectively in that work, the organization itself must grow into a sense of permanence. That is one of the primary reasons, I might say, for the complete folly of an extension for a few months. The men in the organization should feel that they are willing to come and that they will be welcome to stay for a period long enough in which to do a good job. It would be one of the most tragic things imaginable to Government and to business to lose the experience and benefit of this organization and its personnel in the handling of these problems.

Not everyone has been up to the same standard. The organization, like every organization, might be called "spotty." But on the whole there has been one characteristic of the entire organization which is worthy of the highest credit, and that is what I would call "loyalty." And by that I do not mean what is asked by many executives—loyalty to an individual. I do not mean that. And I do not mean that which a good many opinionated people love to term "loyalty to principle", which is merely loyalty to their own prejudices and preconceptions and their own pet ideas. What I mean is loyalty to an institution. And that is what makes human cooperation possible—loyalty to an institution, whether it be one of government or one of business.

Those who have been working in the N. R. A., to an extraordinary percentage, have been absolutely loyal to the N. R. A. as an institution. We might disagree on or we might not be loyal always to the same ideas or the same technique, but throughout the organization there has been a tremendous spirit of loyalty to the institution. And that has been priceless. And that is worthy and should be carried on. And to sacrifice either the institution or the loyalty to it would be a loss. A tragic amount of it is not yet appreciated by either business men or politicians.

If this organization can go forward as it should, there is one principle which should be added to the principle of permanence in the maintenance of this organization, and that should be the principle of promotion for merit. If you are going to build an organization to have a permanent value in the government structure, it should primarily be founded upon that principle, so that men can come into the ranks in humble capacities, can move forward as they develop their abilities, and can feel that they have ahead of them the prospect of really playing a great part in a great institution. That, again, is a reward and an incentive to loyalty to the institution itself.

What part I may personally play in the future development of N. R. A. is a matter of no importance in this connection. I am speaking only as one who has had 2 years of most intense experience, and who happens to have for the moment the responsibility of the chief executive position. And I am simply trying to speak out of my mind and heart my own feeling as to what we have been developing here and what should be carried on. And I hope that in what I have said I have found a response in the thought and purpose of the vast majority of those who have helped make what I regard as the great and extraordinary success of this new and far-flung effort to solve a very great and difficult problem.

Mr. BORAH. Mr. President, my only interest in Mr. Richberg is as a representative of the National Recovery Administration, the exponent of its principles and policy. I shall not criticize Mr. Richberg for alleged lobbying, because I recognize his right to state his views.

Permit me to say in passing that it seems to me we may well lay aside our troubles about lobbying. The citizens and the representatives of the departments of the Government have a perfect right to state their views, and to state them collectively or singly, and to come to Washington in order to state them if they so desire. It ought not to make any difference to a Senator as to the merits of a bill whether he is considering it while his constituents are present or while they are absent. If all the farmers were in favor of the A. A. A. amendments I would still have to oppose them and I would oppose in the interest of the farmer. But they have the right to urge their views. Therefore I do not rise to

criticize what might be regarded as lobbying upon the part of anyone.

Mr. President, a few days since, the Senate passed a joint resolution extending the National Recovery Act to a certain time, and exempting from its operation during that time price fixing and control over intrastate commerce. The surprise to me has been that Mr. Richberg is apparently opposed to that joint resolution. I will say for myself that I consented not to oppose the resolution, not because it represented all that I desired, but because under the circumstances I thought that it was best for all that some sort of a compromise be brought about. I thought there was much in what the President had said that the termination of the National Recovery Act in a single instant and upon a certain day might be a very embarrassing and difficult thing to deal with. Besides the resolution would end two of the most objectionable features of the law. All in all, I finally got the consent of my mind to yield to the joint resolution so long as it exempted those two propositions from the operation of the National Recovery Act.

First was the question of price fixing, which I had understood was objectionable and coming to be very objectionable upon the part of the representatives of the National Recovery Administration, and particularly upon the part of Mr. Richberg himself. I recalled that in October of last year he made a speech on this subject which it occurred to me at the time was a most excellent statement, with reference to price fixing and the reduction of production.

I read from the Baltimore Sun of October 5, 1934:

"Rigid and sweeping price and production control is but an 'iridescent dream' in any but a socialistic state, and business men had better stop tinkering with it and get back to the 'sound competitive system' on which they were working." So counseled Donald R. Richberg today in his first public address since assuming directorship of the newly formed industrial emergency council, which is to fashion the future policies of the National Recovery Administration. He was speaking to the National Press Club.

Certainly, Mr. President, the resolution which we passed is not in contravention of the principle there announced. A person entertaining the views there expressed could hardly find any objection, it seems to me, to the joint resolution. Those of us who are opposed to the N. R. A. and do not believe in it in principle or philosophy might have gone much further and in going further would have better satisfied our own views. But if we are asked hereafter to recede from the position which we have taken we shall not advocate compromise measures, but precisely what we believe to be in the interest of the country.

Mr. Richberg said further:

The price-fixing and production-control problem had given the N. R. A. some of its most difficult experiences, and declared these troubles could not be blamed on "some Government theorist." On the contrary he said they were the result of pressure by business men themselves to experiment with devices they thought would do them good and which they have found out in many instances "are doing them harm."

Mr. Richberg said that in the face of a fundamental problem of socialistic economy—price and production control—the very business men who most abhor socialism seem to be determined to experiment with such devices, unconsciously developing through their trade associations—

"Unconsciously"? How gentle!

a sort of lopsided guild socialism. . . . They rush in where wiser opponents of state socialism fear to tread. How can individual freedom and the benefits of a competitive economy be retained if any organization (political or private) is authorized to dictate how much shall be produced and at what prices it shall be sold?

The "golden rulers" of industrial associations, invested with such political power, may easily become the "tyrannical bureaucrats" of tomorrow. Business men should be able to look ahead at least that far.

Mr. Richberg is quite right. That which was granted as a privilege or as a permission must soon crystallize into the absolute power to dictate the price which 120,000,000 people would have to pay for some indispensable article or product. It was at that that this joint resolution was striking—to take away from these combinations and corporations the power, even under the sheltering cover of the codes, to fix prices to the American people. If I may digress that is one reason why

recovery has been retarded. It is because the power to fix prices retained in a few people the power to control all the benefits of recovery, and the money which should have gone out into the pockets of the great mass of the people and restored purchasing power to the great mass of the people was drawn back from the pockets of the many and placed in the pockets of the few.

The rejection and destruction of price fixing is not only essential to the permanency—if it is to be in any sense permanent—of the National Industrial Recovery Act, but it is absolutely essential to sound economy in the United States, and to the restoration of purchasing power to the great body of the people; no one stated it more forcefully, more effectively, or more soundly than Mr. Richberg stated it in his October speech in the middle of the last election.

Again, Mr. Richberg says:

Who can be intrusted with the power to fix a fair price that will insure justice to labor, investor, and consumer?

Who can be trusted with the power, public or private, to fix a price which will do justice to the consumer, to labor, and to the producer?

The answer is, No one; neither a private association nor a board of public officials.

How can individual freedom and the benefits of a competitive economy be retained if any organization (political or private) is authorized to dictate how much shall be produced and at what prices it shall be sold?

Those who vainly demand "freedom" from the antitrust laws and from all other social controls of business are engaged in fooling themselves with the hope of creating an irresponsible freedom for men to seek private profit without regard for the general welfare.

In other words, Mr. President, as I understood, the views of Mr. Richberg were that the price-fixing power, whether public or private, destroyed initiative, destroyed individuality, robbed the masses of that which they were entitled to have, kept down purchasing power, and retarded recovery in the United States; and so it does. If we are going to permit a dozen or two dozen corporations, having control of the great necessities and necessities of life, to fix the price which the countless thousands must pay, we can never restore purchasing power to the people. That was the trouble in 1929. We had had prosperity, comparatively speaking; we had had what the world called prosperity; but when the troubles of 1929 came, over 76,000,000 people of the United States had incomes of less than \$500 a year because of the fact that the great corporations of the country were in control of the natural resources, of the sources of individual wealth, and of those things which the people had to have in order to live, and they were fixing prices, and drawing back from the common people all the possible gains that they could make from any source whatever—that has continued under the N. R. A. Their profits have even been increased, and Mr. Richberg upon the 5th of October condemned it. Why now should he turn about and condemn a joint resolution which kills price fixing?

I do not care anything about his philosophy or about his theory of social rehabilitation if it leaves out of his scheme the millions who must pay the prices which these corporations are establishing.

Mr. President, that was on the 5th day of October. On the 8th day of October there was recorded in the press dispatches the following:

Protests against abandonment of price and production controls of N. R. A. codes have mounted so high within the past week that the administration may be forced soon to clarify its intentions regarding them—

As stated by Mr. Richberg.

I see in the press, Mr. President, the statement that industries are coming here in a body to advise us as to our duty with reference to the extension of the N. R. A. The press ought not to say that they are coming. It should have said that they are remaining. They have been here all the time. Powerful influences fighting against the destruction of price fixing have been here, are here, and will continue to be here.

Do Senators suppose that when we have given men the power to fix prices—a power which the tsar of all the Russias never contemplated possessing—they are going to give it up without a struggle?

If you or I had the power to fix the price of some important article for 120,000,000 people, where would we be when a fight was on to take it off? We would be in Washington; and that is where these price fixers are. Let them come to Washington, and when they come let them disclose their profits under the N. R. A. and the exorbitant increase of prices, and they will supply some information which will reaffirm Mr. Richberg's view as to the viciousness of price fixing.

But a serious attempt to carry out the implied purpose of President Roosevelt and his chief recovery adviser, Donald R. Richberg, to modify these troublesome code sections, is thought likely to start General Johnson on the warpath against the revised N. R. A. The price and production problems were topmost on a list of pressing matters laid before the President today by the Industrial Recovery Board—

And so forth.

There is just one influence in the United States in favor of retaining price fixing, and that is the influence which has the power to fix prices. There is just one force fighting for price fixing, and that is the one which enjoys the benefit of price fixing. I venture to predict, Mr. President, that if the joint resolution which has passed the Senate shall fail, there will be a more determined effort to eliminate price fixing than the effort upon the part of Mr. Richberg after he heard other protests from business men.

That is one proposition which is in the joint resolution. The other proposition is to remove wholly intrastate commerce from the operation of the codes. That would free some 80 percent of small business. Mr. President, we have constitutional authority for that. We have the authority of Mr. Richberg for the removal of price fixing, and we have the authority of the Constitution for the removal of intrastate business—certainly two very respectable sources of authority justifying the joint resolution. Mr. Richberg knows perfectly well that without actual usurpation there can be no control of intrastate commerce by the Congress of the United States; and if he is opposed to the joint resolution in that respect, and desires to retain control of intrastate commerce, it must be upon the theory that he can usurp the power through some method or mode of regulation rather than following the Constitution. Price fixing, which the resolution eliminates, is unjust, and control over intrastate commerce which resolution would end is usurpation. Why should anyone object to such a resolution?

Mr. CLARK. Mr. President, will the Senator yield? I do not wish to interrupt his train of thought if he prefers not to be interrupted.

Mr. BORAH. I am glad to yield to the Senator.

Mr. CLARK. I should like to call the Senator's attention to a rather peculiar definition and construction of interstate and intrastate business which was developed by the testimony before the Finance Committee, and which gives an illustration of the very peculiar view of intrastate commerce and interstate commerce entertained by N. R. A. officials in some particulars.

We had before the committee a case where a man was engaged in the business of manufacturing ice in a small town in the interior of Florida. The testimony was to the effect, and the record showed, so far as the N. R. A. was concerned, that none of the products of the man's ice factory were sold outside the small community in which he was located; but the N. R. A. asserted and maintained, and undertook to get the Federal Trade Commission to hold, that the man was engaged in interstate commerce because a competitor, located some 8 or 10 miles away, did ice a railroad train which crossed a State line.

Mr. BORAH. Mr. President, of course, rules and regulations can be made which will annoy an intrastate dealer into submission. I do not know, of course, that that is the program; but I do know that in the past people who were

dealing with wholly intrastate matters have been repeatedly notified that they were subject to the control of the National Recovery Act and finally whipped into submission.

There can be no justification for objecting to removing intrastate business, unless it is proposed that that practice continue.

With reference to this matter of intrastate commerce, I shall not delay the consideration of the bill by going into a discussion of it today; but when the A. A. A. amendments come before the Senate, I think there will be justification for going into a discussion of it at some length. I shall not do so today.

Mr. President, we passed a joint resolution eliminating two propositions from the National Recovery Act, price fixing and intrastate business. I cannot understand upon what theory anyone should be in favor of retaining price fixing or the power to exercise an unconstitutional authority. I venture to advise those who oppose this resolution that no further concessions will be accepted.

Mr. STEIWER. Mr. President, I desire to address a question to the Senator from Idaho, if he will permit it. In connection with his denial of the jurisdiction of the Congress to legislate with the respect to intrastate business, I assume, of course, that the Senator from Idaho, with his wide knowledge of the decisions of the courts, would recognize that the Congress may deal with intrastate business in a case where such business burdens or affects interstate commerce. There is no contention upon that score, I assume.

Mr. BORAH. Not quite as the Senator states it. Congress may always deal with interstate commerce, and if, in the exercise of its power to regulate interstate commerce, it must deal with obstacles placed in the way of the exercise of that power by intrastate action, it may remove them.

Mr. STEIWER. I agree with the Senator's statement last made, and thank him for his categorical answer to my question. I detain the Senate merely long enough to make one observation with respect to it.

The poultry case, so called, is before the Supreme Court of the United States; the National Labor Relations Board bill is before the Senate today. Running throughout the pending legislative proposal, throughout the theory of the N. R. A., and throughout much other legislation which we have considered, and which we are bound to consider further, is the idea that Federal jurisdiction has attached to intrastate activities because in one way or another they affect or burden interstate commerce, or that character of commerce which the Constitution defines as commerce among the several States.

I take it from what the Senator from Idaho has said that he does not quarrel with the general rule; nor do I. I think it is perfectly clear, under the doctrine of the railroad rate cases, like the Minnesota case, and the Shreveport case, and the case involving interpretations of the Grain Futures Act, and other cases which the Supreme Court has decided the Congress does have jurisdiction to legislate with respect to certain intrastate activities when they are so interrelated with interstate activities that the regulation of the latter cannot be had without the regulation of the former, or in cases where the intrastate transactions burden the interstate commerce. I am personally willing to vote upon the pending bill, yet it has seemed to me that we are acting prematurely with respect to it. The question of jurisdiction of the subject matter of the bill apparently is intertwined most closely with the same question involved in the consideration of the National Recovery Act.

I favor the purposes of the pending labor disputes bill but I would feel freer in my consideration of the bill if the Supreme Court had already spoken and had defined more fully and with more particular reference to the thing that is now uppermost in the public mind the jurisdiction of the Congress to deal with various aspects of intrastate activity, which in many instances is not even commerce, but concerning which jurisdiction is claimed in the Congress because of some supposed relation to interstate commerce.

I say that because it is most apparent that one important thing for us to consider at this moment with respect to

pending legislation is to determine where the constitutional jurisdiction of Congress begins and where it stops.

In making this statement I do not oppose what the Senator from Idaho just said in behalf of the joint resolution agreed to yesterday. I was in agreement with the position of the Senator from Idaho. I think he has very well stated today the argument in favor of the action taken by the Senate. It seemed to me then and seems now that there is no conceivable justification for the effort of Congress to take final action in connection with the National Recovery Act until the Supreme Court shall have defined the jurisdiction of the Congress to such an extent that we can say with certainty that we know our power and know that which is denied to us under the organic law of the country. In our haste to dispose of the pending labor legislation we invite troubles which will plague us later if the Supreme Court shall deny our jurisdiction to enter into the field of intrastate relationships.

Mr. BARKLEY. Mr. President, will the Senator from Idaho permit me to ask him a question in that connection? I do not wish to discuss the joint resolution we have passed; that is water over the dam, and I do not want to delay the bill now under consideration. But inasmuch as the power of Congress is under discussion, the subject having arisen on account of the discussion of Mr. Richberg, I observed this morning—and I do not know whether the Senator from Idaho was present in the Chamber or not—that in the Shreveport case the Supreme Court held that Congress was free, whenever it occupied the field of regulation, not only as to interstate carriers, but as to intrastate carriers where their practices and their rates and their policies operated as a burden on interstate commerce. In that decision the court held that not only did Congress have power to act, but that it was the duty of Congress to protect and promote interstate commerce against such practices as might be burdens on interstate commerce.

There is no difference between a carrier and the thing it carries under the commerce clause. The power to regulate commerce, insofar as it goes, extends to those who carry commerce as well as to the things which they carry. Does the Senator believe that the Court would likely render a different decision in determining the power of Congress to regulate the thing carried from the decision it rendered with reference to the thing that carries the article of commerce?

Mr. BORAH. If the Court were called upon to regulate the thing carried, and if, in regulating the thing carried, it necessarily came in contact with obstacles which had been placed there by intrastate commerce, it would render the same opinion, in my judgment, that it did render with reference to the instrumentality of carriage.

Mr. BARKLEY. It has been my feeling that the court would not differentiate between the thing carried and the carrier.

Mr. BORAH. I would think so. I merely wish to say this since the Shreveport case has been referred to very many times as announcing something in the nature of a departure from or widening of the construction of the commerce clause. In my opinion—and I will undertake to demonstrate its soundness in a few days—the Shreveport case announced no principle with reference to the construction of the commerce clause that is not found clearly announced in what is known as the "Steamboat case", or the case of Gibbons against Ogden, where the opinion was written by John Marshall in 1824. They held in that case, in the very beginning, in the first opinion ever handed down under the commerce clause, that the power of Congress over interstate commerce was full and complete, and that it might be exercised in order fully to protect interstate commerce as against any obstacle which a State might interpose.

In that case the State had granted a monopoly for steamboats upon the Hudson River, and it was claimed that the commerce was intrastate, and was therefore subject to the control of the State alone. But the Supreme Court in that case held that it was an obstacle, an intervention to the full exercise of the power to regulate commerce crossing boundary

lines. I do not think the Shreveport case states any different principle.

SETTLEMENT OF LABOR DISPUTES

The Senate resumed the consideration of the bill (S. 1958) to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland [Mr. TYDINGS].

Mr. NORRIS. Mr. President, I hope I will not be considered discourteous to my brethren, or out of order, if I offer a few remarks upon the question before the Senate. I approach the pending amendment offered by the Senator from Maryland [Mr. TYDINGS] and the other amendment to be offered later by him, and desire to discuss them together.

I realize that it is a difficult thing always to differentiate, when considering language proposed in a legislative measure, when we are trying to legislate and control the controversy that has always existed and still exists between capital and labor. I listened to the Senator from Massachusetts [Mr. WALSH] with very deep interest. I thought he stated very fully and properly the purpose of the measure which is designed to cover a very difficult situation.

I admit that it would be very difficult to object to the amendment now pending, standing alone, if it affected legislation on a subject where normal conditions exist. At first blush the amendment seems to be absolutely fair, absolutely right, as a proposition of logic or of justice; and, weighed and applied to most of the ordinary affairs of life, there could be no objection to it. So I realize, to begin with, that it is very difficult for me to express in language really comprehensible by myself the real philosophy of the objection. I think, with the Senator from Massachusetts [Mr. WALSH], that we cannot properly consider this question unless we consider it in the light of its history and in the light of the parties interested in the case, and their power.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WALSH. Of course the fundamental difference which is arrived at immediately is that whatever coercion there is among employees is open and aboveboard; it can be seen and can be detected; but coercion exercised by an employer upon an employee is subtle, underground, economic, and the employer has power of this character over an employee which no employee has over another employee.

Mr. NORRIS. Again the Senator from Massachusetts has stated very effectively and concisely what I think is, in part, the real issue. On the one side is the employer, and on the other is the laboring man, the employee. One, the employer, has almost unlimited economic power in dealing with the other, the employee. The employee has no economic power. The employer holds in his hand the welfare, perhaps even the right to live, not only of the employee but of his family. His economic power can be enforced, as the Senator from Massachusetts has well said, through channels and by means often almost impossible, if not absolutely impossible, to detect. He has many methods of exercising his economic power. The employee has none. Again, the employer's economic situation is not so precarious as that of the employee. He often has other means of living, other means of making money, other means of going on if his business should be closed up. That is not always true of the employee. It may sometimes be true but ordinarily the employee has no other means of livelihood, no other means of supporting his family, his wife, and his children, of clothing them and of feeding them, than what he gets from his employment. He is, therefore, almost helpless in the economic situation when he runs up against the employer.

That is not all, Mr. President. We ought to consider this amendment in the light of history running back a great many years. I did not know this question was going to arise

or that I was going to make any remarks on it today. Had I known that I should have attempted to prepare myself with some citations and with some of the history of injunction proceedings which have been had for many years between capital and labor. I can only refer to that history in a general way, as I remember it, in view of the fact that I have not studied it for a year or two past.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. TYDINGS. I agree with what the Senator from Nebraska has said, and I can sympathize with his desire to protect the laboring man from interpretations of the law which would be injurious when no injury is intended; but I say with all deference to the Senator from Nebraska that, in my judgment—and I am probably wrong; but, at least, it is my view—we are debating something which I have not been able to explain to the Senate, at least as I see it. If the Senator will bear with me, I shall try to make my position clear.

As the section now reads, it simply says:

Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection.

Let us suppose that was all there was to it. I do not desire to take that right away from the employees. I do not desire to put language in the bill which may be interpreted as weakening the language already in the bill; but, in order that the employees shall have the right which is provided in the bill, my amendment stipulates that, without any coercion, without any intimidation, they "shall have the right to self-organization, to form, to join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining", and the like. The amendment explicitly provides that in the enjoyment of such right nobody shall coerce or intimidate them.

I probably do not have a clear conception of the issue, but it seems to me that my amendment clarifies the rights of labor.

Mr. NORRIS. The Senator may be right, of course. I have no idea but that his object is to clarify and that he has not any object which is detrimental to a condition which we all agree ought to exist. If there did not recur to me what I have learned of the injunction question from my study of it extending over quite a number of years, if I did not remember the hearings in which I have listened to presentations on both side for months, if I had not had that experience, and if I had not the ideas which are now back in my brain which were pounded into me during long and tedious debates, I should jump to the conclusion at once, and say there is no possible objection to the Senator's amendment.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Massachusetts.

Mr. WALSH. Unfortunately, the Department of Labor, the members of the National Labor Relations Board, and representatives of organized labor do not think the proposed language clarifies the bill, but rather that it destroys the effective purpose of the bill.

Mr. NORRIS. I agree to that statement.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. TYDINGS. I wish to ask the Senator a question.

I am slightly familiar with the situation he is presenting, namely, that coercion clauses and intimidation clauses, so to speak, have been used against labor rather than for the protection of labor. I am familiar with that particular subject in a general way, though not profoundly so; but it strikes me—I may be wrong about it—that the way those clauses are used in this particular connection is not the way in which they have been used, concerning which the Senator is speaking. It seems to me that such clauses have not been used to further collective bargaining, but have heretofore been employed to prevent the use of collective bargaining, to coerce or intimidate anyone; whereas I pro-

pose by my amendment to protect collective bargaining from intimidation and coercion.

Do I make myself clear to the Senator?

Mr. NORRIS. I think the Senator does.

I will say, Mr. President, that when I was first interrupted by the Senator from Maryland I was about to take up the review, in a very brief way, of the history of the injunction process between capital and labor, which, I think, has a direct bearing on the construction of the words of this amendment; and I think my discussion of the question will be an answer, so far as I am able to give an answer, to some of the questions propounded by the Senator from Maryland.

First, the Sherman antitrust law was passed at a time when none of us was in the Senate. No one thought there was a labor question involved in it. The idea of the law was to protect persons in their business, and prevent business from being handicapped by unjust and unfair methods of competition. But, as it developed, the Sherman Antitrust Law became a weapon by which labor was almost crushed out of existence because of the construction placed upon the law by the courts.

We passed the Clayton antitrust law amendatory to the Sherman antitrust law. The Clayton antitrust law was passed during the official lives of some of us who are now here. That law was held by many persons to be a new charter of freedom for labor. However, it did not do labor that much good. The constructions which were put on that law by the courts from time to time practically took away all its force and effect.

In the hearings, which went on for 3 years or so, during all of which I had the honor to preside, and in which I heard every word of the testimony, the history of these injunction suits was given, and the opinions of the courts were presented, showing that there was a gradual movement toward the domination of capital over labor. It then seemed to me, and I think those who studied the question were convinced, that on account of the existence and exercise of the economic power of which I spoke awhile ago, Congress was justified in putting forth its strong arm again to see if it could not protect labor, and we passed the anti-injunction bill.

There was not very much consideration on the floor of the Senate, but before the committee the hearings during that time lasted for over 2 or 3 years. The thing that brought about the changes of which I have spoken was, in the main, the issuance of injunctions by the courts, giving a different construction to the laws, I believe, from that which was intended to be given to them by those who enacted the laws. After all, the courts are going to construe this measure, if it shall become a law, and when they get through with it, as often happens, we may not know our own child. We are, to a great extent, a country controlled and governed by injunctions. One man sitting as a district judge can nullify, by a stroke of the pen, the acts of the President, the Senate, and the House of Representatives, even though their action be unanimous.

The history of these injunctions shows that the general trend was to construe the laws as capital wanted them to be construed. I have now in mind an injunction issued by a district judge in the case of a strike in which injunction it was specifically stated, in so many words, that every one of the employees was enjoined from telling anybody that there was even a strike on at a certain mill. A laboring man in that mill violated the injunction if he told his wife the next morning why he did not go to work. Was there anything in the law that justified such an injunction? As I see it, I do not think there was. Congress thought that it had obviated such a thing as that when it passed these different laws, but, in view of the way the courts construed them, it had not done so.

Other injunctions enjoined not only the laborers but the entire public from contributing any money to the support of a laboring man who was on a strike. They enjoined a doctor from giving him medical attention, a lawyer from giving him legal advice as to what his rights were in that very case.

A laborer had no right, under the injunction, to consult an attorney. A coal dealer had no right to sell one of them coal.

The court enjoined the laborers from appealing a case where the employer had commenced an action of forcible detainer to put them out of the shanties which the employers call houses and sometimes even stretch the word so far as to call them homes. It enjoined anybody from furnishing him a bond in case he was dissatisfied with the action of the lower court and desired to carry it up to the higher court, in which case, under the law, he had to give a bond, if he took it up, to pay a reasonable price for rent while the appeal was pending. That was enjoined. The law of the State provided that if a man was living on a rental basis in a house which somebody else owned, if the owner wanted to put him out, and claimed there was a violation of the tenant's contract, he could sue out a writ in a justice-of-the-peace court, and if the justice decided against the laboring man or any other man, whoever he might be, he had a right to appeal the case to a higher court, but in order to do so the tenant had to give a bond that he would pay the rent on the house during all the time he occupied the premises. So there could be no possible loss on the part of the big corporation that owned the little shanty. Yet the courts have enjoined—there are actual cases that can be found in the books if Senators will examine them—anybody from furnishing a laboring man a bond to enable him to go up to a higher court. The facts in some of those cases show that the friends of the laboring man were ready with the bond; that there was no question about its sufficiency, but they were enjoined from furnishing it. The laboring men could not dare ask a lawyer what their rights were. That was contrary to the injunction.

They were prohibited from making speeches or telling anyone else anything that happened. The result was that some of these men, without jobs, wandering around on the streets, and without the ability to tell anybody what was the matter, became almost crazy, wild. You can imagine, Mr. President, what kind of feeling that would engender in the heart of a man.

Suppose the pending amendment were agreed to and some laboring man should meet some other laboring man and say to him, "I should like to have you strike", or "I should like to have you join my union", what would there be to hinder one of the courts holding that that was coercion and issuing an injunction in such a case? "You may not coerce." I would not think such an act was coercion; the Senator from Maryland would not think it was coercion, of course; we would not have agreed, either one of us, with the construction placed by courts on the various acts that Congress has passed.

If it were an ordinary case, I would not hesitate to say that I would accept the amendment, but when I remember that in these great controversies which are so one-sided, and where the employer has countless ways by which he can coerce if he wants to, without anybody even finding it out, I have no doubt that the amendment ought to be rejected.

I do not want to be understood as saying that the amendment is not offered in good faith; I believe it is. I am not questioning the good faith of the Senator from Maryland or of anyone else who supports the amendment.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. TYDINGS. In the case the Senator has been using as an illustration, did the law, as it then existed, provide in effect that the employees should have the right to bargain collectively through representatives of their own choosing, without coercion or intimidation from anyone?

Mr. NORRIS. No; I will say to my friend, I do not think it did. I am not trying to state the law. These statutes were enacted years ago; I am not claiming the law was the same then as it is now; but I am trying to illustrate how easy it is for a judge who is friendly to capital and opposed to labor to render a decision by which he will make the laboring man absolutely helpless. That is all I am trying to do.

Mr. TYDINGS. I sympathize with the Senator's philosophy in that respect, and it is my own. I want laboring men to have the right to bargain collectively, and so on, without interference or coercion; but, if the Senator will permit me—and I do not want to appear impertinent—it strikes me that this amendment is clearly without the purview of the decisions referred to by the Senator.

Mr. NORRIS. I will say to the Senator, I will not quarrel with him about that; I agree to that; but I do not want some judge who may not agree with us to use it as a leverage by which to issue an injunction against some poor fellow who is helpless.

Mr. TYDINGS. I think I see the Senator's viewpoint; but I am not altogether clear, because it is difficult to understand whether he sees mine. As I understand these words, if they are not put in the bill the right of collective bargaining exists, and if they are put in the bill it not only exists but no one may coerce or intimidate anyone in an attempt to take it away. It strikes me that is the only thing before us.

Mr. NORRIS. If I knew the Senator from Maryland were going to be the judge every time such a question came before the court, I would not object to the amendment. If we were sure of having such a judge as he, it would not be necessary to have the pending bill here; it would not be necessary to have other laws. A great deal of our time has been taken up in order to meet the construction that may be put upon our action by the courts.

We realize when we pass a law that we do not know whether or not it is a law, even after the Senate and House have passed it and the President has signed it, for some judge in Maine or California or Florida may have a different opinion from the 532 men who enacted the law, and the judge may say, "You ought not to have passed it; I will issue an injunction to restrain its enforcement." I do not mean that as a criticism of the courts in general, because I think, as a rule, they embrace the highest class of men in the United States; but, as in the case of Senators and Members of the House—they are not all of that kind; they are like any other group of people.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WALSH. I ask the Senator, in view of his study of this question and his experiences with respect to the manner in which courts have handled these problems, if it is not quite probable, and perhaps most likely, that courts would construe the efforts of one employee to get his fellow employees to organize a union to be coercion?

Mr. NORRIS. Yes.

Mr. WALSH. In other words, what this amendment, if adopted, will do will be to make a police court out of the board instead of a regulatory body dealing with regulations as to collective bargaining between employers and employees. There is a police court to handle cases of threats, assaults, and attempted murder on the part of one employee against another.

Mr. NORRIS. Mr. President, in conclusion, I wish to say that, in my judgment, we will run a great risk of making loopholes by putting in modifications of some of the powers which are granted in this bill, even though we do it with the intention of making it more explicit than it previously was.

I am expecting great results from this legislation if it is finally enacted. I sympathize with the objects to be attained. I do not want to take any chance of nullifying them by bringing forth decisions from courts which would undo a great deal of the good we had hoped to accomplish. Therefore, out of an abundance of caution, which may not be justified—perhaps, because of my own experience and study of the question, I may have been led too far one way—I cannot resist reaching the conclusions I have tried to state here to the Senate. I know I had no prejudice in the beginning and I hope I have none now. I have none that I know of. I am not aware of it if I have any.

The employer will not be troubled. Do not get the idea that we ought to go out and put safeguards around him; he has always taken care of himself thus far; but we should

help the man down in the street who is helpless, who has to eat out of the hand of the other man sometimes, has to do what he tells him he wants done, even though the orders are conveyed to him by indirect means where he cannot directly trace the voice or the hand of his economic master. It is an unjust contest with all the power on the one side and no power on the other.

It seems to me under those circumstances that we ought to reject the amendments of the Senator from Maryland.

Mr. WAGNER. Mr. President, I have before me the Norris Anti-Injunction Act, which I had the pleasure of supporting and discussing when it was before the Senate. At that time I recall the Senator from Nebraska [Mr. NORRIS] called attention to court interpretations with respect to the right of workers to organize and to prosecute strikes which they thought were justified. It was brought to the attention of the Senate that threats to strike had in many jurisdictions been regarded by the courts as coercive acts. A refusal to work on material of nonunion manufacture had been decided by a court to be a form of coercion. Even peaceful persuasion by picketing was regarded in some jurisdictions as a coercive method employed by labor against the employer. It was court interpretation of this type which brought about the passage of the Norris Anti-Injunction Act, designed to limit the abuse of the injunction in labor disputes.

I agree with the Senator from Nebraska that the Senator from Maryland [Mr. TYDINGS] is absolutely sincere in offering his amendment. But I want to state that probably I know a little more about the efforts to procure this amendment to the proposed legislation than does the Senator from Maryland. For, in my judgment, if we should adopt this amendment, it would practically nullify the effect of the Norris Anti-Injunction Act and would revive the procedure of restraining employees from indulging in normal organizing activities in their relationship with one another.

The whole philosophy of this legislation is to deal with the relationship between employees and employers. For 100 years it has been agreed that the workers of the country should have the right to organize. They were never able to exercise that right because of the economic control of the employer, which enabled him always to thwart the attempts of workers.

This bill was prompted by the desire to have more than a mere reiteration of our constant declaration that the workers shall have the right to organize, more than abstract freedom not protected by law. It proposes that hereafter the employer shall not interfere with employees in their right of organization.

So far as coercion by employees is concerned, the Senator from Maryland need not be concerned, because there is abundant law today to take care of the things about which the Senator is apprehensive. The Senator spoke of intimidation. Under the Norris Anti-Injunction Act, intimidations and threats may now be enjoined by the courts.

I appeal to the Senators that if the amendment is inserted in the bill it will repeal all the salutary features of the Norris Anti-Injunction Act. When workers attempt to organize and a threat of strike results, or when banners are displayed asking workers to join a certain organization, or when workers refuse to work upon material which comes from a nonunion factory, these acts which we thought we had protected by the Norris Act would again fall under the equity jurisdiction of the courts. This would in large measure frustrate and paralyze the efforts of the workers of the country to exercise rights which for 100 years have been recognized verbally.

That is my fear. When the suggestion was first made to me that these additional words should be included in the bill, I had the same experience that the Senator from Nebraska [Mr. NORRIS] had. I, too, felt no objection to the words until, like him, I went to the law library and began to study the old cases and the history behind the anti-injunction legislation introduced and sponsored by the Senator from Nebraska. Then I saw that the workers of the country were being deprived, through the economic pressure

of employers, of the power to form organizations. It would be better off to have no law at all than to make this legislation a vehicle for the revival of the labor injunction. That is why I am sure that if the Senator from Maryland had studied the cases involving the misuse of the word "coercion" he would withdraw his amendment.

Mr. TYDINGS. I dislike to be perpetually in these minorities—and I say this without reflecting on anyone—but I remember that about 2 years ago, when the N. R. A. bill was introduced, it was almost treason to oppose it, particularly on this side of the aisle. I certainly received my share of abuse for not voting for it. It was to be the panacea which was to solve all our ills. Now everybody has awakened to the fact that it was perhaps the greatest price-fixing proposal ever passed by Congress. So, therefore, what appears to be all lovely and useful to humanity quite often, when it is applied, is not so useful.

I do not think that a single argument has been made against this amendment which is apropos of its written language. We are not arguing here, and there are not involved in this case, the subjects covered in the anti-injunction cases. We are now engaged in making affirmative law. We are giving to labor affirmative rights which theoretically, at least, it did not have before. We are making them clear and unrestricted, and bringing them out in the light of day. If it weakens those rights to say that labor shall have them without coercion or intimidation, then I say all lawmaking is useless, and words do not mean what they seem to mean.

Let me read the section as proposed to be amended. What would the proposed law provide if the amendment were adopted?

Employees shall have the right—

There is no word about employers here. There is nothing about employers. This section tells what rights employees shall have.

Employees shall have the right to self-organization—

In effect, my amendment says:

without coercion or intimidation.

Employees shall have the right to form, join, or assist labor organizations without coercion or intimidation.

Employees shall have the right to bargain collectively through representatives of their own choosing without intimidation or coercion.

Employees shall have the right of collective bargaining or other mutual aid or protection without coercion or intimidation.

In other words, it is held here that the mere insertion of the words "without coercion or intimidation" would weaken the right of labor rather than strengthen it.

If labor has these rights, and we provide that it shall not be coerced or intimidated in exercising them, it certainly seems to me we thereby strengthen those rights, make them mandatory, and prevent the employer on the one hand, and extraneous influences on the other hand, from transgressing on the rights which Congress wishes to give labor.

In conclusion, with all due respect to the learned Senators who have taken the opposite view on the floor of the Senate, the so-called "parallel" which they have set up in relation to this section is not a parallel at all. They have been arguing an entirely different case. They have been arguing the intangible or indirect effect of collective bargaining, and not the mandatory, congressionally affirmed effect of collective bargaining without coercion or intimidation.

I realize the viewpoint of my friend from New York. I appreciate his fear; but I desire to say that I do not agree with the point of view he expresses. As I see this particular section, it looks to me like an effort to force every man in America to join a certain kind of union, whether or not he wishes to join that union; and the coercion and intimidation features are not to be inserted in this section because a certain union desires a free hand to take the workers from the groups in which they now belong into groups into which they may not wish to go.

That is the naked fact back of the opposition to this amendment. It is an amendment to force all working

people into a particular union, and every Senator on this floor knows that to be the truth.

Mr. WAGNER. Mr. President, will the Senator from Maryland yield?

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. HASTINGS. I yield to the Senator from New York.

Mr. WAGNER. I am not going even to allude to the last statement of the Senator from Maryland; but this is not the first time that this subject has been up for consideration by the Senate.

Mr. TYDINGS. That is true.

Mr. WAGNER. When the anti-injunction bill, to which I referred a moment ago, was up for consideration, I remember that there was a proposal to include prohibitions against employees such as the Senator from Maryland now proposes. But it was not accepted, because it came from those not friendly to the legislation.

Mr. TYDINGS. Yes; but why not provide also that he shall be free from other coercion?

Mr. WAGNER. Last year we passed by unanimous vote in both Houses the amendments to the Railway Labor Act, enumerating practically the same unfair labor practices as the pending bill. The same proposal came up before the committee considering that measure and was rejected by a unanimous vote, because the committee saw the dangers of it.

The Senator is not up to date on precedent.

Mr. HASTINGS. Mr. President, I desire to call the attention of the Senator from New York to that to which he has already referred with reference to the public policy of the United States as stated in the Norris-LaGuardia Act, the anti-injunction act:

Whereas under prevailing economic conditions, developed with the aid of governmental authority for owners of property to organize in the corporate and other forms of ownership association, the individual unorganized worker is—

I desire to emphasize those words:

the individual unorganized worker is commonly helpless to exercise actual liberty of contract and to protect his freedom of labor, and thereby to obtain acceptable terms and conditions of employment, wherefore, though he should be free to decline to associate with his fellows, it is necessary that he have full freedom of association, self-organization, and designation of representatives of his own choosing, to negotiate the terms and conditions of his employment, and that he shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; therefore, the following definitions of, and limitations upon, the jurisdiction and authority of the courts of the United States are hereby enacted.

I desire to call the attention of the Senator from New York to what I am about to state, and to see if it be true: As I read this measure, as late as 1932 the Congress declared it to be the public policy of the United States, first, that the individual worker is entitled to actual liberty of contract, and to the protection of his freedom to labor. Is that true in the present bill?

Mr. WAGNER. That is true in the present bill.

Mr. HASTINGS. What happens under this bill to the worker who is in the minority? Has he any freedom left? Is he not compelled to do what somebody else asks him to do, and is not his freedom destroyed to that extent?

Before the Senator answers that question, I desire to ask him another question along the same line.

Is it not true that the individual worker should be free to decline association with his fellows? Can that be true under this bill? Under the act from which I have read, the declaration of Congress was that the individual worker is entitled to "full freedom of association, self-organization, and designation of representatives of his own choosing, to negotiate the terms and conditions of his employment." Those things were assured to the worker. That was the declaration of the Congress; but what I am concerned about, and what I desire the Senator from New York to explain to me, is, in what condition do we find the worker who is in the minority?

There may be 2,000 employees in one establishment, and there may be 1,100 of them who want to do a certain thing. If the Board describes them as a proper unit for that particular establishment, that means that the 900 will either have to go along with the 1,100, or they will lose their positions.

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MALONEY in the chair). Does the Senator from Delaware yield to the Senator from Massachusetts?

Mr. HASTINGS. Yes; I yield.

Mr. WALSH. In what respect does the Senator think the right of any minority of employees is affected by this bill?

Mr. HASTINGS. If that is not true, then I have misread the bill. Does not the bill specifically provide that a majority of the various units that are to be set up and authorized by the board are to be in control, so far as wages and other important things are concerned, with respect to the worker?

Mr. WALSH. Mr. President, under this bill representatives chosen by a majority of the workers in a particular unit are recognized as entitled to represent the workers in that unit for the purpose of collective bargaining with the employer, following a similar provision in the Railway Labor Act. It would be obviously impracticable to have two collective agreements, with differing terms as to wages and conditions of employment, covering the same categories of workers in an appropriate unit. Who, then, should represent the employees in negotiating the agreement? Obviously, the representatives chosen by the majority of the workers in the unit affected, in accordance with democratic principles; otherwise the employer will be enabled to profit by exploiting a division in the ranks of the workers, by playing off one group against another in the negotiations, and thus defeating true collective bargaining. Minority groups and individuals are permitted by the bill to present grievances to the employer. But any agreement arrived at with the majority representatives necessarily is applicable to all the workers in the unit. If a dissenting minority do not like the terms of the agreement, there is nothing in the bill which prevents the minority from quitting or striking.

Mr. HASTINGS. Will the Senator be good enough to tell me what section that is?

Mr. WALSH. It is the theory of the whole bill.

Mr. HASTINGS. The theory, but I want to find out what is actually provided.

Mr. WALSH. It provides for elections.

Mr. HASTINGS. Does the Senator know what section it is?

Mr. WALSH. Section 9 gives the board power to conduct elections, and declare who are the majority representatives, and then provides that such representatives shall be the collective-bargaining agency for all the workers in the unit. That is what the election is held to determine.

Mr. HASTINGS. Let me read to the Senate what section 9 provides:

Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit.

If I understand the bill, a unit does not necessarily mean the employees of a certain corporation, but the unit may be a unit of employees scattered all over this country, and if a majority of that unit decides on a certain thing, then the majority of that unit can make a bargain for the employees of a certain corporation where none of them want that particular thing.

Mr. WALSH. The appropriate unit depends so much upon the facts of the particular case that necessarily the Board must determine the unit, as is also provided in the Railway Labor Act. But, as I have said, a minority group is not bound by the agreement negotiated, that is, they are free to quit or strike. For that matter, nothing in the bill prevents the majority from striking, though the testimony before our committee indicated that unions have had a generally good record in abiding by agreements.

Mr. HASTINGS. What is a bargain if it does not bind anybody?

Mr. WALSH. There is nothing in the bill to prevent strikes. We cannot stop that. No legislation can. What this bill does is to seek to prevent strikes brought on as a result of the employer refusing to recognize and bargain collectively with the properly designated representatives of his employees.

Mr. HASTINGS. Let me read this to the Senator from Massachusetts and see how nearly we agree on it.

Section 9 (a). Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes.

And those units are fixed by the board, as I understand it, or are approved by the board; and, as I have said, a unit may be scattered all over the country and a majority of the employees control.

Shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining.

Mr. WALSH. The representatives chosen by the majority shall be the collective bargaining agency for the employees in the unit. As I have said, the making of the bargain does not prevent even the majority from striking. We cannot pass laws to compel a man to be a slave. Even after he makes an agreement he can say, "I do not want to work."

The trouble with the Senator is that he has the idea that a dissenting employee in the unit covered by the agreement would be forced in an employment the terms of which may have become distasteful to him. Not by any means. It only leads the employees to the door of the employer and states, "These are the representatives chosen by a majority of the workers and you should bargain with them." That is all it does.

Mr. HASTINGS. Let me read a little further and show what it provides:

SEC. 9. (a) Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes, shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment.

Mr. WALSH rose.

Mr. HASTINGS. Just a moment. Let me point out what rights the minority have.

Provided, That any individual employee or group of employees shall have the right at any time to present grievances to their employer.

That is all the right the minority have. The majority have a right to make a bargain with respect to wages, hours of employment or other conditions of employment, but the minority have the right only as individuals or a group of employees at any time to present grievances to their employer.

Let me place before the Senate my own idea about it and let the Senator correct me if I am wrong.

Mr. WALSH. Will the Senator permit me to say one word?

Mr. HASTINGS. Certainly.

Mr. WALSH. All the section does is to designate the agency to negotiate on behalf of the employees, with whom the employer must deal. He does not have to accept any particular contract with them, but he must bargain with them in a bona fide effort to reach a mutually satisfactory agreement.

Mr. HASTINGS. Let me take the case of an automobile manufacturer having 2,000 employees, who have any kind of an organization they want. I do not care whether it is a labor union or what not, but we will suppose there is a unit in that particular corporation in a particular plant. They want someone to represent them, and 1,100 of them want a certain group or a certain person to represent them, to go to their employer and see if they can make an agreement. There is a vote on that question, the representatives are named, and they go and discuss with their employer what

the trouble is with respect to this labor dispute, and they reach an agreement. They agree, let us suppose, for a year or for 6 months or for 2 years that these shall be the conditions of employment in this factory.

Certainly if there be anything in this bill that is worth while at all, that agreement must be binding upon the people who are represented on both sides, or it does not amount to anything.

What I ask the Senator—and what I want to call attention to—is, What is to become of the individual rights and the individual freedom of the 900 people who do not like the bargain that has been made? What happens to them? They either have to go along with the 1,100, or they have to be discharged by the employer, because in this bill there is a provision that the 1,100 can make their bargain with the employer.

"This agreement we make with you, we representing the employees and you the employer. The agreement we make with you is that every person employed in this factory shall belong to this union to which the 1,100 of us belong. Unless you make this bargain with us we are going to walk out. If you do make the bargain with us, 1,100 of us at least are going to stay."

That leaves the 900 in that factory with no place to go except out in the cold or agree to what has been proposed to them by the representatives of the 1,100. Is that true or not? That is what I should like to find out.

Mr. WALSH. The Senator made so many assertions in connection with his question that it is difficult to answer it. The trouble with the Senator is that he thinks this proposed legislation goes to the extent of compelling an agreement between an employer and the representatives of the employees.

Mr. HASTINGS. No; that is not correct.

Mr. WALSH. It does not do that.

Mr. HASTINGS. I agree to that.

Mr. WALSH. All the bill does is, for the sake of peace and harmony, for the sake of bringing employers and employees together, to lay the foundation of machinery for getting a proper representation of employees at the door of the employer to discuss and argue out their difficulties. That is all it does. An agreement arrived at with the representatives chosen by a majority has the best chance of achieving general acceptance, and thus stabilizing employment relations and promoting peace.

Mr. HASTINGS. Under the bill, who would represent the 900 employees?

Mr. WALSH. The wise employer will learn the sentiments of all groups among his employees, that is not denied. But the negotiation of the collective agreement must be with the majority representatives. No one can compel him to put his name and pen to any particular agreement of any shape or form under this bill any more than now. Now, the employees can say, "Unless you do this we will strike", and they may strike. Under this bill they can do that. We do not enter that domain. The majority rule is best illustrated by the fact that the Senator is here representing a majority of the people of Delaware. He speaks for them. That does not mean that the minority cannot protest by their vote. That does not mean that the minority cannot criticize. That does not mean that the minority cannot see fit to attempt to make a change at the next election. All those rights these employees have. The minority need not continue in employment under the terms of the collective agreement.

Mr. HASTINGS. They either are bound or they may have to walk out.

Mr. WALSH. That is true now. Lay this bill aside now, and any number of employees may go to an employer and make demands, and if he does not meet them they can walk out.

Mr. HASTINGS. I thought the attempt was to cure the present situation.

Mr. WALSH. We are curing it. We are requiring employers to negotiate with the properly designated representatives of their employees, in the hope of having peace, in the

hope of removing misunderstanding, not for the purpose of taking rights away from either party.

Mr. President, there are some fundamental rights an employer has, just as there are rights an employee has. No one can compel an employer to keep his factory open. No one can compel an employer to pay any particular wage. No one can compel an employer to hire others in addition to those he sees fit to hire. So with an employee; no one can compel him to work, no one can compel him to go on strike, no one can compel him to leave his work.

No one can keep an employer from closing down his factory and putting thousands of men and women on the street. So in dealing with this bill we have to recognize those fundamental things, and we have not gone into that domain. All we do is to remove the barriers that have kept employees away from their employers, which have prevented collective bargaining, which have resulted in strikes without any attempt to negotiate. All we have done is to promote the orderly processes of collective bargaining.

Mr. WAGNER. The Senator is concerned with what happens to the minority. Under this proposed legislation, assuming an agreement has been consummated by the agency elected by the majority of the employees, there will be no advantage which a majority can have under an agreement to which the minority is not also entitled, and in order to have that advantage the minority need not join any organization. It can join or not join, either way. It cannot be discriminated against under any other provision of the law.

Mr. HASTINGS. Let me call the attention of the Senator from New York to this provision in section 8, paragraph (3), at the bottom of page 10:

It shall be an unfair labor practice for an employer—

That language begins section 10, and then I read subparagraph (3)—

by discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization—

It is declared to be an unfair labor practice for an employer to do that.

Mr. WAGNER. Yes.

Mr. HASTINGS. Then the subparagraph continues:

Provided, That nothing in this act, or in the National Industrial Recovery Act as amended from time to time, or in any code or agreement approved or prescribed thereunder, or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization (not established, maintained, or assisted by any action defined in this act as an unfair labor practice) to require as a condition of employment membership therein, if such labor organization is the representative of the employees as provided in section 9 (a)—

Namely, a majority—

in the appropriate collective bargaining unit covered by such agreement when made.

That is the reverse, as I understand, of the "yellow dog" contract which has been so roundly and properly condemned in this body.

Mr. WAGNER. No, Mr. President; the Senator apparently does not understand that provision. It does no more than to legalize a closed-shop agreement, which is a matter of agreement between employer and employees where it is now sustained by the public opinion of the State.

Mr. HASTINGS. This language is perfectly clear. Does it not say, in so many words, that if the employer so desires, and the majority of the labor union so desires, they may make an agreement whereby no one may be employed in the establishment unless he belongs to that union, and will not that provision in this bill compel a minority of employees in that particular shop or that particular unit to join that union, whether they wish to or not, and pay all the fees which the union may desire to charge?

Mr. WAGNER. The provision will not change the status quo. That is the law today; and wherever it is the law today that a closed-shop agreement can be made, it will continue to be the law. By this bill we do not change that situation. Closed-shop agreements are made all over the

country, and they are matters of agreement. The question of compulsion is not involved in them. Closed-shop agreements are very well known in this country, and they are mere matters of agreement.

Mr. WALSH. Mr. President, in reply to the Senator's last question, I will say that I think we all agree with the definition of an unfair practice given under subparagraph (3), namely:

It shall be an unfair labor practice for an employer—

(3) By discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization.

That, standing alone, would make an employer commit an unfair labor practice if he required his employee to be a member of a union. The Senator understands that, of course. The reason why an exception has been made to the rule is that there are already contracts existing, permitted and authorized by certain States, permitting employers to make contracts with employees limiting their personnel to the members of a particular union.

That practice is quite common among the plasterers and the bricklayers and other masons. All this bill says is that no employer may discriminate in hiring a man, whether he belongs to a union or not, and without regard to what union he belongs; but if an employer wishes to agree and to make a contract of his own volition with his employees to hire only members of a company union or of a trade union, he can do so.

The provision in the bill makes it possible for an employer to say, "I will hire only company union men"; but the agreement must be voluntarily entered into and not forced upon him. Or he can say, "I will hire, as I do now and as the unions exist now, only members of trade unions."

In other words, if there were not this exception, what we should do by this bill would be merely to pass a law allowing closed shops. However, it is provided that the employer must give his consent. Even though nine-tenths of his men insist on their demands, the agreement must be voluntary, and it can be made only if he voluntarily gives consent.

Mr. HASTINGS. What does the Senator mean by saying that the employer must give his consent? If 51 percent of his employees demand a certain thing, is he not obliged to consent or have a strike on his hands?

Mr. WALSH. He certainly does not have to consent.

Mr. HASTINGS. What is he going to do about it after this bill is passed?

Mr. WALSH. What can he do now, if 51 percent of his employees come to him now and say, "We want this right, and if you do not give it to us we will strike"? This bill does not change that situation. I have repeated that again and again. This bill leaves it up to the representatives of his workers, with the hope, if they have been honestly selected by secret ballot, that they will say, "We shall present our grievances and endeavor to settle some of these disputes." There will be a settlement of some, but not a settlement of all. At least, those men will be the legal representatives of the workers whom the National Labor Relations Board will recognize, and the employer will know that he is dealing with what appears to be, under the law of the land, a recognized majority representative of his own employees.

This bill will not stop all strikes, though it will prevent some strikes. It will, however, stop many, many misunderstandings. At least, it will invite and encourage representatives of employees to meet with their employers and try to settle their disputes. It will prevent being done some of the things which were done in the past. This bill, however, will not settle all strikes, nor is it expected that it will make a police court out of the board, as the Senator from Maryland apparently wishes it to do.

Do Senators realize what the Senator's amendment means? If his amendment were adopted, the board would be flooded with complaints from employees saying, "I was coerced by this other employee." "I was coerced by so-and-so." "I was coerced by such-and-such an employee." The whole purpose and object of this bill would be destroyed, namely,

to have peaceful elections, honest elections, and representatives of employees duly appointed to come and talk over their grievances as man to man with their employers.

Instead of that, if the amendment were adopted, the board would be virtually a police court, and employees would be bringing complaints, such as, that John Jones said to Jim Smith's wife that he was going to lock him out if he did not join this or that union. The board would be nothing but a police court. We have avoided that. The police-court laws still remain. We have not repealed them. The injunctions of the courts still remain. We have not repealed the laws under which they are issued. All we have done is to provide for a better understanding between the employees and the employers, in the expectation and hope that mutual confidence, high regard for each other, and the fact that the employers will confer with the representatives of the majority of their employees will lead in many instances to a peaceful solution of their grievances and a settlement of their disputes. That is the hope of this proposed legislation.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Maryland.

Mr. HASTINGS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	O'Mahoney
Austin	Couzens	Keyes	Overton
Bailey	Davis	La Follette	Schwellenbach
Bankhead	Donahay	Lewis	Sheppard
Barbour	Duffy	Loneragan	Shipstead
Barkley	Fletcher	McCarran	Steiwer
Billbo	Frazier	McGill	Thomas, Okla.
Black	George	McKellar	Thomas, Utah
Bone	Gerry	McNary	Townsend
Borah	Gibson	Maloney	Trammell
Bulow	Glass	Metcalf	Truman
Burke	Gore	Minton	Tydings
Byrd	Guffey	Moore	Vandenberg
Byrnes	Hale	Murphy	Van Nuys
Capper	Harrison	Murray	Wagner
Caraway	Hastings	Neely	Walsh
Clark	Hatch	Norris	White
Connally	Hayden	Nye	

The PRESIDING OFFICER. Seventy-one Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Maryland [Mr. TYDINGS].

Mr. TYDINGS. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. TYDINGS. Mr. President, I ask for a verification of the count. To order a roll call requires only one-fifth of the membership present. I counted, as I believe, 11 Senators in favor of the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been demanded. Is the request seconded? [A pause.] There still is not a sufficient number.

Mr. TYDINGS. May I ask how many the Chair counted?

The PRESIDING OFFICER. Nine.

Mr. TYDINGS. How many Senators are on the floor?

The PRESIDING OFFICER. Seventy-one Senators answered to the roll call.

Mr. TYDINGS. I counted more than that. Probably I was mistaken.

Mr. HASTINGS. Mr. President—

The PRESIDING OFFICER. All those in favor of the amendment will say "aye." [A pause.] Those opposed will say "no." [A pause.] The "noes" have it.

Mr. VANDENBERG. Mr. President, the Senator from Delaware was trying to get recognition before the result of the vote was announced.

Mr. HASTINGS. Mr. President, I wish to say that so far as I am concerned I am inclined to try to get through with this bill and not to delay it. I have a speech on my desk which will take 2 or 3 hours, but which I was going to shorten considerably. However, if we are not even going to have the yeas and nays upon an important amendment such as this, there will be no particular hurry about getting the bill through the Senate. I think we are entitled to have the yeas and nays on this question.

Mr. BARKLEY. Mr. President, under the rule no Senator is entitled to the yeas and nays unless a sufficient number of Senators second his request.

Mr. HASTINGS. I know that as well as does the Senator from Kentucky.

Mr. TYDINGS. Mr. President, with no disrespect to the Presiding Officer or the Senate, I do not believe many Senators were apprized of the fact that I was asking for the yeas and nays. I ask unanimous consent that I may again ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. The Chair would like to state for his own protection that the rule of the Senate clearly provides for the manner in which the request for the yeas and nays shall be decided. There were not a sufficient number of hands raised, despite the fact that the Chair clearly stated the request of the Senator from Maryland.

Mr. TYDINGS. The Senate has not as yet voted on the passage of the measure, and I am entitled again to ask for the yeas and nays. Again I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. The Senator from Maryland asks unanimous consent that the yeas and nays be ordered on the pending amendment.

Mr. LA FOLLETTE. Mr. President, I should like to suggest that the Chair had already announced the result of the vote. I rise for the purpose of asking unanimous consent for a reconsideration of the vote by which the amendment was rejected, and to ask for a record vote.

The PRESIDING OFFICER. The Senator from Wisconsin asks unanimous consent for a reconsideration of the viva voce vote by which the amendment was rejected. Is there objection? The Chair hears none.

Mr. JOHNSON. Mr. President, I unite in the request for the yeas and nays. Although I differ with the Senator from Maryland with regard to the amendment, nevertheless I believe in granting him the right to have a record vote on the amendment. I am ready to go on record. I ask that the yeas and nays may be ordered. I should like to see whether or not there are enough Senators here to accord that courtesy to the Senator from Maryland.

The PRESIDING OFFICER. Is the request for the yeas and nays seconded? A sufficient number of Senators having seconded the request, the yeas and nays are ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LEWIS. I rise to announce the absence of the Senator from South Carolina [Mr. SMITH], the Senator from Illinois [Mr. DIETERICH], and the Senator from Georgia [Mr. RUSSELL], who are unavoidably detained. The Senator from Illinois [Mr. DIETERICH], if present, would vote "nay."

Mr. BARKLEY. The Senator from Arkansas [Mr. ROBINSON] is unavoidably detained on official business. He has been unable to obtain a pair on this vote, but I desire to announce that if present he would vote "nay."

Mr. MURRAY. The senior Senator from Montana [Mr. WHEELER] is unavoidably absent. If present, he would vote "nay."

Mr. DAVIS (after having voted in the negative). I have a general pair with the junior Senator from Kentucky [Mr. LOGAN], who, I notice, is absent. Not knowing how he would vote, I withdraw my vote.

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] is unavoidably detained on departmental business. If present, he would vote "nay."

Mr. BARKLEY. The junior Senator from Kentucky [Mr. LOGAN] is unavoidably detained on official business. I am not advised how he would vote if present, but I think he would vote "nay."

Mr. DAVIS. May I ask the Senator from Kentucky if that announcement would release my pair? Does his statement about how his colleague would vote release my pair?

Mr. BARKLEY. I am not stating how my colleague would vote if present. I did not state how he would vote. I was just expressing my opinion, and that does not change the status of the pair at all.

Mr. AUSTIN. I wish to announce the general pair of the Senator from Wyoming [Mr. CAREY] with the Senator from Ohio [Mr. BULKLEY].

I also announce that the Senator from Iowa [Mr. DICKINSON] has a pair on this question with the Senator from New Hampshire [Mr. BROWN]. If present, the Senator from Iowa [Mr. DICKINSON] would vote "yea", and the Senator from New Hampshire [Mr. BROWN] would vote "nay."

I also announce that the Senator from South Dakota [Mr. NORBECK], the Senator from Minnesota [Mr. SCHALL], the Senator from Wyoming [Mr. CAREY], and the Senator from Iowa [Mr. DICKINSON] are necessarily absent.

Mr. LEWIS. I desire to announce that the following Senators are necessarily detained from the Senate:

The Senator from Tennessee [Mr. BACHMAN], the Senator from New Hampshire [Mr. BROWN], the Senator from Ohio [Mr. BULKLEY], the Senator from Louisiana [Mr. LONG], the Senator from California [Mr. McADOO], the Senator from Nevada [Mr. PITTMAN], and the Senator from Idaho [Mr. POPE].

I also desire to announce that the Senator from North Carolina [Mr. REYNOLDS] is absent on a mission of the Senate in the Virgin Islands.

I wish also to announce that the Senator from Utah [Mr. KING] is detained on account of illness.

The result was announced—yeas 21, nays 50, as follows:

YEAS—21

Austin	Gibson	McKellar	Tydings
Bailey	Glass	McNary	Vandenberg
Barbour	Gore	Metcalf	White
Burke	Hale	Radcliffe	
Byrd	Hastings	Steiwer	
Couzens	Keyes	Townsend	

NAYS—50

Adams	Costigan	Lewis	Overton
Bankhead	Donahay	Loneragan	Schwellenbach
Barkley	Duffy	McCarran	Sheppard
Bilbo	Fletcher	McGill	Shipstead
Black	Frazier	Maloney	Thomas, Okla.
Bone	George	Minton	Thomas, Utah
Borah	Gerry	Moore	Trammell
Bulow	Guffey	Murphy	Truman
Byrnes	Harrison	Murray	Van Nuys
Capper	Hatch	Neely	Wagner
Caraway	Hayden	Norris	Walsh
Clark	Johnson	Nye	
Connally	La Follette	O'Mahoney	

NOT VOTING—23

Ashurst	Copeland	Long	Robinson
Bachman	Davis	McAdoo	Russell
Brown	Dickinson	Norbeck	Schall
Bulkley	Dieterich	Pittman	Smith
Carey	King	Pope	Wheeler
Coolidge	Logan	Reynolds	

So Mr. TYDINGS' amendment was rejected.

Mr. HASTINGS. Mr. President, I should like to inquire of the Senator from New York with respect to paragraph (3) on page 4 and see if I clearly understand the paragraph. I desire to read it:

The term "employee" shall include any employee, and shall not be limited to the employees of a particular employer, unless the act explicitly states otherwise, and shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute—

And so forth. Was it the intention to have that definition include a person who is out on strike?

Mr. WAGNER. It may. It is similar to provisions in the Norris Anti-Injunction Act and the Railway Labor Act passed last year.

Mr. HASTINGS. It does, in fact, as I understand, permit the original employee to maintain his position unless he has taken employment with some other person.

Mr. WAGNER. Of course; the decisions of the courts, so far as I know, have generally regarded workers as employees even though they may be on strike.

Mr. HASTINGS. Referring to section 7, which has been read to the Senate several times by the Senator from Maryland [Mr. TYDINGS], does the Senator from New York understand that that section would permit employees to do all these things during working hours?

Mr. WAGNER. From what section is the Senator reading?

Mr. HASTINGS. Page 10, section 7. It describes certain rights which the employees shall have, namely:

The right to self-organization, to form, join, or assist labor organizations, to bargain collectively—

And so forth. Does that language contemplate that that may be done during working hours, and that the employer can do nothing about it?

Mr. WAGNER. May what be done during working hours?

Mr. HASTINGS. The various things mentioned in section 7. It states that—

Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining—

And so forth.

Mr. WAGNER. The Senator asks whether these things may be done during working hours?

Mr. HASTINGS. Yes.

Mr. WAGNER. Of course, if employees did that when they should be working, they would be subject to discharge.

Mr. HASTINGS. If they did that during working hours and in consequence were discharged, would not the employer be guilty of an unfair labor practice? I ask that because section 8, paragraph (1), says that—

It shall be an unfair labor practice for an employer—

(1) To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7.

Mr. WAGNER. No sensible person would interpret that language to mean that while a factory is at work the workers could suddenly stop their duties to have a mass meeting in the plant on the question of organization.

Mr. HASTINGS. The Senator does not think the language is subject to that construction?

Mr. WAGNER. Why, of course not.

Mr. HASTINGS. I desired to be certain that the RECORD would be clear upon that point.

Mr. WAGNER. The RECORD may be clear upon that point.

Mr. HASTINGS. Now let me inquire about paragraph (4), on page 11, which says that it shall be an unfair labor practice for an employer—

To discharge or otherwise discriminate against an employee because he has filed charges or given testimony under this act.

Suppose an employee should file a perfectly outrageous charge, one which was not true, and which he knew was not true: Under paragraph (4) is it the Senator's notion that the employer might, because of that, and even if that fact were shown, be found guilty of an unfair labor practice?

Mr. WAGNER. Merely because he has filed charges related to unfair labor practices no employee should be discriminated against. That is exactly what that section means; otherwise, even though there might be flagrant violations of the provisions of this measure, an employee would not be free to file charges. He would know that the moment the charges were filed he would be discharged.

Let me give the Senator—

Mr. HASTINGS. The Senator does not need to give any illustration.

Mr. WAGNER. No; but I wish to carry the matter a little further for the Senator's information.

In certain plants which now have company-dominated unions, the employees were asked to sign petitions, to be sent to their representatives, opposing this bill. I received personal letters from workers in which they said they had signed these petitions because they knew if they did not do so their jobs would be lost, and that they needed their jobs in order that their families might eat. It is that sort of discrimination which we wish to prevent.

Mr. HASTINGS. The trouble here is the same trouble we frequently have. In trying to correct one evil, we create a new one. I agree with all that. I agree that the worker ought to have a right to make complaint about the violation of this proposed law, and that he ought not to be discriminated against for so doing; but I had in mind whether we could not put in the measure a provision that a person

who did so in good faith should not be discriminated against, and not leave the provision as broad as it is, so that an employee might file charges maliciously, for instance, knowing that he could not lose his job even if he did so maliciously.

Mr. WAGNER. The suggestion of the Senator would bring up another question that would complicate the situation still more. I do not think the provision as it now stands will be subject to any abuse.

Mr. HASTINGS. The Senator from New York is in charge of the bill.

Mr. WAGNER. I am satisfied with the provision as it stands.

Mr. HASTINGS. In view of the vote upon the amendment offered by the Senator from Maryland [Mr. TYNDINGS], which it seemed to me ought to have been agreed to, I shall not offer any amendment to this provision. I simply call the Senator's attention to it.

Now may I inquire of the Senator from New York whether, in his judgment, this bill gets around—if I may use that expression—the many decisions of the Supreme Court which seem to me to hold definitely that the Congress cannot do this particular kind of thing?

Mr. WAGNER. The Senator from Delaware inquired as to whether the proposed act was intended to circumvent certain decisions of the courts?

Mr. HASTINGS. That is correct.

Mr. WAGNER. I do not know what particular cases the Senator has in mind, but I am sure he is acquainted with the case of Texas against Railway Clerks, in which the United States Supreme Court upheld an injunction that had been issued against a railroad company for interfering with the representatives of the railway clerks' union, who had been elected, as the evidence before the Court showed, by a majority of the railway clerks. The railway company, in order to have a bargaining agency more convenient to itself, organized a company union. The injunction dissolved the company-dominated unions, upheld workers' right to organize, and recognized the majority rule. In short, this court decision upholds the philosophy of the pending legislation.

Mr. HASTINGS. Mr. President, I reached the conclusion more than 2 or 3 years ago that this place is not the proper place to argue any constitutional question.

Mr. NORRIS. The Senator does not reach that conclusion because he has not heard constitutional questions discussed, does he?

Mr. HASTINGS. No. It is more or less of a joke around the Senate that anybody who talks about the Constitution or raises a constitutional question considers himself a constitutional lawyer. From my point of view, one does not have to be anything more than a law student to reach the conclusion that the proposed act is unconstitutional.

I went to the trouble to gather some extracts from the opinions of the Supreme Court and of other courts which I think are applicable to this particular subject. It would take me quite a little while to read them, and I doubt whether a reading of them would interest very many Members of the Senate. It occurred to me, however, that these quotations might be of some service at some other time if they were printed in the RECORD, and while it may be a little unusual, I was wondering whether I might get unanimous consent to have these extracts from these decisions placed in the RECORD at the end of my remarks. It would save a great deal of time.

Mr. BORAH. Mr. President, I do not wish to object to what the Senator is requesting, but I wish he would state the points to which the decisions run as to the unconstitutionality of the proposed legislation.

Mr. HASTINGS. I think I can state it briefly. Of course, the principle involved is the right of the individual to make his own bargain with his employer. That is the principal thing.

The Senator from Idaho will remember the case of Adair, as I recall the name, against a hospital in Washington, which involved the hours of labor for women, giving the authority to a board. One of the reasons why I should like

to have these decisions in this particular place is that I think they go to other things which are to come before the Congress within the next 2 or 3 weeks, such as the social security bill. The theory is that it denies the freedom of contract between an individual and his employer. I am quite certain, from my study of the pending bill, that it does that as completely as any bill that has ever been proposed in the Congress.

Mr. WAGNER. Will the Senator yield to me long enough to read a short extract? It will take but a moment.

Mr. HASTINGS. If the Senator will permit me to have these decisions incorporated, I shall close my remarks and yield the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

In *Adair v. United States* (208 U. S. 161, 52 Law Ed. 436) the Court held unconstitutional a provision of a Federal statute making it a criminal offense against the United States for an agent or officer of an interstate carrier, having full authority in the premises from his principal, to discharge an employee from the service of such carrier because of his membership in a labor organization.

Mr. Justice Harlan, speaking for the Court, said (p. 174):

"While, as already suggested, the right of liberty and property guaranteed by the Constitution against deprivation without due process of law is subject to such reasonable restraints as the common good or the general welfare may require, it is not within the functions of government—at least, in the absence of contract between the parties—to compel any person, in the course of his business and against his will, to accept or retain the personal services of another, or to compel any person, against his will, to perform personal services for another. The right of a person to sell his labor upon such terms as he deems proper is, in its essence, the same as the right of the purchaser of labor to prescribe the conditions upon which he will accept such labor from the person offering to sell it. . . . In all such particulars the employer and the employee have equality of right, and any legislation that disturbs that equality is an arbitrary interference with the liberty of contract which no government can legally justify in a free land. . . . [Italics ours.]

"As the relations and the conduct of the parties toward each other was not controlled by any contract other than a general employment on one side to accept the services of the employee and a general agreement on the other side to render services to the employer—no term being fixed for the continuance of the employment—Congress could not, consistently with the fifth amendment, make it a crime against the United States to discharge the employee because of his being a member of a labor organization. [Italics ours.]

"Looking alone at the words of the statute for the purpose of ascertaining its scope and effect, and of determining its validity, we hold that there is no such connection between interstate commerce and membership in a labor organization as to authorize Congress to make it a crime against the United States for an agent of an interstate carrier to discharge an employee because of such membership on his part. If such a power exists in Congress, it is difficult to perceive why it might not, by absolute regulation, require interstate carriers, under penalties, to employ, in the conduct of its interstate business, only members of labor organizations, or only those who are not members of such organizations—a power which could not be recognized as existing under the Constitution of the United States. . . ."

Again, in *Coppage v. Kansas* (236 U. S. 1, 59 Law Ed. 441), which involved the constitutionality of a statute of Kansas declaring it a misdemeanor for an employer or any of his employees to coerce, require, demand, or influence any person or persons to enter into any agreement, either written or verbal, not to join or become or remain a member of any labor organization or association, as a condition of such person or persons securing employment, or continuing in the employment of such individual, firm, or corporation, the Court, after elaborate discussion and review of the decided cases, held that the State statute was repugnant to the fourteenth amendment of the Federal Constitution.

Mr. Justice Pitney, speaking for the Court, said (p. 14):

" . . . Included in the right of personal liberty and the right of private property—partaking of the nature of each—is the right to make contracts for the acquisition of property. Chief among such contracts is that of personal employment, by which labor and other services are exchanged for money or other forms of property. If this right be struck down or arbitrarily interfered with, there is a substantial impairment of liberty in the long-established constitutional sense. The right is as essential to the laborer as to the capitalist, to the poor as to the rich; for the vast majority of persons have no other honest way to begin to acquire property save by working for money. [Italics ours.]

I do not contend that employers and employees do not have the right to enter into voluntary agreements with each other that the employees shall or shall not become members of a labor organization. But, as held by the Court in *Adair v. United States*, supra, the purchase of labor by the employer and the sale of

labor by the employee are property rights guaranteed by the Constitution. Congress does not have the constitutional power to prohibit by legislation an employer from discharging an employee from service because of his membership in a labor organization, such holding being based upon the ground that there is no such connection between interstate commerce and membership in a labor organization as to authorize Congress to make it a crime against the United States for officers or employees of an interstate carrier to discharge an employee from service because of such membership on his part.

To the same effect is *Adkins et al. v. Children's Hospital of the District of Columbia* (261 U. S. 525, 67 Law Ed. 785). That case involved the constitutionality of an act of Congress providing for the fixing of minimum wages for women and children in the District of Columbia. Any violation of the act by an employer or his agent constituted a misdemeanor, punishable by fine and imprisonment. One of the declared purposes of the act was "to protect the women and minors of the District from conditions detrimental to their health and morals, resulting from wages which are inadequate to maintain decent standards of living; and the act, in each of its provisions and in its entirety, shall be interpreted to effectuate these purposes." The act was held unconstitutional.

Mr. Justice Sutherland, speaking for the Court, said (p. 545):

"The statute now under consideration is attacked upon the ground that it authorizes an unconstitutional interference with the freedom of contract included within the guaranties of the due process clause of the fifth amendment. That the right to contract about one's affairs is a part of the liberty of the individual protected by this clause is settled by the decisions of this court, and is no longer open to question (*Allgeyer v. Louisiana* (165 U. S. 578, 591, 41 L. ed. 832, 836, 17 Sup. Ct. Rep. 427); *New York L. Ins. Co. v. Dodge* (246 U. S. 357, 373, 374, 62 L. ed. 772, 781, 782, 38 Sup. Ct. Rep. 337, Ann. Cas. 1918C, 593); *Coppage v. Kansas* (236 U. S. 1, 10, 14, 59 L. ed. 441, 444, 446, L. R. A. 1915C, 960, 35 Sup. Ct. Rep. 40); *Adair v. United States* (208 U. S. 161, 52 L. ed. 436, 28 Sup. Ct. Rep. 277, 13 Ann. Cas. 764); *Lochner v. New York* (198 U. S. 45, 49 L. ed. 937, 25 Sup. Ct. Rep. 539, 3 Ann. Cas. 1133); *Butchers' Union S. H. & L. S. L. Co. v. Crescent City L. S. L. & S. H. Co.* (111 U. S. 746, 28 L. ed. 585, 4 Sup. Ct. Rep. 652); *Muller v. Oregon* (208 U. S. 412, 421, 52 L. ed. 551, 555, 28 Sup. Ct. Rep. 324, 13 Ann. Cas. 957)). Within this liberty are contracts of employment of labor. In making such contracts, generally speaking, the parties have an equal right to obtain from each other the best terms they can as the result of private bargaining."

Again in *Lochner v. New York* (198 U. S. 45, 49 Law Ed. 937), a New York State statute was held unconstitutional which restricted the employment of all persons in bakeries to 60 hours per week and 10 hours in any one day. Mr. Justice Peckham, speaking for the Court, said (p. 56):

"It must, of course, be conceded that there is a limit to the valid exercise of the police power by the State. There is no dispute concerning this general proposition. Otherwise the fourteenth amendment would have no efficacy and the legislatures of the States would have unbounded power; and it would be enough to say that any piece of legislation was enacted to conserve the morals, the health, or the safety of the people; such legislation would be valid, no matter how absolutely without foundation the claim might be. The claim of the police power would be a mere pretext—become another and delusive name for the supreme sovereignty of the State, to be exercised free from constitutional restraint."

And again (pp. 57, 58):

"It is a question of which of two powers or rights shall prevail—the power of the State to legislate or the right of the individual to liberty of person and freedom of contract. The mere assertion that the subject relates, though but in a remote degree, to the public health, does not necessarily render the enactment valid. The act must have a more direct relation, as a means to an end, and the end itself must be appropriate and legitimate, before an act can be held to be valid which interferes with the general right of an individual to be free in his person and in his power to contract in relation to his own labor."

Coming, then, directly to the statute (p. 58), the Court said:

"We think the limit of the police power has been reached and passed in this case. There is, in our judgment, no reasonable foundation for holding this to be necessary or appropriate as a health law to safeguard the public health or the health of the individuals who are following the trade of a baker. If this statute be valid, and if, therefore, a proper case is made out in which to deny the right of an individual, sui juris, as employer or employee, to make contracts for the labor of the latter under the protection of the provisions of the Federal Constitution, there would seem to be no length to which legislation of this nature might not go."

And, after pointing out the unreasonable range to which the principle of the statute might be extended, the Court said (p. 60):

"It is also urged, pursuing the same line of argument, that it is to the interest of the State that its population should be strong and robust, and therefore any legislation which may be said to tend to make people healthy must be valid as health laws, enacted under the police power. If this be a valid argument and a justification for this kind of legislation, it follows that the protection of the Federal Constitution from undue interference with liberty of person and freedom of contract is visionary wherever the law is sought to be justified as a valid exercise of the police power. Scarcely any law but might find shelter under such assumptions, and 'conduct', properly so-called, as well as contract, would come under the restrictive sway of the legislature."

And further (p. 61):

"Statutes of the nature of that under review, limiting the hours in which grown and intelligent men may labor to earn their living, are mere meddlesome interferences with the rights of the individual * * * whose rights are interfered with, unless there be some fair ground, reasonable in and of itself, to say that there is material danger to the public health or to the health of the employees if the hours of labor are not curtailed."

Charles Wolff Packing Company v. Court of Industrial Relations of the State of Kansas (262 U. S. 522, 67 Law Ed. 1103) involved the validity of the Court of Industrial Relations Act of Kansas. The act declared the following to be affected with a public interest: First, manufacture and preparation of food for human consumption; second, manufacture of clothing for human wear; third, production of any substance in common use for fuel; fourth, transportation of the foregoing; fifth, public utilities and common carriers. The act vested an industrial court of three judges with power, upon its own initiative or on complaint, to summon the parties and hear any dispute over wages or other terms of employment in any such industry, and if it should find the peace and health of the public imperiled by such controversy it was required to make findings and fix the wages and other terms for the future conduct of the industry. The Supreme Court held that the act, insofar as it permitted the fixing of wages in the Wolff packing house, was in conflict with the fourteenth amendment and deprived it of its property and liberty of contract without due process of law.

Mr. Chief Justice Taft, speaking for the Court, said (p. 533):

"The necessary postulate of the Industrial Court Act is that the State, representing the people, is so much interested in their peace, health, and comfort that it may compel those engaged in the manufacture of food and clothing, and the production of fuel, whether owners or workers, to continue in their business and employment on terms fixed by an agency of the State, if they cannot agree. Under the construction adopted by the State supreme court, the act gives the industrial court authority to permit the owner or employer to go out of the business, if he shows that he can only continue on the terms fixed at such heavy loss that collapse will follow; but this privilege, under the circumstances, is generally illusory (*Block v. Hirsh* (256 U. S. 135, 157; 65 L. Ed. 865, 871; 16 A. L. R. 165; 41 Sup. Ct. Rep. 458)). A laborer dissatisfied with his wages is permitted to quit, but he may not agree with his fellows to quit or combine with others to induce them to quit.

"These qualifications do not change the essence of the act. It curtails the right of the employer, on the one hand, and of the employee, on the other, to contract about his affairs. This is part of the liberty of the individual protected by the guaranty of the due-process clause of the fourteenth amendment (*Meyer v. Nebraska*, decided June 4, 1923 (262 U. S. 390, ante, 1042; — A. L. R. —; 43 Sup. Ct. Rep. 625)). While there is no such thing as absolute freedom of contract, and it is subject to a variety of restraints, they must not be arbitrary or unreasonable. Freedom is the general rule, and restraint the exception. The legislative authority to abridge can be justified only by exceptional circumstances (*Adkins v. Children's Hospital*, decided April 9, 1923 (261 U. S. 525; ante, 785; 24 A. L. R. 1238; 43 Sup. Ct. Rep. 394))."

After the above decision and after receipt of the mandate of the Supreme Court the State court rendered certain judgments, whereupon the company again took the case to the Supreme Court (297 U. S. 552, 69 Law Ed. 785). The Court, speaking through Mr. Justice Van Devanter, on the second appeal, said (p. 569):

"The system of compulsory arbitration which the act establishes is intended to compel, and if sustained will compel, the owner and employees to continue the business on terms which are not of their making. It will constrain them not merely to respect the terms if they continue the business, but will constrain them to continue the business on those terms. True, the terms have some qualifications, but, as shown in the prior decision, the qualifications are rather illusory and do not subtract much from the duty imposed. Such a system infringes the liberty of contract and rights of property guaranteed by the due process of law clause of the fourteenth amendment. 'The established doctrine is that this liberty may not be interfered with, under the guise of protecting the public interest, by legislative action which is arbitrary or without reasonable relation to some purpose within the competency of the State to effect' (*Meyer v. Nebraska*, 262 U. S. 390, 399; 67 L. ed. 1042, 1045; 29 A. L. R. 1446; 43 Sup. Ct. Rep. 625)."

Hitchman Coal & Coke Co. v. Mitchell et al. (245 U. S. 229, 62 L. ed. 260) involved the matter of an injunction against interference by members of a labor organization with the plaintiff's relations with its employees. Mr. Justice Pitney, speaking for the Court, said (pp. 250-251):

"* * * Whatever may be the advantages of 'collective bargaining', it is not bargaining at all, in any just sense, unless it is voluntary on both sides. The same liberty which enables men to form unions, and through the union to enter into agreements with employers willing to agree, entitles other men to employ no man who owes any allegiance or obligation to the union. In the latter case, as in the former, the parties are entitled to be protected by the law in the enjoyment of the benefits of any lawful agreement they may make. This Court repeatedly has held that the employer is as free to make nonmembership in a union a condition of employment as the workman is free to join the union, and that this is a part of the constitutional rights of personal liberty and private property, not to be taken away even by legislation, unless through some proper exercise of the paramount police power (*Adair v. United States*, 208 U. S. 161, 174, 52 L. ed. 436, 442, 28 Sup. Ct. Rep. 277, 13 Ann. Cas. 764; *Coppage v. Kansas*, 236

U. S. 1, 14, 59 L. ed. 441, 446; L. R. A. 1915C, 960, 35 Sup. Ct. Rep. 240) * * *"

Goldfield Consolidated Mines Co. v. Goldfield Miners' Union, No. 220, et al. (159 Fed. 500), involved the validity of a Nevada Statute which provided:

"SECTION 1. It shall be unlawful for any person, firm, or corporation to make or enter into any agreement, either oral or in writing, by the terms of which any employee of such person, firm, or corporation, or any person about to enter the employ of such person, firm, or corporation, as a condition for continuing or obtaining such employment, shall promise or agree not to become or continue a member of a labor organization, or shall promise or agree to become or continue a member of a labor organization.

"SEC. 2. Any person or persons, firm or firms, corporation or corporations, violating the provisions of section 1 of this act shall be deemed guilty of a misdemeanor," etc.

The Court said (p. 514):

"It is a constitutional right of an employer to refuse to have business relations with any person or with any labor organization, and it is immaterial what his reasons are, whether good or bad, well or ill founded, or entirely trivial and whimsical. Under the conditions existing in Goldfield at the time the resolutions were published, it is possible that the only practical method of exercising this right was to require all employees to refrain from being or becoming members of the Western Federation of Miners. Thus we have a right guaranteed by the Constitution, and its exercise blocked, or at least hindered and restricted, by the statute of Nevada. It is too clear to require a citation of authorities that the legislature has no power to restrict the exercise of a constitutional right, unless the interests of the public, as distinguished from the interests of the individual, or of a class of individuals, demand such restraint. The act so forbidden by the legislature must be detrimental to the public welfare, and the health, safety, or morals of the community to justify such interference. There can be no pretense here, and none is made, that the execution of such a contract as the one in question has any tendency to injure the health, safety, or morals of the public, or of either employer or employees. It is clear that the Nevada statute deprives the employer of the right to contract as to certain matters which may be vital to him, and that it also, while not preventing, does obstruct the exercise of his right to exclude objectionable persons from his employ. The fact that the statute includes an element which is not found in any other similar statute to which attention has been called, in that it prohibits contracts requiring employees to join a union as a condition of employment, in no wise heals its invalidity; the added element simply makes larger and wider the invasion of the liberty of the employer to fix the terms and conditions upon which he will contract for labor.

"The terms 'life, liberty, and property' as used in the Federal Constitution, embrace every right which the law protects. They include not only the right to hold and enjoy but also the means of holding, enjoying, acquiring, and disposing of property. The right to labor is property. It is one of the most valuable and fundamental of rights. The right to work is the right to earn one's subsistence, to live, and to support wife and family. The right of master and servant to enter into contracts, to agree upon the terms and conditions under which the one will employ and the other will labor, is property. The master has the right to fix the terms and conditions upon which he is willing to give employment; the servant has the right to fix the terms and conditions upon which he will labor, and any statute which curtails and limits that right deprives the party affected of his property; and, in the same measure, of his liberty. Both parties are free to enter into, or refuse to enter into, the contract. Before the law there is the same freedom to employ as to work, to buy as to sell, to choose one's employee as to choose one's employer."

Montgomery et al. v. Pacific Electric Ry. Co. (C. C. A. 9th Circuit) (293 Fed. 680) was a suit in equity by the railway company against Montgomery and others to make permanent a preliminary injunction restraining the defendants from interfering with the contractual relations existing between the railway company and its employees.

The contention was made that the contract in question was in violation of the Penal Code of California.

The provision of the penal code, which was quoted in the opinion, was held unconstitutional.

The Court said (p. 684):

"It is contended, however, that, conceding that there were contractual relations between the plaintiff and its employees, as stated in the complaint, the contract was in violation of law under section 679 of the Penal Code of California, which provides:

"Any person or corporation within this State, or agent or officer on behalf of such person or corporation, who shall hereafter coerce or compel any person or persons to enter into an agreement, either written or verbal, not to join or become a member of any labor organization, as a condition of such person or persons securing employment or continuing in the employment of any such person or corporation, shall be guilty of a misdemeanor."

"In *Coppage v. State of Kansas* (236 U. S. 1, 26, 35 Sup. Ct. 240, 59 L. ed. 441, L. R. A. 1915C, 960), the Supreme Court of the United States held a similar statute in Kansas 'repugnant to the "due process" clause of the fourteenth amendment, and therefore void.' We are of the opinion that this decision is controlling in this case, and that the statute of the State is void."

Gillespie v. People (Supreme Court of Illinois) (58 N. E. 1007) involved the constitutionality of an Illinois statute which provided:

"That it shall be unlawful for any individual or member of any firm, or agent, officer, or employee of any company or corporation to prevent, or attempt to prevent, employees from forming, joining, and belonging to any lawful labor organization, and any such individual, member, agent, officer, or employee that coerces or attempts to coerce employees by discharging or threatening to discharge from their employ or the employ of any firm, company, or corporation because of their connection with such lawful labor organization, shall be guilty of a misdemeanor, and upon conviction shall be fined in any sum not exceeding \$100 or be imprisoned for not more than 6 months, or both, in the discretion of the court."

The statute was held unconstitutional. The Court said (p. 1009):

"* * * The terms 'life', 'liberty', and 'property' are representative terms and intended to cover every right to which a member of the body politic is entitled under the law. These terms include the right of self-defense, freedom of speech, religious and political freedom, exemption from arbitrary arrests, the right freely to buy and sell as others may. Indeed, they may embrace all our liberties, personal, civil, and political, including the rights to labor, to contract, to terminate contracts, and to acquire property. None of these liberties and rights can be taken away, except by due process of law (2 Story, Const. (5th ed.), sec. 1950). The rights of life, liberty, and property embrace whatever is necessary to secure and effectuate the enjoyment of those rights. The rights of liberty and of property include the right to acquire property by labor and by contract (*Ritchie v. People*, 155 Ill. 98, 40 N. E. 454, 29 L. R. A. 79). If an owner cannot be deprived of his property without due process of law, he cannot be deprived of any of the essential attributes which belong to the right of property without due process of law. Labor is property. The laborer has the same right to sell his labor, and to contract with reference thereto, as any other property owner. The right of property involves, as one of its essential attributes, the right not only to contract but also to terminate contracts. * * *

People v. Marcus (Court of Appeals, New York) (77 N. E. 1073) involved the constitutionality of a New York statute, which provided:

"Any person or persons, employer or employers of labor, and any person or persons of any corporation or corporations on behalf of such corporation or corporations, who shall hereafter coerce or compel any person or persons, employee or employees, laborer or mechanic, to enter into an agreement, either written or verbal from such person, persons, employee, laborer, or mechanic, not to join or become a member of any labor organization, as a condition of such person or persons securing employment, or continuing in the employment of any such person or persons, employer or employers, corporation or corporations, shall be deemed guilty of a misdemeanor."

The statute was held unconstitutional. The Court said (p. 1074):

"* * * Contracts for labor may be freely made with individuals or a combination of individuals, and so long as they do not interfere with public safety, health, or morals they are not illegal. The views of this Court as to what constitutes freedom to contract in relation to the purchase and sale of labor and as to what contracts relating thereto are lawful and enforceable were stated with much detail and ability by the members of the Court when the cases of *National Protective Association v. Cumming* (170 N. Y. 315, 63 N. E. 369, 58 L. R. A. 135, 88 Am. S. Rep. 648) and *Jacobs v. Cohen* (183 N. Y. 207, 76 N. E. 5) were decided, and the decisions in those cases are substantially controlling in the determination of this appeal."

"In *National Protective Association v. Cummings*, supra, it was said that a person may refuse to work for another on any ground that he may regard as sufficient and the employer has no right to demand a reason for it, but even if the reason is that the employee refuses to work with another who is not a member of his organization, it does not affect his right to stop work or to refuse to enter upon an employment. The converse of this statement must be true, and an employer of labor may refuse to employ a person who is a member of any labor organization or he may make an employment conditional upon the person employed refraining from joining or becoming a member of a labor organization. It is a well-known fact that combinations of employees and also of employers require their members to do or refrain from doing many things which they deem to their individual and combined advantage while a person not a member of such an organization can act in accordance with the terms of such agreement as he may choose to make. A person employing labor may decide that it is to his advantage to employ only union labor, and be willing to enter into an agreement necessary to procure such labor or he may decide that it is to his advantage to employ non-union labor, in which case he may also decide that it is to his advantage to make the employment conditional upon an agreement that such employee will not join or become a member of a labor organization."

In *Jacobs v. Cohen*, supra, an employees' union sued certain manufacturing employers on a promissory note given by them as collateral security to be applied as liquidated damages for the violation of a certain agreement by which the manufacturing employers agreed not to employ any help whatsoever other than members of said labor union who should procure a pass card showing that they were in good standing in said union, and by which they further agreed to conform to the rules and regulations of said union and cease to employ anyone not in good

standing in said union, and by which they further agreed to many restrictive and other provisions relating to the conduct of their business, which are stated more fully in the prevailing and dissenting opinions in this court. The answer in the second separate defense alleged in substance that the contract was in restraint of trade, and that its purpose is to combine employers and employees whereby the freedom of the citizen in pursuing his lawful trade and calling is, through said contract, combination, and arrangement, hampered and restricted, and that it also for the purpose of coercing workmen to become members of a particular employees' organization under penalty of loss of position and deprivation of employment, and that it is against public policy and unlawful. Two questions were submitted to this court, viz: (1) Is a contract made by an employer of labor, by which he binds himself to employ and to retain in his employ only members in good standing of a single labor union, consonant with public policy and enforceable in the courts of justice in this State? (2) Is the "second" separate defense, contained in the answer herein of the defendants Morris Cohen and Louis Cohen, insufficient upon the face thereof to constitute a defense? Both of these questions were answered in the affirmative, and the court said: "Whatever else may be said of it, this is the case of an agreement voluntarily made by an employer with his workmen, which bound the latter to give their skilled services for a certain period of time, upon certain conditions, regulating the performance of the work to be done and restricting the class of workmen, who should be engaged upon it, to such persons as were in affiliation with an association organized by the employer's workmen with reference to the carrying on of the very work. It would seem as though an employer should be unquestionably free to enter into such a contract with his workmen for the conduct of the business without its being deemed obnoxious upon any ground of public policy. If it might operate to prevent some persons from being employed by the firm, or possibly, from remaining in the firm's employment, that is but an incidental feature. Its restrictions were not of an oppressive nature, operating generally in the community to prevent such craftsmen from obtaining employment and from earning their livelihood. It was but a private agreement between an employer and his employees concerning the conduct of the business for a year, and securing to the latter an absolute right to limit the class of their fellow workmen to those persons who should be in affiliation with an organization entered into with design of protecting their interests in carrying on the work."

"That freedom to contract which entitles an employer to make by agreement his place of business wholly within the control of a labor union entitles him, if he so desires, to require of his employees that they be wholly independent of any labor union."

Re Opinion of the Justices, Massachusetts Supreme Judicial Court (171 N. E. 234), involved the constitutionality of a bill introduced in the State legislature, as to the constitutionality of which the State supreme court was requested to render an opinion, which bill declared that provisions in contracts of employment whereby either party undertook not to join, become, or remain a member of a labor union or of any organization of employers, or undertook in such event to withdraw from the contract of employment, to be against public policy and void. The State supreme court held the bill would be unconstitutional if enacted into law.

The court based its decision principally on the decisions of the Supreme Court in *Adair v. United States*, supra; *Coppage v. Kansas*, supra; and *Adkins v. Children's Hospital*, supra.

The Court said (p. 235):

"The principles thus declared by the Supreme Court of the United States prevail in this Commonwealth. The provisions of articles 1, 10, and 12 of the declaration of rights of the constitution of this Commonwealth are as strong in protection of individual rights and freedom as those of the fifth and fourteenth amendments to the Constitution of the United States. It was said in *Commonwealth v. Perty* (155 Mass. 117, 121, 28 N. E. 1126, 1127, 14 L. R. A. 325, 31 Am. St. Rep. 533): 'The right to acquire, possess, and protect property includes the right to make reasonable contracts, which shall be under the protection of the law.' To the same general effect are *Opinion of the Justices* (208 Mass. 619, 94 N. E. 1044, 34 L. R. A. (N. S.) 771); *Rice, Barton & Fales Machine & Iron Foundry Co. v. Willard* (242 Mass. 566, 572, 136 N. E. 629); *Moore Drop Forging Co. v. McCarthy* (243 Mass. 554, 137 N. E. 919); and *A. T. Stearns Lumber Co. v. Howlett* (260 Mass. 45, 60, 61, 157 N. E. 82, 52 A. L. R. 1125). The *Adair* and *Coppage* cases have been recognized and followed in *Opinion of the Justices* (220 Mass. 627, 630, 108 N. E. 807, L. R. A. 1917B, 1119); *Bogni v. Perotti* (224 Mass. 152, 155, 112 N. E. 853, L. R. A. 1916F, 831); and *Opinion of the Justices* (Mass.) (166 N. E. 401, 63 A. L. R. 838). The views expressed in these several opinions and decisions, which need not be further amplified, are decisive of the question here propounded. There is a wide field for the valid regulation of freedom of contract in the exercise of the police power in the interests of the public health, the public safety, or the public morals, and, in a certain restricted sense, of the public welfare. * * *

State, etc., v. Daniels (Supreme Court of Minnesota) (136 N. E. 584) involved the constitutionality of a Minnesota statute which made it an offense for an employer to require or influence any person to agree not to join or remain in a labor union as a condition of obtaining or retaining employment.

The court held the State statute unconstitutional under the decision of the Supreme Court in *Adair v. United States*, supra.

The court said (p. 586):

"* * * It therefore necessarily follows that, when the Supreme Court of the United States held the provision of the act of Congress in the particular upon which the first count of the indictment in the *Adair* case is based to be void as an encroachment upon the personal rights guaranteed by the language quoted from the fifth amendment, a similar provision in an act of the legislature of a State must likewise be held to be an invasion of the same rights and prohibited in the very same terms by section 1 of the fourteenth amendment, limiting the powers of the States.

"Insofar as the Federal Supreme Court has declared an enactment of a legislative body to be in contravention of the Constitution of the United States, this Court is in duty bound to follow and declare an act of like character, scope, and effect invalid. Section 5097 (R. L. 1905) in this particular, under which the prosecution against *relator* is attempted, is so essentially like that part of the act of Congress under which the indictment of *Adair* was drawn in its scope, purpose, and result that it may not be distinguished therefrom * * *."

Bemis v. State (C. C. A. Oklahoma) (152 Pac. 456) involved the constitutionality of an Oklahoma statute which provided:

"Any person or corporation within the State, or agent, or officer on behalf of such person or corporation, who shall hereafter cause or compel any person to enter into an agreement either written or verbal, not to join or be a member of any labor organization as a condition of such person securing employment or continuing in the employment of any such person or corporation, shall be guilty of a misdemeanor, and upon conviction shall be fined a sum not less than \$200, nor more than \$1,000, or imprisonment in the county jail not less than 90 days nor more than 12 months, or both such fine and imprisonment."

The court held the statute unconstitutional, citing in support of its decision *Adair v. United States*, supra, and *Coppage v. Kansas*, supra.

State, etc., v. Kreutzberg (Supreme Court, Wisconsin) (90 N. W. 1098) involved the constitutionality of a Wisconsin statute providing that no person or corporation shall discharge an employee because he is a member of any labor organization. The statute was held invalid as imposing a restraint on individual freedom guaranteed by the State and Federal Constitutions. The court said (p. 1102):

"Free will in making private contracts, and even in greater degree in refusing to make them, is one of the most important and sacred of the individual rights intended to be protected. That the present act curtails it directly, seriously, and prejudicially cannot be doubted. The success in life of the employer depends on the efficiency, fidelity, and loyalty of his employees. Without enlarging upon or debating the relative advantages or disadvantages of the labor union, either to its members or to the community at large, it is axiomatic that an employer cannot have undivided fidelity, loyalty, and devotion to his interests from an employee who has given to an association right to control his conduct. He may by its decision be required to limit the amount of his daily product. He may be restrained from teaching his art to others. He may be forbidden to work in association with other men whose service the employer desires. He may not be at liberty to work with such machines or upon such materials or products as the employer deems essential to his success. In all these respects he may be disabled from the full degree of usefulness attributable to the same abilities in another who had not yielded up to an association any right to restrain his freedom of will and exertion in his employer's behalf according to the latter's wishes. Such considerations an employer has a right to deem valid reasons for preferring not to jeopardize his success by employing members of organizations. A man who has by agreement or otherwise shackled any of his faculties—even his freedom of will—may well be considered less useful or less desirable by some employers than if free and untrammelled. Whether the workman can find in his membership in such organizations advantages and compensations to offset his lessened desirability in the industrial market is a question each must decide for himself. His right to freedom in so doing is of the same grade and sacredness as that of the employer to consent or refuse to employ him according to the decision he makes. We must not forget that our Government is founded on the idea of equality of all individuals before the law. Such restraints as may be placed on one may be placed on another. If the liberty of the employer to contract or refuse to contract may be denied, so may that of the employee * * *."

Mr. McKELLAR. Mr. President, section 7 of the bill reads as follows:

Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection.

The Senator from Maryland [Mr. TYDINGS] offered an amendment to add the words "without intimidation or coercion from any source." It seemed to me that that was a perfectly proper and appropriate amendment. I voted for the amendment believing that it would be to the best interest of the employees.

I am not sure that there is to be a yea-and-nay vote on the bill, and I want to say that I am thoroughly in favor

of it, and expect to vote for it, believing it will do great good in aiding in the settling of disputes between employers and employees.

The PRESIDING OFFICER. Are there further amendments to be offered? If not, the question is, Shall the bill be engrossed and read a third time?

The bill was ordered to be engrossed for a third reading and to be read the third time.

The bill was read the third time.

Mr. LA FOLLETTE. Mr. President, in connection with the bill before the Senate, I ask to have printed in the RECORD at this point, as a part of my remarks, a statement by Rt. Rev. Monsignor John A. Ryan, director of the social action department of the National Catholic Welfare Conference; a statement by the Reverend James Myers, industrial secretary of the Federal Council of Churches of Christ in America; and a statement by Rabbi Sidney E. Goldstein, chairman of the social justice commission of the Central Conferences of American Rabbis.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statements referred to are as follows:

STATEMENT BY RT. REV. MSGR. JOHN A. RYAN, DIRECTOR, SOCIAL ACTION DEPARTMENT, NATIONAL CATHOLIC WELFARE CONFERENCE

With practical unanimity, the economic historians and the economists have for many years held that labor organization is necessary for the protection of the workers. The argument is very simple: The individual wage earner does not possess equal bargaining power with the individual employer; in order to obtain a reasonable measure of such equality, he must combine with his fellows and act as one moral person in the bargaining process.

To bring about this condition is the main object of the Wagner bill. Hence, sections 7 to 9 seem to be the most important of the entire bill. Section 7 describes the right of organization in general terms. Sections 8 and 9 would make this right effective. No reasonable objection can be raised to the provisions of section 8 which forbid the employer to interfere with free organization by his employees, to dominate, interfere with, or contribute financially to any labor organization. Unless these provisions are enforced by law, the bargaining power of the employees is seriously and fatally diminished.

The provision for majority rule is likewise essential to effective bargaining and equality of bargaining power. While the device of proportional representation of different groups of workers in an establishment for purposes of collective bargaining has a certain appearance of fairness, it is entirely impracticable at the present time in the United States. The representatives of the regular labor unions will not sit down on the same side of the bargaining table with the representatives of a company union or with the representatives of a Communist union. This may be deplorable, but it is a fact that cannot be changed by any amount of preaching or legislation in the near future. Therefore, the only practical solution is to let the representatives who have been elected by the majority of the employees in any plant or industry carry on the bargaining process for the whole group. After all, this exemplifies the principle of majority rule which obtains throughout all the political processes of election and legislation.

STATEMENT BY THE REVEREND JAMES MYERS, INDUSTRIAL SECRETARY, FEDERAL COUNCIL OF THE CHURCHES OF CHRIST IN AMERICA

While the Federal Council of the Churches of Christ in America has taken no action on the bill as such, I desire to call your attention to recent important declarations of the council on labor relations which bear upon the basic principles involved.

In January 1935, the executive committee of the Federal Council of the Churches of Christ in America adopted the following resolution:

"Whereas the Federal Council of the Churches of Christ in America has from its beginning contended for the right of labor as well as of employers to organize and deal collectively through representatives of their own choosing as the most hopeful method of assuring orderly, just, and cooperative industrial relations; be it

"Resolved, That the executive committee of the Federal Council of the Churches of Christ in America, while recognizing that all parties involved—labor, employers, and the general public—have rights and liberties which must be conserved, favors the strengthening of the authority and effectiveness of impartial national and regional labor boards."

In June 1934, the executive committee passed the following declarations: "Serious conflict has arisen over the refusal of strong employing groups to recognize trade unions and their determination to limit negotiations with labor to dealings with their own employees. The reasons for labor's insistence upon a broad basis of organization and upon representation of the workers by persons chosen and paid by themselves are too plain for argument. They are precisely the same reasons that impel employers to organize and to secure the ablest representatives of their own interests, chosen and paid by themselves."

The Federal Council of the Churches of Christ in America, which is a federation of 23 national Protestant denominations, has for the 26 years of its existence stood for the right of labor

as well as employers to organize. The official document, known as the "Social Ideals of the Churches", enumerates many social ideals for which the churches should stand, including article no. 8, which reads: "The right of employees and employers alike to organize for collective bargaining and social action; protection of both in the exercise of this right; the obligation of both to work for the public good."

The executive committee of the Federal Council has also declared it to be a moral obligation of organized labor to admit to its membership "competent workers without distinction of nationality or race." I would recommend that the bill be amended so as to safeguard this principle.

The majority-rule provisions of the bill are, in my judgment, in line with our democratic traditions, and comparable for the workers to the provision in codes for employers which constitutes an employers' association with a substantial majority of employers of an industry as the spokesman for the entire industry.

In my opinion, the passage of the national labor relations bill is essential to peaceful progress in labor relations in this country. From my wide observation of labor conditions in various parts of the country it is my solemn judgment that there is real danger of prolonged bitter labor controversy which will greatly disturb the general welfare of the Nation unless this legislation is adopted to safeguard the inherent rights of the parties to industry. This, as I see it, is the duty of the Government.

STATEMENT BY RABBI SIDNEY E. GOLDSTEIN, CHAIRMAN SOCIAL JUSTICE COMMISSION, CENTRAL CONFERENCE OF AMERICAN RABBIS

We heartily endorse and support the Wagner bill for two reasons: In the first place, it establishes as the law of the land the right of the workers to organize and bargain collectively through representatives of their own choosing; in the second place, it outlaws unfair practices on the part of employers in their relation to the working classes.

The history of labor in America and in other countries proves that the workers can advance their own welfare only to the degree that they acquire power to bargain collectively through organization of forces. Wages are increased, hours are shortened, and working conditions improved not by the employer but through the demand labor is able to make by virtue of its strength.

In this economic crisis it is more necessary than ever to protect and preserve the rights of labor to organize and to direct its own destiny. It is only through a decrease in hours and an increase in income that the workers can assure themselves even a reasonable amount of employment and a decent standard of living. With 12,000,000 men and women still out of work, full-time labor must insist upon a reduction in the weekly hours of work. With the annual income of the great mass of the working classes far below a normal level it is impossible to escape from this morass of misery. There can be no recovery from the economic collapse until the working classes recover their purchasing power. The chief hope lies not in the employers' groups and their codes but in the National Labor Board that this bill is designed to establish that in turn will protect the workers and promote their welfare.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. LA FOLLETTE. I ask for the yeas and nays on the final passage of the bill.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. DAVIS. I have a general pair on this question with the junior Senator from Kentucky [Mr. LOGAN], who is unavoidably detained. I understand that if he were present he would vote as I am about to vote. Therefore I feel free to vote. I vote "yea."

Mr. BULKLEY. I have a pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent from the Senate. If present, he would vote as I intend to vote. I therefore feel free to vote and shall vote. I vote "yea."

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] is necessarily detained from the Senate on official business. If present, he would vote "yea."

Mr. MCKELLAR. My colleague [Mr. BACHMAN] is unavoidably detained from the Senate. He has a pair with the Senator from Iowa [Mr. DICKINSON]. If my colleague were present he would vote "yea", and I am informed that if the Senator from Iowa [Mr. DICKINSON] were present he would vote "nay."

Mr. BYRD. My colleague, the senior Senator from Virginia [Mr. GLASS] is unavoidably absent. He has a special pair on this question with the Senator from New Hampshire [Mr. BROWN]. If present, the Senator from New Hampshire would vote "yea", and my colleague would vote "nay."

Mr. ROBINSON. I desire to announce that the Senator from New Hampshire [Mr. BROWN], the Senator from Massachusetts [Mr. COOLIDGE], the junior Senator from Illinois [Mr. DIETERICH], the Senator from Oklahoma [Mr. GORE],

the senior Senator from Illinois [Mr. LEWIS], the Senator from Nevada [Mr. PITTMAN], the Senator from Idaho [Mr. POPE], the Senator from Georgia [Mr. RUSSELL], and the Senator from South Carolina [Mr. SMITH] are necessarily detained from the Senate.

I regret to announce that the Senator from Utah [Mr. KING] is detained from the Senate on account of illness.

The Senator from North Carolina [Mr. REYNOLDS] is necessarily detained from the Senate on official business in the Virgin Islands.

Mr. AUSTIN. I wish to announce a general pair between the Senator from Minnesota [Mr. SCHALL] and the Senator from Oklahoma [Mr. GORE]. I am not informed how either Senator would vote on this question if they were present and voting.

I also announce that the Senator from South Dakota [Mr. NORBECK] is necessarily absent.

The result was announced—yeas 63, nays 12, as follows:

YEAS—63

Adams	Costigan	Long	Radeliffe
Bankhead	Couzens	McAdoo	Robinson
Barbour	Davis	McCarran	Schwollenbach
Barkley	Donahay	McGill	Sheppard
Bilbo	Duffy	McKellar	Shipstead
Black	Fletcher	McNary	Steiwer
Bone	Frazier	Maloney	Thomas, Okla.
Borah	George	Minton	Thomas, Utah
Bulkley	Gerry	Moore	Trammell
Bulow	Guffey	Murphy	Truman
Byrnes	Harrison	Murray	Van Nuys
Capper	Hatch	Neely	Wagner
Caraway	Hayden	Norris	Walsh
Clark	Johnson	Nye	Wheeler
Connally	La Follette	O'Mahoney	White
Copeland	Loneragan	Overton	

NAYS—12

Austin	Byrd	Hastings	Townsend
Bailey	Gibson	Keyes	Tydings
Burke	Hale	Metcalf	Vandenberg

NOT VOTING—19

Ashurst	Dickinson	Lewis	Reynolds
Bachman	Dieterich	Logan	Russell
Brown	Glass	Norbeck	Schall
Carey	Gore	Pittman	Smith
Coolidge	King	Pope	

So the bill was passed.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. THOMAS of Oklahoma. Mr. President, on May 8 I entered a motion to reconsider the vote by which the bill H. R. 3896, an act to provide for immediate payment to veterans of the face value of their adjusted-service certificates, and for other purposes, was passed by the Senate. This is the bill known as the "bonus bill." At this time I ask unanimous consent to withdraw that motion.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and the motion is withdrawn.

Mr. LA FOLLETTE. Mr. President, I understood the Senator from Oklahoma to ask unanimous consent to withdraw only one motion, and I think he made several.

Mr. THOMAS of Oklahoma. I understand that the granting of the request to withdraw the motion to reconsider the vote by which the bill was passed automatically kills the other motions I have entered. If not, of course the position of the Senator from Wisconsin would be good. As a parliamentary inquiry I ask whether my position is not correct.

The PRESIDING OFFICER. The Chair is advised by the parliamentary clerk that the Senator's position is correct.

NAVY DEPARTMENT APPROPRIATION BILL

Mr. BYRNES. I move that the Senate proceed to the consideration of House bill 7672, being the naval appropriation bill.

Mr. McNARY. Mr. President, there is considerable confusion in the Senate Chamber. What is the nature of the bill?

Mr. BYRNES. It is the naval appropriation bill.

Mr. BORAH. Is it the purpose of the Senator from South Carolina to ask for its immediate consideration?

Mr. BYRNES. I move that the Senate proceed to consider House bill 7672, and make it the unfinished business.

Mr. ROBINSON. Mr. President, it is my intention to move that the Senate recess until Monday at 12 o'clock noon if the naval appropriation bill shall be taken up for consideration.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina [Mr. BYRNES].

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. BYRNES. I ask unanimous consent that the formal reading of the bill be dispensed with, and that it be read for amendment, the committee amendments to be first considered.

The PRESIDING OFFICER. Without objection it is so ordered.

RETURN OF DOMESTIC ANIMALS DUTY FREE

Mr. HARRISON. Mr. President, I desire to submit a unanimous-consent request. This morning, from the Committee on Finance, there was reported back favorably, without amendment, the bill (H. R. 6143) to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free. It deals with an emergency matter. It is recommended by the proper department of the Government. I ask unanimous consent for its immediate consideration.

Mr. McNARY. Mr. President, some explanation should be made. Why should the bill be brought up this evening?

Mr. HATCH. Mr. President, may I offer a word of explanation? A companion bill was introduced in the Senate by my late colleague, Mr. Cutting, and myself. The bill extends the time within which cattle taken into a foreign country may be brought back to the United States. Under the existing law the time is limited, and they must be returned within 8 months after being taken out of the United States. In my State, as we all know, and in adjoining States the drought last year required the sending of a great number of our cattle into the Republic of Mexico. Our ranges are not as yet in condition for the return of those cattle. The bill would give an additional time in which to return the cattle to the United States without the payment of duty.

Mr. McCARRAN. Mr. President, may I ask what additional time is provided?

Mr. HATCH. The bill provides an additional time of about 1 year.

Mr. McCARRAN. What protection is afforded in the bill for American cattle? In other words, certain American cattle were sent into the Republic of Mexico. What assurance have we that the same cattle or their increment will come back?

Mr. HATCH. They must be the same cattle. The cattle are tallied as they go into the Republic of Mexico, and the same cattle, with their increment, are returned. The general law covers that situation.

Mr. McCARRAN. Because of my respect for and confidence in the Senator from New Mexico I am not going to object, but it seems to me the bill might be subject to various objections. However, I believe the Senator from New Mexico is so well versed in the subject that I had rather yield to his judgment and let the bill pass.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi for the immediate consideration of the bill?

There being no objection, the bill (H. R. 6443) to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of subparagraph (c) of paragraph 1606 of title II of the Tariff Act of 1930, horses, mules, asses, cattle, sheep, and other domestic animals, straying across the boundary line into any foreign country, or which have been driven across such boundary line by the owner for temporary pasturage purposes only, or which may so stray or be driven before November 1, 1935, and the offspring and increase

of any such animals, whether or not accompanying the parent animals, shall be admitted free of duty under regulations to be prescribed by the Secretary of the Treasury, if brought into the United States at any time before June 30, 1936.

Mr. HATCH subsequently said: Mr. President, the Senator from Nevada propounded a question to me a moment ago about House bill 6143, which has just passed the Senate, the measure relating to bringing cattle back into the United States. I did not then have the exact information on the subject about which he inquired. I now have it. The bill provided that the time should be extended until June 30, 1936, a little more than a year. I told the Senator I believed it was about a year.

Mr. McCARRAN. Mr. President, the thought I had in mind, I will say to the Senator from New Mexico, is the same thought which of necessity he must have in mind and which the Senator from Wyoming [Mr. O'MAHONEY], who stands by his side, must have in mind, and which everyone representing the cattle-producing and public-range States must have in mind, namely, do we get back the same cattle or the same number of cattle we sent out, together with their natural increment? If we are to get no more, I think we would have no objection, but if we are to get more, then, of course, we would all object. I think the Senator will agree to that statement.

Mr. HATCH. What the Senator from Nevada does not want is the importation of foreign beef into the United States, and I stand exactly where the Senator from Nevada stands on that proposition.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—AUTHORIZATION TO SIGN BILL

Mr. THOMAS of Oklahoma. Mr. President, I understand the Senate will shortly recess or adjourn until Monday. In the regular course of business the so-called "bonus bill" would go back to the House for enrollment, there be signed by the Speaker, and then would have to come to the Senate for signature by the Vice President before it could go to the President. Inasmuch as we are to be in recess or adjournment for 2 or 3 days, I send to the desk a resolution for which I ask immediate consideration.

The PRESIDING OFFICER. The resolution will be read. The legislative clerk read the resolution, as follows:

Resolved, That the President of the Senate be, and he is hereby, authorized to sign, after the recess of the Senate today, the enrolled bill H. R. 3896, the so-called "soldiers' adjusted-compensation bill."

Mr. THOMAS of Oklahoma. I ask unanimous consent for the immediate consideration of the resolution.

Mr. NORRIS. Mr. President, under the resolution the Senator has offered the bill could not go through the House until tomorrow and the Vice President would have no authority to sign it. Why does the Senator limit it to today?

Mr. ROBINSON. Mr. President, I suggest that the Senator from Oklahoma merely submit the request that during the recess of the Senate the Vice President may sign the bill.

Mr. THOMAS of Oklahoma. The wording of the resolution is perfectly clear. It merely authorizes the Vice President "to sign after the recess of the Senate today" the so-called "soldiers' adjusted-compensation bill."

Mr. NORRIS. I did not understand it that way.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma for the immediate consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

FARMERS' VISIT TO WASHINGTON

Mr. CONNALLY. Mr. President, I send to the desk a telegram which I ask the clerk to read.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

CINCINNATI, OHIO, May 16, 1935.

HON. TOM CONNALLY,

Senate Office Building:

Please say to Senator HASTINGS in reply to insinuations made on Senate floor that farmers who met in Washington to thank the administration for its support in lifting agriculture out of

slough of despond that farmers in attendance paid their own expenses, hired Constitution Hall at cash of in excess of \$800 for two meetings, and were cordially invited to listen to our beloved President from White House balcony. Why should anyone think we have exhausted our efforts with this puny attendance? Let him guarantee their expenses and we will send up five million. Please read this on Senate floor.

MISSOURI DELEGATION.

WAGES OF LABOR UNDER WORKS PROGRAM

Mr. McCARRAN. Mr. President, in the New York Times of today, Thursday, May 16, there appeared an article under the headline "Thirty percent pay cut asked under works plan. Tentative proposal is made to Roosevelt for slash from prevailing rates." I ask that the article in its entirety, being about one column in length, be inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of May 16, 1935]

THIRTY PERCENT PAY CUT ASKED UNDER WORKS PLAN—TENTATIVE PROPOSAL IS MADE TO ROOSEVELT FOR SLASH FROM PREVAILING RATES—VARYING LEVELS PROVIDED—COUNTRY WOULD BE DIVIDED AND SKILLED, UNSKILLED, AND INTERMEDIATE CLASSES ARE SUGGESTED

WASHINGTON, May 15.—A basic framework for labor's wages under the \$4,000,000,000 work program, calling for a 30 percent slash in prevailing hourly rates on construction jobs, tonight was disclosed to have been drawn tentatively for White House approval.

Emphasizing that President Roosevelt has yet to approve the proposal, a high official, who would not permit use of his name, said that monthly payments were expected to vary from \$16 for unskilled labor in the South to \$96 for a skilled workman in New York City.

The average, he said, would exceed the \$50-a-month security wage on which the work program was planned. It compares with a monthly average of \$29.50 on jobs now conducted under the Relief Administration, on which prevailing wages are paid, but which provide only enough employment given to meet a worker family's relief needs.

Still undetermined in the tentative schedule were the monthly allotment of work hours to labor and the total cost of labor's share of the outlays. Detailed wage regulations were expected to be submitted to the White House shortly by Harry L. Hopkins, works progress director.

The official quoted said that present plans called for three classifications of workers, with gradations in pay. Separate wage schedules would be provided for the six major regions, still undisclosed, into which the country has been divided.

THREE HUNDRED AND TWENTY WORK AREAS MARKED OUT

In some quarters it was said the new wage scales, which are to apply to all relief jobless, with the exception of the Civilian Conservation Corps, will be modified to fit conditions in 320 work areas already marked out by Mr. Hopkins. A survey of the cost of living for low-income families in 59 representative cities was to be completed shortly.

Present Public Works regulations provide minimum rates for two classes of labor—skilled and unskilled in the northern, central, and southern zones—but require payment of prevailing union wages if the latter are higher.

The new works schedule would set up an intermediate class of semiskilled workers, with pay about midway between the skilled and unskilled.

If the President approves the 30-percent reduction, officials said that payments will range from 29 cents to 35 cents an hour for common labor, from 50 to 60 cents for semiskilled, and from 70 to 85 cents for skilled. These were described as falling 30 percent below Public Works Administration averages based on prevailing rates.

At present the P. W. A. minimum ranges from 40 cents for unskilled and \$1 for skilled in the southern zone to 45 cents and \$1.10 in the central and 50 cents and \$1.20 in the northern zones.

WHITE-COLLAR JOBS TO BE FOUND

Most of the 750,000 white-collar people now on relief were said to fall in the skilled and semiskilled classes. These were to receive research or administrative work.

Some difficulties in carrying out the wage schedule were foreseen by officials from the fact that present scales were to be continued on P. W. A. projects already under construction or contract.

The McCarran amendment, which would have required that prevailing wages be paid under the \$4,000,000,000 program, was defeated in the Senate after administration leaders contended it would destroy work plans. A compromise was adopted instructing the President to increase payments if the prevailing wage was being broken down and to pay prevailing wages on Federal construction.

What wage would be paid if factories supplying materials and equipment should be required to fill jobs from relief rolls also was said to be undecided.

The proposal was offered by officials who contended that the work program otherwise would not substantially benefit mining and similar areas.

Mr. McCARRAN. Mr. President, I desire now, in keeping with the pronouncement made in that article, to read into the RECORD again a letter over the signature of the President, of date February 21 of this year, addressed to the senior Senator from Virginia [Mr. GLASS], in which the President said:

In response to your telephonic inquiry, I am very glad to repeat what I told you and several members of your committee last week.

Every action of the administration during the past 2 years has been directed, first, to the objective of raising wage scales, which, from the point of view of public interest, were set at unconscionably low levels; and, secondly, we have constantly followed the objective of preventing reductions in existing wage scales.

There is more to the letter, Mr. President. I ask that the entire letter follow the excerpt which I have inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

THE WHITE HOUSE,
Washington, February 21, 1935.

DEAR SENATOR GLASS: In response to your telephonic inquiry, I am very glad to repeat what I told you and several members of your committee last week.

Every action of the administration during the past 2 years has been directed, first, to the objective of raising wage scales which, from the point of view of public interest, were set at unconscionably low levels; and, secondly, we have constantly followed the objective of preventing reductions in existing wage scales.

So much for that, except that I might add that both of these objectives are constantly before us and will continue so to be.

As you are aware, the practical operation of the principle of collective bargaining, plus the operation of the National Industrial Recovery Act, have in the overwhelming majority of cases of organized and unorganized labor either raised wages or prevented any reduction in wages.

I object to and deny any assertion that the payment of wages to workers now on the relief rolls at less than the prevailing rate of wages may, under some theory, result in a lowering of wages paid by private employers. I say this because it is an obvious fact—first, that the Federal Government and every State government will act to prevent reductions; and, secondly, because public opinion throughout the country will not sustain reductions.

I have enough faith in the country to believe that practically 100 percent of employers are patriotic enough to prevent the lowering of wages. In this thought they will have the full support of the Government.

I think that the record of this administration has demonstrated that in the administering of this legislation I will not permit anything to be done that will result in lowering the wage scale of the Nation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. McCARRAN. Then, Mr. President, on that date the able senior Senator from Virginia [Mr. GLASS], having the floor, said, among other things:

I repeat, I do not see how gentlemen here who have given us an exhibition of rhetorical commendation of the President can now have so little confidence in him as not to believe what he has said to the committee and now says, through me, to the Senate, that he is not going to permit the things to be done which they apprehend, and therefore they are going to vote for the McCarran amendment.

Following that, Mr. President, I desire to read from the CONGRESSIONAL RECORD of March 15, in which the junior Senator from New York [Mr. WAGNER] saw fit, in his splendid way, to change his position and vote against the amendment then pending. He said:

I still fear there will be grievous consequences if less than the prevailing wage is paid in any substantial areas where work is done under this joint resolution.

Following that, I desire to read from the speech of the able junior Senator from New York, wherein he said—and I refer again to the RECORD of March 15, at page 3692:

In view of the incontestable truth that wages seek the lowest level, I feel sure that this language imposes upon President Roosevelt the obligation in most instances to set substantially the prevailing rate.

Again, Mr. President, I draw the attention of the Senate to the RECORD of the same date—to wit, March 15—at page 3692, in which the junior Senator from New York said, among other things:

I am of the opinion that any wage fixed by the President which would be substantially below the wage paid in private industry

would at once bring the wage of private industry down to the level fixed. Therefore, to carry out the mandate of the President, in my opinion—and I am rather certain of my convictions upon the subject—practically the prevailing rate of wage will be paid.

On the same date the able Senator from Idaho [Mr. BORAH], in a colloquy between himself and the able Senator from Wyoming [Mr. O'MAHONEY], said, among other things:

Does the Senator from Wyoming believe that the so-called compromise amendment of the Senator from Georgia will result in maintaining the prevailing wage in this country?

To which the able Senator from Wyoming [Mr. O'MAHONEY] said, "I do."

Mr. President, I said on the floor of the Senate on that day and on previous days that there was a movement, insidious in its activity, to tear down the prevailing wage structure of the country, and if the report which I have inserted in the RECORD today—and the publication in which it appears is not the only one which carries it—is true in any part whatever, then we are only on the threshold of what seems to me to be an avalanche designed to tear down the standard of living of the American worker. If we tear down the standard of living of the American worker, then we tear down the standard of existence of every business in the country, because every dollar that the worker earns goes into business; and when we tear down the standard of wages, we tear down the standard of living; and when we tear down the standard of living every business must of necessity suffer.

Mr. President, I wish to say now that, in keeping with his great record, I do not believe the President of the United States, the President who stands today responsible for democracy, will permit either Mr. Hopkins or anyone else to induce him to do that which he has not done in the emergency through which we have passed in the past 2 years. I do not believe Mr. Hopkins can prevail upon the President to do it; and I am now saying in this body, in order that we may understand each other, under the courtesy of the very kind and gracious Senator from South Carolina [Mr. BYRNES], that if this movement, augmented and put forth by Mr. Hopkins, is to prevail, there is not enough force between here and perdition to save democracy in the years to come, because democracy has always leaned with its entire weight upon the toilers of this country; and if the earnings of the toilers are to be cut down, and the prevailing wage structure is to be destroyed, then I wonder where democracy will find a safe resting place in the years to come.

Mr. President, I lay this matter before the Senate, together with the excerpts I have read, as a preliminary to an effort which I propose to continue; because, if the wage structure of this country is to be torn down, if there is not another Senator—and I know I am not alone—who will stand on the floor of the Senate to make a battle for the under dog, there will be at least one to insist that the wage structure of the country shall be maintained, so that the toilers of America shall not be reduced to the degradation of the serfdom of Japan and Russia, and so that the American standard of living may endure.

EXECUTIVE SESSION

Mr. LEWIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Appropriations, reported favorably the nomination of Morris L. Cooke, of Pennsylvania, to be Administrator of the Rural Electrification Administration.

He also, from the Committee on Post Offices and Post Roads, reported favorably the nomination of R. Waldo Wetengel to be postmaster at Rush Springs, Okla., in place of J. L. Coyle.

The PRESIDING OFFICER (Mr. MALONEY in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of Leo F. Sanchez to be register of the land office, Santa Fe, N. Mex.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST GUARD

The legislative clerk read the nomination of LeRoy Reinburg to be captain in the Coast Guard.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Elmer F. Stone to be commander in the Coast Guard.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. LEWIS. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

MICHAEL L. IGOE

Mr. LEWIS. Mr. President, I desire to bring to the attention of the Senate the fact that there has been nominated to be United States district attorney for the northern district of Illinois the Honorable MICHAEL L. IGOE, Representative at large for the State of Illinois. The report from the Committee on the Judiciary favoring his confirmation was handed to my colleague the junior Senator from Illinois [Mr. DIETERICH]. I have been informed by my colleague that he was called to the University of Virginia because of the illness of his son, and I am inclined to think, from what I have heard, that the report is in his pocket.

The district attorney now in the office, Mr. Dwight H. Green, has resigned and wishes to leave the office; the Attorney General is very anxious to have the position filled, and I am compelled to ask the Senate to indulge me that I may move the confirmation of the nomination of Mr. Igoe upon the report of the Committee on the Judiciary.

I should like to say to the Senate that the Senators from Illinois, all the Representatives, the Governor of the State, and the citizens of Chicago endorse Mr. Igoe, and he is very worthy. The present incumbent of the office is a very high-class gentleman, and as he is about to enter into some sort of partnership, to start on Monday, there is no one to take charge of the office, and I desire to move the confirmation of Mr. Igoe's nomination.

The PRESIDING OFFICER. The Chair understands that the request should be that the Committee on the Judiciary be discharged from the further consideration of the nomination.

Mr. LEWIS. I should not like to ask that the committee be discharged. The report has been made, and it is in the pocket of my colleague.

The PRESIDING OFFICER. As the Chair understands, it is not in order to ask for the confirmation. The Senate does not have the authority to grant such a request. The Senate has not the report of the committee.

Mr. LEWIS. The report is not here. I am informed that it is in the pocket of my colleague. The Chairman of the Committee on the Judiciary, the Senator from Arizona [Mr. ASHURST], informed me that the report was in the possession of my colleague, and when I attempted to get in touch with my colleague I found that some unhappy illness had befallen one of the members of his family which called him away from the city.

The PRESIDING OFFICER. The Chair is advised that the only way to accomplish what the Senator from Illinois desires is to discharge the Committee on the Judiciary from the further consideration of the nomination.

Mr. LEWIS. I do not wish to do anything that looks like a discourtesy. That is what I am seeking to avoid. As the Senate is to take a recess until Monday, I should like to have

the new district attorney confirmed so that he may take his oath on Monday.

The PRESIDING OFFICER. The Chair is further advised that a motion to discharge the committee would not be a discourtesy, and that such action is often taken.

Mr. LEWIS. If that is the procedure, I ask that the Committee on the Judiciary be discharged from the further consideration of the nomination.

The PRESIDING OFFICER. Without objection, the Committee on the Judiciary is discharged from the further consideration of the nomination of MICHAEL L. IGOE to be United States attorney for the northern district of Illinois.

Mr. LEWIS. I now ask that the Senate proceed to the consideration of the nomination.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the nomination?

Mr. AUSTIN. Mr. President, what is the office?

Mr. LEWIS. United States attorney for the northern district of Illinois.

The PRESIDING OFFICER. The nomination will be stated.

The legislative clerk read the nomination of MICHAEL L. IGOE, of Illinois, to be United States attorney, northern district of Illinois.

Mr. WHEELER. Mr. President, it seems to me it is a rather unusual procedure to discharge a committee from the consideration of a matter when the chairman of the committee is not present.

Mr. LEWIS. The chairman of the committee saw me, and explained to me that he was going to be absent. My colleague and I are anxious to have Mr. IGOE take his oath of office on Monday, the office being vacant, the previous occupant having resigned and having formed a connection to start Monday. In view of the fact that the Senate is about to take a recess until Monday, I asked unanimous consent that the Committee on the Judiciary be discharged from the further consideration of the nomination, and that Mr. IGOE be unanimously confirmed by the Senate.

Mr. WHEELER. The nomination has been reported by the committee?

Mr. LEWIS. It was reported favorably by the committee.

The PRESIDING OFFICER. The question is, Shall the Senate advise and consent to the nomination?

The nomination was unanimously confirmed.

Mr. LEWIS. I ask unanimous consent that the President be immediately notified.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the President will be notified.

RECESS TO MONDAY

Mr. BYRNES. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Monday.

The motion was agreed to; and (at 5 o'clock and 11 minutes p. m.) the Senate, in legislative session, took a recess until Monday, May 20, 1935, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 16 (legislative day of May 13), 1935

UNITED STATES ATTORNEY

Michael L. Igoe to be United States attorney, northern district of Illinois.

REGISTER OF LAND OFFICE

Leo F. Sanchez to be register of the land office, Santa Fe, N. Mex.

PROMOTIONS IN THE COAST GUARD

LeRoy Reinburg to be captain.

Elmer F. Stone to be commander.

POSTMASTERS

MINNESOTA

Ora M. Goodfellow, Kenyon.

NEW YORK

Oren G. Hunter, Parish.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 16, 1935

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thanks be unto God, our Father, for His unspeakable gift to the world. He alone is truly great who lives in the fear of God and in the spirit of the Galilean Teacher. Beget in us a supreme passion for a life of large ideals, of profound emotions and sweet and abiding friendships. Allow no pride or carelessness to cause us to regard lightly the wonderful securities of virtue. Write in our hearts the Ten Statutes of Sinai. They are perfect in their character and perpetual in their obligation, and in keeping them there is great reward. Bow down Thy ear, O Lord, and hear. Do Thou cleanse and uplift the cities of our country; may they heed Thy law; every sin that blasts and kills is condemned by it, and every inspiration that saves flows from Thy immortal word. We praise Thee that Thy kingdom is an everlasting kingdom and Thy dominion endureth forever. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

THE ONLY SOLUTION OF THE RAILROAD PROBLEM

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, in clear, direct language that every Member of both Houses of Congress should profit by, Mr. J. G. Luhrsens, of Chicago, secretary-treasurer of the Railway Labor Executives' Association, and president of the American Train Dispatchers' Association, has pointed out the only solution of the railroad problem.

It is the solution involved in the bill of Senator WHEELER for Government ownership of railroads. It is the solution that far-visioned economists have been advocating for years.

Mr. Luhrsens's statement, which lies before me, contains these forceful and unanswerable assertions:

I am convinced that Government ownership is the only solution from the standpoint of the railroad workers.

Curtailments of railroad service are inevitable under the present vicious circle, and curtailments mean fewer jobs.

Today 45,000 miles of railroads are in receivership. There will and should be others, because they cannot make their fixed charges on top-heavy financial structures.

The Government is continuing to pour money into them. While doing this, it is encouraging curtailments so that its investment will be protected.

Eventually the curtailments will reach a point where Government ownership will be the only means of protecting the workmen and providing adequate service.

It is not necessary for me to tell my colleagues in Congress that the Supreme Court's adverse decision on the Railroad Pension Act has given impetus to the movement for Government ownership of railroads. Mr. Luhrsens, from whom I have quoted, believes that the decision of the high tribunal closes the door against any pension system in which the railroads are compulsory contributors—at least, until there is at least one change among members of the Court. He is also convinced that, instead of trying to provide pensions under the prevailing arrangement of private ownership of the roads, it would be better for the Government to take them over and initiate a system that would not only include a fair pension allowance but would also assure the public of efficient service at a minimum of cost and the workers of wages adequate to enable them to enjoy the comforts as well as have the bare necessities.

On some other occasion I shall refer to the reactionary effects of many of the decisions of the Supreme Court and the frequency with which the Court has discovered that

social-justice legislation is unconstitutional. Other Congressmen have more than once shown that the founding fathers never intended to have the Supreme Court exercise any such veto power over legislation and that arrogated to itself this power without any legal sanction. Of this I shall also speak later. Just now it is sufficient to say that an utterly reactionary decision, which is apparently aimed at all social-security legislation, as well as this particular act, will be likely to tremendously speed up the movement for Government ownership of railroads.

I do not suffer from any illusion that the Supreme Court sought this end. But regardless of its intentions, it has contributed toward such an objective. That is about the only complimentary comment that can be made regarding the Court's decision. Accidentally the foes of progress sometimes give material assistance to the cause they meant to retard. Perhaps this is again happening and history once more repeats itself.

THE BEAVER-MAHONING CANAL

Mr. CROSBY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CROSBY. Mr. Speaker, I wish to state my reasons for opposing the proposed construction of the Beaver-Mahoning Canal, as recommended by the Chief of Engineers, War Department, and included in the omnibus bill for the improvement of rivers and harbors throughout the United States, now before the Senate for consideration.

First. All the Army engineers who made first-hand investigation recommended against it as uneconomical, with the exception of the Chief of Army Engineers and Board of Army Engineers, who reversed all the others and recommended it as favorable; but this final favorable report contains so many provisos and inaccuracies as really to be an adverse report.

Second. It will take from the railroads running from the Pittsburgh district to Youngstown the greater part of their traffic, and will practically put them out of business.

Third. It will prevent coal miners who do not have mines or tipples on the rivers from selling coal in Youngstown, thereby lessening their production, and causing them to operate with many less coal miners and employees.

Fourth. Instead of increasing employment, which is alleged as one of its main justifications, it will by transferring the traffic of two steel mills from railroads to the canal, actually put permanently out of railroad service 3,500 men, consisting of engine and trainmen, trackmen, shopmen, and others.

Fifth. It is solely to enable two steel mills at Struthers, Ohio, to procure coal and limestone without railroad service, and at the cost of the taxpayers.

Sixth. While these shipments may be made at less cost to the producers and consumers, the actual cost will be paid by the taxpayers and local communities, and will exceed railroad charges for the same traffic, this being a subsidy to the two steel mills.

Seventh. Many industries along the canal will be so damaged by the construction as to render them unfit for operation, and some have already signified their intention to cease operation, which will throw their employees out of work.

Eighth. Coal producers in Ohio, who produced 11,000,000 tons in 1934, have joined an association to oppose it, as they will lose large markets for their coal.

Ninth. The railroads which would be affected by this canal are now paying more than \$8,000,000 in taxes to the State and local treasuries.

RENT CONDITIONS IN THE DISTRICT OF COLUMBIA

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech I delivered on the rent situation in the city of Washington.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech I delivered at protest meeting against high rents in Washington, D. C., Thursday, April 25, 1935:

This is the first time I have had the privilege to speak at a mass meeting of my constituents in the District of Columbia. Under the Constitution, the Congress exercises for the citizens of the District of Columbia the functions of the State and of the National Legislature. Therefore every citizen—indeed, every resident of the District of Columbia—is a constituent of mine. I am bound, by virtue of my oath and by virtue of my office, to legislate justly and fairly for the people of the District of Columbia, and I intend to carry out that obligation to the best of my ability.

THE HEAVY BURDEN OF THE SMALL-HOME OWNER

Ever since I have come to the Congress I have worked continuously and persistently to improve the plight of the home owners, to lessen the burden of debt against their properties, to stop the foreclosures of their homes, and to generally improve their conditions.

I have no quarrel with, and indeed I warmly sympathize and intend to aid and assist those who own real property for rental to tenants, provided that they are willing to charge a fair and just rental—a rental commensurate with the real investment in or a fair value of their properties, but I, for one, will fight against excessive or exorbitant rentals. I shall fight rentals which cannot be justified either by the investment in or by the fair value of the property. The rental conditions in the District of Columbia are becoming oppressive and burdensome to private and to public employees who must live in the District of Columbia. Moreover, the acute housing shortage and high rentals are interfering with the efficient and proper functioning of the employees of the Federal Government living in the District of Columbia. In the interests of the efficient operation of the regular and emergency departments of the Government of the United States these conditions should be eliminated.

THE HOUSING SITUATION IN WASHINGTON

For some time past the housing shortage in the District of Columbia has been acute. There have been less than 200 vacant apartments of any kind. Many employees of the Government, whose work is essential to the proper conduct of the affairs of the Government of the United States have been unable to find living quarters in the city of Washington at a rental which they can afford to pay, and often at any rental.

There are 104 machinists working at the navy yards in essential and necessary occupations who are forced to live in the city of Baltimore, more than 40 miles away. I know of employees who must travel to their work 40 to 45 miles each morning and the same distance each evening, a total of 80 to 90 miles a day.

Such a long journey to and from work undermines the health and energy of these public employees and interferes with the efficient performance of their duties in the Government of the United States; thus it interferes with the proper functioning of the Government of the United States and is a matter of serious concern to the Congress.

UNSCRUPULOUS LANDLORDS

As I said, I have no quarrel with the legitimate landlord who is content to obtain a reasonable return on his investments and a fair rent for the use of his premises. My quarrel is with those landlords who have in the last few months increased their rents in many cases as high as 50 percent. Washington should be a model to the Nation in housing. It should have modern and sanitary homes in attractive surroundings at fair rentals. Instead of being a model to the Nation, it has unspeakable slums, crowded alley dwellings, and wide-spread blighted areas.

HOW FAMILIES ON RELIEF LIVE

A very interesting study was made last year under the auspices of the Board of Public Welfare of the District of Columbia. It examined the housing conditions of 6,596 families on relief. Of those, only 1,454 lived in houses with electricity. Only 3,357, or 44.4 percent had bathroom facilities which were adequate. In 2,437 cases the families were compelled to share a single bathtub with other families. Although these 6,595 families lived in what should properly be called "slums" they spend over a million dollars a year out of their relief money on rents.

I want to quote a paragraph from the letter accompanying the report covering this study. It reads:

"Next to the matter of overcrowding and lack of proper sanitary facilities, the subject which stands out is the fact that an unjustifiable amount of rent is paid for hundreds of really uninhabitable dwellings. Rentals are at least 45 percent higher in Washington than in the other cities of the United States."

The families on relief are not the only ones who suffer from overcrowded quarters and excessive rentals. That is a condition which is widespread in the city of Washington.

The complaints from the people of the District of Columbia and from those who visit the Nation's Capital have become so numerous, so persistent, and so well based on facts that they can no longer be ignored.

PROPOSED REMEDIAL LEGISLATION

I understand that it is the purpose of this mass meeting not only to protest against existing conditions but also to seek out

remedies and to present an appropriate solution of the conditions confronting the District of Columbia. I want to submit my own personal thoughts on legislation which I feel is necessary to deal with this situation. The legislation which I desire to submit falls into two parts:

First, temporary legislation to protect the people of the District and the Federal employees during the duration of the emergency and until the housing shortage has disappeared and rents have become stabilized upon a fair basis. H. R. 3809 is designed as such emergency legislation. It establishes a rent commission in the District of Columbia. The commission is to have power to increase or decrease the rents after full consideration of the fair and reasonable value of the property, of its character and condition, and of the character of the service, if any, furnished in connection therewith. The commission shall allow to the owner of the property a fair return upon his investment.

This is the substance of my bill, H. R. 3809.

It has been asserted that the bill is unconstitutional. Such an assertion is based upon ignorance or malice. The same rent commission—the same legislation—has been held to be constitutional by the Supreme Court of the United States in the case of Block against Hirsh, decided in 1921, and reported in Two Hundred and Fifty-sixth United States Reports, page 135.

The passage of H. R. 3809 is necessary as emergency legislation for the purpose of preventing further increases in rents, where they are unjustified. This cannot be criticized by those landlords who desire to charge fair and equitable rents, because under this legislation the interest of the property owner will be fully and adequately protected. A fair rent based on the fair value of the property should be and will be allowed.

H. R. 3809 is temporary emergency legislation. If it fails of passage, the city of Washington will experience, after the adjournment of this session of Congress, the increase of the present level of rents to fantastic heights. It is only the fact that this bill has been pending and the threat of its enactment which has protected the people of Washington against many unjustified rent increases, which had been planned by apartment owners and which have been only temporarily set aside.

H. R. 3809 should be passed as a protective measure until the housing shortage has been met by new buildings.

NEW HOUSING BADLY NEEDED

Second. What the city of Washington needs is the building of new homes, the building of low-cost housing available to Government employees, the building of modern and decent homes with adequate light, air, sunshine, and garden and playground facilities. Community housing projects which would stand as a model to the Nation are a crying need for the District of Columbia. Private enterprises and speculative real-estate interests have never been able to and never will be able to meet the housing needs for families with low incomes. Modern low-cost housing can only be constructed with the aid and assistance of the Federal Government and of local housing authorities. This is provided for in H. R. 7399.

A PERMANENT HOUSING AGENCY IS PROVIDED FOR IN H. R. 7399

H. R. 7399 sets up the administrative machinery and provides for the necessary funds to give to the people of the United States modern housing, real homes, sunny and airy homes at low cost.

There has been much talk and discussion concerning housing, some of it sound and some of it just ballyhoo. But what we need is not talk but action. We must have a permanent, independent housing agency in the United States. Only in that way will we get modern, large-scale, low-cost housing. Housing must be carried on as a matter of permanent policy and not as an emergency measure. Therefore, H. R. 7399 establishes the United States Housing Authority as a body corporate, with sufficient powers and funds to carry out, either directly or through local housing agencies, large-scale community housing projects for families of low or modest incomes.

This bill has been endorsed by many building-trades councils, by central labor unions, and by other organizations.

We speak of an American standard of living. We do have a high standard of living in the United States, but as far as housing is concerned, we are many years behind Europe. Immediately after the war there was a housing shortage in Europe just as there was one in America, but there was also a very strong and persistent public demand for Government housing measures which would give decent and modern housing at a cost or at rentals which workers and employees of low income could pay.

If we add up the housing achievements of several European nations with a combined population just about equaling that of the United States, we find that they have built some four and a half million new homes with Government aid and removed from the ordinary speculative field of private enterprise, with standards higher than almost anything built at any price in America, and with rentals available to industrial and white-collar workers.

Many economists moreover believe that the public housing activities in Europe have been the most important individual factor in fighting unemployment over there.

NEW CONSTRUCTION MUST BE ENCOURAGED

If we want modern, large-scale, low-cost housing in the United States, we should enact H. R. 7399 and establish the United States Housing Authority.

New construction, both by private capital and with Government aid, is the only permanent solution of the present situation of high rents for what are in most instances unsatisfactory homes.

New construction will not only terminate the present rent emergency; it will revive the construction industry, provide employment, and stimulate national recovery.

The people living in the city of Washington, whether they are Government employees or private citizens, whether they come to live here permanently or only come to visit for a few days, for a few weeks, or for a few months, are entitled to modern, decent homes, to homes full of light, sunshine, and air, to homes amidst lawns, trees, and gardens at fair and reasonable rentals.

In the emergency created by the depression, for the purpose of bringing recovery to a stricken people, and under the authority of laws passed by Congress, the Federal Government has established emergency agencies which have brought thousands of additional Government employees into Washington.

HEAVY POPULATION INCREASES MAKE RENT CONTROL IMPERATIVE

On February 28, 1933, there were employed in the District of Columbia in the executive branches of the Federal Government 66,802 persons. That number increased to 79,913 as of February 28, 1934, and to 95,517 as of February 28, 1935.

Within the last 2 years the Federal Government has thus brought an additional 28,715 employees into the District of Columbia.

The vast majority of these employees have been brought from outside of the District—from all the 48 States of the Union.

Since the Federal Government brought these nearly 30,000 people into the District of Columbia, it is the duty of the Federal Government to see that adequate, proper, and decent housing facilities at a fair price are available to them.

DEPARTMENT OF JUSTICE

The SPEAKER. The unfinished business is House Resolution 219, which the Clerk will report.

The Clerk read as follows:

House Resolution 219

Resolved, That the Attorney General of the United States is hereby directed to transmit to the House of Representatives at the earliest practicable moment the following information, viz:

First. Copies of all official information on file in the Department of Justice or in possession of its agents concerning the kidnapping of David Levinson and Robert Minor in Plaza Center of Gallup, N. Mex., on May 2, 1935.

Second. Whether any person or persons have been apprehended or taken in custody charged with the crime of kidnapping said David Levinson and Robert Minor, and if not whether the Department of Justice has instituted and prosecuted an investigation of said kidnapping with a view to bringing to justice those guilty of the crime of violating the act forbidding the transportation of kidnapped persons in interstate commerce, or to any Territory of the United States, approved June 22, 1932 (U. S. C., ch. 271, title 18, sec. 408a), as amended by the act of May 18, 1934 (Public No. 232, 73d Cong.).

Third. Name or names of any and all persons questioned in connection with said investigation and statements made by them.

Fourth. Whether or not said crime was completed within Navajo Indian Reservation, western New Mexico.

Fifth. Whether said Navajo Indian Reservation is under the jurisdiction of the United States Government and, if so, has not the Attorney General authority to prosecute those guilty of crime committed within said territory?

Mr. BLANTON. Mr. Speaker, I reserve a point of order on the resolution.

The SPEAKER. The gentleman will state his point of order.

Mr. BLANTON. I thought I would not make my point of order unless the motion to table should fail.

Mr. MARCANTONIO. Mr. Speaker, I ask for the regular order and ask that the gentleman state his point of order.

Mr. BLANTON. Mr. Speaker, I make the point of order that this resolution is not such a resolution of inquiry as comes within the rules of the House; it goes far beyond a resolution of inquiry.

The SPEAKER. Will the gentleman specify what part of the resolution is not privileged?

Mr. BLANTON. The resolution asks for State testimony given in New Mexico, with which the Department of Justice has no connection. The Attorney General is not in possession of the testimony of witnesses given in New Mexico. The resolution goes far beyond a resolution of inquiry in several particulars, if the Speaker will note.

Mr. MARCANTONIO. Mr. Speaker, may I be heard on the point of order?

The SPEAKER. The Chair is ready to rule.

The Chair holds that the resolution is simply a resolution of inquiry asking for information of the Department of Justice. The resolution asks for no information not in the possession of the Department. It seems to the Chair that it is clearly a privileged resolution under the rules of the House.

The Chair overrules the point of order.

Mr. HEALEY. Mr. Speaker, inasmuch as the report of the committee contains practically all the information requested in the resolution, which report has been available for the last couple of days, I move to lay the resolution on the table.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 59, noes 14.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 276, nays 40, not voting 115, as follows:

[Roll No. 78]

YEAS—276

Adair	Dobbins	Keller	Rankin
Andresen	Dondero	Kenney	Ransley
Andrew, Mass.	Dorsey	Kimball	Rayburn
Andrews, N. Y.	Doughton	Kinzer	Reed, Ill.
Arnold	Doutrich	Kleberg	Reed, N. Y.
Ayers	Doxey	Kloeb	Rich
Bacharach	Drewry	Kniffin	Richardson
Bacon	Driscoll	Knutson	Robertson
Barden	Driver	Kocialkowski	Robinson, Utah
Beam	Duffey, Ohio	Kopplemann	Robison, Ky.
Beiter	Duffy, N. Y.	Kramer	Rogers, N. H.
Biermann	Duncan	Larrabee	Rogers, Okla.
Blackney	Eckert	Lee, Okla.	Romjue
Blanton	Edmiston	Lewis, Colo.	Rudd
Boehne	Elcher	Lewis, Md.	Russell
Boland	Ekwall	Lloyd	Ryan
Bolton	Evans	Ludlow	Sadowski
Boylan	Farley	McAndrews	Schaefer
Brooks	Fenerty	McClellan	Schuetz
Brown, Ga.	Ferguson	McCormack	Schulte
Brown, Mich.	Fernandez	McGehee	Sears
Brunner	Fiesinger	McGrath	Secrest
Buck	Fitzpatrick	McLaughlin	Seger
Buckbee	Fletcher	McLeod	Shanley
Bulwinkle	Ford, Calif.	McMillan	Smith, Conn.
Burch	Ford, Miss.	McReynolds	Snell
Burnham	Fuller	Maas	South
Caldwell	Fulmer	Mahon	Spence
Cannon, Mo.	Gassaway	Mansfield	Stack
Carlson	Gearhart	Mapes	Starnes
Carmichael	Gildea	Martin, Colo.	Steagall
Carpenter	Gillette	Martin, Mass.	Stewart
Carter	Gingery	Mason	Stubbs
Cartwright	Goodwin	Massingale	Sutphin
Cary	Granfield	May	Taber
Casey	Gray, Ind.	Merritt, Conn.	Tarver
Castellow	Gray, Pa.	Merritt, N. Y.	Taylor, Colo.
Celler	Green	Michener	Taylor, S. C.
Chandler	Greenway	Millard	Taylor, Tenn.
Chapman	Greenwood	Mitchell, Tenn.	Terry
Christianson	Greever	Moran	Thom
Church	Gregory	Nelson	Thomason
Citron	Griswold	Nichols	Thompson
Clark, N. C.	Guyer	Norton	Thurston
Coffee	Gwynne	O'Brien	Tolan
Colden	Halleck	O'Connell	Turner
Cole, Md.	Hancock, N. Y.	O'Connor	Umstead
Colmer	Hart	O'Leary	Underwood
Cooper, Ohio	Harter	O'Neal	Utterback
Cooper, Tenn.	Healey	Owen	Vinson, Ga.
Costello	Hennings	Palmisano	Vinson, Ky.
Cox	Hess	Parks	Wadsworth
Cravens	Higgins, Mass.	Parsons	Walter
Crosby	Hill, Ala.	Patman	Warren
Cross, Tex.	Hill, Samuel B.	Patterson	Wearin
Crowe	Hoffman	Patton	Weaver
Crowther	Holmes	Pearson	West
Cullen	Hook	Perkins	Whelchel
Cummings	Houston	Peterson, Ga.	Whittington
Daly	Huddleston	Pettengill	Wigglesworth
Darden	Imhoff	Pierce	Williams
Deen	Jacobsen	Plumley	Wilson, La.
Delaney	Jenckes, Ind.	Polk	Wilson, Pa.
Dempsey	Jenkins, Ohio	Powers	Wolcott
Dickstein	Johnson, Okla.	Quinn	Wolfenden
Dies	Johnson, Tex.	Rabaut	Wolverton
Dingell	Johnson, W. Va.	Ramsay	Woodruff
Disney	Jones	Ramspeck	Woodrum
Ditter	Kahn	Randolph	Zimmerman

NAYS—40

Binderup	Higgins, Conn.	Maverick	Sirovich
Boileau	Hildebrandt	Monaghan	Sisson
Buckler, Minn.	Hill, Knute	Moritz	Tobey
Burdick	Hoepfel	Mott	Truax
Crawford	Hull	Murdock	Wallgren
Crosser, Ohio	Lemke	O'Malley	Welch
Dunn, Pa.	Luckey	Pittenger	Withrow
Engel	Lundeen	Rogers, Mass.	Wood
Gehrmann	McFarlane	Sauthoff	Young
Gilchrist	Marcantonio	Schneider	Zioncheck

NOT VOTING—115

Allen	Dirksen	Kennedy, N. Y.	Reece
Amlie	Dockweiler	Kerr	Reilly
Arends	Dunn, Miss.	Kvale	Richards
Ashbrook	Eagle	Lambertson	Sabath
Bankhead	Eaton	Lambeth	Sanders, La.
Bell	Ellenbogen	Lamneck	Sanders, Tex.
Berlin	Englebright	Lanham	Sandlin
Bland	Faddis	Lea, Calif.	Scott
Bloom	Fish	Lehlbach	Scrugham
Brennan	Flannagan	Lesinski	Shannon
Brewster	Focht	Lord	Short
Buchanan	Frey	Lucas	Smith, Va.
Buckley, N. Y.	Gambrill	McGroarty	Smith, Wash.
Cannon, Wis.	Gasque	McKeough	Smith, W. Va.
Carden	Gavagan	McLean	Snyder
Cavichia	Gifford	McSwain	Somers, N. Y.
Claiborne	Goldsborough	Maloney	Stefan
Clark, Idaho	Haines	Marshall	Sullivan
Cochran	Hamilin	Mead	Summers, Tex.
Cole, N. Y.	Hancock, N. C.	Meeks	Sweeney
Collins	Harlan	Miller	Thomas
Connery	Hartley	Mitchell, Ill.	Tinkham
Cooley	Hobbs	Montague	Tonry
Corning	Hollister	Montet	Treadway
Culkin	Hope	O'Day	Turpin
Darrow	Igoe	Oliver	Werner
Dear	Kee	Peterson, Fla.	White
DeRouen	Kelly	Peyser	Wilcox
Dietrich	Kennedy, Md.	Pfeifer	

So the motion to lay the resolution on the table was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Mead (for) with Mr. Scott (against).

Until further notice:

Mr. Bland with Mr. Hollister.
 Mr. Goldsborough with Mr. Lambertson.
 Mr. Buchanan with Mr. Short.
 Mr. Cochran with Mr. Treadway.
 Mr. Sullivan with Mr. Cole of New York.
 Mr. Montague with Mr. Allen.
 Mr. Lea of California with Mr. Focht.
 Mr. McSwain with Mr. Eaton.
 Mr. Corning with Mr. Gifford.
 Mr. Lanham with Mr. Marshall.
 Mr. Sabath with Mr. Thomas.
 Mr. Oliver with Mr. Dirksen.
 Mr. Sandlin with Mr. Fish.
 Mr. Bankhead with Mr. Arentz.
 Mr. Gasque with Mr. Hope.
 Mr. Hancock of North Carolina with Mr. Lord.
 Mr. Bloom with Mr. Tinkham.
 Mr. Kerr with Mr. Amlie.
 Mr. Eagle with Mr. Collins.
 Mr. Miller with Mr. Reece.
 Mr. Sanders of Texas with Mr. Stefan.
 Mr. Smith of Virginia with Mr. Lehlbach.
 Mr. Gavagan with Mr. Hartley.
 Mr. Dear with Mr. Darrow.
 Mr. Sanders of Louisiana with Mr. Culkin.
 Mr. Maloney with Mr. Turpin.
 Mr. DeRouen with Mr. Brewster.
 Mr. Flannagan with Mr. Cavichia.
 Mr. Bell with Mr. Kvale.
 Mr. Smith of West Virginia with Mr. Englebright.
 Mr. Harlan with Mr. Buckley.
 Mr. Ashbrook with Mrs. O'Day.
 Mr. Gambrill with Mr. Pfeifer.
 Mr. Berlin with Mr. Hamilin.
 Mr. Haines with Mr. Brennan.
 Mr. Igoe with Mr. Hobbs.
 Mr. Scrugham with Mr. Kee.
 Mr. Cannon of Wisconsin with Mr. Claiborne.
 Mr. Carden with Mr. Lambeth.
 Mr. Somers of New York with Mr. Clark of Idaho.
 Mr. Kelly with Mr. Lamneck.
 Mr. Kennedy of New York with Mr. Kennedy of Maryland.
 Mr. Sweeney with Mr. Werner.
 Mr. Lucas with Mr. Dietrich.
 Mr. Wilcox with Mr. Ellenbogen.
 Mr. McKeough with Mr. McGroarty.
 Mr. Dockweiler with Mr. Dunn of Mississippi.
 Mr. Faddis with Mr. Meeks.
 Mr. Frey with Mr. Peyser.

Mr. BINDERUP changed his vote from "yea" to "nay."

Mr. HOFFMAN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

On motion of Mr. HEALEY, a motion to reconsider the vote by which the motion was agreed to was laid on the table.

DEPARTMENT OF LABOR

Mr. WHITTINGTON. Mr. Speaker, by direction of the Committee on Expenditures in the Executive Departments, I submit a privileged report, House Resolution 217, and ask that the resolution be read.

The Clerk read as follows:

House Resolution 217

Resolved, That the Secretary of Labor is hereby directed to furnish forthwith to the House of Representatives the annual report for the Department of Labor covering the fiscal year 1934 as required by the Organic Act of March 4, 1913 (37 Stat. 738), which provides that: "The Secretary of Labor shall annually, at the close of each fiscal year, make a report in writing to Congress, giving an account of all moneys received and disbursed by him and his Department and describing the work done by the Department."

Mr. WHITTINGTON. Mr. Speaker, I may state that the adverse report of the committee is based upon a communication from the Secretary of Labor advising that the annual report will be printed and ready for general distribution in about 10 days.

I may state also that I have conferred with the author of the resolution, the gentleman from New York [Mr. BACON], and with the minority members of the committee and with the minority leader. I understand the information contained in the report is satisfactory.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. JENKINS of Ohio. I would like to ask whether or not this report shows any reason why the Secretary of Labor has not submitted the annual report before this.

Mr. WHITTINGTON. I may say to the gentleman from Ohio that the report of the committee shows that she stated the delay was due to the fact that there has been delay on account of collecting statistics.

Mr. JENKINS of Ohio. I thank the gentleman.

Mr. WHITTINGTON. Mr. Speaker, I move to lay the resolution on the table.

The motion was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1776. An act granting a leave of absence to settlers of homestead lands during the year 1935.

LEGISLATIVE APPROPRIATION BILL, 1936

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes. Pending that motion, I ask unanimous consent that general debate on the bill shall conclude not later than 2 o'clock tomorrow afternoon, the time to be equally divided and controlled by the gentleman from New Jersey and myself.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Indiana.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8021, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

Mr. LUDLOW. Mr. Chairman, I yield 30 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Chairman, I have observed in the last few days that the discussion in the debate on this bill has taken somewhat of a political turn. I thought it might be appropriate to submit a few observations of a political character, and I trust that the membership will not ask me to yield until after I have finished my statement, at which time I shall be glad to enter into a friendly debate with anyone who might desire to submit questions or observations.

I admit that it is a little early to start the campaign for next year, because there is much yet to be accomplished, and

it is pretty hard at this stage to close the issues of a campaign that will come to an election 18 months hence.

Many of our distinguished opponents have risen here from day to day calling the attention of the Members of the House and to the country to what they think are the weaknesses in the constructive program of legislation that the present administration has enacted to help bring the country out of the depression and back to normal conditions.

Mr. Chairman, we all recall the dark days of February 1933, the close of the former administration, when hunger, despair, unemployment, and chaos clouded our land. We recall when the present party came into power with a new leader who was commissioned to lead this country out of the valley of despair. Even on the day of inauguration, box-car headlines in the papers were calling attention to the fact that banks had failed. Several of the States had declared moratoriums. Banks had closed their doors to the depositors. Despair was evidenced on every hand. All of us, as legislators, were wondering what would be the next tragic event in the affairs of our Nation. We recall on the day of the inauguration, when this newly commissioned leader sent his message to the country, that all we needed to fear was fear itself. The new President started in immediately to remedy the situation which was so tragic and which had the country in the throes of despair. He closed the doors of every bank, made a complete examination as to their solvency, and allowed them to open only after they had demonstrated their capacity to pay depositors and transact their business as solvent institutions. This was a courageous act on the part of our Chief Executive, but was absolutely necessary because of the emergency which he had inherited from the former administration. From that hour to this we have added to the strength of our banking system, with the help of funds from the Reconstruction Finance Corporation, which were loaned to these institutions to carry them through the dark hours when bankruptcy and the closing of their doors was before them. We have recently enacted what the old commoner from Nebraska advocated 30 years ago as a law to guarantee the depositors of banks that they might know the Federal Government that sets up this banking structure is willing to devise a system that will stand behind those institutions and make it sound and secure.

We have recently reenacted a law guaranteeing the deposits of banks, which takes care of 98 percent of the depositors. I believe the gentleman on the opposition will agree with me that the whole banking structure of America today is as sound and secure as at any time within the recollection of anyone in my presence. Upon this basis of revamping our banking system billions of deposits have come out of seclusion and have found their way back into the banks, until today there is an abundance of money to transact the business of America. Confidence has been restored. Our Republican headliners in this House would have you believe this program of constructive legislation has achieved nothing, but I would like to take an inventory as I have of the banking situation and give you a few of the achievements of the present administration.

What was the condition of agriculture at the beginning of this administration in 1933? Why are farmers here to the number of 4,500 to express their appreciation to the present head of the Democratic administration? It grows out of a comparison of the prices of farm products, with a new hope of victory, and with a new outlook on life on the farm. Can anyone recall when under a Republican administration any delegation of farmers to that extent came to express their appreciation of the service that had been given to them?

I recall, as you do, that under the administration of Mr. Hoover hogs were selling for as low as 2½ cents a pound. I recall that corn in my district sold at 11 cents a bushel and wheat at 30 cents a bushel. Can any farmer be expected to pay taxes, and pay interest on a mortgage debt that was created when farm prices were comparable to what they are now and receive a return, on farm prices as they were under the administration of Mr. Hoover?

The time was when the Republican Party assured the farmer, as it did the country, that there were two essential

things to guarantee prosperity to the farmer and to the Nation. They said, "Give us a high protective tariff to keep out the products of foreign nations." They said, "Give us the gold standard and we will guarantee you prosperity." Under the administration of Mr. Hoover there was enacted what was known as the "Smoot-Hawley bill", which carried these tariff schedules to the highest figure known in the history of the Nation. At that time we were still upon the gold standard and yet the farmer, relying upon the guaranty, found himself with farm prices, as I have recited to you, which not only did not give him the cost of production, but created a loss every year that the farmer operated under those prices.

Under the present administration we have enacted the Agricultural Adjustment Act. Considerable criticism has been levied against this measure, but it is sound in principle, and I believe will be continued when brought before this House for action. It goes upon the theory that we must have national planning in agriculture as we have had in industry.

When there is a surplus of production in manufactured products, do the manufacturers continue to turn the wheels of industry and increase this surplus? Not at all; they begin to curtail their production. If the farmer could have organized on a cooperative basis through his own efforts years ago and controlled his production, he could have operated under the same national planning and processes as the manufacturer, but farming is too diversified to do this. The Agricultural Adjustment Act goes on the theory that the Government will assist the farmer to cooperate and curtail his production, and under this law the Federal Government undertakes to compensate every individual farmer who will sign a contract to curtail the production of a single product. For this cooperation with his Government, in the national planning to help all farmers, he is compensated for his reduction in acreage or in production.

Is there anything wrong about this? Since when, under the traditions of America, could not a farmer sign a contract with his Government, just as he may sign a contract with an individual, that he will conduct his farm on a cooperative basis so that it will be self-sustaining and render him a profit?

Oh, they complain that in carrying out this national planning you are levying a processing tax against the consumer. Should any Republican have the temerity to stand here and criticize the use of the taxing power of the Federal Government to help the farmer as it has been used for decades in levying a protective tariff to help the manufacturer? [Applause.] If you can levy a high protective tariff, not to raise revenue but as a barrier against manufactured products so that the manufacturer may control his output and raise his price, surely you can use the taxing power of the Federal Government to levy a processing tax to take care of the marketing conditions and the prices to the farmer on the domestic market. The principle is identical as the tariff.

The chief criticism comes because the act is working and bringing better prices and giving relief to the farmer.

No; we are going on with the system, and no one appreciates it more than these 4,500 farmers who are here to express their gratitude that at last a party has come into power that has remembered this group of forgotten men and women who live on the farm and is going to see to it that they are given the same treatment that has been given to other groups for many decades.

So there is a new hope and a new confidence on the farm. They see now a return from their production that will permit them to pay their taxes, reduce their mortgages, redeem their homes, purchase needed commodities, and again live as Americans.

What else has this administration done for the farmer? We have increased the powers and the appropriations of the Federal land bank, guaranteeing not only the interest but the principal of the bonds with an expansion of the lending program, and millions of farms have been saved from foreclosure, and the men and women still live on these family

homesteads and are there, contented and happy, producing the foodstuffs that feed America.

We have not confined this service to the farmer. We have created the Home Owners' Loan Corporation that has carried these same benefits to men and women who have mortgages on their homes and live in cities and in suburban places. So we could organize, if we so desired, another parade not of 4,500 but of millions of men and women and children who could come here and thank this administration for enlarging the powers of the Federal land bank and the Home Owners' Loan Corporation that have saved their homes from foreclosure and changed a life of misery and despair to one of happiness and hope for the future. [Applause.]

As I have said, one of the old guarantees of prosperity under Republican administration was the maintenance of the gold standard or, as they said, of sound money. Who will say that the gold standard under Hoover was sound, or who will say that the gold dollar was an honest dollar. I think it was the most dishonest dollar we have ever had in the history of this Nation. Why? Because under its control, with the small supply of gold, as compared with the necessary volume of money to transact the ever-increasing volume of business in this country, gold became too scarce, too valuable, commodities measured in dollars were not commensurate with the previous parity, and the dollar was an unfair dollar.

No; the Democratic Party did not destroy the gold standard; it just died of general debility, because it had outlived its usefulness. What happens today? There is not one class of money that has any privileges over another, but gold, silver, or currency issued upon the credit of the United States stand upon an equality; and, so far as I am concerned, I am not a believer in gold or silver or any class of currency, but I believe in American money or legal money, where every dollar stands upon the same basis in the payment of debts and the purchasing of products, and is treated as the same creation of the Congress, which is now exercising its power under the Constitution to "coin money and regulate the value thereof", and we are doing it under this administration on an honest, just, and fair basis, which has not been done for years. The money is sound and the new system is functioning. [Applause.]

When creditors lent this money, did they lend gold? No; they lent American dollars to their debtors. They will now be paid in the same kind of dollars—American dollars—and cite me any place where the American dollar is not considered good money, because now it pays all debts, public and private, whether it be a gold dollar, a silver dollar, or a paper dollar. I am enough of a William Jennings Bryan Democrat to have always believed that every class of money issued by this Nation should be on a parity with every other class of money. Behind it is the full faith and credit of our Government, with all its resources, including its taxing power, which, after all, is the foundation upon which any monetary system is based.

So I believe that in fifty or a hundred years from now, when the historian or the economist looks over the achievements of this administration to select that particular measure that he believes made the greatest contribution to the future of our Nation, although many others are important in their field of service, my opinion is that he will put his finger on the change in our monetary system. This is our greatest contribution to a sound and permanent recovery.

Under the powers of Congress, under the Constitution, we gave the President authority to revalue gold and remonetize silver. He exercised that power. We were told that the devaluation of gold and the change in the monetary system would be disastrous, and yet we are going along with gold devalued, silver remonetized, and the American dollar is as sound today as any dollar we have had since the dawn of history in our Nation. [Applause.]

We have gone into the field of conservation. We are preserving our water power for all the people; not allowing it to be taken away, not allowing it to be seized as a privilege for a particular group to exploit the people.

The demonstration at Muscle Shoals and Boulder Dam has convinced the American people that these resources belong to all the people and should be developed, not allowing them to be appropriated by private monopolies, but applying, preserving, protecting them for the benefit of the public. The distress in the minds of many who believe in private ownership and close cooperation controlling these great resources is that in the manufacture of electric power by the Government we are demonstrating to what extent the service can be carried to the people of America at a reasonable cost.

We are commencing the next step for the electrification of rural communities. Come to think about it, why should not the farmer be entitled to electrical privileges just as we have been entitled to it in the city for many years? We have enough undeveloped electrical power in America to heat and light every farmer's home. The greatest resources we have is in the power of water of our Nation.

In the conservation plan of the Nation we are restoring our forests which have been wasted and practically exhausted by the thoughtlessness of previous generations. America needs to be tree conscious, it needs to appreciate the fact that we are losing our soil by erosion, changing our climate by lack of rainfall, which means in the future nothing but devastation.

America needs to become tree-minded, and we need to build up the forest reserves. The administration has the vision and is promoting this policy.

There is another resource yet to be conserved, and that is the youth of the land, the greatest resource of them all, upon which our future happiness rests, and the perpetuation of our Nation. So they are given an opportunity to go into the field of endeavor to rebuild the forests of our Nation.

Oh, the compensation will be great—in forests, in lumber, in soil, but above all of that, in the saving of the morale and the citizenship of these hundreds of thousands of young men who are finding useful employment in this hour of distress, who are working for their Nation, who are being paid in lessons of appreciation of a Nation which will give them this opportunity, when no other is open to them. It will take care of their citizenship, their mental and bodily strength, build them up as resources for the coming generation. This great constructive act, I am glad to say, is not one that has come very much under the criticism of the opposition, but which I have the privilege of reciting as another one of the great constructive acts of the administration that is saving the Nation and bringing us back out of the valley of depression. [Applause.]

We have given these constructive measures to the Nation. We have increased the national wealth in round numbers somewhere from around thirty-eight billion or forty billion dollars annually to in the neighborhood of \$60,000,000,000, and as we march on in the progress and in the gains we are making from day to day, we hope to build up this value of annual increase in the national wealth to a figure which it has never yet reached, of perhaps \$100,000,000,000. As this gain in wealth goes on, the debts that are being created are a mere bagatelle. After all, taxes are paid when wealth is increasing. The annual production of wealth is now increasing, but the mortgages that we are placing on the future in order to prime the pump will find their way back into the Treasury as a small percentage of the gains that we are making in the increase of our national wealth. No one is claiming on behalf of the administration that we are balancing the Budget or attempting to balance the Budget of the unusual expenditures which are an investment in the future, but we do say that so far as current expenses are concerned, we are approximately balancing the Budget, and that that offers a comparison with the \$2,000,000,000 annual deficit under the Hoover administration for which he made no investment for the future, but which was a clear loss because he failed to balance the Budget. The American people are not worrying about the payment of these debts that are being created. A farmer who gets an increase for his production, a laborer who has a job does not object to making a contribution to their Government to help retire

the national debt; but let the hour come when he has no employment, with no confidence in the future, with no income, with starvation staring him in the face, then a two billion deficit incurred in the expenses of the Government is a burden which cannot be met out of poverty, but which represents the insolvency of a nation.

Who would have the temerity to rise and say that America, when its bonds and securities are selling at par, at the lowest rate of annual interest, probably, in the memory of the country, when they are taken and taken readily with oversubscriptions every time they are offered—who would say there is no hope for the future stability of America to meet this indebtedness, which is an investment in our future security and future prosperity? So, Mr. Chairman, we are not worried with a failure to balance the Budget with these unusual expenditures that are being made. We have helped relieve the hungry and distressed. We have spent billions, and will anyone say that it is not the first obligation of any government to protect those who are in hunger, who are unhoused, who are unclothed, who are in distress? A government that fails to do that is not meeting up to the highest ideals and requirements of government which is a representative democracy based on the happiness and prosperity of its people. The administration is relieving those in hunger and distress while creating employment to make them self-sustaining.

So we are marching on under the new deal. The American people are appreciating it. The farmers are coming by the thousands to express their appreciation. Other groups can come. We ask you of the opposition to withhold your criticism until next year when the campaign is on. Let the valuation of these achievements be made by the American people after this Congress has adjourned and after the next Congress has adjourned, and that will be in plenty of time then to close the issues for the campaign of next year.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes more to the gentleman from Indiana.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. MICHENER. The President of the United States invites criticism. The gentleman from Indiana asks everyone to withhold criticism until the campaign next year. That is not in harmony with what the President suggests. I have always felt that wholesome criticism is good, and I fear that the gentleman is not speaking in harmony with his administration.

Mr. GREENWOOD. I agree with the gentleman that wholesome criticism is good.

Mr. MICHENER. The trouble is that we try to make politics out of everything in a campaign.

Mr. GREENWOOD. That is the point I make. Gentlemen who are spokesmen for the opposition rise here from day to day in general debate to criticize many of these measures that they have voted for themselves, and I am attempting to point out that these policies are successful, and that they are working, and that we should go on as you and your colleagues did a year ago, when you joined with us to help complete this program, instead, at this time, of trying to hamstring the administration not always by wholesome criticism, but by a great deal of what looks like political bushwhacking to me.

Mr. MICHENER. As a matter of fact, if we did go along and help you try an experiment for a time, yet now, when we honestly believe that the experiment which we helped you try is not working, why in the name of God should the gentleman object to us, who showed good faith in the beginning, pointing out defects to you now?

Mr. GREENWOOD. If you will continue that faith and go along with us, if next year in the campaign you have any remorse you want to express to your constituency, you can say, "Here is a measure that I voted for that I think was a mistake. I thought it would do so-and-so, but I find it does so-and-so"; then I shall have no fault to find.

Mr. MICHENER. But when we know today, does the gentleman not think it is our duty under our oaths to call

attention to the mistakes, rather than to wait for a campaign next year, after the horse is stolen, after it is too late to accomplish anything?

Mr. GREENWOOD. I am not attempting to interpret the gentleman's duty. He has the same liberty that I have to rise on this floor and speak any criticism that he desires, but I am offering an argument to show that his criticism is futile. I think at this time we should be engaged in this constructive program of legislation, rather than dealing with politics. I made that comment in the beginning.

Mr. MICHENER. Ballyhoo is all right for a time, but when you see that it is not getting us anywhere, is it not common sense to get back to the ground?

Mr. GREENWOOD. Well, I do not agree with the gentleman that it is not getting us anywhere. This program is taking us out of the depression. In contrast with the program of Hoover and the gentleman's party, there is no comparison with your failures and our success. [Applause.]

Mr. DITTER. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. DITTER. Did the gentleman intend to infer that the regular expenses of Government are coming in as required by the Budget program?

Mr. GREENWOOD. I said approximately. I do not say that we are fully balancing the Budget.

Mr. DITTER. Could we suggest that the gentleman look into the naval operations?

Mr. GREENWOOD. The argument arose over the investment of funds which might be considered a future investment. The building of a navy under what we may think the necessities of the day is hardly to be considered current expenses, because that again is building for the future.

Mr. DITTER. But the gentleman would not include as an extraordinary item the matter of repairing buildings, or repairing wharves or docks as an item of future investment?

Mr. GREENWOOD. Well, we might have to look into each particular project. The gentleman and I might stand here and argue until doomsday about what we consider are extraordinary expenditures and ordinary expenditures and not reach an agreement.

Mr. DITTER. But I think the gentleman wanted to be fair.

Mr. GREENWOOD. I do want to be fair.

Mr. DITTER. I did not want the gentleman to misinterpret the facts as they actually are.

Mr. GREENWOOD. I want to say in that connection it is quite difficult sometimes to decide what is an extraordinary expenditure looking to the future, and what is a current expenditure. The gentleman's ideas might be one and mine might be another, but I say approximately, in the current expenses of the Government, the running expenses of the Government, we are more approximately balancing the Budget today than we did under the former administration of President Hoover.

Mr. COLDEN. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. COLDEN. The gentleman mentioned in his remarks that during the Hoover administration hogs sold for \$2.50 a hundred; corn, 11 cents a bushel, and wheat at 30 cents a bushel. Will the gentleman give the price of those articles at the present time?

Mr. GREENWOOD. I can only give them approximately. Hogs are selling in my home State at \$7.50 to \$8 a hundred; corn is worth 85 or 90 cents a bushel; wheat is in the neighborhood of 90 cents or a dollar.

Mr. COLDEN. Is not that a complete answer?

Mr. GREENWOOD. I think so. I think our farmers so consider it.

Mr. MOTT. Will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. MOTT. Did I understand the gentleman to contend that in his colloquy with the gentleman from Michigan that the speech he has just concluded was not a political speech?

Mr. GREENWOOD. I started out by saying it was a political speech.

Mr. MOTT. I thought so. I thank the gentleman.

Mr. GREENWOOD. It was made for political purposes, just as many on the opposition side have made such speeches.

Mr. MOTT. That is what I thought. [Applause.]

Mr. MICHENER. Will the gentleman yield for another question?

Mr. GREENWOOD. I yield.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. LUDLOW. Mr. Chairman, I yield the gentleman from Indiana 2 additional minutes.

Mr. MICHENER. Something has been said about balancing the Budget, and the deficit under the Hoover administration. Of course, the gentleman takes into consideration the fact that during the Hoover administration all expenditures of Government were included in the amount appropriated; there was no emergency budget or relief budget and a regular operating budget, but there was only one Budget, so that today, if we include all expenditures in one Budget, under the same system of bookkeeping heretofore used in the country, the deficit would be appalling.

Mr. GREENWOOD. There is considerable academic argument about balancing the Budget and what is an extraordinary expenditure and what is an ordinary expenditure. The greatest regret I have is that your President and my President, Mr. Hoover, did not undertake a constructive program, as we have, that would help to bring this country back; that he was not willing to invest in the future, even by borrowing, in order to save this country industrially and economically. He made that mistake. I think that is the success of the present administration. Hold the line. [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. POWERS. Mr. Chairman, I yield 20 minutes to the gentleman from Vermont [Mr. PLUMLEY].

PATERNALISM, THE MOST SUBTLE AND SINISTER ENEMY OF POPULAR GOVERNMENT

Mr. PLUMLEY. Mr. Chairman, I would like to take advantage of this occasion and opportunity in order to make a few observations and to go on record with respect to some matters and things which have given me great concern, and I know that others on both sides of the aisle are thinking along the same lines. The usurpation by the Executive of the functions and prerogatives of the legislative branch of the Government is a matter which has been much discussed. It is so contrary to the theory and principles on which this Government was established that we ought to take time to seriously consider where we are going if we continue to travel in this direction.

"The accumulation of all powers, legislative and executive, as well as control of the judiciary in the same hands, be they few or many, and whether self-appointed or elective, is a perfect definition of tyranny, and when the powers are so united there can be no liberty." I am talking about a situation and not about individuals, but if history teaches anything or we may learn from the lessons experience speaks, we must know and realize that of those who have overturned the liberties of republics the greatest number have begun their career by paying an obsequious court to the people. They have commenced as flattering lip-service demagogues and ended as tyrants. "It is the threat of paternalism further extended which should shake us into a realizing sense of our duties and our responsibilities as Americans, whatever party label we may wear upon our sleeves."

To be an American citizen in this, so wonderful an age in which we live, is the greatest blessing which any of us can enjoy. To have and to play a part in shaping and changing the course of history is the greatest opportunity with which any man or woman of any day or generation can be confronted. Such an opportunity is ours, and the responsibility for what the future shall bring forth rests upon each and every one of us. It is well for us once in a while seriously to consider our situation and endeavor to devise some way in which, by the proper or more efficient discharge of our duty, we may guarantee to posterity the transmission of our civil-

zation and that most priceless heritage, a democratic form of government.

It is not for mere doctrinal reasons or for the satisfaction found in successfully defending a position that we are concerned for the spread of democracy—not merely because democracy is the only scheme of organization yet wrought out that keeps the door of opportunity open and invites all men to their fullest development. We are interested, because, disguise it as we may, and postpone the acknowledgment of the fact as long as we will, the human family will eventually have to admit that under no other system can the world be made an even reasonably safe place in which to live.

It is a tremendous responsibility that rests on the shoulders of the American people and their representatives—this job of making the world safe for democracy. The fundamental article in the creed of the American democracy—call it the fundamental dogma, if you like—is the unchanging and unchangeable resolve that every human being, every individual, shall have his opportunity for his utmost development—his chance to become and to do the best he can. Democracy is not only a system of government, it is a scheme of society.

Justice—

Says DeTocqueville—

is the end of government, it is the end of civil society. It has ever been and ever will be pursued, until it either will be obtained or until liberty be lost in the pursuit.

Did you ever stop to think that all of our laws, statutes, and decisions are but attempts to establish rights, remedy wrongs, and formulate precepts which derive their real force not from the judgment of courts but from their compliance in the minds of just men with the doctrine of right and justice, with the fundamental ideas of right and wrong, justice and injustice, liberty and tyranny, equality and unfairness, upon which all thoughtful men are in substantial agreement. By our Declaration of Independence we make equality before the law the real standard by which the justice or injustice of all governmental acts is to be measured.

Just now we are in the midst of far-reaching changes no man dare prophesy what some man may be able to accomplish tomorrow in any or all paths of activity. Despite the temporary so-called "depression", we live in the most prosperous and the greatest epoch in the history of mankind and are slowly but surely entering upon one even greater and more prosperous. It costs more to live in this day and generation than it did long ago, using dollars and cents as a measure, but it is worth all that it costs. For what you and I have and get and enjoy it costs us no more proportionately than it did our forbears; in fact, it does not cost as much, and we get much more. We are so prosperous and progressive and inclined to be so materialistic that it does us no harm to be reminded once in a while that our forefathers declared, and that the constitution of my State of Vermont provides that—

A frequent recurrence to fundamental principles and a firm adherence to justice, moderation, temperance, industry, and frugality are absolutely necessary to preserve the blessings of liberty and keep government free.

The wave of idealism on which we were all lifted to the skies has subsided and human nature has been exposed to be grasping, plotting, bargaining, and fighting, just as it was before, rather than ennobled, magnanimous, and wise, as so many had hoped it would be. In the language of the street it may be said of us and our day that we are dragging on the bottom in the trough of the wave. Or it may be said of our time as Matthew Arnold said of his:

It is wandering between two worlds—one dead, the other powerless to be born.

Yet, notwithstanding the chaos and confusion of today, the essential things of life remain, and the fundamentals are fast embedded in the rock on which civilization rests. The world is full of optimists who expect it to outlast all its troubles, full of men and women to whom a recognition of the difficulties to be encountered is a challenge to their ability to overcome them. It is a wonderful age in which

we live; the possibilities it affords every rational human being for enjoyment and accomplishment are countless in number, stupendously staggering in character, and almost beyond our ability to comprehend. Even if we are now paying the price, more advancement has been made in all lines of world progress the last 50 years than in any other period of the same length in the history of mankind. That which has been accomplished in all lines of advancement and of endeavor is only as a drop in the bucket compared with the fullness of accomplishment of the years which are to be.

The world that is in the making is the world of generations to come. Those of us whose years are fairly full will be fortunate indeed if we see even the beginning of it. How long it will take to get it started is pure conjecture, but the youth of our day have a prospect of coming into an inheritance of great things accomplished and a prospect of greater things to be performed, beside which the accomplishments of the last 50 years will sink into utter insignificance. The possibilities are really beyond our ability to comprehend. The opportunities which the future affords are as countless as the sands on the shores of the sea. It must be so, for it cannot be otherwise. In spite of the present situation we all know that the world cannot retrograde. The Dark Ages cannot return; it is an insult to our intelligence to suggest to the contrary. George Bancroft says, "Dynasties perish, cities are buried, nations have been victims of error, or martyrs for the right, but humanity has always been on the defense, gaining maturity, universality, and power."

We know this to be true, and the sooner we refuse to assent to being hypnotized by those who would have us believe otherwise, and the quicker we assert the power that in us lies, the better it will be for all concerned. [Applause.]

In all our talk about government and democracy we should bear in mind the fact that it is not the making of the laws that most concerns us, but a thorough understanding of the fact that there can be no such thing as real democracy or popular government unless there be impartial and thorough-going administration and enforcement of the laws which the people make.

It matters not what the law may be, whether it involve the raising of revenue, the police protection of the body politic, or whatever it may be, just so far as the policies which the people decide upon are not put into effective operation, just so far we abandon the principles of real democracy.

Never was this truth more forcefully and sufficiently demonstrated and exemplified than by the disintegration and demoralization of the program of the N. R. A., through lack both of enforcement of and compliance therewith.

Experience joined with common sense
To mortals is a providence.

One cannot study or read understandingly the story of the accomplishments of our ancestors without being impressed by the wisdom they had and which they demonstrated in providing for the raising of revenue, the separation of church and state, and the establishment of educational institutions in the formation of the first government in these United States.

It is a far cry back to those days of the Plymouth Colony, but fundamentals have not changed; fads and fancies have danced their little day on the stage and made their exit into oblivion. The realities remain. The early settlers of America bequeathed to their descendants certain institutions, customs, manners, and opinions which are essential to and have contributed most successfully to the permanency of our republican form of government.

DeTocqueville says that when he contemplates and reflects upon the consequences of their primary acts he sees the destiny of America embodied in the first Puritan who landed on these shores. These hardy pioneers out of their experience proclaimed principles either scorned or unknown by the nations of Europe, which were and have been accepted as the creed of a great people, and, as someone has well said, that—

By them a path without a turn and a field without a horizon were opened to the explorer and to the ardent curiosity of man.
One of these days—

Said the late Senator Frank Greene, some time since in the United States Senate—

this country is going to wake up to the sober realization that for a long time back the legislative signboards have been misleading, and that America has actually left the straight and narrow path that the fathers laid out for it, and left it long ago, and is on the broad highway to all the ills of bureaucracy and the corruption that goes with it that those very same fathers fled from Europe to escape.

He was opposed to the measure then under consideration because in his opinion it invoked a wrong theory and principle of civics or governmental policy, in that it would cause the Federal Government to do for its individual citizens that which they ought to do for themselves, or at least through their own voluntary and nonpolitical associations. "It is paternalism", said he, "the most subtle and sinister enemy of popular government."

Whatever history may teach with respect to the beneficent effects of paternalism and centralization in other countries and under other forms of government, we of the United States of America must oppose the further extension of both; must rely for the perpetuity of our institutions upon the functioning of the local governmental unit, for if experience teaches us anything, we must already have learned that John Fiske spoke truly when he said that the preservation of local self-government is of the highest importance for the maintenance of a rich and powerful national life.

The centralization tendencies in government have fastened their tentacles around the surviving representative of the most nearly perfect democracy ever created. The paternalistic state is cooperating to help strangle its child. The question which confronts you and me is, "Shall we stand idly by as accessories both before and after the crime?" I believe that the Government should be for and by the people, and the nearer it is kept to and of the people the better government we will have. "In proportion as government recedes from the people they become liable to abuse", says Governor Cass, and according to David Starr Jordan, "the end of government by the people is to fit the people to control their own affairs."

"This Government is built upon the principle that the locality is better qualified and better disposed to protect the citizen in the enjoyment of his essential rights and to serve him in all matters of social welfare than the Nation." John Sharpe Williams once said:

We hear a great deal about the horrors of war, but greater than these—in fact, the greatest of all horrors—is the murder of local self-government, the only possible field of development for individual manhood.

"Local assemblies of citizens constitute the strength of free nations", says DeTocqueville.

James Bryce says:

Self-government stimulates the interest of people in the affairs of their neighborhood, sustains local political life, educates the citizen in his daily round of civic duty, teaches him that perpetual vigilance and the sacrifices of his own time and labor are the price that must be paid for individual liberty and collective prosperity. Democracy needs local self-government as its foundation. That is the school in which the citizen acquires the habit of independent action, learns what is his duty to the State, and learns also how to discharge it.

The State, instead of further absorbing and assimilating the functions performed heretofore by local officials, should decentralize. Administrative supervision may be necessary, and probably is wise, but the local units should be encouraged, instead of discouraged, in their attempts to strengthen and fortify themselves, preserve their integrity, and conserve their rights.

To maintain vitality in the center without sacrificing it in the parts; to preserve tranquillity in the mutual relations of powerful States, while keeping the people everywhere, as far as possible, in direct contact with the Government; such is said to be the political problem which the American Nation exists for the purpose of solving, and is the problem which confronts us today.

Methods may change, but progress is still the watchword, and the Nation still lives in the strength and devotion of citizens whose powers have been developed, whose self-

respect has been aroused under the American principle of local self-government. Our purpose is to build in this Nation a human society, not an economic system. It has been well said, and the story of the ages teaches that, no method of procedure has ever been devised by which liberty could be divorced from local self-government. No plan of centralization has ever been adopted which did not result in bureaucracy, tyranny, inflexibility, reaction, and decline.

Since this is so, and we know it is so, it is high time that we as representatives of the people, charged with a great responsibility, attempt to legislate as prompted by our own consciences, preserving our own intellectual integrity. Public confidence in the integrity and effectiveness of our democracy must not be permitted to be destroyed.

Certainly gentlemen—

As Edmund Burke said to the electors at Bristol, England, in 1774—

it ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinion, high respect; their business, unremitting attention. It is his duty to sacrifice his repose, his pleasures, his satisfaction, to theirs; and, above all, ever, and in all cases, to prefer their interest to his own. But his unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you, to any man, or to any set of men living.

It follows therefore, as has been so well and truly said by Senator GLASS, that—

The public man who permits himself to pause long enough to inquire whether a thing is popular or unpopular, instead of seeking to know whether it is right or wrong, is not only useless but dangerous to his country. He is a coward to begin with and a menace always.

[Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. LUDLOW. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Chairman, a few days ago we heard a very inspiring Mother's Day address by the gentleman from California [Mr. McGROARTY].

Mr. Chairman, the cultural and spiritual values in life, the fires of patriotism in the minds and hearts of the American people are tremendously more important than the material things of life. Last Sunday morning I listened to a Mother's Day address by a man whom I regard as one of the great spiritual leaders of our country, one of the great ministers of our country. He is located here in Washington. I refer, Mr. Chairman, to Dr. Raphael H. Miller, pastor of the National City Christian Church of Washington, D. C. Dr. Miller delivered what I consider a patriotic address on Mother's Day, and I ask unanimous consent to extend my remarks in the Appendix of the daily RECORD by including therein this address.

The CHAIRMAN. The Chair states to the gentleman from Missouri that he should submit his request in the House.

Mr. BELL. Mr. Chairman, I understood from the Parliamentarian that I could do it at this time.

The CHAIRMAN. Inasmuch as the gentleman's request is to include extraneous matter, the request must be submitted in the House.

Mr. BELL. Mr. Chairman, I am asking permission to insert this in the Appendix of the daily RECORD, not in the body of the daily RECORD.

The CHAIRMAN. The gentleman's request will have to be submitted in the House.

Mr. LUDLOW. Mr. Chairman, I yield 20 minutes to the gentleman from Nebraska [Mr. McLAUGHLIN].

Mr. McLAUGHLIN. Mr. Chairman, last week in my congressional district in Nebraska, in my home city of Omaha, there was held a meeting designated in the press as a Republican rally, at which meeting an address was made by one of our distinguished colleagues, the gentleman from New York [Mr. FISH].

Because of the statements and representations and arguments made in the course of that address, and because the address was made directly to the people whom I represent,

and because it sought to persuade the people of my district that the aims of the administration are not designed to promote the best interests of the people of the Middle West, I feel that I should not permit the address of our colleague to go unanswered and unchallenged on the floor of this House.

In challenging the statements of my colleague I do not propose to deal in glittering generalities, but shall set forth precise facts and figures to demonstrate that the charge made against the administration is wholly false and unfounded and that the fact is that there has never been an administration in the history of this country which has been more friendly and sympathetic to the agricultural Middle West in its aims and purposes and in actual practice than the present Roosevelt administration. [Applause.]

The press reports of the visit of our colleague to Nebraska on the occasion of his address at the Republican rally or revival or resuscitation meeting, or whatever we may wish to call it, carried an interview in which Mr. FISH stated that he was receptive to the nomination on the Republican national ticket for President of the United States in 1936.

Having lived in Nebraska all my life, I feel that I can fairly sense the spirit and the wishes of its citizens. I have been in active touch with the people of my State throughout my life. I know their interests and I know their loyalties, and I say without hesitation that the Republican Party and its spokesmen choose unwisely when they choose the Middle West as a battleground in the campaign of 1936 on the issue of whether the Roosevelt agricultural program has benefited or harmed agriculture in that section of this country. The people of Nebraska are intelligent people. They are a fair-minded people. They are open to persuasion by logic and their minds are open to conviction. In no section of the country do the people take a more deep and serious interest in the national questions which affect their lives and the lives of the people of the country as a whole than in the State of Nebraska. And Nebraska is typical of the whole Middle West. They welcome citizens from other parts of the country who come to them to discuss national issues and do not close their ears to criticisms of the Government so long as that criticism is sound and constructive, and they welcome suggestions as to governmental policies which affect their interest, particularly as to agriculture. Of course, the people of the Middle West, including Nebraska, make proper allowance as election time comes around for political bias and prejudice. But as a direct consequence of the long post-war period of distress through which we have passed, with no tangible evidence of genuine concern upon the part of the National Government until the adoption of remedial measures by the Roosevelt administration, Nebraskans have a right to expect any and all critics of the present policies to be sincere, or, if not sincere, to be at least serious in what they say to us and about us.

Now, the keynote, we might say, of Mr. FISH's address to the Republicans at Omaha was contained in this outstanding statement, and we quote:

There is only one person responsible for the break-down and failure of the new-deal policies which are retarding recovery and prolonging the depression, and that is Franklin D. Roosevelt, who was the author of all these unsound experiments, including the N. R. A. and A. A. A., that are leading the country on to the rocks of bankruptcy, chaos, and disorder.

Let us see about that.

Now, at this time I am going to digress a little to comment on the claim of my colleague that the country is fast approaching the rocks of bankruptcy, chaos, and disorder.

Let us look at the facts. I am going to quote from a little country paper in Iowa, with respect to the credit and the financial stability of the United States. I want to pay a tribute now to the country editor in the agricultural sections whose heart beats in tune with the hopes and aspirations of the people; who has clear vision; who is actuated by the highest motives of patriotism, often even sacrificing financial welfare to continue his work of carrying to the people of his community intelligence concerning the state of the Nation. It is he who raises the signal of danger when the country is embarking on an unsound course and it is he who can appraise, and does appraise, the results of national

legislation as it affects the country as a whole and the people with whom he is in direct contact.

I quote from the Fenton (Iowa) Reporter of a recent issue concerning the credit of this country as indicated by the market quotations on Government securities:

If 10 years ago you saw a note of yours sold at a 10-percent discount, and today you saw a similar note sold at a 6-percent premium, you would figure that your credit had improved. This is exactly what has happened to Uncle Sam. Using figures of the Standard Statistics Co. of New York on Government bond prices, we find that the yearly averages (stated in percentages of par) for the period 1918, through 1932, were as follows:

1918	96.7
1919	96.0
1920	90.9
1921	92.2
1922	99.5
1923	98.4
1924	101.1
1925	101.9
1926	102.0
1927	103.2
1928	102.6
1929	100.1
1930	102.6
1931	102.9
1932	100.2

What of Uncle Sam's credit now, you will ask. Using the same Standard Statistics' figures, or quotations from any metropolitan paper, we find that the average sale prices of Federal bonds on Saturday, May 4, 1935, was 106.3, or higher than at any time in the period listed above, even in the boom years. And this average includes bonds now barely selling above par because they have been called for redemption, otherwise the average would be above 110.

In addition, let me point out that our deposits of the 14,135 insured banks of the United States increased \$3,000,000,000, or more than 9 percent, to a total of nearly \$40,000,000,000 between June 30 and December 31, 1934, according to the statement of the Federal Deposit Insurance Corporation.

As has been pointed out on the floor of this House, the balancing of the Budget is, and must be, related to the current expenses and can have no bearing upon the extraordinary emergency expenditures which were necessary to save the people of this country from starvation and anarchy. But in the fiscal policy of this administration, let no one have the false impression that the welfare of this country is not guarded closely and carefully.

This is illustrated by the fact that the average rate of interest on Government public debt dropped from 2.957 percent on February 28, 1935, to 2.857 percent at the end of March 1935, as a result of the refunding during that month of \$1,560,000,000 in fourth Liberty 4½-percent bonds into Treasury bonds bearing 2⅞ percent. And on March 31, 1934, with a total debt of \$25,698,167,820, or \$3,244,000,000 less than on March 31, 1935, and with an average interest rate of 3.234 percent the total interest charge was \$831,111,908. This was \$30,000,000 more than the total public debt interest charge at the end of March 1935.

So much, in passing, for the charge of my distinguished colleague that the country is going pell-mell and without check or hindrance directly to chaos and bankruptcy.

But to come back to direct effects of the new-deal policies upon the people of the Middle West, and especially the people of my district, in which Mr. FISH delivered his address.

As for the N. R. A.—Nebraska entered into the spirit of that law with a fervor and an enthusiasm which was commensurate with the patriotism of that section of the country. President Roosevelt described the N. R. A. as a great national cooperative effort to put people back to work at living wages and under conditions which would make room for millions then in bread lines. The people of the Middle West recognize the very apparent fact that while the agricultural-adjustment program would restore farm prices, the N. R. A. would enable city dwellers to resume the purchases of the products of the farm. They remembered the President's confident prediction in May 1933, when he signed the A. A. A., and again in June 1933, when he signed the N. R. A., that they were designed to operate in such a manner as to provide the necessary balance between industry and agri-

culture. He pointed out that neither could possibly be effective without public cooperation, and as in the vast majority of regions throughout the country, the people of the district I have the honor to represent and of every other district of my State, accepted the logic of the situation.

And they are familiar with the results. They know that in February 1933 wheat was quoted at 28 cents a bushel, but it did not always bring that figure, and that on April 15, 1935, it was actually bringing 89 cents a bushel. On the former date, corn was quoted at 12 cents a bushel. On the latter date it was selling at 92 cents a bushel. Potatoes were 33 cents just before the A. A. A. was inaugurated; they now sell at 90 cents. Hogs were \$2.60 per hundredweight, as against the present price of \$8.10; butter has gone up from 16 cents a pound to 34 cents, and butterfat from 14 cents to 34 cents; eggs from 8 cents a dozen to 19 cents.

The cash income of Nebraska farmers for the year 1932 was \$162,533,000; for 1933—including \$3,472,000 in benefit payments from processing taxes, which you will observe the ultimate consumer pays but without any clamor whatever—Nebraska farm income had risen to \$183,716,000.

Mr. FISH said in Omaha:

I indict the new-deal administration on its record for the past year as the greatest failure in history.

He was still talking about the A. A. A. and its so-called "break-down." Yet the cash income of Nebraska farmers last year from the sale of their products, despite the worst drought in modern times, was \$232,869,000. Including benefit payments of \$29,916,000 from the processing tax, concerning which the purchasers of farm products have made little or no complaint, total cash income of Nebraska farmers in 1934 amounted to \$262,785,000 plus \$6,598,000 in receipts from the Government's cattle-purchase program.

Expressed in another way, the farm price index 2 years ago—February 15, 1933—was 49 percent of the pre-war average. On April 15, 1935, it was 111 percent of the pre-war average. And what of the other side of the picture? On February 15, 1933, the index of prices farmers have to pay for whatever they use was 102 percent of the pre-war parity. On April 15, 1935, despite partisan claims of the higher prices of everything, the index stood at only 128 percent of the pre-war average.

That is a factor which farmers more readily understand than Mr. FISH may have imagined, if he has ever given this vital subject any sympathetic consideration. Nebraskans know from experience, particularly during the meager years when the Republicans were amazingly neglectful of the crisis in agriculture, that as food prices went down the major part of the decline fell upon the farmer. The comparatively small losses encountered in processing and distribution, of course, fell upon the consumer. This was made crystal clear by Mr. Roosevelt in his analysis of the situation in 1932. The accomplishment of this parity, the recognition that the West needs the East and the East needs the West, was a problem the administration had to face, and, as usual, it was faced with a smile. It is excruciatingly painful to his old-guard detractors that the President, in tackling the tasks they so long shied away from, is actuated by faith in the fairness and common sense of the people. This seems particularly disconcerting to Mr. FISH, who happened to have grown up in the same community with Franklin D. Roosevelt, but whose apparent lack of a sense of economic equality drove him to the point of indiscretion at Omaha.

As has happened before well within the recollection of Nebraskans, it is evident that as the prices of farm commodities go up, the major portion of the rise goes directly to the farmer. According to the Consumers' Guide, monthly publication of the Agricultural Department, in February 1933, a month's supply of the first 10 essential foods cost a typical American family \$15.42. In February 1935 they cost \$21.41, an increase of 39 percent. But for the farm products used in making them, farmers in February 1933 received \$5 and in February 1935, \$9.77, an increase of 95 percent. In other words, an increase of 39 percent in customer price made possible an advance of 95 percent in farm prices, due to the joint operation of A. A. A. and N. R. A.

And if there is to be a continuation of these visits of the ultraconservative element of the Republican Party to those localities in which the people generally are striving to cooperate sincerely in the progress already made toward breaking the back of the depression, the visitors would be on a firmer ground if they could bring themselves to a realization of our outlook on this subject. First of all, Nebraskans are serious about it, and they know the program is not founded on selfishness or sectionalism. It would have been worth while to Mr. FISH to consider what our able Republican Senator GEORGE W. NORRIS said last month in a public statement:

I believe President Roosevelt is honestly and sincerely trying to bring the country out of the depression. The President was confronted with a condition never before confronted by any living man. Taken all in all, I believe President Roosevelt's program has done a vast amount of good. Merely because I feel that it has failed in this respect or in that respect, I do not believe we should try to overthrow it, but, rather, that we ought to help correct mistakes and improve its operation if we can.

This was not an ex-parte expression. Our distinguished senior Senator was answering an inquiry from a Nebraska Republican as to whether a critical personal campaign against the administration at Washington should be made.

It is interesting to observe that Congressman FISH did indulge in what can be termed "a critical personal campaign against the administration at Washington", and in doing so he must have considered his judgment superior to that of Senator NORRIS as to our President and the terrific task he is earnestly trying to conclude. At least, the Senator issued to the press in Washington his response to his constituent and it was widely commented upon.

And in ignoring this authentic reflection of sentiment in my State, Mr. FISH seemed to overlook also the array of statistics from private reporting commercial agencies and the New York banks, as well as the regular reports in Washington, which from day to day have depicted the steady increase in business all over the country and in nearly every individual line of industry and trade. He could scarcely neglect to observe that the Department of Commerce reported industrial production generally in the United States during the first quarter of this year as 10 percent over the corresponding period last year and the highest of any first quarter since 1930.

If not in his line of duty as a Member of Congress for 15 years, with a certain sense of responsibility, at least as one of the outstanding capitalists of the country, Mr. FISH's subconscious mind might have retained from contact with the daily press a very few recent developments that are calculated to attract and retain the interest of investors, such as that—

Employment in manufacturing establishments was up more than 2 percent and pay rolls had increased 9 percent in the last monthly statement from the Department of Labor over the corresponding month last year. In both consumer and durable-goods industries these gains were the fourth successive monthly increases. Building permits in 710 representative communities showed a gain during March and the first half of April of 74 percent over the corresponding 6 weeks of 1934. Electric power consumption during April attained the highest record in the history of industry as a result of lowering rates advocated by the President. For the final week of April total reserves of Federal Reserve banks were five thousand nine hundred and ninety-seven millions, as compared with four thousand seven hundred and sixty-three millions for the corresponding week in 1933. Steel industry pay rolls were 6 percent higher in March than in February and for the first quarter of 1934. Mail-order sales for the 4 weeks ending April 23 were 32½ percent above the same week in 1934, and the highest for the period since 1929. During April the 5-year high mark in production of automobiles and trucks reached in March was being steadily maintained. Revised figures by the National Industrial Conference Board showed more than \$6,000,000,000 increase in the national income during the past year.

An increase of more than two hundred and nine million in income taxes paid during the first 4 months of 1935 over

the same period last year, the enormous increases in postal receipts, carloadings, foreign trade, and all of the other criteria which citizens possessing even a mild interest in public affairs are accustomed to observe in their newspapers, these day-to-day developments effectively refute Mr. FISH's declaration in Omaha that "the President's program is destroying wealth and impoverishing the people."

The attempt of Mr. FISH to convince the Farm Belt that our agricultural export markets have been lost under the 2 years of Roosevelt revealed the strangest mental processes our people have encountered in recent political history. His warning that our wheat growers would wake up to find that our foreign markets have been lost did in fact wake them up but only to the audacity of assertion. That loss which at this late date so arouses the attention of Mr. FISH was incurred before the new deal was born. The subject was accurately treated by Walter Lippmann in a recent issue of the ultraconservative New York Tribune, as follows:

The problem which Roosevelt has been struggling with is the problem he inherited. He has an agricultural surplus on his hands because there is a currency and tariff disorder which has closed an important part of the export market. That is why he has a deficit. It is wrong. But are the conservative Republicans in any position to say that? Are they prepared to restore the exports by lowering the tariff? Are they prepared to liquidate the internal depression by reducing prices? The truth of the matter is that the Old Guard Republicans have no case against the administration because the thing they complain about, the deficit, is the consequence of the two policies—namely, the tariff and monopoly—with which they are identified.

The loss of the foreign market which Mr. FISH held up to the Omaha audience as a bogey man was the loss of a market in which farm products would be sold, without any offsetting compensation, at a price below the cost of production. The gentleman from New York features his Americanism. Does he favor the kind of Americanism under which American farmers would sell the products of their toil at a loss for the benefit of the inhabitants of European countries in order to keep a much-vaunted foreign market? Perhaps he does but Nebraska farmers do not.

In recent years progress has played havoc with what our fathers set down as basic truths. Science, invention, discovery have produced an entirely new basis of judgment. Our standards of living are founded upon amazing funds of new knowledge. We must develop a technique to bend our usages and customs to the betterment of us all. In such a society the multitude of separate processes must be controlled and organized into an industrial and agricultural system which is cooperative and mutually beneficial. It is a stupendous undertaking calling for an infinitude of adjustments which, when the separate parts are fitted together must make an orderly whole so comprehensive, so accurate, so detailed that the smallest as well as the greatest shall have his place in the American sun.

Mr. Fish speaks for the old order, which, through all history, has condemned the new. He speaks without the benefit of accredited statistical data, not on authority but on the basis of strict partisanship. As a member of that vast section of the heretofore ignored Middle West, I have risen to call your attention to the facts.

In closing I wish to comment upon the great meeting of farmers which has taken place in the city of Washington within the past 2 days. I direct attention to the sympathetic and wholesome reception given the farmers by the President of the United States at his home in the White House. That sympathy and that understanding is in direct contrast with the treatment received by the farmers of this country at the hands of the party which Mr. FISH would seek to re-establish in power in Washington.

My State is nearly 2,000 miles from the Capital of the Nation, and yet 64 farmers from that State, at their own expense or with the help of the contributions of a few neighbors, left their farms in their busiest season and came to Washington, not to enter any protest, but for the sole purpose of expressing to the President and to the Congress their appreciation of what has been done for them by the farm legislative program of the Roosevelt administration, and to petition for a continuance of that program.

I submit to the Congress and to the people of the United States that the answer to the charge of the distinguished gentleman from New York, that the interests of the agricultural Middle West and of agriculture generally are not being protected and safeguarded by the Roosevelt administration, is contained in the story of the pilgrimage of the 4,000 farmers who came to Washington this week at great personal sacrifice to voice directly to the President their approval of the administration farm program, and to ask for its continuance. That answer is final and conclusive. [Applause.]

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN. Mr. Chairman, I decline to yield. Mr. Chairman, I yield back the balance of my time.

Mr. POWERS. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, it is with a certain amount of trepidation that I take the floor today to discuss the appropriations that have been made by this Congress and those that were made by the last Congress. I am aware that it is the policy of the opposition party when they have no case and no legitimate argument to call names, and I expect that when I have told the truth about those appropriations that will be the answer.

I have in mind the address of that chief apologist for the administration who, day before yesterday, delivered a brain trust speech which he drew out of the table one section at a time. I have in mind the recent speech of the Chief Executive of this Nation who lost control of himself because he was not ready to take the facts as they were in accordance with the pledge he gave to the people of this country at the time of his inauguration. [Applause.] You and I will remember that he told us he was going to try experiments and when the experiments failed he was going to drop them and try something else; yet, when evidence of the failure of those experiments is called to his attention the answer is not in accordance with his promise, to drop those experiments, but the answer is to call names.

I think the people of this country should know what is being done to them from a financial standpoint. In what I have to say today I am going to pay particular attention to the figures that give the people a picture of just what is being done to them and just how those operations are standing in the way of recovery and actually preventing recovery. I shall try to call to your attention just exactly what the situation is and how in one way or another in a subtle fashion our friends, whether intentionally or not, actually have misrepresented that situation to the American people.

In order that this may appear more clearly in the RECORD than perhaps I shall be able to give it on the floor, I ask unanimous consent to revise and extend my remarks and to include therein certain tables and certain graphs and charts.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. In the first place I want to take up the regular appropriations that were made last year and this year, and I am going to assume in this respect that the appropriation for the legislative establishment of the Government is going to be just as it was reported to the House by the committee.

Last year our appropriations in the independent offices bill were \$666,490,969; this year they were \$846,792,365, an increase of \$179,000,000, or approximately 30 percent.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ARNOLD. Is it not a fact that the greater portion of this increase is due to the restoration of salaries?

Mr. TABER. Oh, no; not in that bill. It is due very largely to increased operations and additional employees, and to the restoration of pensions, and that sort of thing, almost all of which were made by the Executive himself by regulation.

Mr. ARNOLD. What particular bill does the gentleman refer to?

Mr. TABER. The particular bill to which I had reference was the independent offices bill.

Mr. ARNOLD. I beg the gentleman's pardon.

Mr. TABER. Mr. Chairman, the next one is the District of Columbia appropriation bill, which has not as yet gone through conference, but I am going to make an estimate as to what I believe it will be, considering what has happened so far. Last year the total appropriations in this bill were \$36,584,000; this year, \$42,760,000, an increase of over \$6,000,000.

The Treasury and Post Office Department appropriation bill last year carried a total of \$2,237,089,000; this year, \$2,434,926,000. In this connection may I say that I am including in the regular annual bill the estimates covering the permanent appropriations which accompanied the report of each subcommittee submitted to the House. This was an increase of \$197,837,000. I should say that probably half of this increase was due to the restoration of salaries.

The next bill that I have is the War Department appropriation bill, which carried a total for 1935 of \$328,054,000; for this year, \$376,803,000, or an increase of \$48,000,000.

The Interior Department appropriation bill carried last year a total of \$63,119,000; this year, \$78,122,000.

The Agricultural Department appropriation bill carried total appropriations of \$63,662,000 last year and \$125,150,000 this year, an increase of \$62,000,000.

The Navy Department appropriation bill last year carried a total of \$286,523,000; this year, \$461,344,000, an increase of \$174,000,000, or something like 60 percent.

The legislative bill last year carried total appropriations amounting to \$18,233,000; this year \$20,355,965, or an increase of \$1,884,934.

Mr. LUDLOW. Will the gentleman yield there for the purpose of clarification? I would like to explain this increase.

Mr. TABER. This year?

Mr. LUDLOW. Yes.

Mr. TABER. In the legislative bill?

Mr. LUDLOW. Yes.

Mr. TABER. I will be glad to have the gentleman explain it.

Mr. LUDLOW. I would like to restate here what I said to the House previously. The amount carried in the bill is \$1,884,934 more than the total of the appropriations of the legislative establishment for 1935, but this increase is more apparent than real, as \$1,000,000 of it, while appearing as an appropriation, is in fact a loan to the working capital of the Government Printing Office and is to be repaid in its entirety to the United States Treasury within 6 months after the close of the next fiscal year. Then, too, the amount required to restore salaries to the 100-percent level, as heretofore provided by act of Congress, adds approximately \$1,380,000 to the 1935 appropriations, so that if we eliminate from consideration the loan to the working fund of the Government Printing Office and the increase of salaries to normal the total appropriations for the legislative establishment for 1936 show an actual net decrease of \$495,066 below the total appropriations for 1935. In other words, barring statutory salary requirements and this loan to the Government Printing Office, we have actually accomplished a decrease of \$495,066 compared with the legislative appropriations for the fiscal year 1935.

I thank the gentleman for allowing me to make the statement, which is in exact accordance with the facts.

Mr. BLANTON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman from New York [Mr. TABER] is not only one of the able leaders of his party but he has been on the Appropriations Committee so many years that he exercises a tremendous influence there, and he usually has his way about things in that committee. If there are all of these increases appearing in those bills, with which he has had much to do in bringing them before the House for attention, is he assuming the responsibility?

Mr. TABER. Oh, no. The Republican membership on the Appropriations Committee has been put at 11 as against about 28 Democrats, if I remember correctly, and the minor-

ity has not very much of an influence in working out these appropriations. In a general way in the committee it is possible for an individual Member to cut down some items and to handle things in such a way as to reduce certain items as far as possible, but the way things are done now the responsibility for the set-up is entirely upon the Executive. If the Executive embarks upon a large and extravagant program, it is absolutely impossible for the ordinary Member of Congress on the minority side to have a major influence in cutting down these figures. You may be able to cut down small amounts. You may be able to cut down on a certain bill, say, three, four, five, or six million dollars; and in some cases, as was done by the committee in connection with the Navy bill, \$24,000,000 or \$25,000,000 out of the \$480,000,000 estimated.

Mr. BLANTON. But the gentleman knows that on numerous occasions, and recently, too, he has taken the bull by the horns and taken charge of things here on the floor. He has led not only his minority but we Democrats have followed him on several of his good fights. If these things are wrong, why has not the gentleman led us right?

Mr. TABER. I have done the best I could in the committee, and I think everyone who has served with me on any subcommittee will testify that I have tried to reduce appropriations as much as possible. Of course, when I can get what looks like quite a substantial reduction in the committee, and I go out on the floor and butt my head against a stone wall, I am not going to do that. I would like to see a lot of things done that have not been done. The gentleman from Texas [Mr. BLANTON], no more than I, always gets his way about how big appropriations ought to be. The gentleman has always stood for saving money, and I have too, but you cannot get everything you want on the floor of the House.

Mr. ARNOLD. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Illinois.

Mr. ARNOLD. Will the gentleman tell us the number of these appropriation bills he has voted against at this session of Congress?

Mr. TABER. Oh, I do not remember that I have voted against any of these regular bills. I may have voted against one of them, but I would not be sure.

Mr. ARNOLD. I think the gentleman voted for all of them.

Mr. TABER. I would not say that I voted against any of them, but I will say that insofar as I have been able to exert my influence upon the other members of the subcommittees I have been on, I have always tried my very best to keep down appropriations, and the gentleman can testify to that with respect to the committees on which I have served with him.

Mr. ARNOLD. I want to testify to that now. The gentleman from New York has been a most valuable man on the subcommittees on which we have been together [applause], and I am sure that the gentleman from New York likewise knows that the chairman of the subcommittee on which he serves has gone along with him as far as possible in the interest of the Treasury.

Mr. TABER. I may say to the gentleman from Illinois that I have served with him on the Appropriations Committee for a long time. I have served with him on the Treasury-Post Office Subcommittee and on the Deficiency Subcommittee for the last three sessions, and the gentleman from Illinois has done the very best he could to keep down the expenses of government. There is not any question but what the gentleman from Illinois is what we call a "cutter" on the Appropriations Committee.

Mr. ARNOLD. I thank the gentleman.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. TABER. And the gentleman from Indiana, who is now asking me to yield to him, is a good cutter.

Mr. LUDLOW. If the gentleman will indulge me a moment, since we are passing out tributes, I wish to add my personal tribute to what the gentleman from Illinois has said in regard to the gentleman from New York [Mr. TABER]. The gentleman from New York is one of the ablest and most useful Members of this Congress. In the Committee on Ap-

propriations politics stands adjourned, and the gentleman from New York and the other members of the committee do their duty and under their conscience seek to serve their country and do not allow politics to enter. The gentleman is a very valuable, useful member, who performs his duties as a member of the Appropriations Committee in the light of what he believes is the public interest. He is one of the most sincere and effective champions of economy in this Congress, and to my way of thinking that is a high tribute. [Applause.]

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. ENGEL. If there are so many good cutters on the committee, why did they not do some cutting—were the knives dull?

Mr. TABER. We have done a very considerable amount of cutting in the Appropriations Committee when you consider the size of the estimates that were submitted from the Bureau of the Budget. If the gentleman will look at the estimates as they came in, he will see that there has always been a very considerable amount of cutting. Even on this bill, which totals a modest sum as compared with the other measures, the Budget estimates for 1936 were \$22,000,000.

Mr. LUDLOW. Nearly \$23,000,000, as a matter of fact.

Mr. TABER. Yes; \$22,946,000, and the committee recommended, according to the figures I have here—

Mr. LUDLOW. If the gentleman will pardon me, I have the figures, \$20,355,965 appropriated, as against \$22,946,105 in the Budget estimate.

I may add, if the gentleman will further permit, it is the smallest of all the appropriation bills, so that I think the cut we were able to make is quite impressive.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. TABER. The gentleman from Michigan will see that the committee has cut the estimates and I think it is fair to say that the gentleman from New Jersey [Mr. POWERS], as well as the gentleman from Indiana [Mr. LUDLOW], and the other members of the subcommittee, did their best to bring about these results and even on this small bill they were able to make a cut of 12 percent and a little better.

So far as the Committee on Appropriations' record is concerned in the cutting of appropriations I do not think the Congress has very much to be ashamed of, but if you have a program laid out and sent down for you to follow, it is exceedingly difficult to go beyond what has been laid out, as we see it here.

There is one other bill I did not mention—the State, Justice, Commerce, and Labor bill. The figure for that bill last year was approximately \$67,000,000 and for this year \$73,000,000, an increase of \$6,714,000.

When I throw my figures together I am going to put them all in one place and put these interruptions all together in accordance with the consent which I have received.

The total for last year was \$3,776,778,745. The total that we are appropriating in this Congress under the regular bills is \$4,454,000,000, an increase of approximately \$700,000,000.

The following table shows the work of this session and the last:

Regular annual appropriations, including permanent appropriations

	1935	1936
Independent offices.....	\$666,490,969.00	\$846,792,365.00
District of Columbia.....	36,584,677.94	42,760,619.00
Treasury, Post Office.....	2,237,089,962.00	2,434,926,122.04
War.....	328,054,891.00	376,803,356.00
State, Justice, Commerce, and Labor.....	92,021,083.00	98,735,305.00
Interior.....	63,119,105.38	78,122,648.00
Agriculture.....	63,662,177.00	125,150,000.00
Navy.....	286,543,132.00	461,344,346.00
Legislative.....	18,471,031.00	20,355,965.00
Total.....	3,791,937,028.32	4,494,990,726.04
1935 total.....		3,791,937,028.32
Increase for this session over last.....		703,053,697.72

The following table shows the deficiency, extraordinary, and relief appropriations made in the 1934 session and in the 1935 session:

Deficiency and extraordinary appropriations

	1935	1936
Relief and Civil Works Administration.....	\$950,000,000.00	\$4,880,000,000.00
Relief, June 1934.....	1,808,270,000.00	
Salary restorations.....		21,000,000.00
Deficiency.....	15,642,698.29	112,270,309.60
Public Works.....		350,000,000.00
Miscellaneous items.....		1,771,750.00
Do.....		54,000.00
Do.....		750,000.00
Agricultural Adjustment Administration processing tax.....	833,745,418.00	570,000,000.00
Agricultural Adjustment Administration appropriation.....	150,000,000.00	
Total.....	3,757,658,116.29	5,935,846,069.60
1935 total.....		3,757,658,116.29
Showing an increase of appropriations of this type for this year of.....		2,178,187,943.31

This year we had the large relief bill of \$4,880,000,000. Eight hundred and eighty million dollars of this amount came from the R. F. C. and from some other old appropriations.

But as they could not be used for the particular purpose to which they are now being put, I feel that they should be added to what Congress actually did, because that is money that will be spent.

Now, the thing I cannot understand is this: According to the daily Treasury statement, the best figures I can get, the revenue of the Government will run up to approximately \$3,100,000,000, exclusive of the processing tax, which I call extra revenue.

Mr. CAVICCHIA. Will the gentleman yield?

Mr. TABER. I yield.

Mr. CAVICCHIA. Does the gentleman know this: We are supposed to be economizing in Government expenses, and a Democratic Senator is authority for this statement, that last year \$486,000,000 appropriated for a different purpose was used to carry on the Government?

Mr. TABER. That is correct. I have not the figures in my head, but that is approximately correct.

Mr. CAVICCHIA. Four hundred and eighty-six million dollars was used, and that next year we will be told during the campaign by the Democratic spellbinders that the administration has reduced Government expenses by 25 or 30 percent.

Mr. TABER. Of course, the expenses for Government are very markedly increased.

The appropriations for last year's session of Congress run approximately to \$7,500,000,000. The total of this session of Congress will run almost exactly to \$10,430,836,785.64.

The regular revenue tax for the current year 1935 is going to run about \$3,100,000,000, and the revenue from the processing tax will amount to \$500,000,000, a total of \$3,600,000,000.

You have got about \$3,600,000,000 revenue to set against seven and a half billion dollars of appropriations.

Next year, with no increase in taxes in sight, we have ten billion and nearly a half appropriations, and we have in sight less than \$4,000,000,000 of revenue.

Mr. ARNOLD. Will the gentleman yield?

Mr. TABER. I yield.

Mr. ARNOLD. I know the gentleman wants to be fair. Out of these appropriations the Government has made large loans, and that money will be coming back. Can the gentleman give us the amount of money that has been loaned from these extraordinary expenditures, so that we can see what part of the increased appropriations will be coming back?

Mr. TABER. I do not think there is any money to come back out of the items that I have enumerated which were appropriated last year. I should say—of course, it is entirely a guess—I would say that perhaps somewhere between five and six hundred million dollars might be expected to come back out of the funds appropriated this year. I

do not know of any other appropriations that we have made that would be apt to come back.

Mr. ARNOLD. Of course, out of the last Public Works bill it is impossible to say now how much has been loaned and how much will come back, but has not the gentleman taken into consideration twice the \$880,000,000 which was appropriated last year and reappropriated this year? That appears twice, does it not?

Mr. TABER. Oh, no.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. POWERS. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. TABER. I said when I made my statement that the \$880,000,000 was a reappropriation or an opening up of the appropriation through some other channel than had previously been opened. Five hundred million dollars of it was out of the funds of the R. F. C., which had been authorized a couple of years ago, and \$380,000,000 was out of other funds, a large portion of which was appropriated in the calendar year 1933, and a small portion of which was appropriated in the calendar year 1934.

Mr. ARNOLD. But at any rate it should not be included in appropriations of money for both those years.

Mr. TABER. Oh, no; it should not. The amount that would come out of the 1934 figure would be small. I do not think any of the seven and a half billion dollars of the 1934 appropriations, except possibly the item of about \$200,000,000 for farm loans and home-loan bank stock, ought to be considered as anything that would come back.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. McCORMACK. Not for any controversial proposition, because I appreciate the gentleman's position, and if I were going to disagree with him in whole or in part I would do it in my own time; but is it not the gentleman's opinion, or has the gentleman an opinion as to something coming back for example, from our C. C. C., by way of improvements. Has the gentleman any views as to that?

Mr. TABER. No. I would say from observations that I have been able to make, that I doubt very much anything of that kind.

Mr. McCORMACK. I do not mean in the sense of money coming back, but I mean in the improvements to the country, such as reforestation. Will not the country receive in the future some benefits rather than the immediate payment back in the way of money?

Mr. TABER. That is problematical.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. LUDLOW. Has the gentleman in his computation made any calculation as to how much will be reimbursable to the Public Treasury under the 30-70 rule of the Public Works Administration, whereby the Federal Government grants 30 percent but is supposed to have returnable 70 percent from the State or the municipality?

Mr. TABER. It will not be a terrifically large amount. Grants to municipalities have run a total of \$692,000,000, of which \$138,000,000 is still unexpended, and the maximum that could be returned under the practice that has been applied would be 70 percent, or about \$400,000,000. This money was almost all appropriated in 1933.

Mr. ARNOLD. The gentleman refers to \$692,000,000 as grants?

Mr. TABER. Grants and loans. I am taking my information from the daily Treasury statement.

Mr. ARNOLD. The gentleman referred to grants?

Mr. TABER. Grants and loans, it says. Assuming 30 percent of those were loans—

Mr. ARNOLD. But 30 percent are grants and 70 percent loans.

Mr. TABER. Oh, 70 percent are loans? That would be approximately \$450,000,000 that might come back out of that, but how much out of that has already been spent no one could tell without definite figures, and I have not them.

During all this time the number of employees has been increasing by leaps and bounds. The following table shows the picture and the increases down to as late a date as possible. The 1935 figure is as of March 31:

Number of employees under Civil Service Commission

	1930	1931	1932	1933	1934	1935
Inside District of Columbia	71,189	69,435	66,000	71,054	93,322	97,388
Outside District of Columbia	489,267	501,933	504,000	506,116	586,859	587,530
Total	560,456	571,368	570,000	577,170	680,181	684,918

NOTE.—The Post Office Department figure given in the civil-service report of number of employees is 257,172. The number actually employed, according to information received from Mr. Uttley's office and from Mr. Biedenweg's office by phone, is 278,616.

At the present time the grand total as of the 1st of May, according to my understanding, is 690,000. That is more or less of an estimate.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. POWERS. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. TABER. At the end of March, it was 684,918, but those figures I am somewhat inclined to believe are an underestimate, because I got from the Civil Service Commission the number of employees in the Post Office Department as 257,172, but over the telephone from the Post Office Department I got the number of employees there as 278,616, indicating 20,000 more than the Civil Service Commission reported.

Mr. ARNOLD. That is probably due to first-, second-, and third-class postmasters, and other positions not strictly civil service.

Mr. TABER. The third- and fourth-class postmasters are all listed with the Civil Service Commission.

Mr. ARNOLD. The first, second, and third are not.

Mr. TABER. The first, second, and third are all a part of the result of ratings given by the Civil Service Commission.

Mr. ARNOLD. Only fourth-class postmasters are under strict civil service, and that is all the gentleman would get from the Civil Service Commission.

Mr. TABER. But they would be governmental employees, just the same.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. LUDLOW. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Chairman, I want to discuss a number of matters that have come before this body. Unfortunately, I find that a particular gentleman seems to take personal issue with me at every opportunity, and no matter how meritorious the immigration legislation proposed may be, he finds time to object to it. In addition to objecting to it, he makes a very fine speech the next day in which he brands me as one who believes in an open-door policy of immigration. He is a bugaboo in this House when we talk about immigration. He seems to get a number of people to applaud him. I venture to say if I asked any one of those people for what they were applauding, or what the gentleman said, they would not know, neither would they know fully the contents of the law or the import of the bill objected to.

I have been in this House for seven terms. I do not think I have crossed swords with any Members on this floor. I have tried to maintain myself as a gentleman and as an American, and in 13 years I do not think I have objected to any proper, honest consent for consideration by this body.

Since this Congress was organized, as Chairman of the Committee on Immigration and Naturalization, I have really and honestly tried to bring about better and more understandable law, not only from the standpoint of the immigrant but also to help assimilate the many thousands of aliens in the United States, so that we can make them citizens of our great country.

After a careful survey made by me and the Committee on Immigration and Naturalization we found a number of aliens who were stranded in the United States who were begging to go home and stay home; so this committee, after careful consideration, voted out certain bills which would relieve this situation.

I will take up those bills one at a time later, although I originally started to discuss the question from a different angle.

Last Friday afternoon I presented a resolution to this House and asked for its immediate consideration. That resolution purported to admit into the United States without payment of the usual fees a number of Boy Scouts of foreign countries, to participate in a great celebration that is going to take place in Washington.

I went to the majority leader, the minority leader, and to the Speaker. I thought I spoke to the entire leadership of the House. Apparently that is not all the leadership in this House; I did not speak to my good friend from Texas [Mr. BLANTON]. So I offered this measure in honest good faith. Although this resolution was not going to bring in any aliens, the gentleman objected to its consideration. That was his right. I am not quarreling with him. He had a right to object, because I had asked unanimous consent. I have no quarrel with the gentleman or any other gentleman or lady who desires to make objection to a unanimous-consent request.

My objection goes further than that. My good friend—and that is not by way of criticism—Mr. Chairman, I want to present my viewpoint as I see it without any interruption at this time—my good friend objected and said he was afraid that more Emma Goldmans would come into the country, and more Communists might come in, and he threatened this Congress by claiming 100,000 aliens would be brought in if the resolution were passed in that particular form. Now, the gentleman from Texas had a right to object. If he thought that Emma Goldman had a little boy 12 years old, who as a Boy Scout was coming to this jamboree, and that his mother was coming with him; if that is the reason he objected, then I am glad he objected. Under that resolution not only the Boy Scout might come in, but his mother might accompany him to the United States. If the gentleman from Texas thought that Mr. Berkman, another anarchist, had a little boy 12 years of age, who as a Boy Scout might bring his father with him, then the gentleman had a right to object. But surely that was not the purpose of the objection in the mind of my good friend. He objected to it because I was the author of the resolution. He objected to it because he, for some reason or other, does not seem to agree with some of my policies on immigration. He objected to it because he has a bill before my committee. Under his bill he wants to suspend all immigration for 10 years.

Now, that would not be so bad, but under that bill he would almost prevent diplomats coming into this country. It would place a big fence around the United States. It would stop everybody going and coming. This country would violate treaties with other countries dealing with immigration. That bill is a blanket indictment to close the doors for 10 years, without even making an exception to allow the child of an American citizen or the wife of an American citizen to join the father or husband in the United States.

Mr. BLANTON. Will the gentleman yield?

Mr. DICKSTEIN. I refuse to yield.

Mr. BLANTON. Mr. Chairman, I make the point of order that under the rules of the House no speaker has the right to question the purpose of any Member in the performance of his duty. The present speaker stated that I objected to the Boy Scout resolution simply because he was the author of it, which is absolutely false, as false as it can be. There is not a word of truth in it. When the gentleman questions my purpose he ought to be fair enough to yield. He has not any right to say I objected to it because he was the author, when I objected to it because it needed amend-

ment. I went before his committee and his committee unanimously put in the amendments that I proposed. The committee unanimously did so. And since his committee properly amended his bill by properly safeguarding it, I am now supporting it, even though he is the author of it.

The CHAIRMAN. The gentleman from New York will proceed in order.

Mr. DICKSTEIN. Mr. Chairman, the particular bill introduced by the gentleman from Texas [Mr. BLANTON], that I was referring to, had careful consideration by the committee, and after it had listened to representatives for the administration, and to a number of men and women who as restrictionists opposed that bill, the committee did not see fit to report it out.

The gentleman has a petition on the desk to discharge the committee from further consideration of the bill. He has obtained 18 signatures. How many of these 18 men who have signed, actually know what the purpose of that bill is? Do these men know that they are putting a fence around the United States through which there can be neither entrance nor exit? Are these the same men who applaud the gentleman from Texas [Mr. BLANTON] for every wisecrack he makes on the floor of the House?

I want to give respect to every man and woman, including the gentleman from Texas [Mr. BLANTON]; but, Mr. Chairman, I am not here to judge his conduct; I am here to judge my own.

Now, Mr. Chairman, reverting to the Boy Scout resolution, the President of the United States is the honorary president of the Boy Scouts of America, and in a radio speech he made February 8, 1935, he invited the Boy Scouts of the world to participate in a jamboree which will take place in Washington very shortly, as follows:

PRESIDENT ROOSEVELT'S INVITATION FEBRUARY 8, 1935

President Head and members of the Boy Scouts, the year 1935 marks the twenty-fifth birthday celebration of the Boy Scouts of America. During these years the value of our organization in building character and in training for citizenship has made itself a vital factor in the life of America. That is why not only the Boy Scouts of today, but the millions of men and boys who have graduated through scouting, will be joined by millions of other Americans in the proper marking and celebration of our anniversary.

* * * The outstanding event will be America's first national jamboree, to be held here in the city of Washington from August 21 to August 30. I hope to attend it in person. Since I extended the invitation a year ago, definite plans have crystallized. With the cooperation of various officials here in Washington a fine camp site has been made available and will be all ready to receive 30,000 boys when the meeting starts. I am glad to know that the selection of these boys is being made on the basis of merit and, furthermore, that in many cases these boys will come to Washington at the expense of the troop, and not merely because the boy's economic situation in life is such as to make it possible for his parents to send him.

Thirty thousand scouts brought together under such conditions will mean the most thoroughly representative group of American boys ever mobilized for a purpose of this character.

We hope, too, that other countries will send at least small delegations to meet with us on this occasion. Because scouting is now in active operation in almost every civilized nation of the world, this will give us a splendid opportunity to enlarge our basis of mutual respect, of understanding, and of friendship among the people of the world regardless of race or creed. * * *

FRANKLIN D. ROOSEVELT,

Honorary President, Boy Scouts of America.

May I say that the resolution which I offered last Friday was not drawn by me, nor am I the author. It was requested by the National Council of the Boy Scouts of America, and the State Department, the Labor Department, and Treasury Department had expressed approval of its purposes before it had been presented to me for introduction. I sought to have this resolution passed pursuant to the President's proclamation.

It is being a little inconsistent to uphold the President on one day and not uphold him on another day. I have heard gentlemen on this floor talk about upholding the President. This is just exactly what the President wants. He has invited the Boy Scouts of the world to participate in this celebration, the first of its kind ever held in the city of Washington, and which will take place during the coming summer.

In order to carry out the program, I offered this resolution. It was in the form of an invitation to the foreign Boy Scouts and their parents or guardians. The gentleman from Texas objected to its consideration. This action resulted in my being compelled to apply to the Rules Committee, and I am advised that a rule will be considered tomorrow by that committee. In the meantime the arrangements are being delayed.

Mr. Chairman, I do not see any objection to a young Boy Scout coming from France or any other country accompanied by his mother or guardian. The sole objection, so it was stated, was that it would allow a certain number of people to get into this country, hordes and hordes of aliens, as the gentleman said. I am for him. I do not think criminal aliens belong here. I think we ought to get rid of them.

May I say to the gentleman from Texas that if he wants to help I will show him how we can get rid of the aliens in the United States and find jobs for the Americans that he talks about, but he will not help me. All of the members of the Immigration Committee are honest-to-goodness, hard-working members. They are trying to do a good job, but up until the present time the immigration laws have been butchered because we have never gone into the details and essence of family life as it relates to the immigration policy of this country.

Mr. McCORMACK. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I am not going to get into this exchange between the two gentlemen, and I do not want my remarks to be misunderstood. I am interested, however, in what the gentleman said about the department that drafted this resolution. Which department drafted the resolution?

Mr. DICKSTEIN. The resolution was given to me as having the original approval of the department. Which department had the final word, I do not know.

Mr. McCORMACK. The gentleman did not draft it himself?

Mr. DICKSTEIN. No. I just carried out a request made upon me as Chairman of the Immigration Committee, because it had to come before my committee.

Mr. McCORMACK. I understand that. The gentleman did not draft it himself. I am not saying how I may vote on it, because that is an entirely different question, but it seems to me that answers any statement that may be made about the gentleman drafting the resolution himself.

Mr. Chairman, for whatever value my observation may have, may I say that the gentleman from New York [Mr. DICKSTEIN], and the gentleman from Texas [Mr. BLANTON], are two of the most valuable Members of the House. In saying that I believe I speak the mind of every Member here. If in the future, instead of these violent exchanges between them, there would be that impersonal exchange even in opposition, it would more completely reflect the true state of mind of both the distinguished gentlemen.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. I just heard the gentleman from Massachusetts [Mr. McCORMACK], say that the gentleman from New York [Mr. DICKSTEIN] and the gentleman from Texas [Mr. BLANTON] were two of the most distinguished Members of Congress, or something to that effect. The gentleman from New York [Mrs. O'DAY] and I are sitting here, and we want to be in that class, too.

Mr. DICKSTEIN. Both the gentleman from New York [Mrs. O'DAY] and the gentleman from Pennsylvania [Mr. DUNN] are in that class.

Mr. Chairman, may I say further along these lines that this is no reflection upon my good friend, the gentleman from Texas [Mr. BLANTON], because he sees the problem one way and I see it another way.

We have been working now for the past 2 months on a bill to clear up the Communist question, which was drafted as a result of the very important work done by the Committee on Un-American Activities. We are trying to rid this

country of every alien who does not like this country. We want to send everyone home and make them stay home.

We propose to bring before the House some very constructive legislation. We propose also to add a number of sections to our deportation law which presently do not exist. For instance, under the present immigration law a dope peddler who has committed a crime in one of the various States cannot be deported. He is an alien dope peddler, yet he cannot be deported. An alien gunman who commits a violation and the worst sort of a crime cannot be deported. We are bringing in legislation, and with your cooperation we will get rid of the racketeer alien, the gunman, and the dope peddler, but at the same time would not you, even those of you who are restrictionists, like to see the little son or daughter of an American citizen reunited with their parents? Do you not think we ought to have some humanity in the law that will give some power to some Government official to take care of the alien who has committed no wrong whatever, who has been in this country almost 20 years, but, because some inspector of immigration finds he did not pay a head tax when he came in he is subject to deportation, whereas the racketeer, the gunman, and the dope peddler cannot be deported?

You cannot deport a habitual criminal alien who commits crime day in and day out, year in and year out; why? In order to deport him, under the present law, you have to prove that he has been guilty of two felonies involving moral turpitude, each with a conviction and a sentence of 1 year and a day.

We propose by this law, that irrespective of whether a man is guilty of two felonies involving moral turpitude if he has shown a tendency to be a habitual criminal, to send him back to his native land and keep him there. This is what I call constructive legislation.

Mr. Chairman, about a year ago, the Commissioner from the Philippine Islands, who is present here to bear me witness, came before my committee and stated that there are a number of Filipinos who are stranded in the United States who want to go back to the Philippine Islands and stay there. They are presently on the relief rolls; they are presently taking the jobs of American citizens, when they can find them. They want to go back home and stay there and my committee heard the gentlemen from the Philippine Islands and we heard from the departments, the Federation of Labor, and the patriotic organizations—every one of them supported this request of the Commissioners from the Philippine Islands. I introduced the bill because I was asked to introduce it. I had no alternative, one way or the other, and when I brought this bill on the floor of the House with a unanimous report from the committee it was objected to. Why? Because we would have taken out 30,000 Filipinos and once for all had them stay home. Am I right, Mr. Commissioner?

Mr. GUEVARA. Yes.

Mr. DICKSTEIN. Then we have another situation. Under our present law an alien who has come to this country, and finds himself stranded within 3 years after entry, if he wants to return to his native land and stay there, may file an application with the Commissioner of Immigration.

I found hundreds of aliens who are on the relief rolls today, not only in my city but in your cities, who want to go back to their native lands. One month and a half of relief funds would take them back to their native lands. That would keep them there because they would have to sign a pauper's application and could not come back under any circumstances.

I was prepared to take from the relief rolls of your State and mine, including also the State of Texas, probably several hundred thousands of aliens of this kind and send them back to their native lands. Would it not be worth while to send them back, inasmuch as we would have to support them anyway? That bill would repatriate them and give jobs to the American people. That bill was not only supported by the Federation of Labor, by the American Legion, by the Veterans of Foreign Wars, but by every known organization that usually comes before my com-

mittee, and when I brought it out on the floor in an effort to repatriate these hundreds of thousands of aliens who, I agree with the gentleman from Texas, are holding down American jobs, my good friend from Texas and a few more leaders of the Third House objected to it. We have a Third House here.

Mr. MARCANTONIO and Mr. BLANTON rose.

Mr. MARCANTONIO. Whom are you referring to as the Third House?

Mr. BLANTON. I do not belong to any Third House—I am in the First House.

Mr. DICKSTEIN. I agree with the gentleman.

Mr. MARCANTONIO. What is the gentleman referring to as the Third House? Is the gentleman referring to a group of Members in this House who believe in voting independently?

Mr. DICKSTEIN. No; I am referring to a certain bloc that will object to anything no matter how meritorious it is, unless you go to them in advance, quietly, secretly, and satisfy their scruples that everything is hunky-dory; otherwise, you are out of luck, irrespective of whether the minority leader is satisfied or the majority leader is satisfied or the Speaker is satisfied.

Mr. DUNN of Pennsylvania. I do not belong in that class.

Mr. DICKSTEIN. No; I do not put anybody in that class. I am simply trying to give you a picture.

The gentleman from Texas, Mr. BLANTON, during the present session of Congress on the floor of the House, has been consistent in his objection to the regular procedure for the consideration of bills before the Committee on Immigration and Naturalization.

The burden of his speeches has been a plea to deport aliens and keep out aliens and thereby make places for American workmen. Judging from the RECORD, let us see if he really has been consistent.

On February 4, 1935, this House had up for consideration H. R. 67, the primary purpose of which was to make places for American seamen on American ships. The gentleman from Texas, Mr. BLANTON, did not object to consideration of this bill, but on the other hand any effort on his part to support the bill or to make any speeches in favor of it is not in the RECORD. This bill was for American workmen, but Mr. BLANTON did not speak in favor of it. However, the bill passed the House.

On February 18, 1935, and again on March 4, 1935, an opportunity was given to this House to consider H. R. 3472 and House Joint Resolution 71. These two bills combined would have relieved American communities of the burden of public care of a great many aliens and Filipinos whom the Government cannot now deport. But in the case of both of these bills, the gentleman from Texas [Mr. BLANTON], objected, and as a result of his objection consideration of them on the Consent Calendar is barred for the balance of this session. These bills were for the American workman. The gentleman from Texas refused to let the House consider them.

On March 4, 1935, an effort was made to consider H. R. 5839, but the gentleman from Texas not only objected to its consideration but erroneously charged me with the authorship of a bill enacted during the previous Congress upon which he says Emma Goldman was permitted to come back here. I may say to Mr. BLANTON that the evidence submitted to our committee during public hearings clearly indicated that the basis for the permission granted Emma Goldman to reenter the United States for a temporary visit was a provision of the Immigration Act of 1917, long before I was in Congress and long before the present Commissioner of Immigration and Naturalization was in office.

When I attempted to secure permission to speak on the floor to explain this situation to the gentleman from Texas, on March 4th, he objected to my having the time.

On or about the 25th of February last, Mr. BLANTON told this House that he placed a petition on the Speaker's table the purpose of which was to discharge the Committee on Immigration and Naturalization from further consideration of his bill, H. R. 2733. On the floor of the House last Monday, the gentleman from Texas made a speech regarding im-

migration subjects, and the CONGRESSIONAL RECORD account of that speech indicates that he told the House that 18 Members had signed that petition. As I have previously stated, I don't think that this needs any further comment.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. STEFAN. I am a member of the Committee on Insular Affairs and I am very much interested in what the gentleman had to say about 20,000 Filipinos who are anxious to go back home.

Mr. DICKSTEIN. That is right.

Mr. STEFAN. Did I understand the gentleman to say that these 30,000 Filipinos are now on relief and we would be relieved of this expense if we would send them back?

Mr. DICKSTEIN. There are at least two or three hundred thousand such people on relief. I simply said there were 30,000 stranded Filipinos in the United States, in Chicago, San Francisco, Philadelphia, and New York, who had indicated a desire to go back to the Philippine Islands.

Mr. STEFAN. The gentleman knows that the Filipinos are citizens of the United States, and why would they not be permitted to come back?

Mr. DICKSTEIN. Under certain laws, rules, and regulations they would have to sign papers or affidavits that makes them indefinitely and distinctly a public charge. They could not under the law of 1917, section 3, come back, because they are classified as persons liable to become a public charge. Filipinos, generally, are not citizens of the United States.

Mr. STEFAN. Then if we send them back to the Philippines they cannot come back to the United States.

Mr. DICKSTEIN. Positively not, and I will put in some kind of a safeguard if you want me to.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. TAYLOR of Tennessee. They could not come back under the quota restrictions.

Mr. DICKSTEIN. No; that is an answer to the question by the gentleman from Nebraska. The gentleman from Nebraska asked me if they could not come back, and my good friend from Tennessee, the fine ranking Republican member of the committee, states that we have now a quota for the Philippine Islands, which is 50, and they could not possibly return.

Mr. STEFAN. Many Members are interested in that limitation. Does not the gentleman believe that the objection was made because Members believed that this was only a trip back home, and that they would return again to the United States?

Mr. DICKSTEIN. I want to say to the gentleman that we will make sure that they do not return.

Mr. STEFAN. Mr. Chairman, I heartily agree with many of the things the gentleman from New York [Mr. DICKSTEIN] has said. If these 30,000 Filipinos who are living in the United States on charity, at the expense of American taxpayers, want to go back to their native land, they should be sent back; provided, of course, that the gentleman is sure that they cannot come back. That they do not merely want American taxpayers to pay for their trip back home free of charge and then get an opportunity to come back whenever they wish. The Commissioner from the Philippines, Senor GUEVARA, has just informed me about the Philippine quota matter and assured me that these people can be stopped from coming back here so I am in agreement with the gentleman from New York.

I am more interested in keeping families united in our country than the gentleman can realize. I am glad that the Chairman of the Immigration Committee is joining us in trying to help these families. I am going to vote for the gentleman's bill which calls for the aid of foreign-born people who have lived here many years and through some technicality have had their naturalization papers taken away from them. I have one very sad case of this kind in my district—the Third District of Nebraska—which I plead for at this time. There undoubtedly are others. This is the case of Mr. Theodore Goeres of Osmond, Nebr. He has lived

in this country many years. He has lived in my State many years. He has contributed much to the welfare of his community, State, and Nation. He has raised a fine family and commands the respect of his neighbors and friends. He is a good, honest, upright citizen. A man whom I am proud to call my friend and fellow citizen.

Yet in the older age of his life he suddenly is told that some technical error was made by him when his papers were taken out many years ago and these citizenship papers were taken away from him. I want him and other good people protected and their citizenship papers given back to them, and I am happy that the distinguished Chairman of the Immigration Committee will help champion the cause of these worthy people who know no other country than our country and yet find themselves people without a country. I shall do my utmost to help the gentleman from New York pass his bill to protect these people. I join with the gentleman from New York in the determination that alien racketeers, alien dope peddlers, alien gunmen, and the like should be eliminated from our midst, and protection and relief be given to fine people like my friend Mr. Goeres, of Nebraska, so that through some technicality their citizenship will not be lost to them.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield to the gentleman 5 minutes more.

Mr. DICKSTEIN. When a man is right, he is right. Sometimes I find that my friend from Texas, Mr. BLANTON, is right; but the most of the time, so far as I see it, he is wrong.

Mr. BLANTON. But the gentleman is looking at it through his own eyes, from his viewpoint. When I look it over through my eyes, the gentleman from New York is wrong all of the time on immigration matters.

Mr. DICKSTEIN. I cannot use the eyes of the gentleman from Texas—if I did I would probably see something different. We do not have cows in New York City; we do not have farms.

Mr. BOYLAN. Oh, I want to correct the gentleman. We have a farm on Manhattan Island. There is one farm left.

Mr. DICKSTEIN. One farm left. Now, what are these whispers around Capitol Hill that I am such a liberal that I am prepared to let all immigrants in? I want to say this, that in the 13 years I have been in the House I have advocated and preached to both parties, Republicans and Democrats, that they could not at election time put in their platform that they are in favor of uniting families of American citizens, and then, when they get into power, separate those families by miles and miles. I am for the union of families. I believe that if we went into Texas, in some districts we would have the church agree with us. I have said all these 13 years that we have no right to separate a man from his wife. [Applause.] You and I have no right to separate children, but you did it in 1924 when under the National Origins Act you cut the quota down to about 154,000, and gave three countries alone over 70 percent of this quota; you gave Germany, Great Britain, and the Irish Free State about 110,000 of this quota and thereby froze out people in almost 60 other countries from the right to be united with their families in America.

In the last census from the Department of Commerce I find that there has been sent to Europe almost \$300,000,000 by citizens and aliens in the United States to support their immediate family relations abroad. Why should not these relatives be brought here? Why should not we unite these families? Why should not we stimulate the thought that they could have their wives and children with them just as you and I? If you do not want that kind of a program, then, for God's sake, do not let them come here at all, but when you let them come here and they comply with our laws, I say that it is our duty to unite them. I agree with you that we do not want any more immigration. I agree with you that we ought to be more selective in our immigration. I agree with you that we ought to assimilate the masses of our people, but do not think when I bring in an immigration bill that I have any ulterior motive in my mind.

I am trying to do the best I can for my country, the same country as Mr. BLANTON's and Mr. BOYLAN's and the rest of you. I see the things perhaps better than you do. I have seen books written by great authors; they write about an immigrant, and they never saw an immigrant, and that reminds me of a story, if I may be indulged for a couple of minutes. There was an immigrant who got rich. Originally he was a poor immigrant. When he got rich he wanted a painting of his father. He went to a great artist and said that he would like to have him paint his father's picture. The artist asked him if he had a painting of his father or a picture, and he said no, that he had never had a picture; and the artist then told the man to give him a photograph. But the man said that his father never had a photograph taken. Then the artist asked the man to describe him, and the man did. The artist then painted the picture, and he brought home to this rich immigrant a magnificent painting. The man looked at it and admired it, and finally said, "My, how father has changed." [Laughter.]

Some people talk about things they do not know anything about. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I desire first to ask my friend Mr. GUEVARA, the Commissioner from the Philippine Islands, if he will permit me, whether it is not a fact that there are now in the United States about 60,000 Filipinos who are here lawfully?

Mr. GUEVARA. Yes; that is right.

Mr. BLANTON. And being here lawfully, they would have a right to go and get a passport and go home and come back.

Mr. GUEVARA. Yes; they can come back.

Mr. BLANTON. And if they have money, it would be very easy to go down here and get a passport, and if the man is worth \$50,000 he can get a passport and go home and then come back again.

Mr. GUEVARA. Yes.

Mr. BLANTON. Certainly; and that is what I am getting at. Those who are here lawfully can get a passport and go home and come back. A few of us here have been studying this question for years. I have been studying it for 18 years. The best evidence we have on the question, which we get from all sources, is that for every Filipino who is here lawfully, who has come in lawfully, you will find at least two who have come here unlawfully and who are still here.

Mr. RABAUT rose.

Mr. BLANTON. I regret that I have not time to yield. Commissioner GUEVARA has just admitted there are 60,000 Filipinos here lawfully, and that means there are 120,000 Filipinos who are here unlawfully.

Mr. DRISCOLL. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I am sorry I cannot yield, as I have not the time. I want to use my own time. The bill which the gentleman from New York [Mr. DICKSTEIN] proposed to pass was a bill not to send all those 60,000 Filipinos back who are here lawfully. Oh, no. He was going to pick out 30,000 of them and send them back and pay their way, and leave the remaining 30,000 Filipinos who are here lawfully still here, many being well-to-do financially, and would leave also the other 120,000 Filipinos here who are here unlawfully. We got an estimate that it would cost to send those 30,000 Filipinos back about \$900,000, or \$30 apiece. And then they will not stay put. They will find a way of coming back.

Mrs. O'DAY. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I am sorry, I cannot yield. If I refer to any colleague, I will gladly yield. My colleagues must use their own time. That bill meant that the huge sum of \$900,000 would be spent to send homesick Filipinos home for a trip, with nothing worth while accomplished. You would find most of them coming back here, if not lawfully, then unlawfully. They are crossing from Mexico, across the Rio Grande River, into the United States. They get in easily that way. That river for several hundred miles in certain

seasons of the year is so low one can get across it. You do not have to have an international bridge. Then they come to the west coast by an exchange from boats at sea. Just as many Japanese have gotten into the United States that way.

Now, let me tell you something about the Boy Scout bill that came up here the other day. The gentleman from New York [Mr. DICKSTEIN] said that I had a perfect right to object to that bill. I did have a right to object to it and I did object to it, but that evening he gave the newspapers a vicious attack upon me. That is what started all this business. I have enough Irish in me that when anyone attacks me they start something. If he had not given out that attack, there would have been nothing said by me about it. I pursued my rights as a Representative. I tried to get in touch with him Saturday. He was not here; he was in New York, they told me. I tried to get in touch with him Monday. His friends told me he was still in New York, but his committee met without him on schedule time. His committee sent me notice they would have a hearing on this bill.

Why did I object to the bill? Because he introduced it? Oh, no. I appeared before his committee at their hearings while he was in New York and presented my objections to the bill. The national officer of the American Boy Scout organization was present and, as I was leaving the hearing, he accosted me and told me that he agreed with my position in the matter and that he wanted the bill safeguarded with the amendments I had suggested to the committee.

Our distinguished colleague from Alabama [Mr. STARNES] acted for the committee in reporting the amended measure, and I quote from his Report No. 887, filed May 14, 1935, accompanying this House Joint Resolution 285, introduced by Chairman DICKSTEIN, the following:

The committee amendments are as follows:

1. On page 1, in line 3, after the word "alien", insert the words "Boy Scout."
2. On page 1, line 3, after the comma following the word "participants", strike out the words "officials, and other" and in lieu thereof insert the words "Boy Scout officials, and Boy Scout executives, who are."
3. On page 1, in lines 5 and 6, after the numerals "1935", strike out the comma and the words "and members of the immediate families of the foregoing."

After mentioning the fact that representatives for the Visa Division of the Department of State, for the Immigration and Naturalization Service of the Department of Labor, and for the Bureau of Customs of the Treasury Department all appeared before the committee, I quote from the said committee report the following:

The committee amendments meet with the approval of those same representatives and also with the representatives of the Boy Scouts of America.

Now that the bill has been properly amended by the committee, I am going to support it even though it has the name of Dickstein on it as its author, hence this is proof of the inaccuracy of the preceding speech. I wanted some language changed in that bill and I did get it changed. His entire committee, while he was in New York, while they were unhampered by him, unanimously voted for these amendments, and that bill right now is properly amended, and I will vote for it whenever he asks unanimous consent to bring it up, because it is properly safeguarded. He does not need a rule. So far as I am concerned, he can get it up now by unanimous consent.

Here is what I wanted changed. The bill, as introduced, reads: "That alien participants"—and, as amended, it reads: "Alien Boy Scout participants." That is a good amendment. It shows that they must be Boy Scouts.

Then I objected to the word "officials", because almost anybody can come in here under that name "official." I have found that out. I asked the committee to change that word "official", and the committee unanimously changed it. The bill now reads, as amended unanimously by the committee: "Boy Scout officials", to show that they must be Boy Scout officials and not some other kind of officials.

Then I wanted "Boy Scout executives" put in there, and they put this language in: "and Boy Scout executives who are accredited members of", and so forth. That was a wise

amendment that was put in there unanimously by the committee of which our distinguished colleague from New York [Mrs. O'DAY] is an able member.

Now, here is another objection I had. I objected to the words in the bill as Chairman DICKSTEIN introduced it, which read, "and members of the immediate families of all of the foregoing", as ones also allowed to come here. Why, you could have brought a horde of immigrants here from Greece, from Italy, from Czechoslovakia, from the Philippines, from Japan, from Russia, from every part of the world.

Mr. EKWALL. Mr. Chairman, a point of order. We cannot hear the gentleman.

Mr. BLANTON. Perhaps the gentleman's constituents back in his district will hear me, because they read this RECORD. I am getting letters and telegrams every day from New York City saying, "BLANTON, keep up your fight to restrict immigration in this country. We are with you. We Americans who came from foreign countries and who are Americans now want aliens kept out." I am getting them from New York, from Philadelphia, if you please, from Chicago, from Cleveland, and from San Francisco, and from many other places in the United States.

Now, did they change this family business? Yes; they did. They struck out every bit of that language. The words "and members of the immediate families of the foregoing" are not now in the bill, for the committee took them out. The gentleman's committee unanimously did that. Now, it is a good bill and now I am supporting it, even though it is still the Dickstein bill. So what is all this hullabaloo about?

The gentleman has the greatest chance to do valuable service to the American people that was ever placed in the hands of any Member of Congress. He is Chairman of the great Committee on Immigration. He has a chance to stop this immigration. He has a chance to stop aliens from coming from foreign countries. He has a chance to pass a bill, if he wants to, to deport from this country millions of aliens who are here unlawfully and who ought to get out of here and who ought to give up jobs that American citizens need.

I wish you would read the last speech of my colleague from Texas [Mr. DIES]. Until recently he was a member of this committee.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BLANTON] has expired.

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BLANTON. My colleague [Mr. DIES] is one of the best posted men on this subject in this House. He served on this committee several years. He has studied the question just as I have, and he will tell you that from investigations we have made there are in the United States at least 3,500,000 aliens who are here unlawfully. They ought not to be here. They got in here just like Bruno Hauptmann did. They have come unlawfully and they are staying unlawfully. They are taking jobs away from your American constituents and mine.

Then there are 6,500,000 additional aliens here who are here lawfully. Many have been here for years and do not want to be citizens. If you could get those 10,000,000 aliens out of the United States who are here lawfully and unlawfully, who either have American jobs or are on relief, you would have an American job for every unemployed American in the United States.

Mr. KRAMER. Will the gentleman yield right there for just a question?

Mr. BLANTON. No. I want my friend to take his own time.

I am sorry I have not the time. I cannot yield. I want the gentleman to settle his west coast question to the satisfaction of his own constituents.

The CHAIRMAN. The gentleman from Texas declines to yield.

Mr. BLANTON. Why do you suppose the gentleman from New York does not stop immigration? Something is the matter. If he wanted to do it, he could do it. Why do you suppose he does not stop it? Why do you suppose this little bill I have got, which I am going to read into the RECORD, was not reported out? Why do you suppose the chairman, Mr.

DICKSTEIN, put it in his "dead house" last session? He said he put it "in his dead house." Why did he put it in his "dead house" this session? Why does he not bring it in here and pass it? It would stop immigration for 10 years. It is because he does not want to do it.

Mr. BOYLAN. Will the gentleman yield?

Mr. BLANTON. I do not yield, Mr. Chairman. I did not mention the Irish. I left Ireland out of it.

The CHAIRMAN. The gentleman from Texas again declines to yield.

Mr. BLANTON. My bill is short, and I will read it.

Be it enacted, etc., That for the period of 10 years beginning 30 days after the enactment of this act, the immigration of all aliens into the United States is prohibited.

SEC. 2. The Commissioner General of Immigration, with the approval of the Secretary of Labor, shall prescribe rules and regulations for the enforcement of the provisions of this act.

SEC. 3. The provisions of this act are in addition to and not in substitution for the provisions of the immigration laws, and shall be enforced as a part of such laws; and all the penal or other provisions of such laws, not inapplicable, shall apply to and be enforced in connection with the provisions of this act.

Is there anything wrong with that? Your people back home can understand it, my people can understand it. Just why is it that the committee does not want to pass it? Chairman DICKSTEIN does not want to pass it or to stop immigration. He wants to reunite families. Why, MARTIN DIES got the gentleman from New York [Mr. DICKSTEIN] to admit here on this floor about a month or so ago that in his district in New York, which is populated largely by aliens, in his district in New York there is not a single family that has a relative abroad; he has been able, under the laws he has gotten passed here, to bring into the United States every member of the families of his constituents. I am not satisfied with it. I am tired of seeing Americans walk the streets hungry, without jobs. I am tired of seeing their wives and little children go underfed and underclothed and without shelter over their heads and without sufficient warmth in the wintertime. I want American jobs for Americans.

I have a great university in my home city, the Harding-Simmons University, at Abilene, Tex. They have the finest cowboy band in the world. Their band is known internationally. Their band has given concerts all over Europe and all over Mexico. They are going to take a trip abroad next month as soon as the university closes. I made application for them through the State Department for permission to land in England. I got a letter the other day from the State Department saying that Great Britain refused to let them land. Great Britain said there were too many musicians there without jobs; that they could not allow any musicians, even though American schoolboy musicians—they could not allow even a university cowboy band to land in Great Britain—they were musicians.

[Here the gavel fell.]

Mr. BLANTON. Now I will take that other 5 minutes promised me by the gentleman from Indiana.

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 5 additional minutes, but can he not yield to some of these gentlemen who wish to interrogate him?

Mr. BLANTON. I will try to yield.

Mr. KRAMER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield to my good friend from the Pacific coast.

Mr. KRAMER. My dear friend from Texas knows that we have a bill pending to send back certain Filipinos.

Mr. BLANTON. I wish the gentleman would ask me his question.

Mr. KRAMER. I say the gentleman knows we have a bill pending to send back certain Filipinos.

Mr. BLANTON. What is the gentleman's question?

Mr. KRAMER. I want to know if the gentleman is going to support that bill.

Mr. BLANTON. No; I am not going to support that bill until it is properly amended and safeguarded.

Mr. KRAMER. It sends people out of the country; it will result in giving American jobs to Americans, the thing the gentleman is urging today.

Mr. BLANTON. Yes; but these Filipinos will come back and the \$900,000 will be wasted. I am not going to support that bill until it is amended properly to safeguard our American unemployed. Then I will support it.

Mr. KRAMER. Is not the gentleman interested in saving American jobs for Americans?

Mr. BLANTON. Certainly; but it will not do it. Mr. Chairman, I cannot yield further to my friend. I yield now to the gentleman from Pennsylvania.

Mr. DRISCOLL. The gentleman stated there were 3,500,000 aliens in this country illegally.

Mr. BLANTON. Those are figures we have arrived at by careful investigation.

Mr. DRISCOLL. Did the gentleman find them in the United States census report?

Mr. BLANTON. No; because the United States census does not know a thing in the world about unlawful aliens, because they deal only with lawful aliens who come here regularly.

Mr. DRISCOLL. What superior authority can there be?

Mr. BLANTON. Mr. Chairman, I do not yield to the gentleman to make an argument. I want to answer the gentleman's question. We should require all aliens to register, and then we could check them accurately. I called up Daniel MacCormack, our Immigration Commissioner, and asked him to tell me how many aliens there were here unlawfully. He said, "Mr. BLANTON, nobody knows." He said, "It is all a guess." He said, "We do not take a census of them; we do not have any way of checking them; we get the census of those who are here lawfully. You have got just as much right to make an accurate guess at it as I have."

That is the truth. We have been watching this question, have been making a careful check-up on it through the instrumentalities of different organizations interested in stopping immigration to our country, and the best evidence we have today is that there are at least 3,500,000 aliens here unlawfully, and I honestly believe there is double that amount.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield for a question?

Mr. BLANTON. No; I am sorry; I have not the time.

I want to refer to a statement made by the gentleman from New York [Mr. DICKSTEIN] which he made in his speech. He tried to reflect upon the men who have signed my petition on the Clerk's desk to discharge his committee so we can pass my bill to stop immigration for 10 years. He said, "Who are these men who signed?" And he said they did not know what was in my bill. They are not the kind of men who sign unless they know what they are signing. I will give him the names of three of them. One of them is the Chairman of this Subcommittee on Appropriations, who framed this legislative appropriation bill, and who now has charge of it on this floor, the distinguished gentleman from Indiana [Mr. LUDLOW] whom I consider one of the ablest, and most valuable men in the House. Another Member who signed the petition is the distinguished gentleman from Mississippi [Mr. RANKIN], who is the Chairman of the Committee on World War Veterans' Legislation, and who is one of the strongest men in this House. Another is my distinguished colleague from Texas [Mr. PATMAN], the author of the famous Patman bill, and who is known everywhere all over the United States. And the other signers are men like the ones I have named, loyal Americans who want American jobs saved for Americans.

The gentleman from New York said:

You cannot deport an habitual criminal alien who commits crime day in and day out, year in and year out.

Why cannot you do it? It is because he does not pass a bill to permit us to do it. We could do it, if he would pass a bill to do it.

The gentleman said that aliens sent \$300,000,000 to Europe to take care of their relatives in the old country. That is what we want to stop them from doing. We want this \$300,000,000 these aliens have made by holding jobs here to go into the pockets of Americans. We want the Americans to hold the jobs and to use this \$300,000,000 to support American families.

The gentleman from New York [Mr. DICKSTEIN] said something about Communists.

The first speech ever made on the floor of the House against communism since the war started in April 1917 was made by myself.

You will find where I got after the American Federation of Labor and our old friend, Sam Gompers, and told them they ought to get rid of William Z. Foster, one of the greatest anarchists in the United States, who at that time had written a book on Syndicalism. He said that during the war if there was a trainload of wheat destined, for instance, to New York, that the railroad men ought to send it to Portland, Oreg., and lose it; and if it caught fire out there so much the better. That was the kind of syndicalism he preached. I told them that they must get rid of him and every other anarchist and Communist in the country. He was worse than some foreign-born anarchist or Communist, for he was boring from within.

The American Federation of Labor finally did get rid of Foster and kicked him out. I want to ask my friend the gentleman from New York [Mr. MARCANTONIO], is he with me and the other gentleman from New York [Mr. DICKSTEIN] in getting the Communists out of the country?

Mr. MARCANTONIO. No.

Mr. BLANTON. No; because the gentleman sympathizes with them.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. BLANTON. No. Because he did take up for what happened in New Mexico. I am in favor of getting the Communists out of the country, and I am in favor of keeping them out.

(Mr. BLANTON asked and was given permission to revise and extend his remarks in the RECORD.)

Mr. LUDLOW. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York [Mrs. O'DAY].

Mrs. O'DAY. Mr. Chairman, I think the gentleman from Texas has convinced everyone that he is against immigration and that aliens should be deported. However, I would like to inquire now why he objected to my bill to deport 40,000 Filipinos who are over here. They are not aliens. They are wards of our Nation, though not citizens. He referred to a number who are worth \$50,000 and, of course, they may not want to go back to their own country; but the 20,000 or 30,000 who are on relief do want to go back. At a cost of 1½ months' relief we can pay their way back to their own country, and their own country wants them. Our committee has been told that the Legislature of the Philippine Islands has already taken steps to make an appropriation to repay us for the expenditure we are put to in sending these men and women back to their own country.

Mr. BLANTON. If they do that, I will vote for the gentlewoman's bill.

Mrs. O'DAY. I thank the gentleman.

Mr. KRAMER. Will the gentlewoman yield?

Mrs. O'DAY. I yield to the gentleman from California.

Mr. KRAMER. In California we have on the relief rolls Filipinos and it is costing us about \$150,000 a month. We would save this amount by sending the men back. That is why I wanted to convince the gentleman from Texas that it is worth while sending these men back. If there is no one to take their place insofar as jobs are concerned, we would still save that amount of relief.

Mr. DICKSTEIN. And that bill bears my name.

Mr. KRAMER. It is immaterial whether it bears the gentleman's name or somebody else's name. It is a step in the right direction and the gentleman from Texas was advocating the same thing.

Mr. DICKSTEIN. And there is another bill reported out to repatriate several hundred thousand who are on the relief rolls and who want to go back to their native land. That bill was objected to on the floor by certain gentlemen.

Mr. BLANTON. Will the gentlewoman yield, since she mentioned my name?

Mrs. O'DAY. I should not because the gentleman would not yield to me awhile ago, but I will.

Mr. BLANTON. I would have yielded gladly, had I mentioned my colleague in debate. One unlawful alien now here is awfully anxious to go back to his native country. That is Bruno Hauptmann, and law and order are going to send him back to where he belongs by way of the electric chair.

Mrs. O'DAY. He is not a Filipino, and he is not a Boy Scout. I was speaking of the Filipinos.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentlewoman 2 additional minutes.

Mrs. O'DAY. Mr. Chairman, the Boy Scout bill that the gentleman from Texas objects to would not bring over any aliens who intend to remain here. Each troop would be composed of 32 boys, and, so far as we know, only 27 countries are going to send troops over. The gentleman from Texas in the committee meetings said that he disapproved of the bill because at the last Olympic games some 50,000 aliens absconded from their own countries and remained over here. We asked the gentleman where he got the figures, and he stated, "Why, it is general knowledge." As a matter of fact, I have made inquiry of the Immigration Department, and I find there is no foundation whatsoever for the statement that the gentleman from Texas made.

Mr. BLANTON. The Immigration Bureau knows little of unlawful aliens here. That was information that we had through other watchful organizations that are trying to keep aliens out of this country. These aliens were not Olympic-game participants. They were aliens who got in here through the wide-open, all-embracing provisions of the Olympic-games legislation.

Mr. MERRITT of New York. Will the gentlewoman yield?

Mrs. O'DAY. I yield to my colleague from New York.

Mr. MERRITT of New York. Is it not true that the gentlewoman from New York is an authority on immigration because of her great work in the settlements of New York? I consider her so.

Mrs. O'DAY. I may say that I was vice chairman of a committee on immigration which made a survey of the law and of the practices under a former administration; consequently I do know something about the matter.

Mr. Chairman, my distinguished colleague from Texas [Mr. BLANTON] having convinced the House of his opposition to aliens residing lawfully in the United States, his opposition to the admission of any aliens for 10 years to come, and having declared his hope that all aliens could be deported, so that their jobs might be given to native-born citizens, perhaps will answer this question: Why did he oppose the Dickstein bill, introduced by me, to repatriate 20,000 Filipinos now in this country and on its relief rolls?

These Filipinos are anxious to return to their own country, and the United States can transport them at the cost of what is now being paid out for less than 2 months' expenditure for their relief. The Naturalization and Immigration Committee is informed that the Philippine Legislature is already taking steps toward an appropriation that will reimburse the United States for moneys expended in transporting them. Consequently their repatriation will cost our Government nothing. On the contrary, it will effect a great economy. My colleague from Texas fears that when times are better these 20,000 will return to the United States. That will be quite impossible, for under our new quota law the entrance of Filipino immigrants is now limited to 50 a year.

Had he read the bill when he objected to it?

My colleague from Texas has just spoken of the proposed bill on the admission of the foreign Boy Scouts who have been invited by the American Boy Scouts to hold their annual international jamboree in Washington in August.

At a public hearing he stated his disapproval of such an international gathering on the grounds that the United States should extend no hospitality to nationals of any country that had not paid their war debts to us.

Surely he would not hold these boys, who are under 18 years of age, responsible for the fulfillment of treaties made by their governments before they were born. Surely the gentleman from Texas believes in the promotion of good

will between the nations of the world. The Boy Scouts as an organization is one of the most effective instruments in bringing this about.

He fears that it affords an opportunity for the legal entry of aliens who might manage to evade our laws and remain illegally.

The high character of the organization of the Boy Scouts should be sufficient guaranty that his fears are groundless.

At present the number of aliens leaving the country, either voluntarily or by deportation, is far greater than the number coming in. The greatly reduced quotas are not filled, so we who are native born will have the opportunity as never before of helping the aliens who are here legally to understand our laws and our government, and to prepare them for intelligent citizenship.

Our immigration laws under the last administration were construed to permit most cruel and inhumane separation of families. Alien parents were deported to their native lands, which in many cases were under a new sovereignty, while their native-born children remained here to become public charges. Incredible hardships were imposed upon innocent people, and the members of the Immigration and Naturalization Committee in endeavoring to prevent the recurrence of such brutality are in no way changing the existing quotas nor adding to the number of aliens already here.

I do not share the fears of the gentleman from Texas that our Government can be undermined by the aliens who are now in the country, even if some of them are here illegally pending the efforts of the Labor Department to have bills passed under which they may be deported.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Chairman, I take this opportunity to ask my colleague the gentleman from Texas just when and under what circumstances he or anybody else is going to return Bruno Hauptman?

Mr. BLANTON. We, the citizens of the United States, are going to return him through the electric chair to the place he belongs.

Mr. LEHLBACH. The gentleman says, "We are going to do it." The State of New Jersey is going to do it.

Mr. BLANTON. The State of New Jersey is a part of the American system of government.

Mr. LEHLBACH. It is a part of traditional Jersey justice.

Mr. BLANTON. I admit that, but it was Federal money largely that worked up the case that convicted him, and Federal agents who caught him.

Mr. LEHLBACH. No; the Legislature of New Jersey appropriated the money.

Mr. POWERS. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, a question was addressed to me by the gentleman from Texas [Mr. BLANTON] as to whether or not I would join him in a movement to deport Communists, and my answer was "no." My answer is still "no."

I do not believe in the deportation of any man or woman because of the political principles that they hold. Irrespective of what a person advocates, he or she should not be molested, because our Government has been based upon the principles of freedom of speech, freedom of the press, freedom of religion, and freedom of thought.

I disagree with the Communists. I emphatically do not agree with them, but they have a perfect right to speak and to advocate communism. I maintain that the moment we deprive those with whom we extremely disagree of their right to freedom of speech, the next thing that will happen is that our own right of freedom of speech will be taken away from us. Freedom of speech, if it means anything, means freedom of speech for everyone and not for only those who agree with us or who are in the majority. The founders of our Nation intended freedom of speech to mean freedom of speech for all, especially for the smaller minorities. They keenly felt the necessity for this protection. They had been persecuted by Tories and reactionaries. Then they were called "rebels"

and hounded by bigots and suppressionists of that day. Today the brothers of the Tories of 1776 would abolish what the rebels of 1776 have given us—freedom of speech.

American institutions are too sound for us to be afraid of any preachings from anyone. In London, in Hyde Park, they are permitted to talk all they want. At Union Square in New York on May 1 they had a demonstration with 100,000 Communists present. They were permitted to talk, and, because of the fact they were permitted to talk, there was not a single act of violence or a single arrest.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I decline to yield, as I have only a few seconds left.

I respectfully submit, Mr. Chairman, that we in America should adhere to the fundamental principles laid down in the first 10 amendments of the Constitution of the United States. Our progress, our very civilization, is based on freedom of speech, freedom of thought, freedom of the press, and freedom of religion, and for this reason I am opposed to deporting anybody, irrespective of what they may preach. I further submit that, in taking this position, I am just as good an American as the gentleman from Texas, if not better. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. EKWALL].

Mr. EKWALL. Mr. Chairman, I shall have to take issue with my friend, the gentleman from New York [Mr. MARCANTONIO], when he voices opposition to the suggestion made to deport alien Communists, and I shall have to agree with my friend, the gentleman from Texas [Mr. BLANTON], when he advocates the deportation of alien Communists from this country.

We cannot deport citizens of our own country, and when we deport Communists they are citizens of another country. They should go back to the country of their nativity if they do not believe in our principles of government or if they are not willing to live peaceably under our form of government or change it in the only legal manner possible through the use of the ballot rather than the use of the bullet, which they advocate. [Applause.]

I think it is high time we were strengthening our laws to provide for the wholesale deportation of alien Communists out of this country if they are deportable, because they constantly endeavor to undermine our Government and seek to make our country like Soviet Russia. It is high time for us to stop temporizing with this class, and to deal with them as dangerous enemies of our country, which they are. If we do not do so, we may be forging the chains of slavery for our children and our children's children.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan.

Mr. CRAWFORD. Mr. Chairman, April 8, 1935, at 4 p. m., the President of the United States approved Joint Resolution 117, making appropriations for relief purposes. The resolution specifically states—

That in order to provide relief, work relief, and to increase employment by providing for useful projects, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be used in the discretion and under the direction of the President, to be immediately available and to remain available until June 30, 1937, the sum of \$4,000,000,000.

The resolution further provides that for the Civilian Conservation Corps \$600,000,000 of the \$4,000,000,000 fund may be used.

March 31, 1933, the President signed the relief and reforestation bill. The program called for the transfer of some 250,000 young men from city streets and the homes of families on relief to outdoor camps in forests and parks. During the last 2 years the authorized strength of the corps gradually increased to 353,000 C. C. men, 14,861 Indians, approximately 4,000 residents of Alaska, Hawaii, the Virgin Islands, and Puerto Rico. The President now proposes to increase the enrollment of the C. C. camps to 600,000 men, to be housed in approximately 2,916 camps located in forest, park, and field. Director Fechner, in his April 5, 1935, report to the President, says:

Approximately 1,070,000 men had been given employment through April 1, 1935. Of this number, about 940,000 have been young men between the ages of 18 and 25 years, war veterans, and locally enrolled experienced men. Approximately 32,000 Indians and 8,000 territorial enrollees have been on the Emergency Conservation Work pay roll at one time or another.

We are further informed this movement has solved the unemployment problem among foresters 100 percent, and that to date approximately 25,000 foresters, technicians, and technical foremen have been employed for from 6 months to more than a year. It is my understanding that up to April 1, 1935, cash allowances earned by enrolled men in Emergency Conservation Work amounted to approximately \$214,000,000, and of this amount about \$205,000,000 by men in barracks, of which they allotted home approximately \$160,000,000 to needy dependents, and that since July 1933 about 300,000 families of enrolled men have received checks each month, and that more than 3,000,000 people have benefited directly from Civilian Conservation Corps monthly checks. More than 100 types of projects have been carried on. Among work projects completed by C. C. C. men through January 31, 1935, we are informed are the following:

New telephone lines.....	miles.....	29,787
Telephone lines maintained.....	do.....	43,234
Fighting forest fires.....	man-days.....	1,697,555
New fire breaks.....	miles.....	34,714
Roadside and trails clean-up, fire prevention.....	do.....	28,248
Fire hazards reduced.....	acres.....	1,038,373
Forest stand improvement.....	do.....	1,643,575
New truck trails.....	miles.....	48,178
Truck trails maintained.....	do.....	76,157
Trees planted.....	266,467,000	
Rodent control.....	acres.....	10,769,204
Tree- and plant-disease control.....	do.....	3,719,383
Insect-pest control.....	do.....	4,305,949
Erosion-control check dams.....	1,025,741	
Public camp ground facilities.....	36,138	
Public camp ground water systems.....	777	
Public camp ground waste-disposal systems.....	2,115	
Public camp ground buildings.....	2,383	
Reservoirs for livestock and wildlife.....	2,438	
Ponds for fish and birds.....	3,148	
Recreational dams.....	1,148	

Director Fechner also informs us that funds have been obligated through February 28, 1935, to—

Pay, members.....	\$203,600,124.00
Pay, civilians.....	56,319,230.47
Shelter.....	35,489,608.67
Clothing.....	81,369,014.01
Subsistence.....	78,372,474.90
Medical supplies and treatment.....	10,811,834.35
Supplies, materials, etc.....	82,157,586.00
Travel of persons.....	24,435,684.72
Transportation of things.....	15,903,591.06
Utilities.....	3,810,829.98
Miscellaneous.....	34,707,073.40
Land.....	24,110,033.73
Total.....	651,087,085.29

A break-down of these figures would clearly indicate the great ramification of expenditures involved in this \$651,000,000 and the total sum speaks for itself as measured by the work accomplished and services rendered. Quoting from Director Fechner's report we find—

A Nation-wide educational program was adopted a year ago with the Office of Education of the Interior Department acting in an advisory capacity.

Classes are conducted in all camps, and some 1,500 school teachers have had positions with the camp educational program.

Mr. Chairman, I have submitted these facts to inform the Members of the breadth and depth of this C. C. C. program. I call the attention of the Members to the fact that we have been discussing the program which started out with an enrollment of 250,000 men, while the new program calls for an enrollment of 600,000 men. We are mindful of the fact that the original act approved March 31, 1933, was an emergency act which was to continue for a period of only 2 years. However, it would appear that the growth and popular approval of the C. C. C. program has caused it to take on the complexion of a more or less permanent institution for the physical, spiritual, mental, and political training of the young men of the Nation, particularly those

who, between the ages of 18 to 28, may be classified as the "unemployed."

Section 1, Public Act No. 5, of the Seventy-third Congress provides, among other things—

That, in employing citizens for the purposes of this act, no discrimination shall be made on account of race, color, or creed.

No reference is here made to political belief.

In the original concept of the C. C. C. movement it was recognized that during the period from 18 to 25 years of age, a man builds much of his philosophy of life. Whether he be engaged in constructive work, in the pursuit of his school studies, or spending his time in and about institutions of crime, it is recognized he generally does not rise above his environment. Thus, the idle youth of the Nation called attention to the fact that something must be done in order to prevent a great loss of human values, staggering costs for the future in the fighting of crime and the general damage which will surely follow a life of idleness. Now, we find our program calling for the concentration of the idle youth of our land in these C. C. C. camps. The young man is still subject to his environment. The spiritual, mental, physical, and political influences thrown about these young men will determine very largely the measure of the man which emanates from the C. C. C. camps. This responsibility cannot be denied, neither can it be avoided.

Thus the C. C. C. camps become missionary training schools. Hitler has his training schools. Mussolini has his training schools, and in the United States we have our C. C. C. camps. Charles Morrow Wilson in speaking of "Troopers of the Fog" said, "The company of 200 had three college graduates and about 20 high-school graduates. Eighteen of the crew signed their names with an X. Educational resources appeared to average somewhere near the sixth-grade common school. Somewhere near 40 percent of the crew had never held a job before." With raw timber of this class I need not remind the Members of this body of the fertile field these C. C. C. camps are for good and bad teaching, for partisan and nonpartisan doctrines, for the training of missionaries.

What of the leadership for these camps? Where and how does the administration, charged with the responsibility of spending through the C. C. C. program another \$600,000,000, propose to select these camp leaders? Leaders for what—leaders for a C. C. C. army of more than 4,000,000 of young men between the ages of 18 to 28 years, with educational resources about the average of the sixth-grade common school? Four millions of young men to be recruited from unemployment, from the dens of vice and crime, from the highways, from the tramp camps, and placed under the leadership in charge of C. C. C. camps. Quoting again, section 1 of the act says in part "that in employing citizens for the purpose of this act no discrimination shall be made on account of race, color, or creed." What did Congress mean by this definition? Just how far was this definition to apply? In speaking of color, did the act mean that no young man should be refused a membership in a C. C. C. camp because he was white, or because he was black, or brown, or yellow? No doubt citizenship was to be the yardstick insofar as color was concerned. Was a young man to be denied the right of membership in a camp because he was Indian, German, Italian, French, Negro, Japanese, Chinese, or of some other race? No doubt citizenship was to be the yardstick for entry insofar as race was concerned. What did the act mean when it said "creed"? Is the word "creed", as set forth in this act, limited to that of religious belief? There is no doubt in my mind about this. I feel sure that when the act was drafted it was meant to only refer to religious creed. Of course, the meaning of the act could have been broadened so that the word "creed" might refer to political as well as religious beliefs.

However, it appears the political watchdogs on both sides desired to have the act wide open and to the end that employees in C. C. C. camps might be selected on basis of political beliefs and following. Let me take you back to a

conference held at the White House, March 9, 1933, between 4 o'clock in the afternoon and 10 o'clock at night and ask you, was it the intent of the Chief Executive as he talked to his six listeners, Secretaries of War, Agriculture, and Interior, Budget Director, Judge Advocate General of the Army, and Solicitor, Department of Interior, and at which time he unfolded to them his program involving trees and men, that the leadership personnel of the C. C. C. camps was to be selected on basis of political belief? I remind you again that these young men are chosen at a time in life and under economic stress when lack of something around which to wrap their minds and hands might prove disastrous for them and the entire country as well. In the operation of the C. C. C. camps we have two problems—the conservation of human as well as that of natural resources. Not only human resources in the form of these young men, but resources measured by what the Nation saves in the years to come in having useful citizens, rather than an increased prison population and more inmates in our insane asylums. Human resources of course rank over and above that of natural resources, as important as natural resources are in the maintenance of human life.

The C. C. C. is a "becoming." It is like a little child—we do not know what it will be when it grows up. Some define it as an institution, "the vast possibilities of which have not been plumbed." We take millions of young men at an age when they are most responsive and susceptible to leadership and direction, concentrate them in camps not for military purposes, and sustain them with funds from the National Treasury. Is it not natural for them to absorb what they hear about the form of Government under which they happen to be living, the political leadership and system which makes their lot in life what it is and such other philosophies as may be presented to them from day to day, night by night? What lesson in government will the C. C. C. movement prove to be? Perhaps it will be our most effective university. With branches in every State, Territory, and insular possession, with an enrollment of more than five millions of young men, maintained by direct Federal grants and with the young men supervised and led by politically hand-picked leaders. When the Congress opened this great university, it set in motion tremendous forces and it is something more than just a summer camp for boys.

Mr. Chairman, when we were debating the public works \$4,000,000,000 bill I made an observation as to the power of dollar bullets in carrying on a political war, when those dollars can be taken from the Federal Treasury through the relief rolls of the country. However, I did not at that particular time expect to find the first concrete evidence of these political bullets clearing through the underbrush of the C. C. C. camps. Evidence at hand leads me to believe that the sachment of Tammany is placing his wigwag in every C. C. C. camp (2,916) throughout the breadth of this great land.

In recent weeks scores of letters and telegrams have come to my office from highly trained and experienced men back in the district applying for jobs as supervisors and leaders in the C. C. C. camps of the Nation. These applicants have been informed by the officers in charge of the Michigan emergency conservation work that "it will be necessary for you to succeed in having your name placed on the accredited Friant list. To accomplish this, you should take action through one of the presently eligible United States Congressmen from Michigan." It was quite natural for an inquiring mind to wonder just what "presently eligible United States Congressmen from Michigan" meant. Naturally, being a first term, I had assumed that I was in that class, but lo and behold, I have found that from Michigan we have two classes of Congressmen insofar as the expenditure of the \$600,000,000 of Public Works C. C. C. funds are concerned. We have the eligible and we have the ineligible, and I find myself in that class known as the "ineligible." Being in the ineligible class I am beginning to see just how deeply into the \$4,000,000,000 relief fund the Tammany Tiger is beginning to gnaw. Of course, the viewpoint of the eligible is entirely different to that of the ineligible, but I

remind you that the relief fund of \$4,000,000,000 was provided for our people and should go to them without reference to political belief or following. I now ask the question, Is \$600,000,000 set aside for the C. C. C. work to be used in carrying on a political exploitation of 4,000,000 more youths located in 2,916 camps throughout the Nation? Under date of May 8, 1935, I am officially informed as follows:

MICHIGAN EMERGENCY CONSERVATION WORK,
Lansing, Mich., May 8, 1935.

MR. HENRY HACKETT,
Washington, D. C.

DEAR SIR: In accordance with your letter of recent date, we herewith enclose one of our revised application blanks, which we ask you to fill out completely and return to this office at once.

In order that your application receives full consideration, it will be necessary for you to succeed in having your name placed on the accredited Friant list, which is constantly undergoing preparation in Washington, D. C. To accomplish this, you should take action through one of the presently eligible United States Congressmen from Michigan. When favorable action has been taken as a result of your efforts, this office will be so notified by Mr. Friant.

Uncertainty as to when the proposed expansion of the C. C. C. will actually materialize, and as to the number of camps that will finally be authorized under the new program, makes it impossible at this time to say whether or not we will be in a position to offer you employment.

Very truly yours,

G. A. YOUNG,
In Charge, Michigan E. C. W.

Enclosure.

P. S.: For your information the eligible United States Congressmen from Michigan are: JOHN DINGELL, JOHN LESINSKI, GEORGE SADOWSKI, LOUIS RABAUT, all from Wayne County, and FRANK E. HOOK, Ironwood, Mich., and PRENTISS M. BROWN, St. Ignace, Mich. The above-listed United States Congressmen are, of course, at this time in session in Washington, D. C.

CHAS. H. BURTON,
Acting in Charge, E. C. W.

Mr. Chairman, I now wish to inquire, Are these politically hand-picked leaders and teachers for the C. C. C. camps being selected for the specific purpose of injecting into the lives of these 4,000,000 young men the political philosophies of the new deal? Shall we assume from these letters of information received from the field and the official statements made to us by the administration officials here in Washington that those highly skilled and experienced men in the building of roads, in forestry, and other lines of work of the nature engaged in by the enrollees in C. C. C. camps are to be excluded from participating in this work simply because their political philosophy runs contrary to that of the new deal? If this be true and if we are to thus assume, is it not in order for us to further assume that all of the relief benefits that may flow from the expenditure of the \$4,000,000,000 are to first go to those who have a political belief in harmony with that of the new deal and the balance left over, if any, to the other ineligibles of our Nation? Does the \$4,000,000,000 come only from the new deal and its followers, or must it eventually be paid by all of our citizens regardless of political following?

The people of my district have reason to believe the relief funds will be used for the benefit of our people without regard to political beliefs or following. Our people have not been schooled in a political philosophy which says "six Congressmen from a State are eligible in matters of this kind, and 11 are ineligible." We shall have to create a new political terminology. Perhaps before the \$4,000,000,000 are consumed in a public-works program by the President and his advisers our people will have learned the political meaning of such terms. Redtape terms of this nature and the appropriation of relief funds for such rank, vile, and uncalled-for political use is not only maddening to the people but it is totally unfair and no political party can defend such an administration of public-relief funds.

Mr. Chairman, I am here and now referring to the administration of the fund created by the Public Works Act. In no way do I wish to speak against the good work accomplished through the operation of the C. C. C. camps. We are mindful of the fact that some good can be found in the vilest places and in the most hopeless characters, and that some good might be found accomplished even if every dollar of the fund was spent in a corrupt political manner. Under

no circumstances can the purchase of public favor by a public servant with public funds be justified.

At the beginning, the Army officers were called in as supervisors at these camps and they did a good job. Of course, the officers were aided by civilian assistants. In speaking of the beginning, Gen. Douglas MacArthur, Chief of Staff, says "it constituted the greatest peace-time demand ever made on the Army." Three thousand Regular Army officers, 1,700 Reserve officers, and approximately 6,000 enlisted men of the Army have carried on this job of planning 16 hours of the 24 of the life of each entraineé each day he is in camp. Are these Army men and officers to be now displaced in whole or in part by leaders of a certain political belief pledged to certain eligible Congressmen? I think the question is fundamental because it has to do with relief funds on a vast scale. This is a plain case of playing politics with funds set aside for the relief of human misery. These funds will have to be repaid by members of all political parties. The boldness in which this information is being passed about from the administrative officers in charge is nothing short of startling. You cannot keep your mind from going back to \$4,000,000,000; 4,000,000 of young men; thousands of leaders pledged to a given political party; public funds, human misery; taxation; unlimited authority of the Chief Executive and his advisers. It appears the field is now cleared, through the passage of House Joint Resolution 117 wherein more than four billions of dollars (\$4,880,000,000) were appropriated to be spent for public works and relief, without question, without a check and balance, and with but little reservation [Applause.]

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Chairman, Members of Congress have been treated to a novelty this week in the form of the so-called "spontaneous march" of the farmers to Washington to give thanks for benefits received. It was the display of more gratitude than is usually in evidence and, consequently, was the occasion for much comment. A good many people could not believe the distressed farmers, the men in such pitiable plight as to excite the sympathy of the Nation, would be able to buy railroad tickets from long-distance points and come to the capital in Pullman cars. They wondered where the cash was secured to banquet in the luxurious \$5,000,000 Mayflower Hotel; the hostelry for millionaires and nabobs. Many were suspicious that this so-called "spontaneous march" might have been inspired and the funds secured from other sources than the "dirt" farmer. I sincerely hope it is not from the money secured through processing taxes. I hope it will not react against the farmer.

I notice in the Washington Herald this morning Edward E. Kennedy, secretary of the Farmers' Union, makes the assertion the march was "planned, bought, and paid for by Federal employees."

He charges that the march was organized by county agents and county-allotment committees which administer the corn, wheat, cotton, and tobacco programs of the A. A. A. These men, he says, are paid direct Government salaries. Mr. Kennedy further says these agents contributed out of their own pockets to pay the expenses of some of the farmers who came here. Mr. Kennedy also says:

They were exploited by the A. A. A. and grossly misled by A. A. A. field officers concerning the purpose of their march on to Washington.

They were led to believe that their benefit payments would stop unless Congress adopts the new A. A. A. amendments sought by Secretary Wallace. These amendments would give Mr. Wallace complete power to license every dealer in foodstuffs in this country, and they have absolutely no connection with the benefits now paid to farmers.

Yesterday afternoon I received a telegram from Texas which appears to confirm the statement of Mr. Kennedy. The telegram reads as follows:

JOSEPH W. MARTIN, JR.,
House Office Building:

We concur your views meeting county agents, extension directors, and farmers arranged by A. A. A. officials to vindicate their shortsighted policies in eyes of Nation. Majority of farmers and other

groups are aware permanent injury to agriculture and national economy A. A. A. program is inflicting but financially unable or not invited on trip. This should be brought forcefully to attention of Congress. Example county agent at Galveston representing his section as Government employee. Please publicize this statement.

COTTON INDUSTRIES EMPLOYEES ASSOCIATION,
F. P. LORDAN,
Chairman Houston-Galveston Division.

I do not know the author of this telegram, but unquestionably these charges should be inquired into and the facts revealed. The farmer, of course, has the right to appeal to Congress like anybody else, but if Government officials are back of the propaganda the people are entitled to know it.

Mr. REED of New York. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman.

Mr. REED of New York. I am somewhat amazed at the disclosures that the gentleman from Massachusetts has just made. The gentleman knows that I come from a farming district, that I have had the honor of representing a farming district for practically 17 years. Almost 10 percent of all the farms in New York State are to be found within the boundaries of my congressional district. The farmers in western New York are descendants from good old American stock—loyal and patriotic. Their sons have gone to war to defend our country. They are a class of honest, dependable, loyal citizens.

There was something that occurred in connection with this transaction as reported in the press that was startling to me. Three thousand farmers suddenly march on Washington, found a hall all prepared, a banquet arranged to wine and dine them. Then they assemble on the White House grounds to listen to what the Chief Executive had to say.

Not long ago the Chief Executive invited constructive criticism. The farmers of my district are engaged in various farming activities, and they have suffered from drought and from depression.

The A. A. A. was enacted ostensibly to aid all farmers, but not long ago Chester Davis, of the Agricultural Department, speaking to the farmers in Syracuse, N. Y., made the statement openly and aboveboard—that the farmers of New York State had received no direct benefit from the three A's.

Now, what happened under the Agricultural Adjustment Act? This law imposed a processing tax of \$2.25 a hundred pounds on hogs. It has been the custom in New York State for the past century for farmers to raise a few hogs each year, kill them, take them to market, and sell the pork. Generations of farmers in my congressional district have been doing this without paying taxes to the Federal Government for the privilege of doing it. The money realized from the sale of their hogs has been used to pay local taxes, send the children to school, and for other necessary purposes. During the depression and the recent drought, when they needed every cent they could rake and scrape, they could not raise, kill, dress, and market their hogs without paying to the Federal Government a processing tax of \$2.25 on every 100 pounds of meat sold in excess of the exemption. If he failed to pay the tax, he was subject to prosecution; and, if convicted, he could be imprisoned for 5 years or fined \$10,000 or both.

Months ago the farmers in New York State and especially in my congressional district asked that the exemption be increased from 300 pounds to 900 pounds to relieve them from the burden of this tax. An amendment was offered on the floor of this House to accomplish this purpose. It was defeated. This proposal made by the farmers of my State and my district was fair and it was open, constructive criticism.

Now, the President of the United States, speaking to the 3,000 farmers who have been receiving cash benefits under the three A's, and who have come here on a joy ride and a junket, men who have been paid for not producing hogs, cotton, corn, and wheat, charges the farmers of my district with lying because they have criticized the operation of the three A's. The farmers in my district have had to work early and late to pay their local taxes, meet their other obligations, and in addition to these burdens they have been

obliged to pay a processing tax to pay farmers in other States for not raising hogs and not growing crops.

And what does the President say? He says flippantly that the farmers who have made constructive criticism, farmers from my district and up-State districts in New York State, who have done this are liars. That is what he says.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I do not yield. I say that when the President charges the farmers in my district with lying they are not going to reply to such a charge. They are not descending to the level of the President's language, but I will tell you what they are going to do.

The CHAIRMAN. Does the gentleman from Massachusetts yield?

Mr. MARTIN of Massachusetts. Mr. Chairman, I have yielded to the gentleman from New York [Mr. REED].

Mr. REED of New York. They are going to speak very soon in language that the President of the United States and the "Crown Prince" Farley will understand, because it is the one language in which they are interested. The farmers who have been called "liars" are going quietly to the polls at the next election and register their protest against this type of procedure. The gentleman from Massachusetts has made a striking disclosure, and I say now that I resent, and every farmer in my district, regardless of his political affiliation, resents being charged with lying for making a constructive suggestion or for criticizing the three A's.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield now?

Mr. REED of New York. Yes.

Mr. ARNOLD. I challenge the gentleman from New York to point to any place in the President's address where he said that the farmers of his district are liars. I ask the gentleman to point where in his address he says that.

Mr. REED of New York. I leave that to the gentleman. It was in the press report.

Mr. ARNOLD. The President's speech is in the RECORD and the gentleman will not find the language he refers to in the President's speech.

Mr. MARTIN of Massachusetts. Mr. Chairman, I want to point out, if I may, some new facts as to the effect of the program on cotton. These figures which I am going to quote were issued yesterday and come from the Census Bureau of the Department of Commerce. I find in April we exported 323,155 bales of cotton, while last year in April we shipped abroad 386,594 bales. The number of spindles which were in operation in this country in April of this year was 23,852,816. This compares with 26,435,114 spindles during April of last year. The domestic consumption of cotton here in April was 481,135 bales. Last year the consumption in April was 512,594 bales. In other words, there is a reduction of more than 49,000 bales of the consumption by domestic mills in this country. This is another side of the picture which I would call to the attention of those in authority. Policies which appear to affect adversely an industry should be carefully considered. The man who grows cotton finds no consolation for the future from these figures.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Not now. Continuing further the consideration of these "spontaneous marches", it has come to my attention we are going to have another one next week. I understand a letter has been sent out extending an invitation for people to come here and appeal for the continuance of the N. R. A. These folks are invited to come, have a meeting in the morning, luncheon at noon, and then all afternoon can be devoted to friendly visits to their Congressmen.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. TABER. Does the gentleman imagine that possibly the expenses of that junket might be paid for out of the sales tax that is being levied against those who are under the N. R. A.?

Mr. MARTIN of Massachusetts. You could imagine anything.

Mr. ARNOLD. Sure!

Mr. MARTIN of Massachusetts. Mr. Chairman, I believe the American people ought to know who is paying the bills for demonstrations. I believe everyone has the right to come here and petition Congress. Everyone has a right to present his views, but I think the whole picture ought to be unfolded before the Congress. We should know the origin of the marches.

Barnum said the American people like to be humbugged. I do not believe that is always true. They may like to be bluffed a bit occasionally, but in the long run they do not want it spread on too thick.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. BOLAND. To ask the gentleman if he is going to vote to discontinue the N. R. A.

Mr. MARTIN of Massachusetts. I have not said what I am going to do.

Mr. BOLAND. Does the gentleman expect to?

Mr. MARTIN of Massachusetts. Why anticipate? Mr. Chairman, the Congress of the United States has the right to know who pays for organized marches, from whatever source they come.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. BLANTON. There are 710 Texas farmers here. A lot of them are from my district. Every single one of them paid his own way or had it donated by farmers.

Mr. MARTIN of Massachusetts. Did the county agents help them any?

Mr. BLANTON. I do not think they contributed anything.

Mr. MARTIN of Massachusetts. Did they give them a little help in the way of inspiration?

Mr. BLANTON. I do not believe any county agents in my district did.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include two tables prepared by the Procurement Division of the Treasury Department.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, I have asked for time this afternoon for the purpose of emphasizing to the House and to the country the gravity of the situation confronting an industry which is of importance in my district, in the State of Massachusetts and in the Nation. I refer to the situation confronting the granite industry which in the past has contributed so greatly to buildings and other construction throughout the Nation.

The granite industry is confronted at this time by a situation which is really a desperate one. The industry as a whole is nearly prostrate. It feels that a helping hand from the Federal Government is absolutely vital if it is to survive. It feels, moreover, that it has not been obtaining the helping hand to which it is entitled under the policy heretofore pursued in connection with the Federal building program. Without going into detail, it feels, among other things, that the price per cubic foot fixed in respect to Federal buildings is such as to preclude, in large measure, the use not only of granite, but of other similar building materials in the construction of Federal buildings. It seeks such modification in the present policy as will assure to granite its fair share of work under the Federal building program.

Granite is produced in no less than 25 States in the Union. In 10 of those the industry is considered a leading one. In addition, I am assured that there are granite cutting plants in every State of the Union and also in the District of Columbia.

I will insert in my remarks at this point a list of the States in which granite is produced:

California, Colorado, Connecticut, Georgia, Maine, Maryland, Massachusetts, Minnesota, Missouri, Montana, New

Hampshire, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Washington, and Wisconsin.

In normal times this industry affords employment for about 50,000 Americans. Most of them are skilled workers, and under a handicap in finding an adequate means of livelihood in other industries. At the present time about 90 percent of the workers in the industry are said to be without employment. If we take into consideration the families of these workers, it means that there are some 200,000 Americans in this field of work who are deprived of their normal means of livelihood at this time.

The gravity of the situation is emphasized in figures recently compiled by the Bureau of Labor Statistics. The Bureau prepared index numbers to show the relative level of employment at this time in 107 different groups of industries, taking the level during the period 1923-25 as 100 percent. On that list of 107 groups, the group including granite, marble, slate, and certain other stone products, appears as no. 107. It is last on the list, with an index number of 29.7 percent, as compared with an index number of 78.7 for all of the 107 industries considered.

Moreover, the figures show that the level of employment is about 24.4 percent less at the present time than at the same time during the previous year.

In spite of this fact, Mr. Chairman, the share of the Federal program which has been allotted to granite is surprisingly small. I will insert at this point two tables compiled by the Procurement Division of the Treasury Department.

List of projects containing no granite

Locations	Appropriations	Bids
Brewton, Ala.	\$60,000	\$31,851
Clanton, Ala.	55,000	
Fairfield, Ala.	55,000	31,750
Tuskegee, Ala.	55,000	
Kingman, Ariz.	44,000	
Phoenix, Ariz.	635,559	
Winslow, Ariz.	49,500	
Clarksburg, Ark.	55,000	
Molokai, Ark.	55,000	
Osceola, Ark.	55,000	88,241
Warren, Ark.	55,000	
Bell, Calif.	38,300	
Compton, Calif.	77,000	
El Monte, Calif.	48,500	32,700
Greenside, Calif.	49,000	
Hollister, Calif.	45,100	
North Hollywood, Calif.	56,100	
Huntington Park, Calif.	167,000	
Inglewood, Calif.	90,000	
Oceanside, Calif.	55,000	
Roseville, Calif.	45,100	
San Mateo, Calif.	117,000	
San Rafael, Calif.	64,900	
Sebastopol, Calif.	65,000	33,830
South Pasadena, Calif.	63,800	44,347
Turlock, Calif.	63,800	39,671
Woodland, Calif.	69,900	
Alamosa, Colo.	67,100	
Danielson, Conn.	62,700	37,668
New Milford, Conn.	70,000	
Plainville, Conn.	58,500	
New Castle, Del.	(1)	
Seaford, Del.	49,500	
Fort Pierce, Fla.	72,000	
Plant City, Fla.	56,700	39,475
Quincy, Fla.	(1)	34,333
Atlanta, Ga.	55,000	
Cairo, Ga.	55,000	
Covington, Ga.	55,000	33,848
East Point, Ga.	52,800	31,700
Martinsville, Ga.	(1)	
Vidalia, Ga.	55,000	
Winder, Ga.	55,000	32,265
Blackfoot, Idaho	115,000	
Wallace, Idaho	85,000	
Calumet City, Ill.	65,000	
Elmhurst, Ill.	76,200	
Chicago:		
Hawthorne Station, Ill.	136,000	
Hyde Park Station, Ill.	128,000	
Station D, Ill.	172,000	
Herrin, Ill.	90,000	
Jacksonville, Ill.	74,200	69,750
Melrose Park, Ill.	80,000	
Pittsfield, Ill.	(1)	
Watseka, Ill.	66,000	34,960
West Frankfort, Ill.	70,000	35,500
Wilmette, Ill.	138,000	

¹ No record.

List of projects containing no granite—Continued

Locations	Appropriations	Bids
Alexandria, Ind.	\$70,000	
Angora, Ind.	57,800	
Columbia City, Ind.	65,000	
Aurora, Ind.	60,000	\$33,900
Martinsville, Ind.	70,000	35,300
Nappanee, Ind.	61,000	
Tipton, Ind.	70,000	
Union City, Ind.	65,000	35,485
Algona, Iowa	60,000	
Ames, Iowa	160,000	
Harlan, Iowa	60,000	33,217
Storm Lake, Iowa	65,000	
Waverly, Iowa	65,000	
Baxter Springs, Kans.	47,800	
Fredonia, Kans.	67,000	40,435
Goodland, Kans.	47,800	
Herrington, Kans.	60,000	39,000
Larned, Kans.	44,000	
Liberal, Kans.	80,000	
Lyons, Kans.	41,600	
Marysville, Kans.	65,000	36,250
Hazard, Ky.	49,500	43,600
Pineville, Ky.	65,000	
Princeton, Ky.	65,000	
Bastrop, La.	50,600	
De Ridder, La.	55,500	34,155
Tallulah, La.	55,000	
Winnfield, La.	55,800	34,997
Farmington, Maine	70,000	
Hyattsville, Md.	74,000	44,292
Boston, Brookline station, Mass.	134,000	
Canton, Mass.	70,000	
Chicopee, Mass.	58,300	
Danvers, Mass.	84,000	
Nantucket, Mass.	78,700	
Iron Mountain, Mich.	78,700	47,700
Marquette, Mich.	207,000	
Zeeland, Mich.	48,500	34,959
Cloquet, Minn.	65,000	
Hibbing, Minn.	67,700	45,286
Thief River Falls, Minn.	47,000	
Bay Saint Louis, Miss.	50,000	
Indianola, Miss.	50,000	32,444
Louisville, Miss.	50,000	
Natchez, Miss.	50,000	
Starksville, Miss.	53,000	36,925
Bowling Green, Mo.	49,000	
Columbia, Mo.	190,000	
Louisiana, Mo.	55,000	31,300
Windsor, Mo.	65,000	
Glendire, Mont.	70,000	
Grand Island, Nebr.	80,000	60,277
Peterboro, N. H.	61,000	
Arlington, N. J.	170,000	
Clifton, N. J.	155,000	
Cranford, N. J.	90,000	
Edgewater, N. J.	56,500	
Garfield, N. J.	80,000	37,250
Gloucester City, N. J.	44,000	
Moorestown, N. J.	52,300	
Mount Holly, N. J.	76,000	
Perth Amboy, N. J.	240,000	
Ridgefield Park, N. J.	82,000	39,700
Rutherford, N. J.	83,000	
Raton, N. Mex.	26,000	
Beacon, N. Y.	85,000	
Brooklyn, Kensington, N. Y.	92,000	52,980
Catskill, N. Y.	68,800	41,530
Cooperstown, N. Y.	60,300	
Dobbs Ferry, N. Y.	62,700	40,945
Fredonia, N. Y.	80,000	
Hudson Falls, N. Y.	80,000	
Lake Placid, N. Y.	78,650	
Liberty, N. Y.	75,000	41,620
Mamaroneck, N. Y.	72,500	
Mechanicsville, N. Y.	60,750	36,490
Mineola, N. Y.	120,000	
New York:		
Fox Street Station, N. Y.	95,000	
Station M, N. Y.	134,000	
Northport, N. Y.	55,175	37,370
Oswego, N. Y.	125,000	102,373
Ossining, N. Y.	67,790	
Port Washington, N. Y.	63,350	
Albemarle, N. O.	65,000	
Fayetteville, N. O.	95,000	
Graham, N. O.	50,000	31,994
Morganton, N. C.	75,000	
Bellevue, Ohio	75,000	36,635
Cleveland:		
Lakewood Station, Ohio	100,000	
Station A, Ohio	79,000	
Station H, Ohio	92,000	
Westpark Station, Ohio	83,000	
East Cleveland, Ohio	97,000	
Geneva, Ohio	65,000	
Alva, Okla.	44,000	
Elk City, Okla.	65,000	
Henrietta, Okla.	60,000	39,600
Hugo, Okla.	60,000	39,352
Pauls Valley, Okla.	60,000	
Wewoka, Okla.	75,000	
Baker, Oreg.	49,000	
McMinnville, Oreg.	70,000	41,579
Bala Cynwyd, Pa.	61,780	
Brownsville, Pa.	68,000	
Clairton, Pa.	50,000	

List of projects containing no granite—Continued

Locations	Appropriations	Bids
Clarks Summit, Pa.	\$55,000	
Columbia, Pa.	85,000	\$36,995
Darby, Pa.	53,240	
Honesdale, Pa.	73,700	41,391
Kane, Pa.	51,300	39,790
Manheim, Pa.	70,100	
McDonald, Pa.	60,000	35,588
Mount Pleasant, Pa.	73,580	35,698
North East, Pa.	70,000	36,310
North Philadelphia, Pa.	620,000	
Philadelphia:		
Station O, Pa.	131,000	
Southwark Station, Pa.	117,000	60,559
Pittsburgh Hills Station, Pa.	90,000	
Red Lion, Pa.	65,000	36,947
Royersford, Pa.	51,660	
Schuylkill Haven, Pa.	63,300	
Selinsgrove, Pa.	65,000	34,100
Shenandoah, Pa.	89,210	
Aiken, S. C.	113,000	
Conway, S. C.	55,000	
Greer, S. C.	60,000	
Ware Shoals, S. C.	55,000	
Brownsville, Tenn.	(1)	
Lawrenceburg, Tenn.	55,000	
Lewisburg, Tenn.	55,000	32,730
Milan, Tenn.	80,000	
Athens, Tex.	39,400	34,750
Baytown, Tex.	50,000	35,823
Bowie, Tex.	45,000	
Childress, Tex.	50,200	40,900
Henderson, Tex.	75,000	
Lockhart, Tex.	65,000	40,135
Lufkin, Tex.	50,200	38,978
Newport, Vt.	61,000	
Galax, Va.	51,200	
Lexington, Va.	56,000	
Onancock, Va.	50,000	34,420
Orange, Va.	65,000	
Winchester, Va.	62,000	
Kelso, Wash.	85,000	
Laurier, Wash.	67,500	
Mount Vernon, Wash.	75,000	
Prosser, Wash.	60,000	37,700
Puyallup, Wash.	70,000	
Keyser, W. Va.	57,200	
Montgomery, W. Va.	50,700	
Richmond, W. Va.	55,000	36,301
Clintonville, Wis.	56,700	
Kaukauna, Wis.	65,000	
Ladysmith, Wis.	65,000	36,900
Richland Center, Wis.	65,000	37,658
Worland, Wyo.	65,000	
Wheatland, Wyo.	65,000	
Gilletts, Wyo.	65,000	

¹ No record.

List of projects containing granite

Location	Appropriation	Bid	Granite price, f. o. b. plant
Pueblo, Colo.	\$177,000		\$3,200
Augusta, Ga.	190,000		40
Decatur, Ga.	75,000	\$38,783	13,474
Fort Scott, Kans.	235,000		1,400
Hagerstown, Md.	190,000		1,700
Waltham, Mass.	134,064		13,500
Pipestone, Minn.	50,600		400
Brooklyn:			
Station A.	130,000		16
Station Y.	120,000		900
New York:			
College Station.	140,000		350
Morris Heights.	117,000		500
Washington Bridge Station.	135,000		80
Butler, Pa.	137,000	69,448	1,100
Huron, S. Dak.	105,000		500
Dallas, Tex.	700,000	397,000	3,800
El Paso, Tex.	690,000		5,000
Pecos, Tex.	170,000		1,087
Blacksburg, Va.	41,700	(?)	(?)

¹ Alternate.

² Granite has been included on this job for the cornerstone, but contractor has the option of buying either limestone, sandstone, or cast stone, which, of course, automatically eliminates the possibility of using granite.

One table shows a list of projects in respect to which no granite is contemplated. The other shows a list of projects in respect to which the use of granite is contemplated. Of 234 projects in 36 States of the Union, 216 are apparently to be built without the use of any granite whatsoever. In the other 18 projects, in respect to which it is contemplated that granite shall be used, the total value of the granite contemplated amounts to something over \$27,000, or less than two-tenths of 1 percent of the total

sum set aside to those projects amounting to almost \$20,000,000.

Mr. O'CONNOR. Will the gentleman yield for an observation?

Mr. WIGGLESWORTH. I shall be glad to yield briefly.

Mr. O'CONNOR. I am sympathetic with what the gentleman is saying. I have been trying for years to help the granite and marble industry. They never have got a square deal. In New York City we have 2,500 marble cutters out of work, and they have been out of work for years. The Treasury Department has preferred limestone. The Indiana Limestone Co. is still in the saddle. I do not say it to start a political discussion, but it was one of the chief contributors to the Republican Party. It contributed \$100,000 in the last campaign. These public buildings in the city of Washington, it is apparent to anyone who has taken an interest in art, not I, are not fit for a capital city, because they are built of Indiana limestone. As the gentleman recalls, we from New York helped to have the Boston Post Office built of granite.

Mr. WIGGLESWORTH. I recall the gentleman's assistance well.

Mr. O'CONNOR. We tried recently to have the new post office in New York built of granite. The difference in cost which would go to labor is infinitesimal, but there is a determined effort, and has been since last August, to prevent any marble or granite being used, to the preference of Indiana limestone. That is the fact. We complained about it. Marble States, like Georgia and some of these other Southern States, are in the same position as you people in New England. Another thing some of the competitors of granite and marble are doing, they are fabricating the material at the plants, where there is no union laborer working. It is done to a great extent by scab labor. That monopolistic situation gets worse every day. I am glad the gentleman is calling attention to the situation. [Applause.]

Mrs. KAHN. Will the gentleman yield?

Mr. WIGGLESWORTH. I am glad to yield.

Mrs. KAHN. I want to say that identically the same situation described by the gentleman from New York exists in California. We have even found difficulty in getting alternate bids for granite. Indiana limestone is in every single, solitary specification, and we come up and beg that the granite workers be given the privilege of an alternate bid, and it is almost impossible to get it. We are facing that situation in San Francisco in the specifications for the mint, which are now out for bids.

Mr. WIGGLESWORTH. I appreciate the contribution of the gentleman from New York and the gentlewoman from California.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield for a question?

Mr. WIGGLESWORTH. I will yield for a very brief one.

Mr. DUNN of Pennsylvania. I just want to say that in many of these plants where nonunion men are said to be working, if union men try to get those men to form a union they are called Communists.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 3 additional minutes to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. Mr. Chairman, some 4 months ago representatives of the entire granite industry came to Washington with a view to bringing home to the administration the situation by which the industry is confronted in the hope of obtaining effective action. Meetings were held at both ends of the Capitol attended by Senators and Representatives from the granite-producing States in the hope of furthering the best interests of the industry. So far as I know no assurance has yet been given to the industry.

I stress the matter at this time because it is evident that plans are being formulated for the allocation of work under the work-relief program.

A very large percentage of the cost of manufacturing granite goes directly to labor. Moreover it affords from three to five times the amount of employment afforded by other materials. The industry asks no special favors. It

merely asks for action which will assure it a fair share in the construction program.

In view, Mr. Chairman, of the desperate situation by which the industry is confronted, in view of the vital need of a helping hand at this time, in view of the small percentage of Federal construction heretofore allotted to granite, I appeal, and appeal earnestly, for a policy which will carry into effect the fundamental purpose of the Federal building program, assuring to granite throughout the Nation its fair share of work relief. [Applause.]

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I want to call the attention of the Members of the House to the bill H. R. 151 reported out by the Committee on Expenditures in the Executive Departments. It is a bill sponsored by the gentleman from Missouri [Mr. COCHRAN], chairman of the committee.

The bill and the minority report read as follows:

A bill authorizing the Comptroller General of the United States to allow credit in the accounts of disbursing officers for overpayments of wages on Civil Works Administration projects and waiving recovery of such overpayments

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of disbursing officers for any overpayment of wages heretofore made to or on behalf of any person for services rendered in connection with any project under the Federal Civil Works Administration, nothing to suggest fraud appearing, and in such cases where credit is allowed in the accounts of the disbursing officer under this act no recovery shall be required from the person receiving the overpayment.

VIEWS OF MR. RICH

H. R. 151, a bill authorizing the Comptroller General of the United States to allow credit in the account of disbursing officers and overpayment of wages on Civil Works Administration projects and waiving recovery of such overpayments, this bill in the judgment of the minority members of the Committee on Expenditures in the Executive Departments establishes an unparalleled precedent in permitting the Comptroller General to "cover up" poor business on the part of the Government officials and is contrary to all good, sound principles of business. For that reason we oppose this bill.

Harry Hopkins, when he was given permission to spend money in civil-works projects, started out on a lavish scale of expenditures of the taxpayers' money for the purpose of relief. So much stress was placed on the desire and advisability of spending this money fast, to get it into the hands of the citizens of this country, that sound business principles were overlooked. The 4,100 disbursing officers who handled these funds over the United States and who were responsible that the money be placed in the hands of the individuals working under the Civil Works Administration simply credited up to each man who was given a job the money due him each week, without proper accounting. In the expenditure of some \$750,000,000 there is about \$750,000 to \$1,000,000 that cannot be given credit for by the Comptroller's office.

Mr. Hopkins, through the chairman of our committee who introduced the bill, Mr. COCHRAN, is seeking relief for the disbursing officers who were bonded under the Veterans' Administration and would now like to have the bonding companies and the disbursing officers released of this responsibility of overpayment. When we do that it means that the taxpayers of this country must pay the bill for inefficient Government service. When we start this precedent in this particular instance—and we are now faced with expenditure of \$4,880,000,000 more under the supervision of the President of the United States, how much money must be passed out from that bill in the same manner not legally authorized? Will we be requested in the future to exonerate disbursing officers whose salaries are paid out of the taxpayers' money and who make errors for which the taxpayers of the country are compelled to make up the deficit? No sound, sensible business organization would do what we are requested to do in this bill, especially since the disbursing officers have given bond for the faithful performance of their duty.

On the other hand, we do realize that this money was passed out under the guise of emergency. We today are doing many unheard of things in the guise of emergency. We are passing many laws under the guise of emergency and if we continue under this guise of emergency to spend lavishly and foolishly the money of the taxpayers of this country we are placing a mortgage on the future generations that will stagger and shackle them and will also endanger the welfare of our country if it does not wreck it. The point to be considered by the Membership of the House is, Are you, under the guise of emergency, going to absolve the disbursing officers of this responsibility; are you going to excuse the bonding companies of their responsibilities and saddle the burden on the taxpayers? That is for the membership of this House to decide. Having had business training that would not permit a blanket order of this kind as is represented by H. R. 151, proposing to exonerate the disbursing officers of this responsibility,

I cannot recommend it to the Members of the House that they adopt this legislation as it is written, for the reason that it will establish a precedent that will be detrimental to good government and to orderly procedure of the operation of affairs of this country.

ROBERT F. RICH.

The purpose of the bill is to exonerate Harry Hopkins, who was Federal Civil Works Administrator, for the improper expenditure of money varying in amount from \$700,000 upward. No one knows exactly what the amount is.

It seems that during the administration of these funds, which was supposed to be under the guise of emergency, that many of the paymasters or disbursing officers, in number amounting to 4,100, have paid out illegally funds, the amount of which is some figure above \$700,000, to people to whom they had no right to pay it.

Had Mr. Hopkins, having charge of the Federal Civil Works Administration, administered these funds properly, had taken time to give proper attention to the set-up of the organization so that the funds would be expended according to law, there would be no opportunity for anyone to suggest that we should pass a bill such as is proposed in H. R. 151 in order that he may get his books properly straightened up. Ten thousand timekeepers all over this country, under the Civil Works Administrator, Mr. Hopkins, were negligent in passing accounts for payments that were not in accordance with the law.

After the suggestion was made by the Comptroller General that possibly it would cost the Government more money to secure a proper return of these funds, and that possibly part of it never could be returned, I wrote the Comptroller General, asking him where these errors were made and the amounts. It seems to be quite a uniform amount over the country. In a letter the Comptroller wrote me on May 14 he calls specific attention to the States of Alabama, California, Georgia, Indiana, Kentucky, Michigan, Missouri, New Jersey, North Dakota, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and West Virginia.

The letter in full reads as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, May 14, 1935.

Hon. ROBERT F. RICH,
House of Representatives.

MY DEAR MR. RICH: I have your letter of April 27, 1935, as follows:

"With reference to H. R. 151, authorizing the Comptroller General to allow credit in the accounts of disbursing officers for overpayment of wages on Civil Works Administration projects, etc., I am wondering whether you can furnish me with a list of, say, 12 or 15 places throughout the United States where the bulk of the overpayment of wages occurred. I do not want the names of any individuals, but merely some indication of the places throughout the States where the major portion of these overpayments are shown by the records to have been made."

The activities under the Civil Works Administration program began on or about November 17, 1933, and continued to April 1934. Of the accounts rendered for this period, the audit has been completed only as to those covering November, December, and January. Accounts for the remainder of the period are now being examined, but work thereon has not been finished.

In answer to your inquiry, it may be stated that the bulk of the overpayments or irregular payments so far discovered occurred in the following States: Alabama, California, Georgia, Indiana, Kentucky, Michigan, Missouri, New Jersey, North Dakota, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and West Virginia, and that such overpayments or irregular payments are reflected rather evenly throughout the counties of the respective States mentioned, with the exception of Vanderburgh County, Ind., where there appear to have been duplicate payments, possibly aggregating \$35,000.

It is regretted that the status of the audit of the accounts in question is such that a more complete record of the matter inquired about cannot be furnished at this time, but the nature and apparent purpose of the activities did not require making special the post audit involved, in view also of our limited facilities.

Sincerely yours,

J. R. McCARL,
Comptroller General of the United States.

When I read the name of the State of Pennsylvania and I recalled the fact that last fall much money was being expended ruthlessly for purposes unknown to the people of Pennsylvania, the thought went through my mind whether that was the reason why the State of Pennsylvania went Democratic. Was it to solicit votes?

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. RICH. I prefer not to yield now. Before my time expires I hope to have the opportunity to yield to my colleague from Pennsylvania.

If you pass this bill, H. R. 151, you will be establishing a precedent. The bill is liable to be brought up for consideration very unexpectedly at the close of this session. No one should vote for a bill like this without knowing more definitely what the Comptroller General of the United States has to say about the amount of money involved. The Comptroller General should give us more definite figures before we act on this bill. If we pass this bill and set this precedent of exonerating officials of their errors then we as representatives of the American people, have not the right spirit of trying to do things in an honest and conscientious manner. Our taxpayers must pay for inefficient Government administration. We should never pass a bill like this without knowing all the facts, and nobody has given the definite facts.

Mr. Hopkins has been designated by the President of the United States, Mr. Roosevelt, to continue to spend these fabulous sums which you have granted the President of the United States without any strings attached to them. If Hopkins overruns his accounts by \$1,000,000 in spending less than \$1,000,000,000, what will he do in spending \$4,880,000,000?

I say to you that if this is the result of his method of operation of a year ago then he is not fit to administer the funds you have granted the President of the United States, and you ought to notify the President of the United States that a man who is going to set up an organization of that kind ought to be watched.

May I say further that House Joint Resolution 170 was brought into the House of Representatives to be passed and there was contained in it section 6. I have here the original bill which was sent in. The gentleman from Illinois [Mr. SABATH], speaking for the administration, said that the President of the United States requested that this resolution be passed. I read section 6:

The President is authorized to prescribe such rules and regulations as may be necessary to carry out this joint resolution. The violation of any such rule or regulation shall be punishable by a fine of not to exceed \$5,000 or imprisonment for not to exceed 2 years, or both.

Think of a resolution coming here from the President of the United States with such un-American language in it and with the request that we pass it! Comparing a proposition of this kind with Hitler, of Germany, the only difference is that Hitler, in Germany, in the event anyone disobeys a mandate of his puts them up against the wall and shoots them, while the President of the United States wants to put any violators of his orders in prison.

Mr. Chairman, this is a pretty bad state of affairs. I cannot interpret it any other way. It is going pretty far when a man representing the American people gets up on the floor of the House and makes such a statement. But it is a fact. It is hard to believe. I thank the Members of the House for taking that section out of the bill. Think of it! We are today, under the guise of an emergency, putting into the hands of the President of the United States power to administer funds without the knowledge of any Member of the Congress, and the people of the country will eventually have to pay the bill. Four thousand eight hundred and eighty millions for what? No Member of Congress knows what for, and no Member of Congress has as yet arranged to get the money.

Mr. Chairman, may I say that if we have not the strength and the courage to stand up here and assume our constitutional duties, if we are not going to do those things which the people of the country elected us to do, then we are not fit citizens to sit here and represent the American people. I do not want to say anything against the President of the United States. As an individual I have not anything in the world against him. However, I do criticize many of the things that he sends to us to pass and enact into law, especially those unconstitutional laws. I think it is the wrong thing for us to do, and you will see the day—and it is not

far away—when we as citizens of this country will rue some of the laws that we have passed and are about to pass. You and I are responsible, but I do not intend to support legislation that is unconstitutional, and I do not intend to support anything that I believe is not for the best interest of the American people, regardless of who wants it.

Mr. BOLAND. Will the gentleman yield?

Mr. RICH. I yield to my colleague from Pennsylvania.

Mr. BOLAND. The gentleman made a statement about the way relief money was being spent in Pennsylvania and wanted to know if this was the reason Pennsylvania went Democratic. Is it not a fact all relief money that has been spent in the State of Pennsylvania has been spent through the Pinchot organization and Mr. Biddle, appointed by the Republican Governor of Pennsylvania, and is it not a fact that hardly a Democrat could get an appointment or any kind of a key position in Pennsylvania during that period?

Mr. RICH. I may say to the gentleman from Pennsylvania, for whom I have a great deal of respect, that the administration of these Federal funds was in the hands of an organization set up and approved by Mr. Hopkins, the Federal Administrator.

Mr. BOLAND. I disagree with the gentleman.

Mr. RICH. Mr. Hopkins looked after the appointments and approved all of the appointments that were made in Pennsylvania, and we have the same representatives in Pennsylvania handling the funds at the present time.

Mr. BOLAND. No; we have not.

Mr. RICH. These funds are handled in Pennsylvania under Mr. Hopkins, and he is allocating the funds in that State. If that is the way they are going to continue to do it, and Pennsylvania does not receive her proper share when the State is paying a great part of the amount through our own State legislature for the benefit and help of those who are not privileged to have bread and butter, then I say that something should be done to change the way the matter is being handled. We are doing our share in Pennsylvania. We have in Pennsylvania a Democratic Governor who is trying to raise money. He has come to Washington and asked for Federal funds but has been turned down. He is doing all he can to get his share of the Federal funds. But, Mr. Chairman, I condemn this action of every State in the Union coming to the Federal Government and expecting the Federal Government to do the things that the States ought to do. I do not care whether it is Pennsylvania, Texas, New York, or any other State. I think the people back home should shoulder their responsibility. You cannot shove all of these responsibilities on to the Federal Government. It eventually will wreck it, as we are doing at present.

Mr. BOLAND. Will the gentleman answer my question?

Mr. RICH. I am answering the gentleman's question. Those relief agencies were administered and handled by the overseer of the Federal Government, Mr. Hopkins. He is the fellow who improperly administered these funds in connection with the Civil Works Administration. He is the fellow that ought to know and should have known that these funds were not being distributed according to law, and he should not have permitted this money to have been illegally spent. Now he wants us to give him a free sheet. He wants Congress to exonerate his bonded paymasters from paying out funds illegally.

Will we exonerate the bonding companies and make the taxpayers foot the bill for Government political inefficiency? The Administrator for Pennsylvania was approved by Harry Hopkins, and he was the man who had charge of the disposition of the funds.

Mr. BOLAND. And appointed by Pinchot?

Mr. RICH. No; by Harry Hopkins. He would not give any money to the State of Pennsylvania unless it was administered according to his wishes. It will be recalled that the man who is now Governor, Mr. Earle—also Mr. Pinchot—was asked to come to New York to discuss this question of relief, by Mr. Hopkins. Mr. Pinchot went to New York to discuss the question, but Mr. Earle refused to go to New York. Mr. Earle, now, as Governor, is having a hard

time to secure funds to do the work of relief. Had he gone to New York and discussed the question of relief at that time his job would be easier today.

Mr. BOLAND. The gentleman has stated it just the opposite to what is the fact. Governor Pinchot invited Governor Earle.

Mr. RICH. Now, Governor Earle is getting into hot water because he has to raise this money and because he thought he was playing good politics he is now in trouble through not taking care of the needy at this time.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Illinois.

Mr. ARNOLD. I rather assume from the tenor of the gentleman's speech that he does not want any Federal funds going into his State. The gentleman wants the State of Pennsylvania to take care of its own distressed people?

Mr. RICH. No; I think the State of Pennsylvania, the Keystone State, one of the greatest States in the Union, has as much right as any other State to Federal funds, but I want to impress upon the mind of my colleague from Illinois, who always asks very sensible questions, the fact that whether you come from Illinois or whether you come from Pennsylvania or whether you come from the State of my friend Mr. BLANTON, the gentleman from Texas, these States should all do their part and not depend wholly on the Federal Government. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, I want to take advantage of this opportunity to make a few remarks about one of the greatest Presidents that our country has ever had.

In 1932, when I campaigned for the office of Congress, I was nominated by the Democratic and Independent Parties. In the primary election of that year, in the Thirty-fourth Congressional District of Pennsylvania, there were about 750 Democratic votes cast which were divided among six candidates, and I happened to be the one who was successful in securing that nomination. In the general election my predecessor received about 36,000 Republican votes, and I received about 34,000 Democratic votes. In addition to 34,000 Democratic votes, I received approximately 6,500 Independent votes, which, combined, made me a Congressman—and a damned good one at that. [Applause.] In 1932, when I campaigned for the office of Congress, I informed the people that if I were elected as their representative, I would support legislation which, in my opinion, was progressive and humane, regardless of whether it was presented by a Democrat, Republican, Progressive, Farmer-Laborite, Socialist, or Communist.

I have been called by some Members of Congress a Communist and a Socialist. My feelings are not hurt when such statements are made. I have heard certain Members of Congress accuse President Roosevelt of being communistic and socialistic. It is a fact that any man or woman who advocates progressive and humane legislation is frequently called a Socialist or Communist.

When I came to Congress in 1933, I supported practically every measure that the President presented to Congress.

Why did I support President Roosevelt's legislation? Was it because he was a Democrat? No, but because he presented to this House legislation which, in my opinion, was progressive, constructive, and humane.

Mr. MORITZ. Mr. Chairman, will the gentleman yield?

Mr. DUNN of Pennsylvania. Yes.

Mr. MORITZ. What is the gentleman's opinion about President Franklin D. Roosevelt as a President in comparison with past Presidents?

Mr. DUNN of Pennsylvania. In reply to your question I wish to state that I do not desire to offer any unjust criticism. Just criticism is always in order and does a great deal of good. Criticism actuated by selfish motives is destructive. Comparing President Roosevelt with former Presidents, I would say that he is one of the best that we have ever had, and when 1940 rolls by he will go down in history as one of

the greatest men for the common people that the country has ever produced. [Applause.]

Ladies and gentlemen, we must not forget that under President Roosevelt's administration more than 800,000 homes have been saved from sheriff sales. Many other constructive measures which have benefited our citizens have come to pass during the 2 years he has been President.

When I was elected to Congress I was not chosen to represent the Democratic, Republican, or any other political party. I was elected to represent the citizens of our country, and they expect me to do my utmost to bring them out of the unnecessary depression which has caused untold human misery. We Members of Congress can alleviate the suffering of the people if we have the courage to sponsor and support progressive and humanitarian legislation; in fact, we could end the depression in 30 days. There have been bills introduced this session of Congress by Republicans, Democrats, Farmer-Laborites, and Progressives which, if enacted into law, would be beneficial to the people of our country.

[Here the gavel fell.]

Mr. LUDLOW. I yield the gentleman 5 minutes more.

Mr. DUNN of Pennsylvania. Mr. Chairman, there have been a number of bills introduced in this session of Congress which if enacted into law would be a benefit to the various trade-unions, Brotherhood of Trainmen, and all others who labor for a livelihood. The bills have been reported from committees, but the Rules Committee pickled them. We should abolish the Rules Committee. [Applause.]

I do not want my good friend, Congressman O'CONNOR, Chairman of the Rules Committee, to think that I am criticizing him. He is a good scout—in fact, every Member of Congress is a good scout.

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield?

Mr. DUNN of Pennsylvania. Yes.

Mr. ELLENBOGEN. If the Rules Committee should be abolished, I think that the gentleman from Pennsylvania could get Mr. O'CONNOR a bigger job than he has now.

Mr. DUNN of Pennsylvania. I am willing to give a helping hand to everybody who needs it whether he be a Congressman, porch climber, or a horse thief.

Ladies and gentlemen of the House, there is not any necessity for 11,000,000 people in our country to be out of employment. There is plenty of work for every man and woman who is able to work; and those who are unable to work, such as the aged and others who are physically incapacitated, could be provided with an adequate pension. Let us appropriate money for the prevention of dust storms, flood control, reforestation, slum clearance, elimination of dangerous grade crossings, purification of rivers and streams, development and purchase of our natural resources and public utilities; construction of schools, hospitals, reservoirs, canals, highways; also for the development of music, art, literature; medical, surgical, biological, geological, and astronomical sciences; and for every other purpose which will promote the welfare of mankind. If we would undertake to accomplish these projects the millions who are now idle could obtain employment. Every man and woman who labors for a livelihood is entitled to adequate compensation for their services.

In conclusion, I wish to state that a great deal of the human misery which is existing—not only in our country but in every other country in the world—is because of unemployment, slave wages, ignorance, superstition, religious, national, and race hatred. All of these social evils could be and ought to be wiped from the face of the earth. If we would remove these unnecessary evils, our beautiful United States would be turned into a garden of paradise; in fact, every other country in the world could be made a garden of paradise. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. BOLAND].

Mr. BOLAND. Mr. Chairman, I take this opportunity to deny some of the statements made by my colleague from Pennsylvania [Mr. RICH]. They are characteristic of him. Since I have been a Member of Congress I have had to listen to his ravings and rantings and faultfinding about the Democratic administration and also to the misstatements in which he indulges. A few moments ago he spoke about the relief work in Pennsylvania, and the work being handled by the Federal Relief Administrator, Mr. Hopkins, and what happened during the previous year in Pennsylvania. The facts are, as I tried to bring out from him, that the relief administrator appointed in Pennsylvania was appointed by Governor Pinchot, and the relief administrators in the other States of the Union were appointed by the Governors of those States. The Democrats in Pennsylvania were out of luck, because of a Republican Governor being in power. Mr. Biddle was appointed relief administrator to handle those funds in Pennsylvania and he handled them in a deplorable manner. I state today on the floor of Congress that if ever an investigation is started in the Federal Relief Administrator's office I hope Pennsylvania will be given a thorough investigation. It was utterly impossible for a Democrat to be appointed in a key position in that great State. Mr. Rich stated in his remarks that these same relief administrators are to handle these present funds of the \$4,000,000,000 relief money. That is not the fact. We have now a Democratic administration in Pennsylvania, and a man named Johnson has been appointed by Governor Earle to take care of the relief work in Pennsylvania. If a Republican senate in Pennsylvania does its duty for that great Governor of Pennsylvania, the relief money that will be sent from Washington to Pennsylvania will be used in a legitimate manner for the people for whom it is intended. The Republican senate in Pennsylvania today is putting every obstruction possible in the path of Governor Earle, and it ill behooves Mr. Rich or any of his kind to criticize Relief Administrator Hopkins, who has done the most remarkable job of relief work the world has ever known.

When we boil down the facts, there were 751 charges and complaints of corruption of a serious nature to warrant an investigation, made to the C. W. A. in Washington headquarters. Of these 751 charges, 639 investigations have been completed, and charges were found in only 240 that could be verified. The work of the thousands of people who handle C. W. A. affairs stands out as a grand job of public service. It shows that public officials can perform as efficiently and as free from graft and corruption as any other group of humans.

Most of the important charges and complaints were referred to Washington. The charges made to and handled by State and local authorities in the main involved only minor and petty matters included in the 240 charges that were founded, were 163 cases of irregularities, that did not involve criminal violation. These were cleared up by dismissals or restitutions.

Seventy-seven cases involving possible criminal violations were turned over to the United States attorneys for possible criminal prosecution, and 17 of these resulted in conviction of a total of 22 persons. One hundred and twelve of the 751 cases referred to Washington headquarters are still under investigation or pending in courts.

These figures tell the facts to date on alleged graft and corruption under the C. W. A. When it is considered that the sum of \$939,000,000 was spent throughout the country under the C. W. A. program and that there were more than 70,000 persons engaged in administering the millions of transactions in expending the funds, the number of complaints and charges was surprisingly small. In view of the immensity of the program, I feel the figures bespeak a high degree of honesty and efficiency. The figures contrast sharply with the rumors.

No citizen of this country during this generation has given a more earnest and honest effort to relieve suffering than Harry Hopkins. This country owes him a debt of gratitude and in my opinion history will record him as a great humanitarian. He has allocated relief funds in an honest and efficient manner. This attack upon his integrity and honor

is unwarranted and unjust, and I am satisfied that the people of this Nation will recognize the source, and treat it in the manner it deserves, namely, the rantings of a partisan and cheap political statement.

What brought the C. W. A. into existence? During the Seventy-second Congress between the time of the election of President Roosevelt and his inauguration, what was the condition? Ten million people were jobless through no fault of their own. Industry was paralyzed. Agriculture was on the brink of chaos. Banks were failing by the thousands and millions of American citizens threatened with the loss of everything they had saved through a lifetime of toil and struggle. I can recall Congress in those days—in those sad days. There was no question of democracy or republicanism at that time. It was a question of some kind of a program to be originated and presented to the House of Representatives that would save this Nation from destruction. No brains in this House of Representatives or the Senate of the United States were big enough to present such a program. It was necessary to wait for this great humanitarian who is now in the White House to present a program that Congress could enact into law that would save America. That is what brought the C. W. A. into existence. Of course, it was a hurried proposition. It was an organization put together in a hurry to put people to work to save them from starvation. With a project of that kind, it is only likely that inconsistencies and probably some irregularities would exist, which has existed, as these figures prove.

Mr. MORITZ. Will the gentleman yield?

Mr. BOLAND. I yield.

Mr. MORITZ. I wonder how the Republicans would have handled 11,000,000 unemployed. They are always finding fault. I wonder what plan they would have used for handling 11,000,000 unemployed.

Mr. BOLAND. I have yet, during all this procedure of finding fault during all the dark days of the Seventy-second Congress, to hear where there was a Moses rising up to save this great country of ours; but when the country is on the way out of the depression, we hear the faultfinders and we hear of the great number of Moseses who are going to save America. But America is safe, gentlemen. As I stated before, it ill behooves characters like Congressman RICH, who belong to an organization in the State of Pennsylvania that has been overridden by Republicanism and Grundyism for over 50 years, to criticize now, because it is in the hands of the people, the people now own the State of Pennsylvania and also own this Nation; when we are on our way out of this depression, they find fault. I hope and pray that this great humanitarian in the White House will live so that he will be a great benefactor that the great people of the United States need in these particular times. I thank you. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. BOLAND] has expired.

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. MORITZ].

Mr. MORITZ. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include therein a copy of my own bill, H. R. 7984.

The CHAIRMAN. Is there objection?

There was no objection.

THE CHAIN-STORE EVIL

Mr. MORITZ. Mr. Chairman and Members of the Committee, we are on the threshold of a new economic era. Little wonder that conservatives are perplexed and annoyed. They are like fish out of water. The time of special privilege is passed. Rugged individualism cannot prosper in an era of centralization of power and wealth. No one can pursue his or her career if the opportunity does not exist. No one is aware of the present conditions better than the present Congress, which is, at least, trying to remedy the situation.

A few years ago I happened to be at the commencement exercises of a great college. My companion, a student of

economics, said in a joking way as the procession of capped and gowned graduates proceeded up the aisle, "What a fine bunch of gasoline-station attendants they will make." He was not finding fault with education, but lamented there was no opportunity for them.

Mr. Chairman, in that one remark is summed up the conditions of the present time. College graduates, through no fault of theirs, all dressed up and no place to go. To whom can this condition be attributed? The spirit of the times. "Bigger and better" was the slogan until everything, even the necessities of life, were capitalized by the huge monopolistic chain stores.

CENTRALIZATION THE CAUSE OF DEPRESSION

We read and hear of our great centralization of wealth and industry; and how 4 percent of our people own 80 percent of the wealth, while 96 percent of the people own 20 percent. Is it not time to ask ourselves where are we going? How did it happen? They say centralization is the spirit of the age, that chain systems are the spirit of the age; you might as well say the chain of slavery is the spirit of the age. If our present policy to centralize persists with chain stores gradually putting out the independents, in a decade we will have only chains, and with the continued centralization we will eventually have only 1 chain grocery, 1 chain shoe store, 1 chain drug store, and so forth. They will gradually combine, and you will have all business done by one chain, and, finally, the capital stock of the chains will gradually be controlled by one man. Then all ambition of the average individual will cease, the necessity of education will be gone. Society will retrograde until sometime we will strike the bumpers. A crash at arms between the slaves and the chain masters will follow.

That is the story of the human race. It centralizes more and more, then blows up and civilization has gone. Then society starts over again.

MOSES FOR DECENTRALIZATION

The question before the American people is, Can we avert that disaster with its murders, its war, its starvation, its plague of disease and famine? The chains lead us to destruction. The chains are but the chains of slavery. We have the most wonderful illustration of decentralization in the Bible. Moses knew of the corrupt centralization schemes of the big nations and of Egypt. He wanted to decentralize. He led a successful strike of Hebrew workingmen out of Egypt. Out in the wilderness he taught them for 40 years the philosophy of decentralization, and gave them the laws "Thou shalt not take interest", and "Thou shalt love thy neighbor as thyself"; and then for fear someone might slip in, accumulate, and concentrate the great lawgiver writes the plan for the year of jubilee, which provides all great fortunes are to be decentralized and returned to the original families every 50 years. We need a rule of justice in America as Moses wrote in the desert.

We can save ourselves by turning right about and decentralize legally. To this end I have introduced a decentralizing bill (H. R. 7894, 74th Cong.) that furnishes the way out.

The method of approach to decentralizing as provided in the bill is to give the small independent merchant and business man the fair equivalent purchasing price as the largest chain store.

GIVE THE INDEPENDENTS THE SAME PURCHASING PRICE AS THE CHAINS

When the average independent merchant can buy a can of tomatoes for exactly the same price as the chains do, the independent will undersell the chains and put them out of business, just as the chains are putting the independent out. Therefore, give the independents at least a fair equivalent purchasing price. The chains demand a larger percentage of gross profits than the independents. They cannot live without such profits.

How then do they sell a standard can of tomatoes for 1 or 2 cents a can below the independent? Simply because they buy them for less. That is all. That is the whole secret of the big chain and the big department stores' success. They buy for less.

HOW THE CHAINS WORK THEIR RACKET

A great chain that operates in my city, Pittsburgh, controlled by the Morgan interests, purchased the surplus output of a string of tomato canneries in Kentucky at 6 cents per no. 2½ can and furnished their own labels. That chain sold those tomatoes at 15 cents per can retail. Tomatoes were higher at that time than now, but it furnishes a concrete illustration. The chain made 150-percent gross profit.

The independent bought the same tomatoes from his jobber and paid 14 cents a can and sold them from 16 to 18 cents a can. Of course, you could buy cheaper at the chain, but had the independents purchased those tomatoes at 6 cents a can, what would have happened? Why, you would have been able to get them for 8 to 10 cents a can, possibly 2 for 15. Because of the chains, you pay nearly twice as much as you should, and yet you think you save a cent on a can of tomatoes.

The buyer of a great chain system gave an address to a group of cost accountants and told how chains are able to operate and undersell the independents. It shows chain strategy.

The buyer said he never bought the entire output of any factory. He generally bought 40 to 50 percent. Our representative calls at a factory and looks it over and asks, "What is your capacity to produce?" After having gained the inside information, surveying the plant and testing the products, the buyer offers to purchase an amount of their products equal to the difference between their output and their full capacity but in no case more than 50 percent of their possible production.

He then gave a concrete illustration of how their buyers are trained in classes like boys in school.

The buyer says, "Your corn sells to the larger retailers for \$1 per dozen. The actual production costs you 67 cents which leaves a gross profit of 33 cents. Out of the 33 cents you pay your incidentals and management, leaving a net profit of 10 cents. Our company will pay you 76 cents per dozen. Your overhead is already taken care of by your present customers.

"You will not need to add a single cent's worth to handle our business. There will be just 9 cents clean velvet on every extra dozen you produce. You run no chances. You need no extra salesmen. You only have to bill the goods and buy an extra postage stamp. If the seller is reluctant, the buyer offers an additional incentive of "I will furnish the labels and save you that expense too." If the seller is not yet convinced, the buyer says, "Your present net profit above all expenses is not over 10 cents per dozen anyway; here at one slap we offer to double your production and your net profits by assisting you to produce more."

The canner sees visions of double profit but he confides to the buyer, "It would take a lot of extra cash to double the output." The buyer knows he has him now. He stalls for a while and finally says, "Our company will allow you to bill for the goods as fast as they are ready for shipment. We would prefer to leave them here, as other buyers do, until wanted, but you can bill us as soon as ready for shipment and you know what happens every Wednesday, don't you? Our main office pays every O. K. bill. You don't have to wait. You don't have to wonder or guess; you know there has been delivered to Uncle Sam on Wednesday one letter with a check enclosed and you know when the letter will arrive. That's the way we do business." The deal is closed. The chain store has a can of corn that costs 6½ cents, and the independent, who carries all of the overhead expenses of the cannery, has another that cost him 8½ cents. But how is the extra burden of transportation carried? A carload of corn is shipped to the chain warehouse, and only 10 boxes are shipped to the independent merchant by local freight; the independent pays twice the transportation cost that the chains incur.

The result is the price sign in the chain store reads, "Corn, 11 cents per can." Across the street the independent has to sell it for 12 cents per can. Had the independent the same buying power as the chain, you would be able to buy

the same can at the independent for 10 cents that you now buy at the chain for 11 cents. However, the buyer for chains cannot always get these results, and then he shifts his tactics. He suggests the canners put 10 percent less corn in the cans. If that does not get results, he suggests that they add more water and less solid contents, and so forth.

CHAIN STORES BEAT OUR PUBLIC

I will not argue that the chain store cheats you at every turn by weights; that few people can long hold down a job at a chain unless he can produce. I shall not stress the fact that a Government investigation shows short weights of 53 percent of the stores, poorer quality of merchandise, lower wages paid, or the fact that the chain sells the 8-ounce-size container marked "6 ounces" in fine print, while the independent sells the 8-ounce container marked plainly "8 ounces" of the same brand and quality and sells at 1 cent above the chains.

I am interested in the fact that chains can and do buy for less and sell for larger profits than the independent. I am interested in getting the independents the same buying power as the chains and let free competition be the people's safety valve to lower the price.

CHAINS BOOST PRICES

Every article the chain gets exclusive control of goes up in price and the chains which control 75 percent of the factories' output sell to their own stores for less than they do to the independents. The fact is that the consumer, who thinks he saved a cent on a can of sardines by buying them at the chains, actually loses 2 cents by buying from the chain store. Much study and research has been made on H. R. 7984 to make it foolproof and to place the independent on the same footing as the chains. It takes away from the chains the right to manufacture, wholesale, and retail at the same time.

You cannot go to a store and buy an average dollars' worth of merchandise today unless the big four, Morgan, Mellon, du Pont, or Rockefeller, draw a profit. We need to decentralize and to decentralize quickly. Eighty percent of our shoe stores are chain and we pay more than double price for our shoes. Ten percent of our drug stores are chain and the prices continue to rise and the independents are making less. Thirty percent of our grocery stores are chain and the prices are rising fast. The chains in many towns do not deposit their money in the local banks but ship it instead by express to some central town, robbing the local community of that ready cash.

Prices of labor must go up, the price of merchandise must come down. The price of farm raw products must go up, the price of fabricated merchandise must come down. Interest and special-privilege, chain-store profits must be eliminated—decentralization bill H. R. 7984 will do this.

Yes, the chain stores do some good; they rent buildings, hire clerks, and a few other things of that character, but if they were eliminated the independents would rent more stores and hire more clerks.

SAME PRICE TO ALL

Some will say, "Why would you not sell lower to a big buyer?" The post office sells a 3-cent stamp to all customers alike, for 3 cents. Congress made the railroads charge every man the same price for transportation. Congress has the power to protect the small man. To protect the weak is fundamental. The only excuse for government is to protect the weak against the encroachments of the strong. We have the power, we must use it.

We propose the independent will buy at the prices that chains buy, not the chains buy at the prices of the independent.

TAXING CHAIN STORES A FAILURE

Some would tax the chain stores out of existence. That can only act as a boomerang against the independents, for the chains will make the independents pay their tax. It will put the independents out of business and not the chains. Here is how it will work. The chains now control at least 75 percent of the manufacturers. Let Morgan tell his Fleischmann's yeast or his Sanborn coffee or his Royal

Baking Powder Co. to raise the price to the independents and lower the prices to the chains and that alone will settle it. The independent will pay the chain tax. Suppose Fleischmann's yeast should raise the price one-eighth of a cent per cake to the independent and lower it one-eighth of a cent to the chains. Do you not see how it would work? There are 100 staple articles the chains have a monopoly on that could be worked against the independents. Taxing will not work to the advantage of the independents. There is only one solution and that is equal buying power of all business houses. H. R. 7984 gives that.

[H. R. 7984, 74th Cong., 1st sess.]

A bill to regulate traffic and trade, protect small business houses and industry, promote orderly marketings, encourage individual initiative, decentralize business, and give the consumers the benefit of free competition denied them by chain ownership and operation, holding companies, and interlocking directorates
Be it enacted, etc.,

TITLE I—ISSUANCE OF LICENSES

SECTION 1. That any person, partnership, firm, corporation, association, society, common-law trust, holding company, or other organization, foreign or domestic, hereafter called "business house", now in any mercantile pursuit doing interstate traffic or trade or that may hereafter wish to enter into any mercantile pursuit hereafter doing interstate traffic or trade shall apply to the Secretary of the Interior, hereafter termed the "Government", for a license to operate. The cost of the license shall be \$1, and the receipt thereof shall be displayed in a conspicuous place in every office in which business is transacted with the public.

SEC. 2. (a) Licenses shall be granted only to those business houses that apply therefor and state the line of business in which they wish to engage, whether as a retailer, wholesaler, jobber, or manufacturer.

(b) The license shall be for the term of 1 year, except in special cases as hereinafter provided.

(c) A license to operate shall not be granted any business house which shows discrimination in its sales against any buyer in the class to which that business house caters.

SEC. 3. No business houses handling merchandise having an annual sale of over \$100,000 may receive a license to manufacture, wholesale, and retail at the same time. No business houses doing an annual business of over \$50,000 may secure a license as manufacturer and retailer, manufacturer and wholesaler, or wholesaler and retailer: *Provided, however*, That nothing in this act shall be construed to prevent a manufacturer from selling his merchandise on orders direct to consumers from his factory or warehouse, if such factory or warehouse is not used as a retail store.

SEC. 4. Business houses now in operation that would be ineligible to a license on account of being in violation of the provisions of this section may be granted a single-day license for each place of business; the Government to issue no more than five single daily licenses in advance at one time, though the Government may extend their day-to-day license until such time as the business house shall readjust its affairs to comply with the requirements of this section, but in no case shall such day-to-day licenses be issued unless the Government is assured that steps are being taken to arrange for reorganization or sale or disposition of such part of the business that is contrary to the provisions of this act, and in no event for more than 2 years after the passage of this act: *Provided, however*, That nothing in this act shall prevent the issuance of licenses to manufacturers of a single line to sell direct to consumers or direct to retailers from factory or factories, where they allow no discrimination between customers in regard to present services.

SEC. 5. No manufacturer of gas, electric power, or other public or semipublic service commodity shall be given a license to retail merchandise such as lighting fixtures, motors, stoves, refrigerators, or other utensils used in connection with the public-service commodity, except on the day-to-day license plan as above mentioned.

SEC. 6. (a) No license shall be issued to the manufacturing part or to the wholesaling or warehouse part of a business house until the Government is satisfied that the new business houses organized as a result of the breaking up of the present combination of manufacturer, wholesaler, and retailer control will sell merchandise to any purchaser in the classes of trade they cater to without discrimination of any kind: *Provided, however*, That any business in apparent violation of this act wherein 90 percent of the full-time employees are stockholders and own between them 90 percent of the stock of the firm and control 90 percent of the business of the firm, and wherein the business is free from bonds bearing more than an annual 2-percent service charge, and bondholders have no written or implied control in the business, may nevertheless be considered as having fulfilled the intent of this act to decentralize business control and may be granted a license for each of its individual units, and, in addition, a blanket license for its general office, upon the payment of a fee of \$1 and the payment of all costs of the Government agent in satisfying the Government that the provisions of this act are observed.

(b) The intent of subsection (a) of this section is to allow great organizations to exist as cooperatives or otherwise, wherein the business house is employee-owned and employee-controlled.

SEC. 7. (a) Nothing in this act shall prevent individual dirt or working farmers from organizing manufacturing plants or whole-

sale houses to care for and dispose of their own products if 90 percent of ownership therein shall be farmer-owned, with no farmer owning more than 640 acres of land and with such farmer-owned plant or warehouse receiving at least 50 percent of the products it handles from those who are the members of that organization, with no variation in price paid to its members for their products other than that paid to nonmember farmers for similar products.

(b) In selecting officers and managers of such farmer-owned business houses it shall not constitute a violation of the provisions of this act relative to stock ownership and control for a farmer or farmers to be selected as officers, but in no instance shall such officer receive a salary more than 100 percent greater than the income of the average farmer he represents. The cost of a special license to such farmer-owned or cooperative business shall be \$1 and the payment of all expenses of the Government in satisfying itself that the provisions of this act are observed.

TITLE II—UNIFORM PRICE

SECTION 1. Every business house manufacturing or wholesaling merchandise shall file with the Government a schedule of prices based on unit container package of merchandise usually sold, hereafter called "unit of merchandise." Such prices shall be those offered to all customers alike, without discounts of any kind or nature except a discount for cash payments for merchandise sold at time-sales prices.

To sell at a price different from the price filed shall constitute a violation of this act.

SEC. 2. Any discount or lower price given to purchasers of more than one unit of merchandise at a time shall be deemed a violation of this act, whether such discount takes the form of a cash discount, price rebate, advertising allowance, window display material, free merchandise, or a combination of one or more of these prohibited methods or any manipulation of books or service. The intent being to place all buyers, large or small, on exactly the same basis, compelling the manufacturers and wholesalers to sell to all customers at uniform unit prices.

SEC. 3. A manufacturing business house may also have a manufacturer's price lower than the wholesale price for that part of its product destined to become a part of the materials entering into the assembling of another and more finished article. The prices of such semifinished articles shall be filed with the Government in a similar manner to other articles hereinbefore referred to.

SEC. 4. It is provided that the terms of section 2 shall apply to merchandise rented or used under contract, contingent sale, yearly, weekly, or daily service contract, block sales, or any method of compelling the wholesaler, retailer, operator, lessee, or agent to buy, lease, or contract for merchandise he does not want for the opportunity of buying, renting, or leasing that which he needs. The intent of this article is to give the purchaser the right to buy such individual unit packages as he desires.

SEC. 5. Any business house doing business or entering into mercantile pursuits as a wholesaler shall file with the Government a price schedule of all articles sold and of every change in prices contemplated, by placing the name of each article handled and its price on a uniform 3 by 5 filing card, and such unit price filed with the Government shall be the price per unit charged for all sales of that unit. Each change of price schedule shall be accompanied by a filing fee of 25 cents: *Provided, however,* That wholesalers or manufacturers may sell "seconds", or damaged goods, or goods liable to perish unless sold quickly, at lower rates than charged for other and regular goods, but in each such instance the manufacturer or wholesaler shall mark in large print on the bill given to each customer "Damaged" or "Seconds", as the case may be, and send to the Government daily an exact duplicate of the marked bill given to each customer. In the event that the Government shall become convinced that the business house is using the "Damaged" or "Seconds" billing as a means of discriminating between its customers, the license to do business shall be withdrawn until satisfactory changes and amends have been made.

SEC. 6. Any business house doing business as a retailer shall charge a unit price for all packages of merchandise, giving no advantage to large quantity buyers. Any retail business house charging different prices to different customers shall be deemed guilty of a violation of this act.

SEC. 7. The right of any business house to name its own prices is conceded and granted, but no manufacturer's or wholesaler's contract shall bind a retail business house as to the price it shall charge its customers. Any contracts to the contrary already in existence or made after the passage of this act are hereby declared null and void.

SEC. 8. The right of any business house to practice "chiseling", to sell at "cutthroat prices", or enter into so-called "unfair competition", which benefits all of the customers alike is hereby acknowledged and granted and any laws, codes, rules, or regulations to the contrary are hereby repealed, the intent being to give free and unhampered opportunity to make competition the life of trade in order to benefit and protect the consuming public.

SEC. 9. Any manufacturing business house may elect to have one or more retailers in a locality handle its products exclusively or may give exclusive sales rights to a select number of retailers by securing a special "exclusive sale" license for its own place of business and a similar special license for each retailer so contracted with, if the Government agent is convinced that the retail business houses so designated are individually owned and not in any way connected with the manufacturer desirous of dealing exclusively with such retailer. Such exclusive sales license shall cost the procurer a fee

of \$1 and the payment of any and all expenses that the Government may incur to satisfy itself that the business houses in question are complying with the law.

SEC. 10. Nothing in this act shall prevent a manufacturer from establishing agents to sell its goods in trucks or otherwise from house to house providing such merchandise is limited to a few well-defined lines, and not a complete line of groceries, hardware, or other business.

SEC. 11. The intent of sections 9 and 10 is to protect manufacturers in the choice of their own merchandising methods and to protect the public from centralization or control of business under either complete or partial individual ownership or group ownership.

SEC. 12. A manufacturing business house wishing to obtain an exclusive sales license shall forward to the Government a written statement as to its present and proposed methods of sale, the kinds of merchandise handled, its forms of contract, and a list of its owners. If the Government is convinced that the applying business house is not seeking to monopolize and centralize all business into the hands of a few then such license shall be issued at a cost of \$1 and any expense incurred in satisfying the Government that the business house is complying with the law.

SEC. 13. In the event of any manufacturing or wholesaling business house being unable to fill all its orders it shall apportion its deliveries in such a manner that all would-be buyers receive some merchandise, preference being given in the distribution to the smaller buyers, the intent of this being to prevent manufacturers or wholesalers from claiming that they are sold out in advance to some one or more of the large business houses and thus show discrimination against the small buyers.

SEC. 14. No manufacturer or wholesaler calling for orders or delivering merchandise to a retailer as a business policy shall discriminate against small retailers by not calling for orders or delivering merchandise to them as frequently or conveniently as they do to the large retail business houses, or by arranging their delivery routes so as to discriminate against small merchants.

SEC. 15. Nothing in this act shall be construed to limit a business house from determining its own policy in giving terms of payment, except that at any and all times proffers of cash payments must be accepted and the prices must be uniform in all cases, the intent of this section being to prevent discrimination against any retail business houses, small or large, if unable to give satisfactory evidence of ability to care for credit accounts.

SEC. 16. In the matter of merchandise distribution and sales where a wholesaler elects to sell to a select list of retailers it shall be construed as a violation of this section if the ownership of both the buying and selling business houses in any transaction are owned partly or entirely by the same individuals or group of individuals, the intent of this section being to prevent the centralization of ownership of manufacturing, wholesaling, and retailing, or any combination thereof, in any one individual or any group operating more than one unit either under the same or separate and distinct names yet uniformly or partially owned by the same individual or group of individuals.

TITLE III—UNIFORM PACKAGES

SECTION 1. To protect the consumer, any and all retail packages, cartons, containers, etc., in which unit retail merchandise is sold shall, at the discretion of the Government, be standardized as to size and quantity of contents and labeled in accordance with contents, with the quantity designated, using the legal standard of weights and measures.

SEC. 2. The unit package used at the time of the passage of this act shall continue in use until permission or order is given by the Government for a change, but in no instance shall permission to change be granted if the package or carton is enlarged or contracted so as to discriminate against small buyers.

SEC. 3. A period of 2 years from the passage of this act shall be allowed to manufacturers to readjust their packages and labels in accordance with the terms of this act.

SEC. 4. The Government shall compel the adoption of a line of standardized packages and cartons, etc., as to size and contents, it being the intent of this section to protect the purchasing public from possible deception or misunderstanding as to the amount and the quality of merchandise offered it for sale.

TITLE IV—MISCELLANEOUS PROVISIONS

SECTION 1. It shall be unlawful for a manufacturing business house to install a private transportation system of its own, either in the nature of a pipe line, a railroad, or a special fleet of auto trucks, whereby it is enabled to evade or overcome the obvious spirit and intent of this act, such special private transportation systems being permitted by the Government only if and when it is satisfied that the facilities open to other manufacturing business houses are on a par with the permitted private systems, and this prohibition shall apply to tank cars and to refrigerator cars on railroads or highways, and similar privileged means of transportation of merchandise at present not open to other than the largest of the manufacturing business houses.

SEC. 2. A manufacturer or wholesaler shall be allowed to sell only to bona fide dealers and the definition of wholesaler shall be a business house engaged exclusively in the distribution of goods to retail business houses and shall be so licensed, and no manufacturer or wholesaler shall sell goods to individual consumers if such consumers are not engaged in a retail or similar mercantile industry but merely wish to buy in quantity lots for an advantage to be gained thereby over other consumers who desire smaller quantities.

TITLE V—TERMS USED

SECTION 1. As used in this act—

(a) The term "manufacturer" means any business house that changes raw materials into completed or partly fabricated articles of trade, or any business house that takes partly fabricated materials and completes them or completes any operation or assembly between the raw materials and the completed article of commerce.

(b) The term "wholesaler" means any wholesaler, jobber, or broker who maintains a business place where merchandise is sold to retail merchants, or any business house that engages in the sale of goods or merchandise between the manufacturing producer and the retail merchant.

(c) The term "retail merchant" means a business house that sells to the ultimate customer.

(d) The term "interstate traffic" shall be deemed to cover any article of trade made up, in whole or in part, in packages, or merchandise shipped in bulk, and transported from one State into another for either manufacturing, wholesaling, or retailing purposes.

TITLE VI—SEPARABILITY AND SHORT TERMS

SECTION 1. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances shall not be affected thereby.

SEC. 2. This act may be known as the "Decentralization Act."

SEC. 3. The administration of this act shall be intrusted to the Department of the Interior, which is authorized to locate convenient offices, make rules and regulations not inconsistent with this act. An appropriation of \$100,000 is authorized to furnish initial costs.

TITLE VII—PENALTY

SECTION 1. The license of any business house convicted of violating any provision of this act shall be revoked by the Government, and any business house operating without a license shall, upon conviction, be fined not more than \$1,000 for each day of such operation, but the maximum fine for any one period of operation without a license shall not exceed \$365,000.

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. LUNDEEN].

Mr. LUNDEEN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include certain statistics from educational authorities on education.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. LUNDEEN. Mr. Chairman, the present situation in education is cause for grave national concern. Our American school system is confronted not merely with the necessity for retrenchment; it is fighting for its very existence. A crisis has been reached. The time is at hand when we as a Nation must decide whether we shall give more than lip service to our professed faith in the principle of free universal education, or whether we shall stand idly by and allow our schools to perish.

THE DEPRESSION HASTENED THE CRISIS

The utter break-down of the school system which has occurred in numerous localities during the past few years has been associated directly, in most cases, with the serious economic reverses we have experienced. But the difficulties of the school life lie beyond this depression, nor will those difficulties disappear merely with the return of economic prosperity. The depression only hastened a crisis which, sooner or later, would have come anyway in the absence of needed reforms. Even in times of prosperity, property taxes which always have formed and, in a majority of the States, still form the financial basis of the public-school system, in many localities cannot yield sufficient revenues to insure even a minimum standard of education. Moreover, the prevailing unit of taxation and administration has been, and is, the small school district, often lacking sufficient resources to support a satisfactory school system. Consequently, in this period of adversity, the schools were soon imperiled.

OUR SCHOOLS IMPERILED

Among the emergency influences immediately responsible for the present plight of the schools should be mentioned: Tax delinquency, reduced valuations due to the decline of property values, reduced valuations resulting from the acquisition of property by the Federal Government, suspension of activity or withdrawal of important business enterprises, the loss of school funds in closed banks, nonpayment of taxes by corporations holding cut-over lands or abandoned mines, the damage done by drought and storms, a heavy

load of indebtedness on the part of school districts, and an unusual increase in school enrollments, as the depression forced children and young people out of industry to make way for adult workers.

INCREASING ENROLLMENT—DECREASING REVENUES

Increasing enrollments and decreasing revenues have made it impossible for the school program to be carried on effectively. Total enrollments have continued to grow year by year. High-school enrollment alone has increased from a little more than 4,000,000 pupils—4,155,350—in 1929 to more than six and a half million—estimated at 6,719,000—at the present time. On the other hand, school expenditures have dropped from two and a fourth billion dollars—\$2,250,563,511—in 1929 to about a billion and three-fourths—estimated at 1,842,581,000—for this year. The result was inevitable; children have been denied some of the most important, and in many cases all, the educational opportunities which should have been theirs (National Education Association and Department of Superintendence, Joint Commission on the Emergency in Education. Major Trends in Public Education. Washington, D. C.: the Association, 1934, pp. 3-4).

THE SCHOOLS HAVE BEEN FORCED TO ADOPT DRASTIC MEASURES

As school revenues dwindled, teachers' salaries were reduced in an effort to make ends meet. Reductions in these salaries, already meager, commonly ranged from 10 to 40 percent. At the present time, about 250,000 teachers, nearly one-third of them all, are teaching for less than \$750 per year, an amount roughly equal to the minimum earnings of "factory or mechanical workers or artisans" under the well-known "blanket code", put into operation by the administration July 15, 1929. One teacher in sixteen—about 50,000—will receive less than \$450 for his services this year (National Education Association and Department of Superintendence, Joint Commission on the Emergency in Education. Major Trends in Public Education. Washington, D. C.: the Association, 1934, p. 10).

1,400,000 CHILDREN IN CONDEMNED SCHOOL BUILDINGS

School building operations were deferred, not only the construction of new buildings, but also needed repairs on buildings already in service. Capital outlay expenditures dropped from about \$375,000,000 in 1929 to about \$100,000,000 during each of the past 3 years. In view of the fact that school construction was not keeping pace with school-housing needs at the beginning of this period, recent increases in enrollment have resulted in a serious shortage of building facilities. It is estimated that 1,400,000 pupils are housed daily in buildings which have been condemned as unsafe or insanitary; a million more are housed in portable, rented, and other temporary structures, including abandoned lodge halls, churches, stores, and theaters; 600,000 can attend school only part time because there is space for only part of the group at any one time (National Education Association and Department of Superintendence, Joint Commission on the Emergency in Education. Major Trends in Public Education. Washington, D. C.: the Association, 1934, p. 4; and National Education Association, Research Division. The Nation's School Building Needs. Research Bulletin 13, pp. 8-12, January 1935).

SCHOOL DISTRICTS BURDENED WITH THREE-BILLION-DOLLAR DEBT

Numerous other economies were effected in order to keep the schools functioning as effectively as possible.

Credit facilities were employed to obtain additional funds. The total indebtedness of school districts increased approximately \$700,000,000 between 1930 and 1932 (from \$2,425,796,439 to \$3,121,538,276), more than twice the amount of increase in any of the three preceding 2-year periods (U. S. Department of the Interior, Office of Education; Biennial Survey of Education in the United States, 1928-30; same 1930-32; Washington, D. C.: Government Printing Office, 1931, 1933; 1931, vol. 2, p. 61; 1933, p. 73).

I cite these efforts to economize and this attempt to carry on by borrowing to show that the people of this country have not willingly abandoned the schools. They do not want their children deprived of educational opportunities. They are making every reasonable effort, and in some cases heroic sacrifices, on behalf of the schools. But in thousands

of cases, the fullest possible use of local tax and credit resources combined with the strictest economy has not made it possible to keep schools open or to maintain them at a satisfactory level of efficiency.

IMPORTANT SUBJECTS ELIMINATED

Many schools have eliminated important subjects and services from their usual offerings. Health services, educational and vocational guidance, physical education, and courses in music, art, home economics, and industrial arts are among those which have been abandoned.

Teaching loads have been increased. This is especially true in the cities, where classes of 45 to 60 pupils are not uncommon. School enrollments between 1930 and 1934 increased by approximately 1,000,000 pupils, but there were 30,000 fewer teachers in 1934 than in 1930. Obviously, a teacher with 50 pupils cannot give them the individual attention which they should have. In such a situation discipline overshadows educational guidance (National Education Association and Department of Superintendence, Joint Commission on the Emergency in Education. Major Trends in Public Education, Washington, D. C.: the Association, 1934, p. 7).

Schools have gone without needed equipment and supplies. Expenditures last year for school books and supplies in 728 cities were nearly \$4,000,000 less than in 1930-31, in spite of the fact that 150,000 pupils have been added to the schools of these cities since 1931. This represents a decrease of 33.6 percent in expenditures for school books and a decrease of 30.3 percent in the amount spent for school supplies. One superintendent reports that some of his rural schools do not have even one textbook. Another writes that the cost of instructional supplies in his State has been reduced from approximately \$1 per pupil per year to 5 cents a pupil, which means, of course, that virtually no supplies are being provided.

2,400 SCHOOLS CLOSED IN 18 STATES

School terms have been shortened all the way from a few days' time to several months; especially last year, 1933-34, and this year. Figures recently collected by the United States Office of Education indicate that more than 30 thousand school districts (31,672) were unable this year to operate schools from State and local resources for the usual length of term. In these districts, having about 100,000 schools and more than 3 million school children, the average reduction in the school term was estimated to be 3 months. On April 25, 1935, more than 2,400 schools in at least 18 different States were reported closed for lack of funds. More than 14,000 additional schools in at least 21 States would have been closed if it had been necessary to pay teachers' salaries in cash (United States Department of the Interior, Office of Education. Financial Situation in Rural Schools and Small Independent School Districts, 1934-35. Circular No. 138. Washington, D. C.: Government Printing Office, 1935, p. 4; and National Education Association, Research Division. Current data on closed schools. 3 p. mimeographed).

TEACHERS' SALARIES UNPAID

Teachers' salaries often have remained unpaid, or have been paid with tax-anticipation warrants, certificates of indebtedness, or scrip which could be cashed, if at all, only at large discounts. School doors would have closed in hundreds of districts during the past 5 years except for the loyalty and devotion of teachers, who have placed the welfare and needs of children above every other consideration. When schools opened in September 1934 there were 467 school districts in 8 States with no funds to begin the school term. The salaries of the 1745 teachers needed in these districts for 8 months, even at the low rate of \$50 a month, would be about \$700,000. In these districts, and hundreds of others, the teachers have faithfully carried on their work as long as possible (U. S. Department of the Interior, Office of Education. Financial Situation in Rural Schools and Small Independent School Districts, 1934-35. Circular No. 138. Washington, D. C.: Government Printing Office, 1935, p. 3).

On March 8, 1934, a former Member of this House serving on a subcommittee of the Banking and Currency Committee

collected information on the amount of teachers' salaries actually unpaid and the amount of teachers' salaries which had been paid in warrants or scrip which could be cashed, if at all, only at large discounts. He found that salaries amounting to more than \$57,000,000 were in arrears and that outstanding salary warrants, noncashable or subject to heavy discounts, amounted to nearly \$50,000,000. The situation has not changed materially except in Chicago, where an R. F. C. loan of \$22,300,000 was used to pay salaries in arrears. In other words, school districts even yet owe teachers about \$25,000,000 and still have outstanding salary warrants of doubtful value amounting to about \$50,000,000 (Hon. James Simpson, Jr., Memorandum to the Members of the subcommittee of the Banking and Currency Committee of the House of Representatives. March 19, 1934. 14 pp. mimeographed).

TUITION CHARGED IN PUBLIC SCHOOLS

Public schools have become tuition schools in several instances, admission fees being charged openly or through subterfuge. For example, in November 1934 tuition was being charged in 77 Arkansas public schools. These schools ordinarily serve some 12,800 pupils; but about 3,800, or nearly 30 percent, were kept out of school by these tuition charges. (Mort, Paul R., The Present Difficulties of the School, an article reproduced at the request of the Honorable WALTER F. GEORGE in the CONGRESSIONAL RECORD, May 29, 1935).

A number of schools remained closed throughout the past school year, this year, or both, no provision being made for the education of children in those districts. The meaning of this situation to the boys and girls concerned is revealed in the following letter written by a 14-year-old girl in one of the States of the Middle West:

Last year we thought we were hard up because school closed April 1. This year I guess we aren't going to have school at all. Eighth graders from our school and from Turtle River are trying to keep up our work. Pastor T's wife has us at the parsonage Friday mornings to hear our lessons. But most of the time is taken up with her asking how we do things here and comparing with the ways in Norway. Well, I guess I'll have to give up my plan to take high school. With the school closed (I feel like crying every time I see it with the doors and windows boarded up) I'll be too old before I am ready to go to high school. Do you think you could get on without a school or even a set of books? Grace has the arithmetic VIII, and I have the grammar. Teacher let us borrow those when school closed. I guess she had a hunch how this year was going to be. For all of us that go to the parsonage there is one history book. It's the one the Swanson's eldest boy had the year he went to town. It stops before the war, but I guess there hasn't been much since then except trouble, and I don't need a book to learn about that (Amidon, Beulah, Schools in the Red. Survey Graphic 23: 266-70, 295-96, June 1934).

SHALL OUR CHILDREN PAY?

Shall children pay for this depression? Are we going to permit them either to be deprived entirely of the right to attend school or to be herded together in buildings unfit for habitation for a few weeks' instruction in the three R's at the hands of overworked, underpaid, and unpaid teachers, working without books or instructional supplies? We will not permit the continuance of this deplorable situation! The Federal Government must face squarely its educational responsibilities and see that no boy or girl is deprived of educational opportunities regardless of his place of residence.

THE EDUCATIONAL RESPONSIBILITIES OF THE FEDERAL GOVERNMENT

Education is a national problem of major importance. Self-government without an educated citizenry is an impossibility which has been recognized and forcefully argued by every great statesman since the founding of this Republic. Our first President wisely advised in his farewell address:

Promote then as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of government gives force to public opinion, it is essential that public opinion should be enlightened.

Our present Chief Executive recently said:

Without the aid of a far-flung educational system in developing the capacities of individuals to produce material comforts and to react intelligently to public problems, the effort of government would be fruitless indeed. All the possibilities of a democracy rest squarely upon education.

So it is, that as Benjamin Franklin observed:

The good education of youth has been esteemed by wise men in all ages as the surest foundation * * * of the Commonwealth.

EDUCATION VITAL TO DEMOCRACY

A self-governing people must understand their national problems. They must be able to decide issues intelligently and to choose good leaders. In a democracy, national welfare can rise no higher than its source, and that source is the general enlightenment of the people as a whole. An educated citizenry is more important now than ever before, because of the grave social and economic problems with which we are confronted. We cannot afford to have sections of our population deprived of the right to learn. We are already burdened with 4,500,000 illiterates—people who cannot read or write in any language. Then there is an estimated 8,000,000 more who are functionally illiterate, that is, unable to read and write well enough to make any practical use of these skills.

EDUCATION A NATIONAL PROBLEM

The Nation is now a single economic and social unit. Barriers of time and space no longer separate us from one another. Telephone, telegraph, radio, and Nation-wide press services enable us to keep in touch with the most remote and isolated communities. Rapid transportation makes it possible to go from coast to coast in a few hours' time, thus encouraging travel and the exchange of products and commodities. All the States are acquiring common interests and purposes; all are becoming highly dependent one upon the others. The immediate and continued effects in all parts of the country of the recent drought in the Middle West illustrate the economic unity which already exists.

Another clear illustration of the decreasing importance of State boundaries can be cited in the field of law enforcement. Not long ago a notorious kidnaping case occurred in Oklahoma; the ransom was paid in Missouri; the kidnaped man was hidden in Texas; part of the ransom money was exchanged in Minnesota and part in Texas; one of the kidnapers was found in Colorado; another of the kidnapers and his wife were taken in Tennessee; one of the criminals was imprisoned in Kansas for a time, then taken to California.

In 1930 the average passenger-automobile mileage for every man, woman, and child in the United States was 2,697. And closely associated with the freedom of travel which this figure implies is the growing tendency toward frequent changes in family residence. According to the 1930 census, 1 person in 3 resides in a State different from the one in which he was born and usually educated (U. S. Department of Commerce, Bureau of the Census. Fifteenth Census of the United States. Washington, D. C.: Government Printing Office, 1930, vol. 2, ch. 4).

Some important educational implications of this growing unity and interdependence among our people are suggested by a recent analysis of school enrollments in three small cities in Missouri. In 1934, among the 4,218 pupils in the schools of these cities, there were pupils who at some time had attended school in some one or more of 39 other States. About one-fifth of all the pupils who had ever been enrolled in any other school had entered from outside the State of Missouri (Capps, A. G., and Carpenter, W. W. The Fruit Basket Turns Over. Journal of the National Education Association 23: 54, February 1934).

It should be apparent, therefore, that education is no longer a local problem, or a State problem, exclusively. Just as the Federal Government has become interested in our great system of arterial highways and has assumed a share in their construction, so it must maintain interest in the education of the children in the States which these highways connect. The child whose education is neglected in Arkansas, Alabama, and Michigan, soon may be in a position to affect the welfare of society in New York, California, or Minnesota. In the words of President Roosevelt:

As the different parts of our territories come steadily nearer by reason of time-saving devices of modern communication and travel, each man and woman becomes more and more responsible for the human conditions surrounding all of his nearer and nearer neighbors.

EDUCATION JUSTIFIABLE USE FOR FEDERAL FUNDS

Federal aid for schools is a justifiable use of Government funds. It is sometimes argued that the Federal Government has no right to spend on the schools of one State money raised by Federal taxation in another State. If that is true, neither does the Government have the right to build a road in one State with money collected in another, nor to build post offices, purchase and maintain national parks, construct irrigation reservoirs, develop harbors, or do anything which benefits one State more than any other. To circumscribe Federal expenditures in any such fashion is neither possible nor desirable. They must be justified, not on the grounds that tax money is being returned to its source, but that the object accomplished is vital to the welfare of the Nation as a whole. Furthermore, it should be remembered that a tax collected in one State often originates from wealth located in other States. The levies against a large corporation in Chicago may be derived from Minnesota iron mines, Oklahoma oil wells, or Florida orange groves. It is a function of the Federal Government to draw upon all the Nation's resources, regardless of how much or how little they may be concentrated at a few points, in support of projects and agencies essential to the welfare of the whole people. We tax one man's property to educate the children of his neighbors. We tax the property of a whole State to educate the children of the whole State. Why should we not tax the Nation's wealth wherever it exists to educate the Nation's children wherever they may live? No right is more fundamental than the right of a child to a decent educational start in life; no Federal obligation more vital than that of self-preservation through the proper education of the citizens of tomorrow.

INEQUALITIES AMONG STATES

The States differ widely in their ability to support schools, which we may define roughly as the amount of money which is available for the education of each child of school age. One indication of these differences in ability is the range in wealth per child aged 6-17 years. In the poorest State there is barely \$3,000, in the wealthiest State over \$23,500—a ratio of approximately 1 to 8. When income per child is considered, the range is from less than \$700 in 3 States to more than \$2,800 in 2 States, a ratio of 1 to 4 (Carr, William G., Federal Assistance in Equalizing Educational Opportunity, Washington, D. C.: National Education Association, 1934, pp. 22-26).

A comprehensive study has just been completed of the amount of revenue which could have been raised in each of 48 States during the decade 1922 to 1932 if the model tax plan recommended by the committee of the National Tax Association had been in effect. These sums are then compared with the amounts needed for education, assuming an average expenditure per child equal to the national average. In one State the whole amount that could have been raised under the model tax plan, for all governmental enterprises, was less than the amount needed for schools, with a per pupil cost equal to the national average. In 11 of the poorest States more than 50 percent of the possible collections would have been required.

State	Percent of possible tax yield required for schools, assuming a per pupil cost equal to the national average	Percent of actual tax yield now devoted to education
Mississippi	105.60	27.89
Alabama	83.49	33.52
South Carolina	82.87	31.41
Arkansas	74.74	31.41
Georgia	74.11	26.52
North Carolina	74.11	34.92
Kentucky	64.10	29.02
Tennessee	58.79	29.61
Oklahoma	57.22	35.18
Louisiana	52.22	25.91
Texas	50.03	27.99

Quoted in an article inserted by U. S. Senator WALTER F. GEORGE into the CONGRESSIONAL RECORD, May 29, 1935.

DEPRESSION STRIKES HARDEST AT POOREST REGIONS

Depressions strike hardest at the poorest regions. The States which were spending the least for schools in 1930—whose school program was meager at best—are the States which have suffered the largest proportionate reductions in school costs. For example, the decrease in average expenditure between 1930 and 1932 in Minnesota was \$8.40 per pupil or 7.5 percent. In Arkansas it was approximately the same, \$8.38 per pupil, but in this case the decrease was 19.6 percent of the 1930 expenditure. The actual amount of reduction in the two States was nearly the same, but in one State the remaining expenditure was \$104.46 per pupil, and in the other only \$34.39. The effect of the depression has been to perpetuate and emphasize the differences in educational opportunities which already existed within and among the several States—to weaken the best features of the better school systems and virtually destroy those of the districts least able to support education.

State ¹	Expenditure per pupil		Amount of reduction	Percent of reduction	Rank of State ¹ according to—	
	1930	1932			Percent of reduction	Income per pupil
Alabama.....	\$45.44	\$35.74	\$9.70	21.3	8	8
Arizona.....	142.87	113.76	29.11	20.4	7	5
Arkansas.....	42.77	34.39	8.38	19.6	6	7
California.....	161.70	154.80	6.90	4.3	1	2
Washington.....	120.37	106.65	13.72	11.4	4	3
West Virginia.....	80.62	69.45	11.17	13.9	5	6
Wisconsin.....	113.41	103.82	9.59	8.5	2	4
Wyoming.....	135.83	121.82	14.01	10.3	3	1

¹ The first and last 4 States when all the States are arranged alphabetically.

² Rank order of the 8 States used in this table.

Differences in economic ability such as I have described, augmented by the effects of a prolonged depression, account for the present crisis in education. They demand two kinds of remedial measures: (1) Emergency Federal aid to keep schools open in the immediate future, and (2) the development of a sound program of permanent Federal aid, insuring at least a minimum of educational opportunity to every boy and girl in the Nation.

TWO TYPES OF FEDERAL AID FOR SCHOOLS

Emergency aid for education is imperative in the light of the disastrous conditions of which I have spoken. A certain amount of relief has been given to the schools indirectly through the activities of such Federal agencies as the Federal Emergency Relief Administration, the Public Works Administration, and the Civil Works Administration. I am not unaware of the grants made early in 1934 to keep rural schools open in more than 30 States, nor of the grants to a few States during the current school year for a similar purpose. I have only praise for the conscientious efforts of the able Administrator of Federal Emergency Relief, Mr. Hopkins, to help the schools as much as possible insofar as was consistent with the task assigned to him. But allow me to point out that Mr. Hopkins must necessarily be concerned with other matters, namely, the relief of human suffering and distress. He himself has repeatedly said:

I believe relief funds should not be used to finance educational work in the United States. * * * The whole question of whether the Federal Government should give aid to schools is something which is entirely outside of my province, and one on which I do not wish to express any judgment. I simply feel that it should not be a relief enterprise. * * * I think one of the greatest mistakes we could make would be to confuse the identity of the school system in any way with the relief administration. * * * Education should be divorced from relief, and in my judgment, relief funds should not be transferred from the purpose for which they were given to any enterprise, no matter how worthy or how important.

DIRECT LEGISLATION FOR EDUCATION NEEDED

Most of the educational work now being done by the Federal Emergency Relief Administration is for adults and is carried on in connection with special fields of endeavor. Insofar as it touches the public-school system, which, after all, should be our first concern, the emergency educational program aids only the schools in the most desperate cir-

cumstances, and not all of these. Moreover, there is no assurance that the relief thus far available will continue, or that relief funds are adequate to supply the emergency Federal aid urgently needed by the schools.

Relief of teachers in destitute circumstances is necessary, but this does not assure school facilities for those who need them. Our first concern should be the proper education of boys and girls. Occasionally the two objectives—relief and education—may coincide, but certainly they do not always do so. The Relief Administration has undoubtedly prevented the most acute distress among unemployed teachers, but it has not prevented—nor should it be expected to prevent—gross abridgments in educational opportunity. Direct legislation is needed.

How far relief funds have fallen short of meeting the real educational need is apparent, not only from the deplorable conditions in the schools to which I have referred but also from the most cursory analysis of the relief funds used this year to keep schools open. Complete figures are not available with respect to the amount of money actually paid out for schools by the Relief Administration this year, but on the basis of definite reports from 13 of the 19 States said to be most eligible for Federal aid it is relatively certain that not more than \$1,500,000 had been used to keep schools open through April 25, 1935. Yes; only a million and a half dollars, as compared with the \$75,000,000 which the Education Committee of the Seventy-third Congress, after extended hearings, fixed as the amount of Federal emergency aid which should be used on behalf of the schools during the present school year, 1934-35. Likewise, the Federal Emergency Relief Administration, on the basis of its activities during 1934, included in an itemized estimate of expenditures for July 1934 to February 1935, inclusive, the sum of \$48,000,000 for schools—\$8,000,000 per month, September through February.

RELIEF ADMINISTRATION FUNDS INADEQUATE

Incidentally, the deficiency appropriation requested by the Relief Administration, including the \$48,000,000 for schools was enacted, whereupon the Education Committee withdrew support from its bill appropriating \$75,000,000 for education. Then came the drought and other increased demands on the Relief Administration, with the result that only \$1,500,000 has been found to keep schools open (National Education Association, research division. Current Data on Closed Schools; 3 p., mimeographed; and Committee on Education in the 73d Cong., Hon. John J. Douglas, chairman. Report No. 1562. Federal Emergency Aid to Education. Committed to the Committee of the Whole House on May 10, 1934. Statement of Harry L. Hopkins in the hearings conducted by the subcommittee of the House Committee on Appropriations, Wednesday, May 16, 1934).

The educational system has not been maintained. We have not done as Mr. Hopkins requested—we have not divorced education from relief. Let us without delay, appropriate sufficient funds to insure an adequate school program throughout the United States during the next few years and place these funds under the direction of the United States Office of Education where they can be devoted to the education of children, rather than to the relief of destitute teachers.

MINIMUM EDUCATION SHOULD BE GUARANTEED

A sound program of permanent Federal aid for schools should also be developed, because emergency aid is but a stop-gap, for reasons which I have given. We must be concerned not only with keeping schools open, but with guaranteeing to all children a certain minimum quality of education. Legislation to accomplish this important purpose will need to be drafted with care. We shall have to solve a number of difficult problems, as is always true when Congress enters upon a new and important legislative field. But we can solve them, if we face these issues candidly, and intelligently bring to bear on them the best information that is available. I know that we shall need to exercise care in drafting the legislation, so that it will extend financial aid without at the same time giving the Federal Government control over the program carried on in the various States

and localities. We must see to it that Federal aid is distributed on a sound basis—that it goes to the localities which are least able to maintain their schools. These issues are important but not insuperable. We can, and shall, face them successfully, once we accept the fundamental proposition that the Federal Government must share the cost of a minimum program of education for every boy and girl in America.

THE LUNDEEN EDUCATION BILL, H. R. 6360

I am not now urging you to support a particular piece of legislation, although on March 4, 1935, I introduced a bill, H. R. 6360, which I regard as a step in the right direction. At least it would serve as the basis for deliberation and dis-

cussion, as would a number of other bills also introduced at this session. My bill may need amendment; I am perfectly willing that it should be amended. But I am not willing to have the whole question of Federal aid barred from our deliberations. Let us face this issue squarely, and attack vigorously and honestly the difficult problems which we know are before us. If the facts needed for the solution of these problems are not already available, a national survey of education should be authorized and carried out immediately. Let us proceed at once to develop a plan for the permanent cooperation of local, State, and Federal Governments in financing an educational program consistent with the welfare of our people and the safety of our democracy.

The ability of 6 States to support education and school expenditures per child—1932 (different scales)

	RANK	INCOME (Per child 6-17 years)	RANK	WEALTH (Per child 6-17 years)	RANK	PUPILS (Percent total population in school)	RANK	EXPENDITURES (Per child in attendance)
Nevada.....	1	\$2,852.24	1	\$23,581.44	47	19.17	5	\$148.75
New York.....	2	\$2,831.58	12	\$10,983.98	46	20.50	1	\$176.20
Massachusetts.....	3	\$2,618.50	11	\$10,998.72	40	21.71	7	\$123.37
Alabama.....	46	\$680.75	47	\$3,088.75	4	28.36	46	\$35.74
North Carolina.....	47	\$661.59	42	\$3,748.83	2	29.73	45	\$41.33
Mississippi.....	48	\$622.25	48	\$3,008.37	5	27.98	44	\$41.98

Read charts thus: The State with the highest income per child in 1932 also ranked first in wealth per child but forty-seventh in the ratio of adults to school children. This State ranked fifth in school expenditures per pupil in attendance.

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. McLEOD].

Mr. McLEOD. Mr. Chairman, more than a century before our great War of Independence, a system was charted to provide a means of local government for the isolated settlements scattered throughout the early colonies.

In those days, each little community was a self-supporting entity. It had to be. Commerce was then in its infancy. Good roads existed only in dreams of the future. Communication facilities were slow and unreliable. Most of our modern necessities were then unheard-of luxuries.

Such living conditions no longer exist in our country. Growth of population and the increasing application of scientific discoveries and inventions in the improvement of living standards have caused and brought about a complete change.

The system which provided a complete set of public officials for every minute community worked admirably in the days before changing conditions knitted towns, villages, counties, and even States in bonds of close interdependence.

It worked so well, in fact, that as the country grew and as the population increased, the system doubled and redoubled itself. Unfortunately, as expansion and growth in Government took place, no effort was made to eliminate offices and functions as they became obsolete and unnecessary.

This failure throughout the years to keep the tree of Government carefully pruned of deadwood is causing the local branches of our Government tree to bend and crack beneath their excessive weight.

As a result of this process of continually adding but never discarding, the American people today are burdened with the cost of more than 182,000 units of local government, each possessing the self-perpetuating power of levying and collecting taxes.

A survey by the Bureau of the Census lists the following subsidiary units of our 48 State governments: 3,062 counties; 16,659 cities, towns, villages, and boroughs; 128,548 school districts; 19,769 townships; 14,573 minor civil divisions of government in the several States.

To maintain these taxing units and the vast horde of public officials on their pay rolls, the people are paying approximately ten thousand million dollars annually, or more than \$300 for each family.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. McLEOD. I yield.

Mr. LUNDEEN. These subdivisions were planned largely in the days of the horse and carriage. The automobile has changed conditions so that now we could save a great deal in expenditures with proper planning.

Mr. McLEOD. The gentleman is correct.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. McLEOD. I yield.

Mr. COLDEN. Does the gentleman's tabulation include drainage districts, municipal improvement districts, and other organizations of that character?

Mr. McLEOD. It does with the exception of drainage districts; I have not included them.

Accurate figures for comparative purposes are not available prior to the year 1880. In that year we find from statistics compiled by the Census Bureau that general property taxes of State governments and their local subsidiaries totaled \$94,187,000. Such taxes have now jumped to more than \$5,000,000,000.

During the period 1880 to 1932, the debts of local branches of our Government increased from \$1,123,279,000 to \$17,576,839,000. At the same time the population increased from 50,262,382 to approximately 124,000,000.

This means that during the time our population increased about two and a half times, local government debt increased more than 15 times, and taxes have been multiplied to the point where they are more than 53 times the amount paid in 1880.

Some of this astounding rise in the cost of government is, of course, due to the increase in population. The increase, however, is so entirely out of proportion to the growth in population that it is quite apparent that a major portion of the blame must be laid to failure to adjust the machinery of local government to efficiently and economically cope with the conditions of a new age.

We must remember that although in the younger days of our country 8 out of every 10 made their living by tilling the soil, today only 2 out of every 8 are engaged in agricultural pursuits. A steady and continuous trend toward centralization of population has completely eliminated, in many sections of the country, the need for countless offices which were once essential.

Distance, a formidable obstacle to commerce in colonial days, has become a factor of negligible consequence. Railroads, the automobile, the airplane, the telephone, the telegraph, and the radio have drawn communities close together. The development of transportation facilities has brought

about the transformation of independent, self-supporting villages, towns, cities, and even States into closely connected interdependent units.

It has become a common and everyday practice to depend upon distant parts of the country for much of our daily supply of fruits, vegetables, and other commodities.

In spite of all this, the mechanism of local government has proved resistant to adjustment and is still trying to function as it did many decades ago. For instance, it has come to my attention that several dozen asylums have been maintained in a State to house inmates who could be far better and much more efficiently taken care of in one institution.

A case has been reported where the staff and employees of a local poorhouse outnumbered the inmates. Expensive road-repairing and road-building machinery has been owned by each of a number of adjacent counties in a State and used but a few days in the year, when one set of machinery for the combined counties could have been used to far better advantage and at a considerable saving to the taxpayers.

As a further example of how the various States are literally cluttered with cumbersome and expensive machinery of government, I will mention that in my own State of Michigan there are 95 townships with less than a hundred voters in each. In each individual township, however, there are 4 justices of the peace, 4 constables, a clerk, a treasurer, a road commissioner, and very frequently, a highway overseer.

There are 5 counties in the State of Michigan, maintaining a total of 286 public officials, which have 2,000 less inhabitants than just 1 township which is served by only 4 officials, aside from justices of the peace.

Conditions are no worse in this State than in many others, but since 1912, the gross debt of minor civil divisions of the State government has increased 1,264.1 percent. The debt of the State government for the same period increased 754.6 percent. In 1912, the combined gross debt of Michigan and all local subdivisions of the State, less sinking-fund assets set aside to meet such debt, averaged \$20.43 per capita. In 1932 it had jumped to \$157.66 per capita.

A half century ago 65 percent of the population in Michigan was rural. Today approximately three-fourths of the citizens of the State live in urban areas.

This change has not been accompanied by a corresponding adjustment and revision of the structure of local government. The result is that the taxpayers of this particular State I am citing as an example are forced to contribute unnecessarily at least \$25,000,000 yearly for the upkeep of the 83 counties, 472 cities and villages, the 7,069 school districts, and the 1,268 townships, all of which possess the power to levy taxes or incur debts.

There is one government unit in the United States which does not have a horde of parasitic offices and useless officeholders to waste the taxpayers' money. That is the District of Columbia which has but one unit of government for a population of almost half a million citizens. It is one of the best governed areas in the United States. No taxes are levied for the support of the usual machinery of counties, towns, townships, school districts, or other units of local-taxing bodies. By contrast with its single unit of government, Michigan has 1 unit for every 544 citizens, Nevada 1 for every 230, and New York 1 for every 1,200.

Under our Constitution the Federal Government cannot intervene directly in the matter of abolishing and eliminating the useless and anachronistic offices and functions of local government which are dissipating and wasting the taxpayers' money. Any action to bring about this vital economy must be taken by the States themselves.

Some States have already made good progress toward the abolition of obsolete offices, and have pruned many of the dead twigs from their branches. It is self-evident, however, that the maximum efficiency and economy possible can only be obtained by a concerted, unified, and Nation-wide program.

The question is, Who could start such a program? It is equally beyond the jurisdiction of any single State govern-

ment or the United States Congress. Every 4 years the people of every State join in electing a Chief Executive to jointly, and in a national sense, guard their interests and well-being. As such a representative, the President is the logical and only official who can properly take the initiative in calling on the various States to weed out and eliminate the useless impedimenta which are actually robbing the people of their money.

To pave the way for such a program, and to officially request the President to initiate such a program, I have introduced a resolution in the House of Representatives urging the President to hold a conference with the Governors of the 48 States for the purpose of—

Formulating and urging the adoption of a unified, Nation-wide program among the States to reduce excessive costs of State governments and their local subsidiaries by reorganization of local governmental systems and elimination of all obsolete and unnecessary offices and functions.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?
Mr. McLEOD. I yield.

Mr. COLDEN. Has he examples in his State of Michigan of the consolidation of cities and counties?

Mr. McLEOD. No; I have not.

Mr. COLDEN. May I ask a further observation?

Mr. McLEOD. Certainly.

Mr. COLDEN. I think in the city of St. Louis, Mo., also the city of San Francisco, Calif., there has been a consolidation of city and county governments. Could not the Governor of a State very properly suggest the consolidation of city, county, and township governments in his own State?

Mr. McLEOD. I may say to the gentleman from California that steps have been taken, not to consolidate counties but certain police powers in the States of Arizona, Delaware, Michigan, New Hampshire, North Dakota, Texas, Illinois, Missouri, and Minnesota. Of course, the eventual step and the greatest step possible would be the consolidation of counties. This step has not been taken other than in the State of Missouri. I understand some such action was taken in the State of Missouri.

Mr. COLDEN. If the gentleman will permit, I would call attention to the fact that in southern California civic organizations are giving attention to the subject.

Mr. McLEOD. I am optimistic and hopeful that such action will meet with the enthusiastic and whole-hearted support of the President as he has repeatedly shown a thorough recognition of the great need for overhauling and revising the structure of the country's local taxing units.

During the last Presidential campaign, the President specifically pledged himself to work for this essential saving to the Nation's taxpayers. As an illustration of his thorough understanding of this problem, I quote the following from an address he made at Sioux City, Iowa, September 29, 1932:

In many States we must, through the legislature, and even through constitutional changes, reorganize our local government for the purpose of eliminating unnecessary machinery and unnecessary positions, and for the purpose of consolidating functions and concentrating responsibility in few hands. * * * The President has * * * the right, and even the duty, of taking a moral leadership in this national task. It is a national problem, because in its scope it covers every State, and any problem that is national in this broader sense creates a national moral responsibility in the President himself. * * * I shall use this position of high responsibility to discuss up and down the country, in all seasons, at all times, the duty of reducing taxes, of increasing the efficiency of government, of cutting out the underbrush around our governmental structure, of getting the most public service for every dollar paid by taxation. This I pledge you, and nothing I have said in the campaign transcends in importance this covenant with the taxpayers of this country.

Mr. LUNDEEN. Mr. Chairman, will the gentleman yield?

Mr. McLEOD. I yield.

Mr. LUNDEEN. I wish to thank the gentleman for his able statement. It is a contribution to the science of government, and I hope that when he reprints he will send copies to each Member's desk, for I believe it will help carry this information to the country.

Mr. McLEOD. I thank the gentleman.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 3 additional minutes to the gentleman from Michigan.

Mr. McLEOD. This "underbrush" mentioned by the President is exacting an unnecessary sum every year which amounts to fully \$60 for each family in the United States. It is exhausting and depleting our tax sources and endangering vital civic activities and functions, such as public education, fire, health, and police protection.

In analyzing the problem, and it is a problem which we cannot sidestep or escape by endeavoring to ignore it, we find that the taxpayers are supporting a massive, cumbersome, and unwieldy framework of more than 182,000 separate and distinct governing and taxing entities.

We find that the cost of maintaining these units is almost \$10,000,000,000 yearly. We find that the debt of local government units is now more than 53 times higher than in 1880, although the population has increased by two and a half times since that date. General property taxes have jumped from \$94,187,000 in 1880, to more than \$5,000,000,000 in 1932. Some of these local government bodies have increased their debts by more than a thousand percent since the census of 1912. Altogether, we find that obsolete offices, duplication of functions, overlapping, unnecessary, and useless services, and officials who officiate in name only, are exacting a toll of more than \$2,000,000,000 yearly from the pockets of the taxpayers.

The sooner action is taken, the sooner the benefits of such a program will be felt. If the President will call a conference of Governors now, and I sincerely hope he will do so in the very near future, he will be taking a step which will do more than any other single action could possibly accomplish, for a White House conference of the Governors could do more in a few days to formulate a unified and comprehensive program for abolition of waste and extravagance than the people, without such leadership, could hope to attain in a full generation.

My resolution is now pending before the Ways and Means Committee of the House. I trust the committee will see fit to make a favorable report in time to assure action by the House before adjournment. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. MITCHELL].

Mr. MITCHELL of Tennessee. Mr. Chairman, in March 1931, I was sworn in as a Member of the House, and soon thereafter introduced a bill to prevent the practice of nepotism. I was unable to get a hearing on the bill. I reintroduced it in the Seventy-third Congress. I was unable to get a hearing at that session. And again, in the Seventy-fourth Congress, I have reintroduced this same bill, being H. R. 3633, which bill provides that it shall be unlawful for any Member of Congress to appoint any person related to him, or to any other Member of Congress, by affinity or consanguinity within the third degree, to any office, position, or employment in the legislative branch of the United States Government, if the compensation of such person is to be paid out of any money appropriated for such legislative branch; and such person shall be ineligible for such appointment by such Member.

Section 2 of my bill provides: It shall be unlawful for any Member of Congress to draw, or authorize the drawing of, any warrant or authority for payment of the compensation of any such ineligible person out of any money appropriated for such legislative branch; and that it shall be unlawful for any Member of Congress to pay the compensation of any such ineligible person out of any money appropriated for such legislative branch and in his custody or control. Any Member of Congress who shall violate any provision of this act shall be deemed guilty of a misdemeanor involving misconduct in office and official misconduct, and shall be punished by a fine of not less than \$1,000 nor more than \$10,000 and shall forfeit his office.

I know of no reason why the Committee on Accounts should not favorably report this bill. The chairman has recently assured me that at the next meeting of his committee I will be given a hearing and the measure considered.

This is a time when public officials should be free from selfishness. It is a bad example in our country for public officials, who have been honored by the people, to practice nepotism.

It is fashioned after the old order of things when the world was ruled by czars, kings, and emperors.

Webster defines nepotism as favoritism shown to nephews and other relatives—the bestowal of patronage by reason of relationship rather than merit. It is further defined as excessive fondness for one's nephews.

Thomas Jefferson said:

The public will never be made to believe that an appointment of a relative is made on the ground of merit alone, uninfluenced by family views; nor can they ever see with approbation offices, the disposal of which they entrust to their President for public purposes, divided out as family property.

Congress has suffered greatly in public estimation in recent years, largely because of such practices as that of nepotism. We must renew the faith of the people in their public servants. It is no time or place to pad the family pay roll. It is no time to appoint the next of kin to office. Too many of our people are out of employment for this.

Clean men are demanded for public office. Honest and unselfish men anxious to serve should be elected. The future of our national life is at stake in emergencies like we have recently been going through. We must, therefore, have a high standard of public service.

I know that the expenses of government must be lightened and that the burden of taxation must be lessened on our people. Savings to the taxpayer must be accomplished.

UNEMPLOYMENT RELIEF

The sons-in-law, daughters-in-law, or wives, sons, or daughters should not be employed at the expense of the taxpayers when already one member of the family is being paid a fine salary for his services. Neither should the heads of the departments in the different bureaus here in Washington be permitted to select their next of kin to public office. This abuse is most flagrant at this time, and many of the near relatives are now serving in the departments here, not because of merit but because of favoritism of the chief in charge or the so-called "brain truster" who is temporarily dispensing patronage.

Many States of the Union, in their constitutions, prevent the practice of nepotism, such as the States of Oklahoma, Missouri, and others.

We will not deserve, nor will we enjoy, the confidence of the people, as long as Members in either end of the Capitol have their relatives on the pay roll. We will not have, or merit, public respect if this practice is continued.

When my bill was introduced 4 years ago, to prevent nepotism, approximately 100 Members of the House had their next of kin on the Government pay roll and in their offices here in the House and the opposite side of the Chamber. I am informed that perhaps less than half that number are guilty at this time of the nefarious practice.

I think that it is a crime to practice this species of selfishness. It is tantamount to obtaining money by means of false pretense. It is a fraud against the taxpayers. It is the same kind of selfishness and greed that was practiced by the rulers during the Dark Ages. It is modeled after the form of the so-called "divine right of kings." It is an indirect way of padding the pay roll.

Millions are still unemployed, hungry, and walking the streets and highways, while some of the Members here have their next of kin designated as clerks, and oftentimes these so-called "clerks" employ someone else to perform their duties at a reduced salary and they themselves either do not come to Washington, or if in Washington engage in other duties than those for which they are being paid.

This is surely getting money under false pretense and is a crime against the taxpayers. It is a practice that has been clothed in secrecy and kept in darkness until the introduction of my bill to prevent this practice in the Seventy-second session of Congress. I am glad that the press and the newspapers generally have given publicity to this practice and

have done much to remedy the wrong. I congratulate them on the service they have rendered America in so doing. The records of the Clerk of the House are now public property, and since the pitiless light of publicity has been turned upon those guilty of the practice, many have ceased to continue this wrong.

We are all interested in clean government. Every Member should be anxious to keep down appropriations. If he has his next of kin employed or benefited by his legislative acts, he handicaps himself to properly serve the Nation. It is a moral loss to the Members to practice it. It costs him much in his own self-respect, to say nothing of the lack of confidence and esteem which he suffers by those who look to Washington for an example in good government. Let this wrong be righted.

I have also introduced a bill, H. R. 3640, to repeal the law authorizing the payment of mileage to Members of Congress or to Delegates in the House.

The passage of this bill would save the taxpayers \$175,000 per year.

With good roads and automobiles the Members can now easily and cheaply come to Washington from all parts of the country. It is no longer expensive to travel. The present mileage rate was fixed in 1866, when it was expensive to travel and required many weeks to come to Washington from distant parts of the country, but now more than half the membership of the House are within a day's journey of the capital. Then, why should 15 cents per mile be allowed each Member, when the distressed taxpayers of America are called upon to pay this in addition to the Member's salary of \$10,000 per year?

During this depression and great emergency, surely as a matter of economy and saving to the taxpayers, mileage should be discontinued. Many privileges are enjoyed by Members of the House that are not possible to those who send us here. Let us keep in mind that they pay the bills and that we are their servants, and that we owe them every consideration.

I have also introduced a bill to reduce the pay of the Members from \$10,000 to \$5,000 per year and, while I realize that this bill does not stand approved by the majority, I do not doubt that before we are free from this depression, it will be found necessary to return to the fundamental principles of government upon which this country was built, and to once again practice thrift and economy. I do not believe that we can spend money recklessly and extravagantly and ever get out of this depression. It is contrary to every principle of government which we have been taught from the beginning of our experience to the present.

I hope, on tomorrow, when my amendment is presented to the House, which will provide that no part of the appropriation made for clerk hire can be paid to the next of kin of Members here within the third degree, this will put a stop to the practice of nepotism and will operate as effectively as the passage of the bill heretofore referred to.

I sincerely hope that those who are anxious to help bring about economy in government and who believe in relieving the unemployed, and a proper distribution of patronage on the part of the Members here, will come to the defense of this proposed amendment and thus bring about a much-needed reform for the people of our common country.

Let us take Finland as an example in these troublous times. She has paid her debts contracted with the United States in full in accordance with the terms of the debt settlement. That speaks in the highest terms for the Finnish people. They are debt paying, loyal, honest, industrious, and dependable.

The members of their Congress are paid a salary of less than \$1,000 per year, and the members of their cabinet receive approximately \$2,500 per year, and the President about \$14,000.

Let us practice more economy in Government. Let us reduce expenses and lighten the burdens of the taxpayers of America.

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. RAMSAY].

Mr. RAMSAY. Mr. Chairman, I rise to discuss H. R. 7997, which I have introduced at this session of Congress.

This bill provides that before the Supreme Court can set aside any act of Congress, that seven of the Judges of the Supreme Court must concur in the opinion.

Has the Congress of the United States the power to pass any law requiring a certain number of the Judges of the Supreme Court to concur before they can declare any act of Congress unconstitutional?

The Constitution of the United States provides:

In all cases affecting ambassadors, other public ministers and consuls, and those in which a state shall be a party, the Supreme Court shall have original jurisdiction. In all other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to fact and law, with such exceptions and under such regulations as the Congress shall make.

I believe that under the provision of the Constitution, Congress has the power to prescribe the number of judges which shall concur before a statute shall be declared unconstitutional. From the earliest days of the Republic, Congress has determined not only the number of justices, but also the number which shall constitute a quorum. The act of 1789 contained such a provision, and that provision is still in the law, providing that six justices shall constitute a quorum. Congress has further provided for the Court's adjournment in case of no quorum. It has given to less than a quorum the power to make necessary orders touching a pending case.

The judicial power of the United States is vested in one Supreme Court and such inferior courts as the Congress may create. That judicial power, it will be readily conceded, cannot be invaded by the legislative branch of the Government, but there is a line which separates the appellate jurisdiction of the Court under proper regulations of Congress where legislation cannot be termed an unwarranted invasion of such judicial power.

Did Congress invade the judicial power when it declared the number of justices required to constitute a quorum? I think not. Is it invading the judicial power when it provides by law that less than a quorum shall be authorized to do certain things? I believe not.

Is the power to grant certain writs, as provided by statute, by one member of the Court alone an invasion of the judicial power? I cannot believe it is. And if these congressional acts were not invasions upon the power of the Court, surely regulations touching the appellate jurisdiction, before an act of Congress can be declared void, at least by seven judges, cannot by the widest stretch of the imagination, be declared an invasion of the judicial power.

I feel that Congress has the power, and if Congress has the power, it is perfectly clear that it should use it. For unless we do make some such provision, we shall probably have to meet the situation after it becomes vastly more serious.

To establish rules and regulations to govern the courts in determining how they shall act in deciding upon the constitutionality of an act of Congress, does not deny the Supreme Court the right to pass upon the validity of such acts. Those who claim this jurisdiction for the Supreme Court, base such claim upon article 3 of the Constitution that the judicial power shall extend to all cases in law and equity, arising under the Constitution. To base jurisdiction on this article would require such advocate to admit that Congress is vested with the right to control such action of the Court in the manner and form of arriving at such decision, because the same section further reads: "with such exceptions and under such regulations as the Congress shall make."

This proposed course is not a new proposition. It is a subject which has had consideration from almost the beginning of our Government by some of our greatest statesmen.

In 1823 a resolution was introduced in Congress proposing to require the concurrence of seven judges in any opinion concerning the validity of State or Federal legislation.

In 1824 there were several similar proposals. A bill was reported by Martin Van Buren, requiring the concurrence

of 7 judges out of 10, and requiring each judge to make record of his separate opinion. In 1824 a Member from Kentucky introduced a resolution requiring that a certain number of judges should concur before the Court should hold a State statute unconstitutional. Henry Clay and Daniel Webster took part in the debate, but so far as I can learn from these debates, no question of the constitutionality of the proposal was raised. The debate seemed to indicate that both of these great statesmen acknowledge the subject to be within the power of Congress, and the debates deal with it solely as a question of policy.

The 5-to-4 decisions of our Supreme Court upon great constitutional questions are always a matter of deep regret, and I imagine that no one feels the responsibility more deeply than the members of our Supreme Court.

These decisions seem to breed and justify a disrespect for the decisions of this great tribunal. They give rise to more criticism of the Court than any one thing which I am able to recall.

When a measure has passed both Houses of Congress, and received the approval of the President, it seems unreasonable that such a measure should be rejected by a decision in which no more than 5 of the 9 judges concur.

In the final analysis, it comes to the proposition that one judge has not only the veto power over the acts of Congress, but the veto power over the President, when he assented to the measure in question.

When Chief Justice Marshall for the first time, after 14 years of government, disregarded the four negative votes in the Constitutional Convention, denying to his Court the right to decree acts of Congress void, declared the Supreme Court has the power to so act, and gave this warning:

We must never forget that it is a Constitution we are expanding; a Constitution intended to endure for ages to come, consequently to be adapted to the various crises of human affairs.

I am afraid this sound advice to those who act in the judiciary capacity has not always been remembered by the inferior courts when they declare an act of Congress unconstitutional.

Such actions of our inferior courts have grown to be ridiculous in the United States, and have not only brought the judiciary into disrepute but have placed the whole bar and legal profession in the country in the position of always acting as cat's-paws for those who seek to defeat the will of the people.

Such decisions are mere vetoes; vetoes exercised by one man. Such power, I submit, should not be exercised by one judge of the Supreme Court. The Constitution does not grant or authorize it. Then why should the people and its legislature permit this Court to exercise this veto power over laws passed by the Congress and signed by its President?

Such power, exercised at will by one man, not only destroys the will of the majority but makes our Government impotent to legislate and care for the general welfare of the people.

Surely if any court should have the right to decide questions that are so far-reaching to the general welfare of our country and the preservation of its liberties, it should only be the one great Court—the Supreme Court of the United States.

It was certainly never intended by the founders of our Government that every inferior court of the land, including even justices of the peace, should have the right to declare that an act of the highest legislative body in the land, the Congress of the United States, should be declared unconstitutional, and by injunction or otherwise set aside or hold up the operation of such laws in the community in which they live.

There is no more outstanding fact in the history of the Constitutional Convention than the fact that four times this Convention refused even to grant this power to the Supreme Court of the United States.

The 5-to-4 decisions of our highest Court in the land sound to the average citizen like the betting odds at a horse race, and, in fact, it leaves the American mind in doubt just what is or should be the law. Such decisions only shake the confidence of the people in the judgment of this great tribune.

The Court itself has said that in construing a law to determine whether or not it violates the Constitution every doubt must be construed in favor of such law, and yet the Court in its 5-to-4 decisions violates this rule of construction that was laid down by it, creating doubt in the minds of the general public that someone must be wrong when only 1 man out of 9 can sway such grave decisions that are so far-reaching in effect upon the life and the happiness of the American people.

The railway decision, like the Dred Scott case, is wrong. It must be reversed. Not by force, not by revolution or fear, but in an orderly and constitutional way by the Court itself.

The people in America will never be satisfied with the decisions of their courts until they, by their decisions and decrees, recognize that the Constitution was written by the founders of this Government to expand and extend the human rights of man, and that in any conflict between the welfare of mankind and man's right to own, possess, and control property the Constitution must be held by our courts to be the Bill of Rights of the American people that the fathers of this Government intended, and that it can and will protect the people, even to the release of vested interests in property rights, if need be.

But so long as man is mere man, and some of us believe that the rights of man should come first in the passage of laws, first in the balance of the scales of justice, and others of us believe that the right to own and possess property should be the first consideration, then we will continue to have these 5-to-4 decisions, depending wholly upon the thoughts, habits, environments, and conscience of the men who are so called upon to decide.

In declaring any act of Congress unconstitutional the Supreme Court should be required to render such decision in a manner that would clearly impress the American people, free from all reasonable doubt, bias, and caprice. The Court should be required to comport with its own rule, laid down for determination of constitutional questions, and resolve all doubts in favor of the acts of Congress. Such decisions by the Court should be unanimous or by such a preponderance of the Court, so that no reason for doubt of the correctness and fairness of the decision could be left in the minds of the average citizen.

For this reason I have introduced this bill. I believe that its passage will bring back and restore to this great Court the confidence and respect of the American people. It will instill in the people of our country love for its institutions and grant an assurance that the will of the people will be safeguarded against those who stand against progress and a new day.

Mr. MARTIN of Massachusetts. Mr. Chairman, I make the point of order there is not a quorum present.

Mr. LUDLOW. Mr. Chairman, in view of the fact that several Members on this side have been waiting all day for an opportunity to speak, will not the gentleman from Massachusetts withhold his point of order for a little while?

Mr. MARTIN of Massachusetts. Mr. Chairman, I withhold my point of order.

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. GRISWOLD].

Mr. GRISWOLD. Mr. Chairman, one class of men in this Nation have been either completely forgotten—or, perhaps, it would be better to say completely left out—by both Congress and the administration. The N. R. A. established the maximum day in all industry. To some the theory for the shorter day was to spread employment; to some it meant more time for leisure; to some it meant a means of safety in the industry, a means of permitting employees to save themselves from the injury that came as the result of physical and nervous exhaustion. But there is more than a million men in this Nation engaged in one of the most hazardous occupations to whom none of these theories were applied—the railroad employees. His hours were not shortened. He still, insofar as any restrictions of the law are concerned, can be employed 16 hours a day, 365 days a year. There is no 40- or even 50-hour-a-week limitation by law in the Transportation Code. His is one of the most hazardous oc-

cupations. The train-service man flirts with death and injury every minute and every mile of his employment, and he not only imperils his own safety but the safety of everyone that comes into contact with steam transportation systems of the Nation, either as a passenger or at grade crossings. With him Congress has not spread employment—thousands are unemployed. Congress has added to unemployment on some railroads. Congress has allowed terminals to be eliminated and mergers to be consummated.

In 1920 there were employed on railroads 2,033,832 men. In 1929 there were employed on railroads 1,660,850 men. Almost 400,000 men had been discharged in those years, and yet they were the years in which the railroads were claiming that they operated most efficiently and reduced their operating expenses \$1,322,000,000. The burden of this reduction was not borne by the stockholders. It was borne by the railroad labor, the reduction in employees representing \$785,000,000 of that saving. I have no exact figures since 1929 on the discharging of men and reduction of force. But it is estimated conservatively that at least 400,000 more men have been eliminated since 1929, and the process of elimination goes on, in a time when we suggest the increase of employment—at a time when we use all functions of government in an endeavor to put more men to work and spread employment. By a strange inconsistency, insofar as railroad men are concerned, we are using the powers of government to decrease employment among them. Through the P. W. A. and R. F. C. we have advanced millions of dollars to the transportation systems. We have advanced millions of dollars to them to purchase equipment from outside contractors, while they close their own shops in which they had formerly made this equipment, repaired and rebuilt it, throwing thousands of men who were employed in those shops on the relief rolls of the Nation. I submit that such a system is working at cross purposes. If we are to loan money to these transportation systems, let us by all means loan it on the same theory that it is loaned to other industries—that of promoting employment.

Allow me to cite you one instance of the Public Works Administration actually loaning money to the Erie Railroad in such a manner as to place men in my State on the relief rolls. Just as this occurs with the Erie Railroad in Indiana it is occurring in many States. The Erie is one branch of the lines that have been designated as the Van Sweringen "empire." For many years the Erie operated and owned a complete car shop at Huntington, Ind. In this shop it had built and repaired its cars. Hundreds of men were employed there. They had relied on this employment as permanent. They had purchased their homes or were purchasing them. Business men relied on this business and laid their plans accordingly. None thought it within business probability or good financing for the Erie to abandon a shop erected and equipped at great expense, a shop valued at a high price in their so-called "capital structure", on which freight rates are based. This shop was used for years for both the purpose of building and repairing cars and, at the same time, as a basis for requiring higher freight rates from the shipper. Freight rates that were passed on by the shipper to every consumer in the Nation. But these employees and citizens reckoned without considering the Public Works Administration and the proclivities of the Van Sweringens to avail themselves of every opportunity to obtain "free" money from the public chest. They had obtained many millions from the Reconstruction Finance Corporation and been able to default on payment without evil results to themselves or their advising bankers. When the Public Works Administration began to allocate funds to the railroads the Erie was one of the first with an application for funds. It received an allocation of \$14,953,000. Of this amount \$538,000 was for repairs to old equipment, and the rest for new equipment. For the loan of this amount for repairs the Public Works Administration accepted collateral from the Erie Railroad. All the rest of this money obtained from the Public Works Administration was spent for new equipment, and only \$3,133,000 of it was secured by collateral; \$11,282,000 was spent for new equipment, and this amount was not covered by col-

lateral. The Erie had been bled until it had no collateral worth putting up. But the theory of the Public Works Administration was that employment was to be increased, so the money was allocated anyway. But it was allocated with the specific provisions that it could not be used to maintain employment along the line of the Erie. All new equipment was required to be made in private shops, and not by Erie employees. As a result of this agreement, the shops at Huntington, Ind., fully equipped to do this work—with a force of trained employees in a position to build its cars—was closed. The Erie could have built its cars in the Huntington shops and kept these men employed. It did not. It threw these men out of employment and allowed costly buildings and equipment to stand idle and decay. Every one of these men has gone on the relief rolls by virtue of the very legislation that Congress passed for the purpose of decreasing the number on relief. With one hand the railroads, aided and abetted by the Public Works Administration, reach into the public chest on the theory of putting men to work, while with the other hand they discharge men and give them an admission card to the relief.

Let me give you another inconsistency. Men high in the Government council, men on the floor of this House, men in the distinguished body at the other end of the Capitol, oppose violently any hint of Government ownership. They forget that we are right now embarked on Government ownership. The Federal Government now owns \$11,282,000 worth of this new equipment made for the Erie Railroad. It is mortgaged to the Public Works Administration. The Public Works Administration still retains the title to it and holds equipment trust notes for it. These notes run for 15 years. Payments are due every 6 months after the first year. If the Erie defaults in its payments, either we give the equipment to the Erie and the taxpayer loses or the Federal Government becomes the owner of this second-hand railroad equipment. Can anyone be so credulous as to believe that the Erie, with all its equipment mortgaged to private bankers so that it could raise only three million of unmortgaged collateral to protect its loans, will ever pay the Federal Government this loan from the Public Works Administration? Today we have over one hundred millions of new equipment on the railroad systems of the Nation to which the Federal Government holds title through the Public Works Administration, just like title is held on the Erie equipment. The Federal Government through the Reconstruction Finance Corporation holds the title to a few hundred million more of equipment. Mr. Speaker, we are up to our neck right now in Government ownership of railroads.

The Van Sweringen empire, according to the testimony before the Senate committee investigating railroad financing, has obtained millions of dollars from the Reconstruction Finance Corporation and the Public Works Administration and other governmental agencies and have used this money for almost every purpose conceivable except for the purpose of increasing employment or in renewing and remedying the transportation facilities of the country. They have borrowed at least in one instance, that of the Missouri Pacific Railroad, to pay their bankers \$6 per share for purchasing from their own subsidiary, the New Orleans, Texas & Mexico Railway, stock that its owners were anxious to sell and the purchasers anxious to buy, a stock that was not even listed on the market. We have advanced them money time after time to use for reorganization purposes and every time they have reorganized through bankruptcy or receivership there has been no scaling down in the capital structure of the railroads of the Nation but an actual increase in the capital structure. They have reorganized by creating additional debts on property that would not pay the old debts and adding the new additional debts to the old.

A few days ago the Supreme Court decided that the one thing that Congress had endeavored to do for railroad employees it could not do. The Supreme Court said in substance that while Congress could control hours of employment and Congress might control wage disputes and might control safety appliances, Congress could not control the

care of the men who had given their lives to the railroads after they were thrown on the industrial scrap heap.

There is yet time for this Congress to pass some legislation for the benefit of these men whom we have neglected. There are bills now pending before the committees that will place these men on a par with the men we have tried to protect under the N. R. A. The Supreme Court may hold the N. R. A. invalid because of the intrastate features, but by virtue of their latest decision they cannot hold the car-limit legislation or shorter working day for railroad men invalid on that grounds. We should add to these pending bills legislation that prohibits these transportation systems from paying a bonus to the bankers with money obtained from governmental agencies, while they close their shops and allow them to deteriorate and become obsolete and throw men on the relief rolls.

The time to act is now. The system of making loans to these railroads from public agencies should be changed. It is not a principle of American government to force families of one locality on relief so that those of another locality may prosper. Huntington, Ind., and the Erie Railroad is a cause in point. In common justice we should correct the evil. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. FARLEY].

Mr. FARLEY. Mr. Chairman and members of the Committee, for several weeks now we have been witnessing an intensive drive against this administration's farm program and the man most responsible for it, the Secretary of Agriculture. We have been told, on the one hand, that the program has failed to help the farmers; we have been told, on the other hand, by the same people that the program has helped farmers so much that it is now hurting consumers. There have also been intimations that the men responsible for the program—and it seems to me Congress has some responsibility—are blind to what there is going on and totally unqualified to judge or direct any farm program. I think it is about time to introduce some indisputable facts into the discussion.

Let me begin with a few facts about the Secretary of Agriculture. I ask those who depart so far from the truth as to call him an "ignoramus, unfit to hold a Cabinet position", and so on, to tell me when we have ever had a Secretary of Agriculture more clearly qualified for the position and more able in the performance of his duties than Henry A. Wallace. I ask his detractors—and he may well cherish certain of his more vociferous enemies—to recall that he comes from a State and from a family whose record of service to agriculture can hardly be excelled. Though I yield to none in proclaiming the greatness that belongs to my own State of Indiana, nevertheless I am always willing to admit the high rank of Iowa in all matters of agriculture.

The Wallace family has been identified with the achievements of Iowa agriculture for three generations. People who have known the present Secretary of Agriculture for many years say that you cannot begin to appraise him until you know something about his family. His grandfather, affectionately known as "Uncle Henry", served as a chaplain in the Civil War, gave up preaching in order to farm in Iowa when his health broke, and at the age of 57 established the farm paper which still carries his name and his teachings. The influence of "Uncle Henry" lives to this day and is cherished in thousands and thousands of farm homes. His public service was not restricted to Iowa but included such activities as membership on Theodore Roosevelt's Country Life Commission.

As everyone knows, his son, Henry C. Wallace, carried on the family traditions as an editor, a champion of farmers' rights, and single-handed fought the battle for agriculture in an administration which did its best to defeat his efforts. Some say that the job killed him. At any rate, he died in office several years before his allotted 3 score and 10.

The qualities which distinguished both "Uncle Henry" and Henry C. Wallace have come through in the present Secretary of Agriculture. From the day he was born he has been immersed in agriculture, reared by a distinguished

farm family in a distinctively farm State. Very early in his career he distinguished himself in three fields associated with agriculture: In agricultural journalism, in economics, and in plant breeding. As early as 1919 he warned farmers that the high land prices then prevailing could not last and that it would be wise for them to get out of debt as rapidly as possible and prepare for the smash. He was one of the few editorial voices in the country to grasp the significance of the economic consequences of the war. He saw that during the war the United States had changed from a debtor to a creditor nation and that this change called for corresponding shifts in our attitude toward tariffs, foreign debts, and the internal relationships between agriculture and industry. He has rung the changes on that theme with commendable insistence for a dozen years or more, but only recently have others in the Nation begun to catch up with him.

As far back as 1919 you might have found Henry Wallace contending that agriculture must be given bargaining powers comparable with those already possessed by industry and labor, a point of view, of course, which underlay the long battle for adequate farm legislation, and a battle, incidentally, in which the first sizable victory came to agriculture with the passage of the Agricultural Adjustment Act of 1933. I can only mention in passing Henry Wallace's contributions to practical economics, such as the formulation of the corn-hog ratio now in universal use, his educational work in teaching the significance of price relationships rather than isolated flat prices, and his many other contributions in this field. His interest in the biological sciences—the sciences without which much of our present agricultural efficiency would be impossible—has borne particular fruit in his work on corn. Most of us, I presume, can claim hardly more than a speaking acquaintance with the highly abstruse and technical science of genetics. By his own research Henry Wallace has made this science yield a corn plant consistently more efficient than the varieties commonly grown, as recorded in constantly higher yields per acre. Let me observe at this point that there is not the slightest inconsistency between the effort to increase the efficiency of production while at the same time we endeavor to adjust the total production to the market requirements. You will never find an industrialist decreasing his efficiency of production just because the demand for his products has declined. On the contrary, you will find him responding to that declining demand by doing everything in his power to increase the efficiency of production and thereby reduce the costs of production. If the industrialist is to be commended for this procedure—and certainly he is—then so is the farmer.

It is quite true that Secretary Wallace never has been and is not now a politician. He did not seek office—the office sought him, because, in the judgment of the President-elect, he was the best qualified man in the country for the job. To the specific qualifications I have already listed I would add two more of, perhaps, greater importance. The first is that he is a deeply religious man with an unshakable faith in human nature. The second is that he will always fight for the rights of agriculture to a fair share in the national income and that he will always fight just as ardently against granting to agriculture or any other group in the Nation more than a fair share. He believes in even-handed justice, and it has been my observation that he practices what he preaches.

It is commonly said that the public memory is a short one. I doubt, however, whether most people have forgotten the chaotic condition of agriculture and of the whole Nation in 1932 and early 1933. The long battle for agriculture even before the depression cannot have been wholly forgotten. Certainly in 1932 and 1933 even those normally hostile to any farm legislation admitted that a dozen years of low farm purchasing power had had painful results on the whole Nation, not to mention what it had done to the farmer. The need for some legislation when Congress met in special session in March 1933 was universally admitted.

So the plight of agriculture, Congress said, was a national economic emergency. The thing to do, we agreed when we

passed the agricultural adjustment bill, was to increase agricultural purchasing power principally by adjusting supply to demand.

Now, most of us, I suspect, and certainly most farmers, would have preferred that this necessary adjustment might have come naturally. We all look back on the relatively simple days before the war with a good deal of longing. And we are always reluctant to face the fact that our industrial, our financial, our agricultural, and our labor systems are integral parts of an increasingly complex economic and social system. Current facts never do rest comfortably in a mind filled with the memories of an earlier generation.

Indeed, Secretary Wallace himself has always said he approached the task of adjustment with a great deal of reluctance, partly because he, too, had fond memories of simpler days, partly because he visualized the difficulty of the task and the strength of agriculture's enemies.

But of what use are ancient memories, no matter how pleasant, of what use are outworn attitudes of mind, no matter how useful they once were, in the face of an emergency the like of which has never been known before? In a complex system, with industry and labor organized to demand and get its right, how could agriculture get even a fraction of its rights? And if it failed to get some relief, what would be the consequences to the rest of the Nation?

What do you do with surpluses two and three times the normal carry-over? What does a businessman do when part of his market disappears, as part of agriculture's market disappeared? He adjusts his production to what the market will take. In other words, he directly and continually controls his production. If he did not, he would soon be out of business.

Personally, I have had enough experience both in industry and in farming to recognize adjustment as logical, inevitable, sensible procedure. No one doubted that it would be more difficult to achieve in agriculture than in industry, because of the weather hazard and because it would be necessary to deal with millions of individual producers scattered over a vast continent. Granting all this, I have never heard proposed any other practical way to deal with the fact that huge surpluses of farm products mean low prices, low prices mean suffering, loss of farms, and a national crisis.

It is not necessary to go into any detailed discussion of how the Agricultural Adjustment Administration has proceeded; enough is known, in general, of the adjustment program for cotton and wheat, for corn and hogs, for tobacco and rice, and the marketing agreements for milk and other special crops; the important thing at this juncture is to have some notion of the results. Let me refer briefly to the situation in my own State of Indiana.

It does not take an unusual memory to recall 1932 and 1933. Many an Indiana farmer can remember 30-cent wheat and 25-cent corn, \$3 hogs and beef cattle, 15-cent butter fat. That was the picture in 1932 and early 1933. Now, a man who has worked from sunup to sundown to produce 30-cent wheat, or \$3 hogs, or 15-cent butter fat, is not likely to forget it. He will remember, and his memories will not be any too sweet.

Suppose you had said to such a man in March of 1933: "Look here, friend, I know a way to bring your prices at least double those." Your farmer friend might have been pretty skeptical, but he would have been interested, would he not? And then, if you had been able to deliver, his skepticism would have vanished and his interest would have deepened to pretty firm faith.

I am convinced that this is just what has happened among an overwhelming majority of farmers. In Indiana, as of April 15 this year, I note that the farm price of wheat was 90 cents a bushel; of corn, 81 cents; of hogs, \$8.70 a hundred-weight; of beef cattle, \$8.20; and of butter fat, 33 cents a pound.

Everyone, including the Secretary of Agriculture, will admit that the terrific drought of 1934 has been an important factor, particularly in wheat prices, just as the monetary policy has been a factor, but there is also no disputing the

fact that by adjusting the supplies of the items I have named the adjustment programs have been the dominant factor in more than doubling farm prices since 1932.

Perhaps income, rather than price, is a better measure of progress. I notice that in Indiana the receipts from farm marketings in 1932 were about \$136,000,000. The next year, 1933, they had climbed to nearly \$149,000,000, of which nearly \$3,000,000 was in the form of benefit payments to farmers for their sacrifices in adjusting production. Last year, 1934, receipts from farm marketings in Indiana, including benefit payments, were \$189,000,000, or an increase in the short space of 2 years of 39 percent. And if receipts keep up the rest of the year as well as they have begun the year—and there is every reason to believe they will—Indiana farmers will see another gratifying increase in 1935.

For the country, as a whole, farm income in 1934 was a billion dollars above that of 1933 and nearly \$2,000,000,000 above that of 1932. The 1935 farm income, from present indications, will do correspondingly well. And yet day after day I read in certain metropolitan newspapers that the farm program has failed. Just how do they get that way? What they mean, because they never did want to see farmers get a new deal, is that it has worked only too well.

It may be that neither prices nor income is a satisfactory criterion to many people; they will say that nonfarm prices have risen so much that the increase in farm prices has left the farmers no better off than before. That is not true, of course, but it may be useful to put down the hard facts to convince them, if possible.

The Adjustment Act, it will be recalled, declares that it is the policy of Congress to raise the purchasing power of American farmers to the level which it occupied in the base period, the years 1909-14, when agricultural and industrial production were more nearly in balance, and the national income more equitably distributed. The idea of price relationships, rather than isolated flat prices, is here, for it was perfectly obvious that an equal lift in all prices—steel rails as much as wheat, electric power rates as much as hogs—would merely freeze the existing disparity between farm and industrial prices.

This policy of Congress, this attack upon disparity, has been prosecuted with persistence and a high degree of success. The purchasing power of farm products in 1932 and early in 1933 had got down to 50 percent of pre-war. That was the measure of the disparity between agriculture and the rest of our economy. Complete parity—100-percent purchasing power—never had been reached, you will recall, even in the boom days of 1928 and 1929.

In the short period of 2 years the purchasing power of farm products has advanced from 50 percent of pre-war to 87 percent as of April 15 last. It has not been that high since 1930, when for that year as a whole the figure was 87 percent of pre-war.

Nevertheless, that figure of 87 percent of pre-war fails to include benefit payments. These payments ought really to be considered as part of the price the farmer receives for his products sold in the domestic market. They are the proceeds of the processing tax, which is in theory and in fact the farmer's tariff. If these benefit payments are included in computing the purchasing power of the seven basic commodities which they affect, their purchasing power would then come very close to equaling the desired pre-war purchasing power. At times within the past few months, in fact, price plus benefit payment for some of the basic commodities has actually been above pre-war parity.

It is natural, when so considerable an increase has occurred in the price of farm products in a relatively short time, that there will be complaints that food prices are too high. Consumers naturally remember the bargain prices of 1932—and forget what those bargain prices did to agriculture and to the economy of the entire Nation. If they stop to think about it, they do not want agriculture to go back to that situation.

It is true that food prices in March stood about 122 percent of pre-war, but it is also true that this figure was still 19 percent below the level of food prices in March 1930. In

other words, food prices as a whole are still at bargain rates compared with predepression standards.

When the Agricultural Adjustment Act was framed it was evident that consumers were going to have to pay considerably higher prices for food than they had been paying during 1932 if the farmer was to be enabled to stay in the business of feeding them. But it was not the intention, nor is it now the intention, of creating an artificial shortage in order to force farm prices above their fair relationship with other prices and out of line with consumers' purchasing power. Let those who say that the farm program has been a scarcity program keep in mind these facts: That in 1934, despite the worst drought in history, agriculture was producing within 85 percent of the 1929 level, whereas the nonagricultural part of industry was still below 60 percent of 1929. In 1935 agriculture will do at least as well again. The question is, Will industry follow suit?

One of the arguments made in behalf of the farm program, before it was adopted, was that increased farm purchasing power would help national recovery. Farmers with power to buy would put men back into idle factories, boost city purchasing power, set in motion the spiral of recovery. Let me mention a report which just recently came to hand:

Rural retail sales for March, the Department of Commerce reports, were 22.5 percent higher than in March last year. For the first quarter of 1935 rural retail sales increased 15 percent over the corresponding period last year.

Let me cite a study especially made to determine the effect of the farm program—among other recovery programs—on industry. Economists in the Agricultural Adjustment Administration have studied shipments of manufactured goods from 16 northeastern industrial States to 10 southeastern farm States, using the waybills of four important railroad systems in the Southeast—the Southern, the L. & N., the Central of Georgia, and the Illinois Central Railroad.

According to the study, shipments of industrial commodities, exclusive of coal, from the Northeastern industrial States to the Southeastern agricultural States over these four railroads, totaled 2,104,585,201 pounds in the period from July 1, 1932, through June 30, 1933, before the agricultural adjustment program was inaugurated. In the next year, from July 1, 1933, through June 30, 1934, a period when the results of the Agricultural Adjustment Program and other recovery measures were beginning to be felt, shipments of northeastern industrial and manufactured goods to the Southeast over these same railroads totaled 2,920,887,439 pounds, an increase of 38.8 percent over shipments during the previous year. These goods were shipped in carload lots and represent more than 95 percent of the total shipments by weight.

The 16 States from which these industrial and manufactured commodities were shipped were Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, Delaware, Maryland, Ohio, Michigan, Indiana, Illinois, and Wisconsin.

The 10 States in which the commodities were delivered were Virginia, West Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Mississippi, Alabama, Georgia, and Florida.

While shipments of industrial and manufactured goods increased 38.8 percent, the study shows that during the same periods cash farm income of farmers in the Southeastern States increased 59.9 percent. From July 1932 through June 1933, before the Agricultural-Adjustment Program became operative, the cash farm income from crops in the 10 southeastern States was \$451,637,000. The year following, from July 1933 through June 1934, when the adjustment program and other recovery measures were launched, the cash farm income from crops plus benefit payments to farmers in those States totaled \$722,017,000, an increase of 59.9 percent.

Facts like these suggest not only that the Adjustment Act has been helpful in meeting the national economic emergency, but that it has succeeded to a degree few of us thought possible. No amount of hostile propaganda against the processing tax can conceal from the farmer the fact that wheat that was 30 cents 2 or 3 years ago is now around 90

cents; that hogs which could hardly be sold for \$2.50 now are going at close to \$9. In the judgment of that farmer, adjusting supply to demand not only works but pays dividends. In the experience of the farmers in the drought area, the benefit payments made possible by the adjustment programs and the processing tax provided a life-saving form of crop insurance.

Of course, the mechanism of adjustment is crude. Of course, it needs improvement. That is one of the purposes of the amendments to the Adjustment Act, and it is a purpose which must have the sympathetic interest and support of everyone who is willing to admit into evidence the facts of agricultural improvement which the farm program of this administration has so clearly brought about.

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. NELSON].

Mr. NELSON. Mr. Chairman, it has been said that the big job of the present administration is to spend approximately \$5,000,000,000 under the recovery program. With this statement I am not in full accord. The big job is to spend this vast sum so as to get one hundred cents for the dollar—five hundred billion cents for \$5,000,000,000. Obviously, this goal cannot be reached. In order to put men to work as soon as possible, there will necessarily be some waste. This, though, must be reduced to the minimum. The objective is to make jobs for those who now have none. Of course, we must look to the time when industry will largely take care of the unemployed. Finally, when the money now available has been spent, it is important that there should be something to show for it. Not only this, but it must be demonstrated that in the spending, the largest possible number of people have been benefited.

As I see it, and as I said in a letter addressed to Hon. Frank C. Walker, director of the works-relief program, and copies of which were sent to President Roosevelt and to Thomas H. McDonald, Chief Bureau of Public Roads, the best possible project for the expenditure of funds so that the largest number of people will be benefited and pleased is presented in the building of farm-to-market and neighborhood roads. We have become accustomed to the term "farm-to-market" roads. We might, with equal propriety, say "farm-to-church", "farm-to-school", or "farm-to-village" roads. With approximately 3,100 counties in the United States, it is safe to say that 75 percent would be directly interested in the construction of more low-cost roads. Furthermore, no other project calling for such a comparatively small outlay, would, in the end, be enjoyed by so many people. No other proposal holds such possibilities.

Such roads as I have in mind would be for the people now on earth, and would put men to work, not next year, but now. They have to do not with the "Beulah Land", but with the homeland. Their construction would make it possible for farmers to get to and enjoy other more expensive highways, and to do so every day in the year. The building of these roads would not interfere with the larger State and national programs, but would be in addition.

Recognizing the fact that modern road construction must necessarily have in mind automobile travel, I am not opposed to the building of great standard-grade thoroughfares. Frankly, though, it is my feeling that, if necessary, further work on the wide "peacock boulevards" entering the great cities could wait while farm communities were being lifted out of the mud. It has been said that the "mud tax" is the heaviest the farmer pays. If so, and because other taxes are burdensome, he is entitled to relief from the added tax which bad roads impose.

Referring to much modern road construction, speed seems to be the first consideration. My thought is that we should make our highways safe, rather than "super." First consideration, too, should be given to roads not primarily for the tourist but for the home folk.

The tendency in approving money-spending projects is to turn to the big and spectacular, and for such there are always earnest advocates and able spokesmen. On the other hand, it may happen that where millions of people would be

helped, and where the benefits would be widely scattered, no city or community receiving much, no committees or individuals come to Washington to urge favorable action. Because of this, it is your duty and mine, as representatives of the average man, perhaps the "forgotten man", to see that he does not continue to be forgotten.

In urging the construction of a hundred thousand miles or more of neighborhood roads, I realize that there is no "pork" in my proposition. No big contractors will reap rich profits. Instead, the money expended will go to hundreds of thousands of men, largely farmers, and those in small towns, who need the work.

In the \$4,880,000,000 bill as passed by Congress, \$800,000,000 is provided for roads. The President can increase this amount by 20 percent. So, I would not only have built the roads as originally proposed but my suggestion is that this amount be increased so as to permit the building of low-cost roads in every agricultural county. In order that the work might start at once all red tape should be cut and the money made available, under proper safeguards and restrictions, direct to the counties where it would be spent under direction of the county courts, county commissioners, or other agencies. As to this, some might hold that it would mean waste. Instead, I am convinced that it is in distant supervision where waste is worst. It naturally follows that the people who are to be directly benefited in any expenditures are most interested in seeing to it that the largest possible returns result. It will be so with community and neighborhood road work.

In brief, what we want is a road in every community, a road that will enable Bill Smith and his family to get to town or to church, and to make it possible for their children to attend school regularly. We want the farmer to be able to market his milk, cream, stock, and crops, and to do so to the best advantage.

Much talk is heard about rural rehabilitation—about getting city folk out on farms. This may be all right. I am finding no fault, but I know that to keep one farm family on the land that the father, mother, and children know and love and to make it possible for them to continue in the community of which they have been a part, is worth more than to move a dozen families out from the cities.

If America is to survive the great national crisis through which we are now passing, we must have a contented and prosperous country people. Nothing else will contribute more than rural roads. Young people now growing up on our farms will not continue to live there if it means isolation. Telephones and radio will not satisfy if there is an impassable road from the farm to the improved highway which leads to the community center and to the city. America looks to homes, largely to farm homes, to these homes which are more than "filling stations", but which are, in fact, "service stations".

Few Members of Congress, perhaps, know the unimproved country road as I have known it, and which unhappily still exists in too many communities. Without entering into a lengthy description, it might be said that this road sometimes so resembles a slow-flowing, muddy stream, that about the only noticeable difference is that the road has a fence on either side. You say that such roads are no longer to be found. Would that this were true! In the great agricultural district which I have the honor to try to represent, a district of matchless soil and unexcelled farm production, hundreds of farmers and their families were practically cut-off from the outside world, so far as travel went, for 3 months during the past winter. The roads are so bad because the soil is so good!

Because of my known interest in rural roads, I have received hundreds of letters asking me to do all within my power to secure further appropriations for neighborhood-road work. Would that I had time to read at length from many of these letters. I do refer to a few:

I ask you to use your influence to try and shift some of these fabulous sums the Government is spending and have it go to a fund to be used to fix up rural roads so mail can be delivered to farmers.

It is deplorable the way the farmers have had to ride horseback and walk to the hard-surfaced roads. A number have been paying storage on their cars in town, walking here, then driving to the county seat.

After the worst drought in the history of our country and having held on during the worst depression in history, it makes us almost desperate when we are offered a nice fat price for milk, yet cannot get it there on account of the mud.

The farmers around here have been greatly handicapped this winter, most of them having to walk or resort to wagons and horseback, and are forced to leave their cars parked miles from home on the only gravel road we have in this part of the country.

For almost 3 months we have hauled the milk, formerly picked up by truck, in a Ford touring car, which is the only thing we have, and often pulled the car in and out with a team.

I live about 14 miles southwest of our county seat. Our roads were very bad most of the winter. We had to leave our car at the neighbor's on the gravel and go back and forth in wagon and buggy to get feed and supplies for the home and stock. The doctor was called in the community and had to be met in a four-horse wagon. Our mail carrier has gone horseback or walked most of the time this winter.

One of my neighbors took his wife and two children to a missionary meeting last January, and on the way back home the wagon became so mired that it could not be moved. The weather turned cold that night and the wagon stood in the road for several weeks. The team of horses hitched to the wagon when it stuck weighed 3,500 pounds.

I believe that 90 percent of the farm hauling is over unimproved roads. If they could be improved so that they could be used at all times of the year it would be of more benefit to the farmer than anything else the Government could do.

In some cases stock on feed had to be shipped, it being impossible to get feed hauled. Frequently this stock had to be driven miles before loading, resulting in heavy loss in weight. I had fat lambs ready to market but road conditions prevented. Later, I shipped when the market was \$1 a hundred lower!

The roads were bad all winter. We had to take our produce to the highway in a wagon and have a car meet us to take it to town, and at times it was almost impossible to get over the roads in a farm wagon. If stock was shipped it was driven to the highway and there met by truck.

Farmers in our section walked to town for 3 months during the winter. When it comes to roads and getting our produce to market, we are just as much in the mud as ever.

Our little village is but 2 miles off Highway No. 40—near enough to one of the best highways in the United States of America that we are often kept awake at night by the noise of motor traffic when the wind is in that direction. And yet, while we listen to the hum of travel so near, we are kept entirely isolated for weeks by mud so deep that only the highest built motor cars can straddle the ruts, and even then they have had to abandon the road for days at a time. Our mail was brought to us on horseback, but there were several days when even the horse could not make it. My children walked to school for weeks straight in mud halfway to their knees, and as a result, there were times when we came very near calling a doctor. But to call a doctor was almost useless. My father-in-law met with an accident, and a doctor agreed to come if someone would meet him at the highway with a team. As this happened at night, it necessitated a great deal of work, time, and exposure for the neighbor who responded, besides inconvenience to the doctor.

We live 1 mile from town, on a dirt road, and our church is on a dirt road. We have been isolated, and the church closed all winter on account of not being able to get over this little stretch of dirt road which lies between us and the farm-to-market road. Three miles of hard road would fix us so we could get out, and the people in the neighborhood could get to church.

Give us just a graveled road that we can get out on, and we will help all we can with our teams and wagons.

If you can imagine a gloomier picture of rural life than bad roads have meant, I confess that you have a livelier imagination than I possess, and I am unable to visualize what is in store for our farm population under conditions as we have them today.

Parks and game forests are all right and a good improvement to any country, but they are not as self-supporting as the farm-

ers could be if we had roads to get out with our trucks, and that means meat and bread for our families.

We feel that greater benefits could be derived in the rural sections if more funds were allocated for farm-to-market roads, rather than such large expenditures on so-called "traffic relief" roads leading into the cities.

We farmers off the slab find it impossible to get our milk to the Page Milk Co. this winter. I have six fresh cows, and cannot get my milk to town. It is only $3\frac{1}{2}$ miles to the corner of my farm. Real soon I will have 12 fresh cows. They must eat, and the only thing I can do is to feed them, regardless.

We have had one of the best Sunday schools, for a country church, but for 4 months the only way one could come was by walking or in a wagon.

For weeks we were unable to sell milk, as the Page Milk Co. truck could not get over our roads. We certainly would like to get better roads of some kind, if only 9-foot gravel, as we depend upon our cows for most of our income.

We are running a dairy and have had to carry the bottled milk to the highway days at a time and unload feed into the field adjoining the highway because a car, truck, or farm wagon could not make it through the public road. I, as well as countless others, feel that the side roads, or "byroads", as some call them, where the farmers' dwellings are located and over which the majority of them must travel to reach the market, and that join the trade territory of our towns, are the roads which need attention.

The school bus and milk truck gave up and traveled up and down on a short distance of pavement and the children and milk traveled out to them by wagon and horseback in 3 miles of "real mud."

It has been very hard to get out milk to the highway. I don't think anyone who does not live on a dirt road knows how bad they really get. Our roads were almost impassable for many weeks. Have had to haul my milk and other produce on a wagon, and it was almost impossible to go that way.

For weeks from one to six or eight cars have been parked at my home and at the home of one of my neighbors while the passengers walk from 1 to 4 miles home, a daily job for school children and teacher.

Not only have bad roads resulted in inconveniences, in heavy money losses, in the suspension of schools and of church services, but there have come also tragedies. For instance, a minister and an undertaker, says the local daily, left yesterday at 1 o'clock to conduct a funeral this afternoon at 2 o'clock. They traveled by automobile to a point on the highway near the county line, then struck out on foot for a 9-mile hike. The casket, which was taken by automobile to the same point on the highway, was there loaded on a two-wheel cart drawn by four horses. The automobile-foot trip was planned after the undertaker had spent more than 24 hours in a trip to and from the home on the first call. The final trip was made by automobile, wagon, horseback, and on foot. Think of this in a progressive community and near a fine commercial city, where there are many miles of standard highways but which could not be reached.

Here is another story of how bad roads take their toll, even of human life: A young boy was helping as one of the substitute carriers on a rural route. When he did not return home at the expected hour, the uneasy mother sent another son in search of him. The lifeless body, crushed beneath the horse, was found about a mile from the family home. Apparently the lad, trying to escape the deep mud, had been riding too near the side of the road, when the horse slipped into the ditch and fell on top of the rider. Terrible, you say. Yes; truly so; and it is my desire to prevent such tragedies.

As a specific case—

Writes one of my constituents—

will say that one of my neighbors was so unfortunate as to lose his home by fire. This home was on a mail route and 1 mile from the farm-to-market road, yet not a single car could get through that mile of mud, and hence, through lack of help, his loss was almost complete.

Rural carriers, than whom there are no more faithful Government employees, know as do few others the penalty

that bad roads impose. For instance, a rural carrier writes, under date of February 27:

I have 31 miles of all dirt road, and since the middle of November I have paid out of my salary over \$100 in addition to cost of feed for horses. The day before Christmas I used three men besides myself. I then walked more than 5 miles and carried the mail, including a sled for a little boy, so he could have it for Christmas.

I pause just here to say, Heaven bless these mail carriers! Are they not good fellows? The writer of the letter from which I quote goes on to say:

I must trade for a new car again this year, as on the roads we have here a car is good for only about a year without as much extra expense as it takes to pay on a new one.

Confirming reports of rural road conditions, especially as relates to the trials of rural carriers, a leading daily paper says:

All five rural carriers from the local office are walking several miles of their routes daily, and one had had to hire three extra men in order to cover his territory.

We need more money, lots of it, for improvement of rural delivery mail roads not now a part of any Federal or State highway system.

Speaking of ordinary roads for the ordinary man, a pioneer in this field was D. Ward King, a Missourian, who years ago featured the split-log drag, one of the best tools ever used on unimproved dirt roads. The King Split-Log Drag Bulletin, published by the Missouri State Board of Agriculture, with which I was long connected, had a national circulation and was also published in several foreign countries.

You ask, in view of what has been said about road conditions, "Has the Second Missouri Congressional District no improved roads and is the State so far behind in road building as letters referred to would indicate?" The answer to your question is that the district, embracing 15 central Missouri counties, has a splendid system of State and National highways, both east-west and north-south, the former including the two great transcontinental highways, no. 40 and no. 50. In fact, it is doubtful if there is, in all the Mississippi Valley, another congressional district, not containing or contiguous to a large city, having more miles of modern highways.

As to road construction within the State as a whole, the story is one that brings pride to every Missourian. First, let me tell you of some of the revenue provided for our roads from 1917 to 1933 inclusive. Get these figures: From motor vehicle law, \$101,491,031.82; gasoline taxes, \$68,481,070.05; corporation registration fees, \$1,594,690.69; sale of option stamps, \$266,050.16; total basic revenues, \$171,832,842.72. Next, from incidental revenues we find: Sale of blueprints, \$9,158.71; refunds, \$2,420,353.94; sale of Federal equipment, \$55,572.89; motor-bus fees, \$501,204.89; headlight approval and patrol fines, \$3,626.20; interest on daily balances, \$2,717,826.36; interest on funds on deposit, \$216,829.30; miscellaneous collections, \$311,217.52; total incidentals, \$6,235,789.81. Then come advanced revenues, as follows: Federal aid, \$46,631,505.67; proceeds of bonds, \$125,204,393; accrued interest on bonds, \$151,031.86; total of advanced funds, \$171,986,930.53; total of basic and incidental, \$178,068,632.53; grand total of receipts, \$350,055,563.06.

Naturally, comes the question, "What has the State to show for more than one-third of a billion dollars?" The answer is, in roads completed, or under contract, Missouri has, dropping decimals, the following: Primary system and spurs, 1,632 miles; secondary system, 5,789 miles; additional roads, 293; park connections, 76 miles; traffic-relief roads, 206 miles; supplementary State roads, 4,494 miles. Total of such roads, 12,492 miles.

So, thanks to the progressive spirit of her citizens and to the ability and efficiency of her State highway commission, Missouri has a seldom-excelled road record. Yet, and it is this that I would stress, because of the lack of more neighborhood roads, roads that lead to what is today the most important place in the Nation, the farm home, conditions are as others have told me and as I have told you. What

is true of Missouri is true of practically every agricultural State. You agree that something ought to be done, of course, and now is the time to do it.

The opportunity, the golden opportunity, is here. The money has been appropriated. As much as needed can be used to build farm-to-market and neighborhood roads and to provide work now. It is for us to make it plain that the Congress and the country want a great every-county rural-road-building program. Will you, my colleagues, help? Surely so. Then, let us go.

Mr. LUDLOW. Mr. Chairman, I yield one-half minute to the gentleman from Michigan [Mr. Hook].

UNITED STATES LEGATION, HELSINGFORS, FINLAND

Mr. HOOK. Mr. Chairman, it was indeed gratifying to me to see the bill, H. R. 4448, which I introduced into the House on January 22, pass yesterday without a dissenting vote. I wish to thank the Members of the House of Representatives for supporting this measure. Certainly it was one on which there could be no disagreement. I was pleased to know that the Members were in agreement with the statements I had made previously in support of this bill.

Everyone agreed, I believe, that the sum set in the bill, \$300,000, is approximately that needed to provide dignified and adequate housing for our officials at the capital of Finland, Helsingfors. It was agreed that from the standpoint of economy the bill was deserving of passage. The American Legation today at Helsingfors is housed on the fifth floor of an office building and pays for these offices an annual rental of \$2,725. Rental for living quarters for the personnel of the office brings the total rental to approximately \$12,000 per year.

In view of the fact that the staff of the American Minister at Helsingfors will probably have to be increased in the near future, this argument of economy was all the more apparent. The extent of our commercial relations with Finland is increasing, and I am informed that the present personnel is barely adequate to meet present demands.

We in the United States are happy to know that the commerce between Finland and the United States is increasing. Americans have come to respect and admire this sister republic of the North. The history of Finland's struggle for independence and self-determination is one calculated to arouse admiration in the hearts of the American people. Transferred to the rule of the Russian Czars in 1815 at the Congress of Vienna, the Finnish people suffered much from autocratic attempts at Russification. Happily Finland retained its integrity and its self-consciousness in spite of these attempts, and since the Finnish Declaration of Independence in 1917, this Nation has stood as an inspiring example to lovers of democracy everywhere.

We of the Democratic Party are proud of the fact that our party recognized the independence of this self-reliant people. We of the Democratic Party are proud also of the fact that our recognition of Finland has been more than justified. This Nation has been the only one that has without default met her debt obligations to the United States. This is an example of reliability and trustworthiness worthy of attention in times as troubled as these. It is entirely fitting that the Democratic Party that recognized the independence of Finland should be the party to sponsor and pass this bill in the House of Representatives, for it is a proper means of showing our respect to a sister republic.

American people of Finnish extraction can well be proud of their fatherland. Finland was given no special consideration as regards her debt to the United States, yet she has been true to her responsibility. It is this honesty of purpose which the Democratic Party in the House of Representatives recognized yesterday. That this bill was passed without dissent will, I am sure, strengthen the cordial relations that exist between the Finnish and American people. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. Luckey].

Mr. LUCKEY. Mr. Chairman and fellow Members, yesterday a resolution was introduced in the Senate asking for an investigation regarding the farmers who have come to Washington to voice their approval of what this administration

has done for them in relieving in a measure the plight into which the previous administration had placed them. Criticism was also voiced in this House against our great President and against the A. A. A. program by the eminent and distinguished gentleman from New York, the Honorable HAMILTON FISH, Jr., whose name has been mentioned as a potential Republican candidate for the Presidency in 1936. It is in regard to these two incidents that I wish to direct my remarks at this time. I do this for the reason that I deem it an insult, a disgrace, and a shame to question the motives of and reasons why these farmers have come to Washington at this time. Both the resolution in the Senate and the remarks of the gentleman from New York carry the insinuation that these farmers are a bunch of hayseeds and hicks from out in the sticks who do not know what they want and who can be led as a rabble. In the name of our American farmers, I resent this insinuation.

I come from an agricultural State. I know these farmers. I have lived among them all my life. I am one of them. I understand their language, their needs, and their difficulties, which I believe the gentleman from New York does not, for if he did he would not have made the speech he delivered in my State on May 7, 1935, and which was so ably answered by my colleague here this afternoon.

Our farmers of the great agricultural section come from fine, sturdy, pioneer stock. They have inherited that sense of honesty, integrity, and industry that has contributed so much to the winning and upbuilding of the great Middle West. These farmers represent a splendid class of our American citizenship. They are well educated, keen, and intelligent. They know what they want. You find in these Middle Western States of Illinois, Iowa, Missouri, Kansas, Nebraska, Wisconsin, Minnesota, and other neighboring States some of the finest agricultural colleges and universities in the country. Our University of Nebraska has 10,000 students, not to mention those thousands of students throughout the State who are enrolled in our normal schools and denominational colleges. These farmers who have come to Washington are the flower of our people. It is true that they cannot dress in the elegant style of those who come from the capitalistic, plutocratic class of the favored East, but their worth and value lies beneath their outward attire.

I am glad that the distinguished gentleman from New York mentioned the Ananias clubs. I recall that last fall in the campaign the Republican spellbinders in the East told the voters there that the consumer was paying the processing tax, but out in my State the western spellbinders told the farmers that the farmer was paying the processing tax. I wonder which of these two groups would be more eligible to membership in Mr. Fish's Ananias club. Repeatedly misstatements have been made on the floor of this House and by the press in regard to imports of farm products. These statements were either made in ignorance of the real facts or they were deliberately designed to discredit the administration's farm program. I called attention to this fact in a statement I made on the floor of the House April 16, 1935. I am glad that the President called a spade a spade.

Years ago when I was in New York City I was greatly impressed by the very evident and prevailing opinion among some New Yorkers that there was nothing worth while west of the Hudson River. Some of the representatives of the capitalistic and reactionary groups in the East do not understand the West. This was plainly manifested when the eminent gentleman from New York, by the use of the G. O. P. pulmotor, tried to inject life into the cold corpse of the Grand Old Party when he spoke at Omaha, Nebr.

Our farmers are too wise to fall for such bunk. They remember the time when they got 10 cents per bushel for their corn and 25 cents for their wheat. Investigate these farmers by a Senatorial resolution? Nonsense. It would be laughable were it not so pathetic. Did the gentlemen from the East ask for an investigation when the United States Chamber of Commerce, the steel industries, the farm-machinery manufacturing interests, or the shipping interests lobbied? No. Never did you hear a chirp from them then. But now, when the American farmer for the first time is coming into

his own, they howl "Wolf." These farmers did not come to criticize or ask for anything. They came to express their gratitude for what this administration has done for them. They paid their own expenses out of their own pockets. City and country alike were interested in this expression of good will. They came here to see their Government in action and to voice their approval. What will these farmers think of the speech of the gentleman from New York and the resolution introduced in the Senate?

These farmers stated in no unmistakable terms last fall where they stood, and they will make their position clear again. They are wise to the tricks of the reactionaries. They know how they were fooled by the special interests, how they were drained all these years by the eastern protected industrialists, how they were compelled to sell the products of their labor in the open world market. They know how big business and the big banks exploited them until their backs broke under the unequal load. They know how, by the premeditated and designed curtailment of credit, our small country banks were forced to the wall, so that from 1920 to 1932 we had over 10,800 bank failures in the United States while in Canada there were only 3 and in England there were none.

No; these farmers are not so dumb. They know who is who in the political world. We should rejoice with them that they are again hopeful and are ambitious to carry on, even though it be under great odds. The country should have learned by this time that empty farmers' pocketbooks will not turn the wheels of industry. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. ELLENBOGEN].

Mr. ELLENBOGEN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein a communication from the Veterans of Foreign Wars.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

H. R. 6193, A BILL TO PROHIBIT THE IMPORTATION OF FOREIGN-MADE AMERICAN FLAGS

Mr. ELLENBOGEN. Mr. Chairman, I want to call the attention of the House to H. R. 6193, a bill to prohibit the importation of the American flag or emblem from foreign countries. Several months ago, when the birthday of President Roosevelt was celebrated everywhere in the United States, the tables were decorated with flags which bore little labels showing they were made in Japan. This happened at the President's birthday ball held at the Waldorf Astoria Hotel in New York City last January 31, 1935, as well as at the other birthday balls held throughout the country.

It had never occurred to me until that time that most of the small American flags were made in foreign countries, mostly in Japan. If there is anything which should be made in the United States and by American labor, it is the American flag.

It is ironical, Mr. Chairman, to contemplate the fact that the American flag, the symbol of our love for our country, the symbol of patriotism, the symbol of the might and power and strength of the United States, should be manufactured abroad. In order to correct that situation I introduced H. R. 6193.

Since I have introduced this bill I have received communications from every part of the United States giving me further details of the use of American flags and endorsing my bill. I want to read to the Members of the House from the letter which I received from Mrs. Leona Thomas, of Evanston, Ill. Mrs. Thomas is the State vice chairman of the Daughters of the American Revolution of the State of Illinois. She wrote me on February 28 as follows:

It has been our custom to present each new citizen, after he received the oath in the naturalization ceremonies, with an American flag. One man came and protested that his was marked "Made in Japan", and he did not want it.

I then canvassed the local merchants and I could find no place which had flags not made in Japan.

I then wrote to Indianapolis, national headquarters of the American Legion, and inquired, and they, too, found that such flags were all made in Japan.

I have another letter from Mrs. Ruth E. Quinby, of Omaha, Nebr. Mrs. Quinby writes that one day she spent the whole afternoon trying to purchase small American flags for table decorations for a George Washington Birthday celebration. She was unable to find any small flags in Omaha that were not made in Japan. I could quote innumerable other instances of similar occurrences which have been brought to my attention.

H. R. 6193 has been endorsed by the Veterans of Foreign Wars of the United States, whose letter of endorsement is as follows:

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
DEPARTMENT OF AMERICANISM,
Washington, D. C., April 8, 1935.

HON. HENRY ELLENBOGEN,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN ELLENBOGEN: Your letter of March 12 addressed to the Veterans of Foreign Wars, Pittsburgh, Pa., was forwarded to our Washington office and turned over to this department, together with the copy of H. R. 6193 which was enclosed with it.

I believe this bill to be a very meritorious one and worthy of the support of every patriotic citizen. The principles involved in this bill are in line with the ideals and purposes of the Veterans of Foreign Wars of the United States, and we therefore endorse the bill and urge its enactment.

Very sincerely yours,

VICTOR E. DEVEREAUX, Director.

The bill has been endorsed by the National Daughters of the Grand Army of the Republic, by the Junior Order United American Mechanics, and by many other organizations.

This bill has also been endorsed editorially by the Pittsburgh Sun-Telegraph at Pittsburgh, Pa., by the New York (N. Y.) American, by the Boston (Mass.) American, by the Chicago (Ill.) Herald Examiner, by the Rochester (N. Y.) Journal, by the Omaha (Nebr.) Bee News, by the Washington (D. C.) Herald, by the Beaver (Pa.) Times, by the Atlanta (Ga.) Georgian, and by many other newspapers all over the country.

I cannot believe that there is one man in this House who would oppose the passage of H. R. 6193. I cannot believe that there is one man in this House who does not endorse the principle that the flags and emblems of this great Nation should be made within its borders. I cannot conceive of any American citizen who would want to use an American flag made by foreign labor on foreign soil.

Mr. Chairman, the American flag is the symbol of the United States of America. It is the symbol of our devotion to our country. It is the symbol of our love and of our belief in our country. I believe that the Stars and Stripes, the flag of a free nation, the flag of the United States, the symbol of patriotism, the symbol of the might and strength and power of the American Nation should be made by American hands on American soil [Applause.]

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 3896. An act to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—SAMUEL KAUFMAN (H. DOC. NO. 189)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H. R. 3105, entitled "An act for the relief of Samuel Kaufman."

This bill authorizes me to summon Samuel Kaufman, late major, Dental Corps, Medical Department, Regular Army, before a retiring board to inquire whether at the time of his resignation, December 15, 1922, he was incapacitated for active service, and whether such incapacity was a result of an incident of service, and if, as a result of such inquiry, it is found that he was so incapacitated, to take the necessary action to have him placed upon the retired list of the Army.

From the facts in this case it appears that Samuel Kaufman, at his own request and for his convenience, was discharged from the Army on December 15, 1922, and granted 1 year's pay, and that at the time of his discharge and again in 1923 and 1924, in connection with his status as a Reserve officer, he was found by the medical authorities of the Army to be not incapacitated for military service. On July 24, 1928, some five and a half years after his discharge from the Regular Army, this ex-officer applied to the Veterans' Administration for disability compensation, was rated 60 percent disabled, service connected, and granted compensation at the rate of \$60 per month.

The ultimate purpose of the bill is to increase the annual compensation of the ex-officer in question from \$720 per annum to \$2,475 per annum, which latter amount would obtain if he were placed upon the Army retired list.

Granting that the ex-officer became incapacitated after his discharge from the Army and that his disability is traceable to his active Army service, there has been provided by law a special means whereby ex-members of our military forces may obtain relief. Such relief has been granted in this case by the Veterans' Administration, and I can see no justification for singling out this ex-officer for preferential treatment when others in the same category are not similarly treated.

The retirement system of the Regular Army was provided for the twofold purpose of attracting desirable permanent personnel to the service and of vitalizing the active list. Its maintenance for such purpose is vital to the national defense and should not be jeopardized by utilizing it as a means of relief or for placing upon the retired list persons other than the permanent personnel of the Military Establishment.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 15, 1935.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. McSWAIN. Mr. Speaker, I move that the message and the bill be referred to the Committee on Military Affairs and ordered printed.

The motion was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. AREND, for 3 days, on account of illness in his family.

HOME OWNERS' LOAN ACT

Mr. FARLEY. Mr. Speaker, I submit a conference report on the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, for printing under the rule.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2357. An act to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933; to the Committee on Military Affairs.

S. J. Res. 113. Joint resolution to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes; to the Committee on Ways and Means.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3896. An act to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes.

The SPEAKER announced his signature to an enrolled bill and an enrolled joint resolution of the Senate of the following titles:

S. 1776. An act granting a leave of absence to settlers of homestead lands during the year 1935.

S. J. Res. 98. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late Maj. Gen. Fred C. Ainsworth for the purpose of establishing a permanent library at the Walter Reed General Hospital to be known as the "Fred C. Ainsworth Endowment Library."

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p. m.) the House adjourned until tomorrow, Friday, May 17, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

(Friday, May 17, 10:30 a. m.)

Committee will hold hearings on various bills.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 8108. A bill for the relief of sundry claimants, and for other purposes; with amendment (Rept. No. 954). Referred to the Committee of the Whole House.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. WHITTINGTON: Committee on Expenditures in the Executive Departments. House Resolution 217. Resolution directing the Secretary of Labor to furnish to the House of Representatives the annual report for the Department of Labor covering the fiscal year 1934 (Rept. No. 953). Laid on the table.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 7905) for the relief of the heirs of Levi Moler; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 4059) for the relief of Ella B. Kimball, daughter and only heir of Jeremiah Simonson; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 7305) for the relief of William Howes Collins; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ECKERT: A bill (H. R. 8098) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Mahoning River at or near Edinburg, in the county of Lawrence, Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. O'MALLEY: A bill (H. R. 8099) providing protection by registration of designs for textiles, furniture, toys, and other articles; to the Committee on Patents.

By Mr. CROSSER of Ohio: A bill (H. R. 8100) providing the number of judges which shall concur in holding an act of Congress unconstitutional; to the Committee on the Judiciary.

By Mr. DUNCAN: A bill (H. R. 8101) to provide for insurance by the Farm Credit Administration of mortgages on farm property, and for other purposes; to the Committee on Agriculture.

By Mr. IGLESIAS: A bill (H. R. 8102) to authorize the Secretary of the Treasury to dispose of certain real estate of the Treasury Department; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 8103) to authorize the Secretary of War to transfer to the government of Puerto Rico certain real estate of the War Department; to the Committee on Military Affairs.

By Mrs. JENCKES of Indiana: A bill (H. R. 8104) to incorporate the Women World War Veterans; to the Committee on the District of Columbia.

By Mr. COCHRAN: A bill (H. R. 8105) to amend section 3345, Revised Statutes of the United States, relating to the removal of fermented malt liquors from brewery premises without stamps, and for other purposes; to the Committee on Ways and Means.

By Mr. IGLESIAS: A bill (H. R. 8106) to authorize the Secretary of the Navy to transfer to the government of Puerto Rico certain real estate of the Navy Department; to the Committee on Naval Affairs.

By Mr. SANDLIN: A bill (H. R. 8107) to authorize the coinage of 50-cent pieces in connection with the celebration of the one hundredth anniversary of the opening of the tri-State territory of east Texas, north Louisiana, and south Arkansas by Capt. Henry Miller Shreve to be held in Shreveport, La., and surrounding territory in 1935 and 1936; to the Committee on Coinage, Weights, and Measures.

By Mr. CHAPMAN: A bill (H. R. 8109) to authorize the erection of an addition to the existing Veterans' Administration facility at Lexington, Ky.; to the Committee on World War Veterans' Legislation.

By Mr. LANHAM: Joint resolution (H. J. Res. 293) providing for the participation of the United States in the Texas Centennial Exposition and celebration to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes; to the Committee on Foreign Affairs.

MEMORIAL

Under clause 3 of rule XXII, memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nebraska, supporting House bill 6382; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KENNEDY of Maryland: A bill (H. R. 8108) for the relief of sundry claimants, and for other purposes; to the Committee on Claims.

By Mr. DIMOND: A bill (H. R. 8110) for the relief of Thomas F. Gardiner; to the Committee on Claims.

By Mr. LEMKE: A bill (H. R. 8111) for the relief of John Munro; to the Committee on Claims.

By Mr. QUINN: A bill (H. R. 8112) to correct the military record of Ernest J. McCusker; to the Committee on Military Affairs.

By Mr. SCHUETZ: A bill (H. R. 8113) for the relief of Louis George; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 8114) for the relief of George Rayfield; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8488. By Mr. CULKIN: Petition of Mount Pleasant Grange, No. 349, of Volney, Oswego County, N. Y., opposing the passage of the Eastman bill (S. 1629); to the Committee on Interstate and Foreign Commerce.

8489. Also, petition of the Council of the City of Pittsburgh, Pittsburgh, Pa., opposing House bill 5379 and Senate bill 1632; to the Committee on Merchant Marine and Fisheries.

8490. By Mr. HART: Petition of Pride and Patriotic Council, No. 199, of West New York, N. J., representing the Sons and Daughters of Liberty, urging upon Congress favorable consideration and immediate passage of House bill 5921, introduced by Hon. MARTIN DIES, pertaining to deportation of aliens; to the Committee on Immigration and Naturalization.

8491. By Mr. LUCKEY: Memorial of the House of Representatives of the State of Nebraska, memorializing the Congress of the United States to enact into law the Nye-Sweeney bill, Senate file 2162, House roll 6382; to the Committee on Banking and Currency.

8492. By Mr. McLAUGHLIN: Memorial to the Congress of the United States to make a complete investigation of the sugar-beet industry; to the Committee on Agriculture.

8493. Also, memorial to the Congress of the United States to enact into law the Nye-Sweeney bill—Senate file 2162, House roll 6382; to the Committee on Banking and Currency.

8494. Also, petition favoring the erection of a neuropsychiatric hospital in the city of Lincoln, Nebr., and the passage of House bill 7835, in support of the erection of an addition to the Veterans' Administration building at Lincoln; to the Committee on World War Veterans' Legislation.

8495. By Mr. MERRITT of New York: Petition of the National Organization of Masters, Mates, and Pilots of America, urging Congress to pass favorably upon House Joint Resolution 219, introduced by Congressman CROSSER of Ohio; to the Committee on Interstate and Foreign Commerce.

8496. Also, resolution of Kings County district council, Steuben Society of America, Brooklyn, N. Y., advocating the speedy adoption of an amendment to the Constitution as proposed by Congressman LUDLOW, of Indiana, to the effect that before any declaration of war shall be issued by Congress, the people of the United States shall have had an opportunity to declare by referendum their decision on the question, etc.; to the Committee on the Judiciary.

8497. Also, resolution of the Women's Republican Club of College Point, N. Y., endorsing the equal rights amendment to the Constitution; to the Committee on the Judiciary.

8498. Also, resolution of the Niagara County Health Association and the Medical Society of the County of Niagara, favoring additional room for patients at the Niagara County Sanatorium and urging Congress to allocate funds for this purpose; to the Committee on Appropriations.

8499. Also, petition of the New York State Association of Retail Meat Dealers, Brooklyn, N. Y., denouncing the proposed Agricultural Adjustment Administration amendment which would extend Government control and regulation of branches of their industry through the licensing system, etc.; to the Committee on Agriculture.

8500. By Mr. RICH: Resolution of the Sons and Daughters of Liberty Council, No. 136, Muncy, Pa., protesting the passage of House bill 6795; to the Committee on Immigration and Naturalization.

8501. By Mr. SMITH of West Virginia: Petitions of citizens of Charleston, W. Va., urging Congress to discontinue levying the Federal gasoline tax; to the Committee on Ways and Means.

8502. By Mr. TRUAX: Petition of Orphans' Hope Lodge, No. 466, Brotherhood of Locomotive Firemen and Engineers, Dennison, Ohio, by L. E. Barth, urging support of House Joint Resolution 219, introduced by Congressman CROSSER of Ohio, which provides for the extension of the Emergency Railroad Transportation Act beyond June 16, 1935; to the Committee on Interstate and Foreign Commerce.

8503. Also, petition of Express Lodge 2045 of Brotherhood of Railway Clerks, Cincinnati, Ohio, by J. A. Rolandelli, urging support of House Joint Resolution 219, extending the Emergency Railway Transportation Act for 1 year; to the Committee on Interstate and Foreign Commerce.

8504. Also, petition of Building Service Employees' International Union, Chicago, Ill., by their secretary, Paul B. David, urging support of the Wagner disputes bill which will strengthen section 7 (a) of the National Industrial Recovery Act; to the Committee on Labor.

8505. Also, petition of Local Union No. 29, United Brotherhood of Carpenters and Joiners of America, Cincinnati, Ohio, by L. W. Cole, urging support of the Wagner-Connelly labor disputes bill, the Connery-Black 30-hour-week bill, and the social security bill; to the Committee on Labor.

8506. Also, petition of the Electrical Workers' Union, No. 39, Cleveland, Ohio, by Walter Lenox, business manager, urging support of House bill 7878; to the Committee on the Civil Service.

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 17, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, as we wait and look up to Thee we beseech Thee to draw the veil and hear us. Most wisely manifest Thyself in the deliberations of the Congress. We pray that our daily walk and conversation may be above reproach. We thank Thee that in hope and despondency, in sickness and in health Thy love brings daylight and pierces the dark with starlight. As partakers of the divine Nature, fulfill in us, with splendid serenity, the charm of brotherly love, godliness, and self-control. Enable us to be worthy of all Thy blessed providences, not by breaking our alabaster boxes on forbidding objects but at the feet of Him whom we call Master and Lord. Inspire us to reach forward each day for more knowledge and more purity, ever standing as true men before God and the world. Keep us to the deep realization that only toilers know the sweetness of rest and calm. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6143. An act to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7131. An act to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1958. An act to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication:

MAY 14, 1935.

Hon. JOSEPH BYRNS,

Speaker House of Representatives.

MY DEAR MR. SPEAKER: I am advised by my physician that it will be at least 2 months before I will be able to return to my office.

You will recall that I am the author of House Resolution 203, providing for an investigation of an organization known as the "American Retail Federation."

After the resolution was passed by the House you named me chairman of the investigating committee.

It is essential, in my opinion, that the investigation proceed at once. Therefore, in view of my physical condition, and in order that the committee might proceed at once, I hereby tender my resignation as a member of said committee.

With assurance of my high esteem, I am,

Sincerely yours,

JOHN J. COCHRAN.

The SPEAKER. Without objection, the resignation will be accepted. The Chair appoints the gentleman from Texas [Mr. PATMAN] in place of Mr. COCHRAN. The Chair also appoints Mr. BLOOM, of New York, to fill the vacancy caused by the resignation of the gentleman from North Carolina [Mr. WARREN].

LICKING THE GHOST OF ALEXANDER HAMILTON

Mr. SANDLIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered by Mr. Wallace, Secretary of Agriculture, on May 11, 1935.

The SPEAKER. Is there objection?

There was no objection.

Mr. SANDLIN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address of Hon. Henry A. Wallace, Secretary of Agriculture, before a farm meeting at Alexandria, La., May 11, 1935:

Washington is a good many miles from Louisiana, and despite our modern devices for learning the news and getting places, we are not always as well informed about your activities and your opinions as we would like to be. It was a pleasant surprise, therefore, to learn the extent to which the farmers of Louisiana are supporting the farm program of the new deal. I refer particularly to the vote in your house of representatives on April 13 on a resolution asking continuation of the processing tax and supporting the Agricultural Adjustment Administration. Although for some reason the fact is not widely known, the vote in favor of this resolution was, I understand, 97 to 3. This also happened to be the exact proportion in favor of the Bankhead Act in your farm referendum last year.

I assure you that your united stand for the cause of agriculture was never more necessary than at the present moment. The next few weeks will be crucial. If the ranks of agriculture hold firm, we have some chance to improve the Agricultural Adjustment Act and come closer to winning for agriculture its fair share of the national income; but if the ranks of agriculture are divided, it is almost a certainty that what farmers have battled for for 15 years will be lost.

You see, what is really going on today is another episode in the famous struggle between Thomas Jefferson and Alexander Hamilton. The present danger is that the ghost of Hamilton will triumph, and in that triumph the rights of agriculture will be sunk without a trace.

We hear a good deal about Jefferson today from men who call themselves Jeffersonian Democrats, but who are principally corporation attorneys using the plea of State rights to preserve special privileges. It is going pretty far afield, it seems to me, to try to quote Thomas Jefferson in defense of huge vested interests. You know as well as I do that Jefferson was first, last, and all the time for the farmer. In his time 80 percent of all the people were farmers, and he hoped this would continue.

Hamilton, of course, had very little time for farmers. He believed in national unity, it should be said to his credit, quite as much as Jefferson; but whereas Jefferson wanted unity achieved under the sovereignty of the people, Hamilton wanted unity achieved by the grant of governmental powers to a relatively few powerful groups. Hamilton figured that by granting tariff concessions to business and financial advantages to bankers and speculators, these powerful groups would preserve national unity and at the same time run the country to best advantage.

When the party of Thomas Jefferson came into power in 1800 it was hailed as a great victory for representative government and Jeffersonian agrarianism. The truth is, however, that it was only a partial victory. What Jefferson won was a political victory; in economics the battle had gone to Hamilton. For Hamilton had already firmly established the practice of loaning governmental powers to business and finance in order to give them advantages which he considered necessary to national unity and progress. Tariffs for industry, banking legislation for financial interests,

were so well entrenched that even Jefferson could not dislodge them.

That was more than a century ago. The political victory of Jefferson has remained intact, but it was more and more endangered in recent years by the consequences of Hamilton's economic victory. For that Hamiltonian victory agriculture in particular has had to pay through the nose. It has had to sell in an open market and buy in a protected one. It has had to stand by powerless while finance and business and labor have accumulated more and more governmental powers. It has seen the device of the corporation and the labor union make hash of the traditional competitive market. It has seen industry not only exercise, but abuse, the right to adjust production to a changing demand, with the blessing of government. Yet when agriculture has asked for the governmental powers necessary to adjust its production to make up for lost foreign markets, the Hamiltonians have held up their hands in righteous horror.

That was the situation up until 1933. Franklin D. Roosevelt, a Jeffersonian rather than a Hamiltonian, came into office at the insistence of the millions who thought that if governmental powers were to be loaned to one they should be loaned to all; that the disadvantaged, the disadvantaged had even greater need of them than the financially high and mighty.

Since the farmer has to buy in a protected market, the farm program of the new deal found a way to help him sell in a protected market. For the first time, through the device of the processing tax, the majority of farmers had a tariff that actually worked for them.

Because of surpluses so huge as to overshadow our whole national economy, because of the limited amount of food the human stomach can consume, because of a shattered foreign market for farm products, agriculture in 1933 won the right to adjust its production to the market that actually existed.

The Agricultural Adjustment Act borrowed the centralizing power of government so that agriculture might at least begin to win back a little of its fair share of the national income. This goal, it was widely agreed, was desirable not merely for the sake of agriculture but quite as much for the sake of the Nation.

Now that these governmental powers have been used by millions of farmers for 2 years, the cry has arisen that they must be taken away. I do not hear this cry from any large number of farmers. They know that a moderate use of these governmental powers has helped put them back on their feet.

Here in Louisiana your receipts from farm marketings in 1932 were down to \$56,000,000. By last year, 1934, these receipts plus benefit payments had risen to nearly \$86,000,000, an increase of 51 percent over 1932.

Let's look at the facts on the three important crops for which there have been adjustment programs in Louisiana—cotton, rice, and sugar. In 1932 the farm value of cotton lint and seed was \$22,424,000. In 1933 Louisiana cotton producers agreed to cut production in order to lessen the burden of a terrific surplus. As a result of this and other administration programs, the farm value of the cotton crop in Louisiana rose to about \$33,000,000, including benefit payments. And last year, again convinced of the necessity for keeping production more nearly in line with existing market requirements, Louisiana cotton growers again applied collective control, and found the farm value of their crop, including benefit payments, mount to \$44,603,000, or double the farm value of the 1932 crop.

Rice growers of Louisiana are receiving during the current marketing year nearly \$13,000,000, as compared with \$6,500,000 for the 1932 crop. Only recently we reached a crisis in the rice program, in which it was necessary that the Agricultural Adjustment Act be amended if rice growers were to continue to enjoy the benefits of the program. The income of rice growers had been improved through a marketing agreement, but due to difficulties in enforcing the licensing provisions of the act a surplus of rice had accumulated which could not be moved under the existing program. It was necessary to shift to a processing-tax program; but the Agricultural Adjustment Act provided that a processing tax could be levied only at the beginning of a marketing year, so it appeared for a time that a large number of growers would not have a market for the 1934 crop of rice. When the attention of Congress was called to this situation, the act was amended so that a processing tax could be levied, effective almost immediately. This permitted the change from the marketing agreement to the processing-tax type of program and made it possible for the rice growers who had not been able to sell their crops to move them into the channels of trade.

Now a word about the sugar program. In years past Louisiana cane farmers were forced to contend with unregulated admission of cane sugar from insular areas and foreign countries in excess of market needs, and growers were dependent solely upon payments received from the sugar factories for their returns from the crop. Assistance to the sugarcane growers and the sugar industry in Louisiana, therefore, has been given in three ways. First of all, under the quota provisions of the Jones-Costigan Act, importations of sugars from the insular areas and foreign countries have been fixed in accordance with market requirements. Secondly, direct benefit payments have been made to cane growers in accordance with established procedure under the Agricultural Adjustment Act. In all, 13,469 checks, totaling \$2,952,698, have now been paid on 8,556 contracts as the first installment of the 1934 benefit payments to be made to Louisiana sugarcane growers.

Unlike growers of other basic commodities, Louisiana cane growers have been virtually assured prewar parity returns on their production.

Thirdly, the production adjustment contract for Louisiana cane growers also provides that in the event of crop damage or crop failure due to climatic calamities, crop deficiency payments will be made. The Louisiana cane growers are thereby given a substantial measure of crop insurance under the A. A. A. program.

Prior to enactment of sugar legislation in 1934, the farm value of the sugarcane crop in Louisiana had reached a low level. The 1932 crop had a value of \$8,831,000 and the 1933 crop a value of \$8,587,000, a marked decline from the average value of the crop of \$11,051,000 in the decade of 1920-30. As compared with the average value of the crop in the period 1920-25, when production in Louisiana was at a relatively high level, and the farm value of the crop averaged \$14,341,000, the value of the 1932 and 1933 crops represented a decline of as much as 64.7 percent.

Under the sugar legislation of May 1934 and the Louisiana crop adjustment program carried out under that legislation, the value of the 1934 crop (the first to be distributed under the new deal), including benefit payments which have already been made to producers and which will be made in accordance with the provisions of contracts with producers, will be about \$13,500,000, which figure is not only much above the 1920-30 average but is close to the average of the more favorable period 1920-25. A sugarcane-sirup program is being developed, approval of which would result in a further increase in the income of sugarcane growers in Louisiana.

It is around the cotton-adjustment program and processing tax, as you know, that the enemies of a new deal for agriculture have rallied. They haven't quite got the nerve to say that the cotton farmer is making too much money, but if they win their fight against the cotton program, the cotton farmer will certainly soon be making less money. To the textile operators who object to paying 16 cents a pound for cotton (market price plus processing tax), to labor leaders who fear that 16 cents for cotton may injure labor, let me direct an interesting question: How much of a return per hour of labor will 16-cent cotton give the average share-cropper?

The minimum wage for textile workers in the South, under the Textile Code, is 30 cents an hour. Do the men who grow cotton do as well? I have had an analysis made for Georgia and Texas, including all the necessary items of expense and receipt. In 1934 I find 16-cent cotton brought to the average share-cropper in Georgia a wage of 14.6 cents per hour; in Texas, 16 cents an hour. Were these share-croppers to get 30 cents an hour for their labor on the cotton crop, as the Textile Code provides for textile labor, the price of cotton would have to be around 30 cents a pound.

It is true, of course, that the share-croppers have a little land on which to raise food and feed, but it is also true that the number of hours during the year when they can earn their 15 or 16 cents an hour cash income from cotton is severely limited. In view of these facts can either industry or labor fairly accuse agriculture of charging too much for its services and its products?

Agriculture is still a long way from having its fair share of the national income. Yet, when it comes down to a question of abundance versus scarcity, we find agriculture far closer to normal production than industry. The representatives of business have no right to complain about production control by the A. A. A. Throughout the depression agriculture kept on producing at the same old rate, and prices were cut in two. You didn't see industry let its prices fall 50 percent. Industry cut production 50 percent in order to maintain prices within 20 percent of normal. Farm-machinery production was cut 80 percent while prices dropped only 5 percent. Acres of factories were left idle; millions of workers were plowed out into the streets.

Last year, despite the worst drought on record, agriculture produced within 15 percent of 1929 production. Industry was still 40 percent under 1929. This year, agriculture will probably come even closer to 1929 production. Will industry do as well?

Those who charge the A. A. A. of inducing scarcity simply do not know the facts. The American farmer always has produced enough food for every man, woman, and child in the United States, and I am sure he will continue to, given a chance to stay on his farm and in business. The adjustment programs have cut down production for an export market which no longer exists; they have not deprived the American people of an ounce of necessary food.

This year, given average weather, the harvested acreage of our 18 most important food and feed crops will be 40 million acres above that of last year. That means an increase of 16 percent over last year. To me that does not spell the economics of scarcity. Agriculture did not start the scarcity idea, has never practiced it, and never will. It asks for a society in which all groups will produce for an ever-increasing demand, but a society in which the productive effort and the productive reward of each great group will be in continuous balance with all.

That is the purpose and the method of the adjustment administration. Agriculture must insist upon the use of governmental powers exactly as long as they are employed by labor and industry and finance.

The processing tax is the farmer's tariff, the marketing agreements and licenses are the farmer's corporation laws. When industry is willing to abandon its tariffs, agriculture will be willing to abandon the processing tax; when business agrees to repeal the statutes authorizing corporations, agriculture will gladly abandon marketing agreements and licenses.

I confess I am impatient with those old-fashioned Jeffersonians who don't realize that the tariff and corporations have come to dominate our industrial and business economy; who forget that the farmer has always been the only unorganized force in America.

These people have never looked into the soul of Jefferson—he would be for the farmer now and he would realize that we must play the game with the rules as they are today. Whatever else he was, Jefferson was invariably the practical statesman.

The Republicans and some Democrats say farmers should do nothing for themselves, but should break the big corporations. It is awfully easy to arouse farmers this way, for they have been betrayed again and again by corporations. But making speeches against corporations, even passing antitrust laws against them, does not get us anywhere. The only sensible alternative is for agriculture to obtain and to use governmental powers comparable with those already used by corporations.

That is what agriculture is doing under the A. A. A., but as I said at the outset, agriculture's continued use of these powers is today in danger. The ghost of Hamilton is abroad in the land. He has come back because he sees that his economic victory of a century or more ago is in peril. As he was watched the new deal, he has discovered to his horror that it not only proposes to give the management of their economic affairs to the people but that it actually has put the notion into practice. He thought that he had established an economic government of, by, and for the few; and he has come back because we have strayed far from his principles.

The ghost of Hamilton does not like to see governmental powers loaned to some six or seven million farmers. Farmers, he would say, exist merely to provide the cities with cheap food and manufacturers with cheap raw materials. Farmers, he would continue, have already won too much through the Agricultural Adjustment Act. It is time to scrap it, says the ghost of Hamilton; time to pound the rostrum and holler about invasions of liberty (whose liberty?); time to suppress, once and for all, the agrarian spirit which is forever disturbing a status quo so comfortable—for the Hamiltonians.

I say it is time to lick the ghost of Hamilton. I say it is time for farmers to get up on their hind legs and fight for what they know to be simple justice.

CONSIDERATION OF H. R. 6914

Mr. GREENWOOD. Mr. Speaker, by direction of the Committee on Rules, I present a privileged report for printing under the rule.

The resolution is as follows:

House Resolution 223

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 6914, "A bill to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests", etc. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House, with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill, and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

EXTENSION OF REMARKS

Mr. BELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address delivered on Mother's Day by Dr. Raphael H. Miller.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, who is Dr. Miller?

Mr. BELL. He is pastor of the National City Christian Church. It is a Mother's Day address, a patriotic address, in which the Members of the House may be interested.

Mr. SNELL. A few days ago it was announced that you were not going to put any more outside addresses in the RECORD. If the majority wants to put this in, let it go on.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, I feel that we ought to have some definite policy in the House as to what material shall properly go in the RECORD. It is difficult to draw a positive rule. Nevertheless I am confident that the sentiment of the House is that we ought to have some understanding so that Members will not feel that they are being unkindly treated or discriminated against when someone objects. My judgment is the House should restrict the insertion of outside matters much more than we do. It costs the Government an enormous amount of money to print the CONGRESSIONAL RECORD. The insertion of a reasonable amount of important statements of Government officials on matters that are of general interest to the country is justifiable. I, of course, do

not pretend to determine this question. We have never had any hard-and-fast rule. I have often thought there ought to be some committee to whom all these requests for the inclusion of matters other than a Member's own remarks should be submitted so there would be some system of treating all Members fairly and at the same time protecting the RECORD in an orderly way.

Mr. SNELL. Mr. Speaker will the gentleman yield?

Mr. TAYLOR of Colorado. Yes.

Mr. SNELL. As a matter of cold absolute fact we ought to confine matters in the RECORD to what takes place on the floor or to statements of Government officials.

Mr. TAYLOR of Colorado. I think that is right.

Mr. SNELL. When I was a part of the majority and responsible for these matters that is what I did as far as I was able to.

Mr. BULWINKLE. And what the gentleman from New York was not able to do we did for him.

Mr. SNELL. And I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TAYLOR of Colorado. Mr. Speaker, I feel constrained to object.

THE FARMERS' LOBBY

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, loud and long are the complaints—which are both amusing and disgusting—coming from Republican sources for the most part and voiced because of the visit of 4,000 farmers to the Nation's Capital.

With solemn faces and frantic assurances about their own purity, the defenders of reaction hold up their hands in holy horror because the farmers had the audacity to send a "lobby" to Washington.

How shocking! To what depths the agriculturists have sunk, that 4,000 of them come to Washington to express their opinions about legislation and policies. What frightfully unethical procedure for these men, who raise crops, milk cows, hoe potatoes, and plow in fields, to invade the sacred precincts of the District of Columbia and actually attempt to influence officials and the public! Of course, this has never been done before. Of course, it is an alarming innovation when representatives of a class seek to have laws enacted that they approve. Of course, in all previous times, from the day of the signing of the Declaration of Independence down to the present, Congress, the President, and other officials have lived in a sterilized political ether apart from people and all mundane influences, have never received appeals or requests to do this or that, and have never yielded in any degree to the advice or urging of anybody.

The Railroad Trust, the Oil Trust, the Beef Trust, the Sugar Trust, and all the other monopolies—none of them have ever maintained a lobby in Washington or spent money to entertain officials. Oh, no!

In view of this uninterrupted record of stainless virtue, it really is both astounding and awful that bronzed, muscular, hard-working, honest farmers whose toil produces so many essentials for the whole people should have the nerve to be seen and heard in Washington!

What are we coming to anyway? Cannot these farmers understand that they ought to stay home on their farms, mind their own business, keep their mouths shut, and let the representatives of the millionaire and billionaire corporations, with their diamond pins and rings and "biled" shirts have the Washington show to themselves?

Without discussing the policy of the Agriculture Department and the Agricultural Adjustment Administration which the farmers came to Washington to personally endorse, I want to say with all possible emphasis that they have as much right to come here as any class in this country—and much more right than the smooth and sleek lobbyists for big business. I am glad they came. I hope they come again and often. I hope they exercise increasing influence over legislation and policies as time goes on—and that the

same is true of wage workers. When farmers and workers have their say about our laws and methods of government, instead of Wall Street, the Nation will be considerably better off than it ever has been before.

The A. A. A. has undoubtedly made its mistakes, as all human institutions do. But the mistake has not been because agriculture was regulated and "regimented." If there have been errors, it was because there was not enough regulation and because it was not always gaged so that the producer would get the maximum of benefit. The principle of regulating agriculture and of regulating industry in the interest of the common people is a correct one, and the farmers are right in endorsing it, regardless of what we may think about details as to the application of the principle.

It ought not to be necessary to say that 4,000 farmers, or any other number of them, are within their rights in coming to Washington to express their opinions about public matters, just as trade-unionists and ex-service men and other citizens are. Whether they came here to endorse the A. A. A. or denounce it, to advocate Democracy or Republicanism or Socialism or the single tax or repeal or prohibition, or any other philosophy is beside the point. If they had made their pilgrimage for the purpose of assailing the new deal they would have had an equal right to travel to and from the city that is the seat of government.

It is just about time that the captains of industry, the kings of finance, and the czars of banking of the United States discover that the farmers of our country have as much—and far more—right to advocate political principles as the beneficiaries of special privilege.

Mr. HOEPEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short extract from a letter received from William Green, president of the American Federation of Labor.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD and to include therein a short extract from a letter received from Mr. Green. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object in order to know what Mr. Green is going to talk about.

Mr. SNELL. Mr. Speaker, I object.

ARMY PARTICIPATION IN OLYMPIC GAMES

Mr. PLUMLEY. Mr. Speaker, I am directed by the Committee on Military Affairs to ask unanimous consent for the present consideration of the bill S. 1803, to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Eleventh Olympic Games. This measure authorizes the Secretary of War to direct the training and attendance of personnel and animals of the Regular Army as participants in the Eleventh Olympic Games. There is no increase in the appropriation or expenditure, but it permits the charge for these expenses to be made to the appropriations for the support of the Army.

The SPEAKER. The gentleman from Vermont asks unanimous consent for the present consideration of a bill which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to direct the training and attendance of personnel and animals of the Regular Army as participants in the Eleventh Olympic Games: *Provided*, That all expenses incident to training, attendance, and participation in the Eleventh Olympic Games, including the use of such supplies, material, and equipment as in the opinion of the Secretary of War may be necessary, may be charged to the appropriations for the support of the Army: *Provided further*, That applicable allowances which are or may be fixed by law or regulations for participation in other military activities shall not be exceeded.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider the vote by which the bill was passed was laid on the table.

MILLIONS OF AMERICAN WORKINGMEN AND THEIR FAMILIES ARE DEMANDING THE RIGHT TO LIVE

Mr. HOEPEL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOEPEL. Mr. Speaker, we all recognize that the most important problem in America today is the problem of unemployment. In order to reduce or eliminate unemployment, it is imperative that we recognize and deal with its causes, rather than merely with its effects, as we are now doing. Some students of economics, including the Director of the Federal Emergency Relief Administration, have stated that we will always have 5,000,000 or more of our citizens unemployed. This would indeed be a tragic prospect if it were true—but fortunately, it is not.

It is an axiom of economics that if consumption, or distribution, can keep pace with production, we will have no unemployment. The advent of modern labor-saving machinery has, however, greatly accelerated production, making it possible for one individual, with a machine, to double, treble, and in some instances, to increase by a hundredfold the individual production capacity of the past, thus complicating the problem of balancing production with consumption.

The records of the American Federation of Labor disclose that organized labor is conscious of the fact that constant displacement is going on and wholesale additions are being made to the army of the unemployed. This has been caused by reason of the fact that various men are doing the work which a greater number of men were formerly employed to do.

In addition, the statistics of the Labor Bureau show that between 1923 and 1928, years of unusual prosperity, the number of factory workers in the United States actually decreased by one and a quarter million workers. The latest United States census shows that there were 330,000 fewer factory workers in 1914 than in 1930, despite a population increase since 1914 of 20,000,000, and an increase in factory production during the same period of 72 percent. We have here the positive, definite record that, with fewer factory workers we were producing 72 percent more in 1930 than in 1914.

We have shown a remarkable progress in mechanical development, which is, indeed, a testimonial to our inventive genius. Our mechanical progress, however, has assumed such proportions that unless it is controlled in the interest of society, it will develop into a veritable Frankenstein, which will annihilate society and government, as we now know it.

I do not wish to be understood as advocating the elimination or curtailment of labor-saving devices, but I do advocate a graduated tax on the labor-saving machines, or the products of such machines which violently displace labor. The tax derived from this source should be used wholly as a medium for unemployment insurance, to provide employment on public improvements and developments of a National or State-wide character for the workers displaced by the machine.

Admittedly, the levying of a technotax would be a radical innovation. Therefore, in justice to the owner of the machine and in the interests of the general welfare, I have introduced a resolution providing for an appropriation to conduct a thorough survey of the displacement of human labor by the machine, the results of which would be the basis for recommending to the Congress a plan of equitable taxation.

In the past 99 years our Government has issued approximately 2,000,000 patents. Assuredly no individual could consistently oppose the issuance of patents on devices which relieve human drudgery, improve the quality of a product, or which create employment through the establishment of new industries, such as the radio, the airplane, air conditioning, and so forth. However, no one will claim that a cotton-picking machine, now in process of development,

which, it is reported, will take the place of 100 laborers, will add one iota to the quality of the product. In an instance of this kind, we will find that 98 or more individuals per machine, who are already on the ragged edge of poverty, will lose even the small pittance heretofore earned as cotton pickers—they will become objects of charity—while the owner of the machine takes to himself the profits of mass production.

The labor-displacing machine will not buy, neither does it eat; nor does it pay other than a small property tax. The 98 individuals per machine who will be displaced by a mechanical cotton picker will add to the 15,000,000 who have already been released from private industry. These millions must be fed and subsisted in some manner, which, unfortunately, is now being accomplished by borrowing from the owner of the machine through the medium of tax-exempt securities. In other words, the plight of the unemployed and their families becomes increasingly desperate, while the wealth of the machine owner multiplies in the form of tax-exempt securities.

One of the dangerous aspects of the machine in its application today is that it is controlled by monied groups, comprising a very few individuals, thus continuing to concentrate wealth in the hands of a few, enforcing idleness on the workers displaced and adding to the misery of the masses. This is especially noticeable in the larger basic industries.

The technotax would make it possible for the small producer or manufacturer, with little or no mass-production machinery, to compete with the larger machine-equipped factories of the great industrialists. Rather than install expensive machinery and pay a tax thereon, the small manufacturer would employ more human labor, thus contributing toward relieving unemployment. The technotax would permit individual specialists, artists, and craftsmen to compete in industry with highly mechanized production, thus again spreading labor rather than constricting it; and thus, also, stimulating our interest in and appreciation of the finer things in life.

The owners of the labor-displacing machines, especially those in the larger industries, such as the steel, rubber, automobile, and other industries, and the owners of distinctive patent rights on machines which are leased and never sold, will register violent opposition to the technotax. It was necessary to fight a great Civil War to free the Negroes from their economic and physical bondage. In this day of enlightenment and the free exercise of the ballot it will not be necessary to make similar sacrifices to free our workers from the slavery of unemployment which is, indeed, the worst kind of slavery for the worker and his family.

Before the advent of the modern machine every boat load of slaves brought from Africa added to the wealth and also to the leisure of the southern planter. Every modern labor-saving machine adds to the wealth of the big industrialists, while it multiplies the misery of the workers who are displaced by the machine.

My limited time precludes going into detail on the subject of labor displacement by the machine, but in the coal-mining industry alone it is estimated that no less than 100,000 men have been displaced by machinery during the past 10 years, and notwithstanding this, according to the Bureau of Mines, the price of coal in 1934 was higher than in 1929.

In addition, I will mention briefly some of the basic industries which utilize labor-saving machinery to the utmost and in which workers are continually displaced in almost unbelievable numbers.

The glass industry affords a striking illustration. In this industry one machine, in many instances, displaces 30 or 40 workers.

In the brick industry, in the pottery industry, and especially in the steel, automobile, and rubber industries we find an inordinate displacement of man power through the adoption of labor-saving devices.

Even in the business of cleaning poultry we find human labor displaced by approximately 50 percent due to a recently

developed cleaning machine. With a recently patented egg breaker, one person does the work heretofore performed by six.

We have an automatic telegraph and linotype machine in the course of development which will displace thousands of telegraph and linotype operators.

Thousands upon thousands of girls lost their positions due to the adoption of the dial system of telephoning.

Television is now being developed and may eventually supplant the movies.

A machine is now being developed which will manufacture shoes from the cured hide to the finished product without human hands.

So much for examples of labor displacement. I could go on for hours describing how the iron man has enslaved and impoverished his prototype of flesh and blood.

Present banking and economic principles were accepted when production was dependent upon human muscles. Now that muscles of steel have taken the place of human muscles in the basic industries, we must adapt ourselves to the circumstances which confront us and free the American citizen from the enforced thralldom of unemployment due to machine displacement. Our scientific advance has outdistanced our social progress. If we will tax the machines to provide honest work, we will then have a satisfied, contented citizenship, with an assured earned income to every individual through the products of his labor, rather than the present capitalistic dole system.

With several million young men and women of America entering the ranks of labor each year, we cannot close our eyes to positive causes and deal only with effects of unemployment, as we are now doing. The welfare of future generations and the safety of our democratic form of government demand that youth be given an opportunity to labor, to provide homes for themselves, and to live normal, independent lives.

Either the Government must own the machines which displace human labor or the Government must levy a tax on such machines, especially on the group machines, to compensate to some degree for the labor displaced. From my observation here in Washington and from my experience with the enormous, inefficient bureaucracies established under the new deal, I am free to say that I am opposed to the Government owning the machines, and I do not favor the Government entering into competition with private industry anywhere, except perhaps in the field of natural resources.

The question at issue is whether the capitalistic system will crush the individual or whether it will be modified so that production and distribution will be kept in balance through the medium of a commodity dollar, the value of which should be controlled by the Congress of the United States, and not by the private bankers who own and control the Federal Reserve System.

Property rights, in no event, should take precedence over human rights. The agencies of entrenched and monopolistic wealth will oppose a tax on the labor-displacing machine with the same vehemence that the southern planters opposed the abolition of Negro slavery. Congress must respect human rights and the tenets of the Constitution which authorize taxation in the general welfare. Common sense itself would indicate that the agency which creates unemployment should bear the brunt of taxation to compensate for the havoc which it creates.

NATIONAL BOY SCOUTS JAMBOREE

Mr. DRIVER, from the Committee on Rules, reported the following resolution for printing under the rules, which was referred to the House Calendar and ordered printed:

House Resolution 224

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. J. Res. 285, "A joint resolution to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree

to be held in the United States in 1935." That after general debate, which shall be confined to the joint resolution, and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Immigration and Naturalization, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

LEGISLATIVE APPROPRIATION BILL, 1936

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the legislative appropriation bill, with Mr. BULWINKLE in the chair.

The Clerk reported the title of the bill.

Mr. LUDLOW. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. BLANTON].

UNRELIABLE NEWSPAPERS

Mr. BLANTON. Mr. Chairman, Mr. Eugene Meyer's Washington Post and Mr. William Randolph Hearst's Washington Herald and Times again today state a malicious, deliberate lie about me. It is not astonishing, because they cannot tell the truth.

This Eugene Meyer is the same Eugene Meyer who used money he filched from the Government to rob the little McLean heirs out of their \$2,000,000 worth of Washington Post property. I am going to tell all the facts about him sometime.

The William Randolph Hearst I refer to is the same William Randolph Hearst, a moral pervert and degenerate, who has been using an unmerited inheritance of money to shock decent society.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. No; I do not, as I want to use only 1 minute.

Mr. SNELL. Mr. Chairman, what is before the House?

Mr. BLANTON. I have been yielded time in general debate, and do not want to be interrupted.

The CHAIRMAN. The gentleman from Texas has been yielded 1 minute by the gentleman from Indiana.

Mr. BLANTON. And if Mr. Hearst continues this, I am going to tell how he is using that money out on the Pacific coast and in New York and has been using it for 25 years. That is all I have to say.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. LUNDEEN].

Mr. LUNDEEN. Mr. Chairman, the recent tragic school-bus accident near Rockville, Md., snuffed out the lives of 14 high school children and injured 13 more. Attention has again been concentrated on the terrible toll of deaths and injuries in traffic accidents in this country. Few realize how this toll has been growing. In the last 10 years the number of deaths on our highways has about doubled, reaching the all-time high of nearly 36,000 deaths in 1934. For every 7 persons killed in 1933 in automobile accidents, 8 were killed in 1934. Every 15 minutes someone is killed, and every 30 seconds some person is injured in a traffic accident. It has been estimated that if the present trend of traffic accidents continues, out of each 100 persons born today, 14 will be killed or seriously injured in traffic accidents and 80 will sustain minor injuries. This information comes to me from the director of safety and traffic engineering of the American Automobile Association.

THE STREET IS MORE DANGEROUS THAN THE BATTLEFIELD

In the 18 months of the United States' participation in the World War, 50,510 American soldiers were killed. In the same number of months, from July 1, 1930, through December 31, 1931, 53,650 Americans were killed by motor vehicle accidents. The toll for the last 18 months is still higher. The six major wars in which the United States has participated since its birth as a nation cost less than 300,000 American lives. During 15 years of peace time 1,300,000—over four times as many American people—were killed by accidents, and millions more have been disabled for life.

One million more people killed in American accidents in 15 years of peace than in all major wars of our history. This and a great deal of additional information has been compiled by Ernest Greenwood in his recent book, *Who Pays?*

MOTOR VEHICLE ONLY ONE KIND OF ACCIDENT

On an average, 90,000 to 100,000 people are killed each year by accidents; 300,000 are permanently disabled; and more than 8,000,000 injured. One hundred thousand American lives lost each year by accidents—8,000 deaths a month, 2,000 a week, 275 a day, 12 every hour. Every 5 minutes a life is lost by accident.

The National Safety Council reports that accidents were responsible for approximately 9,500,000 disabling injuries in 1934. The cost of these injuries, including wage loss and medical expense, approximated \$2,400,090,000. To this sum may be added approximately \$800,000,000 for property damage in motor-vehicle accidents and \$300,000,000 property loss in fires, making a total of \$3,500,000,000.

KINDS OF ACCIDENTS

By far the largest number of accidents are caused by motor vehicles. Of the 99,000 accidental deaths occurring in 1934, 35,500 were caused by motor vehicles; 33,000 accidental deaths were caused in the home; 17,500 were caused by accidents of a public character, not including motor vehicle accidents; 15,500 were caused by occupational injuries—Preliminary 1935 Edition of Accident Facts, National Safety Council.

AIRPLANE ACCIDENTS

Recurring sensational headlines flaring forth the toll of lives lost in every airplane accident mislead the public, and cause many of our good citizens to shrink from travel by air. As a matter of fact, a report of the Federal Coordinator of Transportation on Passenger Traffic published 1935, page 23, indicates that airway carriers fly 24,700,000 passenger miles for each fatality, whereas private automobiles drive only 11,300,000 miles. There are more than twice as many private automobile fatalities per number of miles traveled as there are deaths on airway carriers.

MOTOR-VEHICLE ACCIDENTS

Motor-vehicle accidents are divided into several classes:

1. Automobile accidents, excluding collisions with railroad trains and street cars.
2. Automobile accidents in collision with railroad trains.
3. Automobile accidents in collision with street cars.
4. Motorcycle accidents.

The trend of motor vehicle deaths is shown in a report of the Census Bureau for the years 1931, 1932, and 1933. In addition to the figures given by the Bureau for 1931, 1932, 1933, I might say that the National Safety Council estimates that in 1934 there were 1,250,000 disabling injuries resulting from motor-vehicle accidents, in which 35,500 persons were killed. The Bureau of the Census has published the statistics which I will now present to you on the fatalities due to motor-vehicle accidents in 1933, 1932, and 1931. This summary gives the figures for the United States and for each State, the number of deaths, and the death rates due to motor-vehicle accidents, automobile accidents excluding collisions with street cars or railroad trains, automobile accidents in collision with railroad trains, automobile accidents in collision with street cars, and motorcycle accidents.

Summary of fatalities due to motor-vehicle accidents, 1933, 1932, 1931

Area	All motor-vehicle accidents			Number of deaths and death rates from—									Motorcycle accidents		
				Automobile accidents (except collisions with railroad trains and street cars)			Automobile accidents in collision with—								
							Railroad trains			Street cars					
	1933	1932 ¹	1931 ¹	1933	1932 ¹	1931 ¹	1933	1932 ¹	1931 ¹	1933	1932 ¹	1931 ¹	1933	1932 ¹	1931 ¹
United States:															
Number	31,363	28,361	32,429	29,323	26,350	30,042	1,437	1,466	1,651	318	304	419	285	241	317
Rate	25.0	23.6	27.2	23.3	21.9	25.2	1.1	1.2	1.4	0.3	0.3	0.4	0.2	0.2	0.3
Alabama:															
Number	506	424	496	485	405	472	12	16	21	3	1	2	6	2	
Rate	18.8	15.8	18.6	18.0	15.1	17.7	0.4	0.6	0.8	0.1	(?)	0.1	0.2	0.1	(?)
Arizona:															
Number	154	166	159	147	162	149	7	3	9					1	
Rate	34.0	37.1	35.9	32.5	36.2	33.6	1.5	0.7	2.0					0.2	0.2
Arkansas:															
Number	292	282	343	280	290	313	9	19	28		2		3	1	2
Rate	15.6	15.1	18.4	15.0	13.9	16.8	0.5	1.0	1.5		0.1		0.2	0.1	0.1
California:															
Number	2,422	2,355	2,568	2,233	2,198	2,367	104	74	109	55	48	63	30	35	29
Rate	40.0	39.6	43.9	36.8	37.0	40.5	1.7	1.2	1.9	0.9	0.8	1.1	0.5	0.6	0.5
Colorado:															
Number	321	302	340	298	284	319	16	10	16	3	4	2	4	4	3
Rate	30.5	28.8	32.6	28.3	27.1	30.6	1.5	1.0	1.5	0.3	0.4	0.2	0.4	0.4	0.3
Connecticut:															
Number	474	424	476	452	409	457	10	6	1	8	3	9	4	6	9
Rate	28.8	25.9	29.3	27.5	25.0	28.1	0.6	0.4	0.1	0.5	0.2	0.6	0.2	0.4	0.6
Delaware:															
Number	87	82	82	84	79	76	2	2	3				1	1	3
Rate	36.1	34.2	34.2	34.9	32.9	31.7	0.8	0.8	1.3				0.4	0.4	1.3
District of Columbia:															
Number	143	193	165	142	186	161					6	1	1	1	3
Rate	28.9	39.1	33.6	28.7	37.7	32.8					1.2	0.2	0.2	0.2	0.6
Florida:															
Number	546	511	554	494	485	518	47	13	28	1	3	1	4	10	7
Rate	35.1	33.4	36.8	31.8	31.7	34.4	3.0	0.9	1.9	0.1	0.2	0.1	0.3	0.7	0.5
Georgia:															
Number	682	589	647	651	541	608	25	38	34	3	2	1	3	8	4
Rate	23.4	20.2	22.2	22.4	18.6	20.9	0.9	1.3	1.2	0.1	0.1	(?)	0.1	0.3	0.1
Idaho:															
Number	124	89	88	117	86	83	7	2						1	
Rate	27.7	19.9	19.7	26.2	19.2	19.7	1.6	0.4						0.2	
Illinois:															
Number	2,149	2,037	2,370	1,943	1,831	2,049	154	156	238	35	42	70	17	8	13
Rate	27.5	26.2	30.7	24.8	23.6	26.5	2.0	2.0	3.1	0.4	0.5	0.9	0.2	0.1	0.2
Indiana:															
Number	1,137	1,017	1,216	979	845	1,023	133	140	150	20	25	37	5	7	6
Rate	34.5	31.1	37.3	29.7	25.8	31.4	4.0	4.3	4.6	0.6	0.8	1.1	0.2	0.2	0.2
Iowa:															
Number	565	482	624	514	422	564	43	50	51	3	7	4	5	3	5
Rate	22.8	19.4	25.2	20.7	17.0	22.8	1.7	2.0	2.1	0.1	0.3	0.2	0.2	0.1	0.2
Kansas:															
Number	523	443	460	482	386	402	35	47	50	4	5	4	2	5	4
Rate	27.5	23.4	24.4	25.4	20.4	21.3	1.8	2.5	2.6	0.2	0.3	0.2	0.1	0.3	0.2
Kentucky:															
Number	534	473	544	504	441	514	21	26	21	2	3	5	7	3	4
Rate	20.2	17.9	20.7	19.0	16.7	19.5	0.8	1.0	0.8	0.1	0.1	0.2	0.3	0.1	0.2
Louisiana:															
Number	405	356	421	395	341	412	3	11	7	2	2	1	5	2	1
Rate	18.8	16.7	19.8	18.3	15.9	19.4	0.1	0.5	0.3	0.1	0.1	(?)	0.2	0.1	(?)
Maine:															
Number	203	160	180	190	149	159	10	9	14			2	3	2	5
Rate	25.3	20.0	22.5	23.7	18.6	19.9	1.2	1.1	1.8			0.3	0.4	0.2	0.6
Maryland:															
Number	449	429	503	429	410	466	6	13	14	10	5	14	4	1	9
Rate	27.0	26.0	30.6	25.8	24.8	28.3	0.4	0.8	0.9	0.6	0.3	0.9	0.2	0.1	0.5
Massachusetts:															
Number	823	807	848	801	777	813	16	17	22	2	4	3	4	9	10
Rate	19.1	18.8	19.8	18.6	18.1	19.0	0.4	0.4	0.5	(?)	0.1	0.1	0.1	0.2	0.2
Michigan:															
Number	1,302	1,245	1,521	1,196	1,143	1,407	80	90	94	10	6	8	15	6	12
Rate	25.8	25.0	30.8	23.7	22.9	28.5	1.6	1.8	1.9	0.2	0.1	0.2	0.3	0.1	0.2
Minnesota:															
Number	580	531	657	525	486	622	39	39	27	10	6	6	6		2
Rate	22.4	20.5	25.5	20.2	18.8	24.1	1.5	1.5	1.0	0.4	0.2	0.2	0.2		0.1
Mississippi:															
Number	301	241	295	283	234	284	16	7	10	1			1		1
Rate	14.7	11.8	14.6	13.8	11.5	14.0	0.8	0.3	0.5	(?)			(?)		(?)
Missouri:															
Number	822	751	904	770	690	844	41	45	40	10	12	14	1	4	6
Rate	22.4	20.5	24.8	21.0	18.9	23.1	1.1	1.2	1.1	0.3	0.3	0.4	(?)	0.1	0.2
Montana:															
Number	119	98	128	115	96	118	4	2	8			1			1
Rate	22.1	18.2	23.8	21.4	17.9	21.9	0.7	0.4	1.5			0.2			0.2
Nebraska:															
Number	307	224	316	283	212	291	20	10	22	2	1	1	2	1	2
Rate	22.1	16.1	22.8	20.3	15.3	21.0	1.4	0.7	1.6	0.1	0.1	0.1	0.1	0.1	0.1
Nevada:															
Number	64	60	63	63	59	63		1					1		
Rate	68.8	64.5	68.5	67.7	63.4	68.5		1.1					1.1		
New Hampshire:															
Number	145	72	111	135	70	100	5	2	9				5		2
Rate	30.9	15.4	23.8	28.8	15.0	21.4	1.1	0.4	1.9				1.1		0.4
New Jersey:															
Number	1,188	1,162	1,296	1,147	1,105	1,229	19	45	46	3	3	7	19	9	14
Rate	28.3	28.0	31.5	27.4	26.6	29.9	0.5	1.1	1.1	0.1	0.1	0.2	0.5	0.2	0.3
New Mexico:															
Number	102	98	99	102	97	95		1	3						1
Rate	23.5	22.7	23.1	23.5	22.5	22.2		0.2	0.7						0.2
New York:															
Number	2,933	2,986	3,237	2,784	2,813	3,077	105	124	100	18	26	29	26	23	31
Rate	22.6	23.2	25.4	21.5	21.9	24.1	0.8	1.0	0.8	0.1	0.2	0.2	0.2	0.2	0.2

[See footnotes at end of table]

Summary of fatalities due to motor-vehicle accidents, 1933, 1932, 1931—Continued

Area	All motor-vehicle accidents			Number of deaths and death rates from—									Motorcycle accidents		
				Automobile accidents (except collisions with railroad trains and street cars)			Automobile accidents in collision with—								
							Railroad trains			Street cars					
	1933	1932	1931	1933	1932	1931	1933	1932	1931	1933	1932	1931	1933	1932	1931
North Carolina:															
Number.....	776	598	696	725	558	650	41	34	34	2	2	8	6	10	
Rate.....	23.7	18.4	21.6	22.1	17.2	20.2	1.3	1.0	1.1	0.1	0.1	0.2	0.2	0.3	
North Dakota:															
Number.....	117	59	115	101	57	110	16	2	5						
Rate.....	17.0	8.6	16.8	14.7	8.3	16.1	2.3	0.3	0.7						
Ohio:															
Number.....	2,040	2,012	2,247	1,829	1,822	1,970	150	152	199	49	26	54	12	12	24
Rate.....	30.0	29.8	33.5	26.9	27.0	29.3	2.2	2.3	3.0	0.7	0.4	0.8	0.2	0.2	0.4
Oklahoma:															
Number.....	512	464	442	485	437	404	23	20	30	1	4	3	3	8	
Rate.....	20.8	19.0	18.2	19.7	17.9	16.7	0.9	0.8	1.2	(?)	0.2	0.1	0.1	0.3	
Oregon:															
Number.....	267	247	307	249	223	292	16	17	6	1	4	7	1	3	2
Rate.....	27.2	25.4	31.7	25.3	22.9	30.2	1.6	1.7	0.6	0.1	0.4	0.7	0.1	0.3	0.2
Pennsylvania:															
Number.....	2,319	2,161	2,538	2,190	2,043	2,412	54	56	59	35	32	32	40	30	35
Rate.....	23.7	22.2	26.2	22.4	21.0	24.9	0.6	0.6	0.6	0.4	0.3	0.3	0.4	0.3	0.4
Rhode Island:															
Number.....	97	106	119	97	101	116			2		2	1		3	
Rate.....	13.8	15.2	17.1	13.8	14.5	16.7			0.3		0.3	0.1		0.4	
South Carolina:															
Number.....	359	337	397	342	329	380	14	6	14			3	2	3	
Rate.....	20.5	19.3	22.8	19.6	18.9	21.8	0.8	0.3	0.8			0.2	0.1	0.2	
South Dakota:															
Number.....	119	110	124	115	101	116	4	9	7					1	
Rate.....	17.0	15.7	17.8	16.4	14.4	16.6	0.6	1.3	1.0					0.1	
Tennessee:															
Number.....	556	498	576	540	474	547	9	16	16	5	2	3	2	6	10
Rate.....	20.9	18.8	21.8	20.3	17.9	20.7	0.3	0.6	0.6	0.2	0.1	0.1	0.1	0.2	0.4
Texas:															
Number.....	1,355	332	409	1,292	317	384	44	6	11	7	4	3	12	5	11
Rate.....	22.5	26.3	32.4	21.5	25.1	30.4	0.7	0.5	0.9	0.1	0.3	0.2	0.2	0.4	0.9
Utah:															
Number.....	140	121	165	135	115	157	2	4	6	2	2		1		2
Rate.....	27.0	23.5	32.2	26.1	22.3	30.7	0.4	0.8	1.2	0.4	0.4		0.2		0.4
Vermont:															
Number.....	73	66	74	70	63	71	2	3	3				1		
Rate.....	20.2	18.3	20.6	19.4	17.5	19.7	0.6	0.8	0.8				0.3		
Virginia:															
Number.....	615	609	693	592	561	656	17	37	25	1	4	4	5	7	8
Rate.....	25.2	25.0	28.5	24.3	23.0	27.0	0.7	1.5	1.0	(?)	0.2	0.2	0.2	0.3	0.3
Washington:															
Number.....	462	441	486	442	413	461	14	24	11		2	13	6	2	1
Rate.....	28.9	27.8	30.8	27.6	25.0	29.2	0.9	1.5	0.7		0.1	0.8	0.4	0.1	0.1
West Virginia:															
Number.....	390	341	437	382	332	427	7	5	4		1	1	1	3	5
Rate.....	22.0	19.4	25.0	21.5	18.9	24.4	0.4	0.3	0.2		0.1	0.1	0.1	0.2	0.3
Wisconsin:															
Number.....	677	692	792	627	624	731	35	57	41	10	5	14	5	6	6
Rate.....	22.6	23.3	26.7	21.0	21.0	24.7	1.2	1.9	1.4	0.3	0.2	0.5	0.2	0.2	0.2
Wyoming:															
Number.....	87	78	101	87	78	98			3						
Rate.....	37.7	34.1	44.3	37.7	34.1	43.0			1.3						

1 Included 96.3 percent of total population.

2 Less than one-tenth of 1 per 100,000 population.

3 Population Apr. 1, 1930; no estimate made.

4 Data for 1931 and 1932 for only 8 registration cities of Texas: Beaumont, Dallas, El Paso, Fort Worth, Galveston, Houston, San Antonio, and Waco.

COSTS OF ACCIDENTS—AUTOMOBILE

"A billion and a quarter dollars a year would be saved in the United States if we would only cut out preventable accidents", says the Literary Digest for October 3, 1931. Sixty percent of this cost is declared to be avoidable. The National Safety Council estimates the cost of motor-vehicle accidents for 1934 to be \$1,570,000,000.

Another writer estimates a total economic loss from automobile accidents alone of \$2,500,000,000 a year, or five times as great as the gross funded debt of New York State. (Ernest Greenwood, Who Pays? p. 37.)

COST OF INDUSTRIAL ACCIDENTS

For occupational accidents the cost of claims, medical service, hospitalization, and funerals is estimated by the National Safety Council at \$590,000,000 for 15,500 deaths per year, and approximately 1,334,500 nonfatal injuries. Add to this cost the economic loss due to slowing up of production, spoilage of materials, and injury to machinery, and you will have a total estimated by one authority of \$5,000,000,000 a year for the cost of industrial accidents—12 times the value of property destroyed each year by fire, twice as much as we spend on our public-school system.

COST OF ACCIDENTS IN THE HOME

For the 4,767,000 personal injury nonfatal accidents and the 33,000 deaths resulting from injuries in the home, the

National Safety Council has estimated the cost at \$600,000,000 a year.

A table of estimated costs of accidents has been carefully prepared by Ernest Greenwood, whose other statistics I have already quoted. To quote Mr. Greenwood's table (appendix A, Who Pays?):

Authorities differ as to the economic loss due to occupational accidents (wage losses, medical expense, and the overhead cost of compensation insurance) but it has been placed at \$10,000,000,000 by the engineering department of the National Bureau of Casualty and Surety Underwriters. A careful and detailed analysis of 75,000 personal-injury industrial accidents indicates that the intangible loss—spoilage of material, injury to machinery, the general slowing down of processes, etc.—to be about four times this amount, which means that the actual cost of industrial accidents is about.....	\$5,000,000,000
The National Safety Council estimates that the wage loss, medical expense, and overhead cost of insurance in connection with 1933 fatal and nonfatal injuries in motor-vehicle accidents at about \$680,000,000. The intangible losses are at least three times this amount, bringing the cost of automobile accidents up to more than.....	2,500,000,000
The cost in wage loss, medical expense, and overhead cost of insurance of home accidents amounts to about \$550,000,000. It is difficult to estimate the intangible losses, but they must be at least twice this amount, making the total cost.....	1,650,000,000

Balance to cover the cost of transportation and public accidents other than motor vehicle.....	\$950,000,000
Total.....	10,000,000,000

TREND OF ACCIDENTS

Faced with these staggering numbers and costs of accidents, we want to know what is the present trend in accidents. Are they increasing or decreasing with the increase in civilization's complexity?

INCREASE IN MOTOR-VEHICLE ACCIDENTS

For automobile accidents the National Safety Council reports an increase in automobile accident deaths from 31,363 in 1933 to 35,550 in 1934. This is a percentage increase per 100,000 population of from 25.0 in 1933 to 28.1 in 1934.

Some authorities attribute the decrease in automobile-accident deaths which occurred between the years 1931 (32,429) and 1932 (28,361) to the depression and consequent more infrequent use of automobiles. But the number of automobile fatalities increased again in 1933 (31,363) over 1932, and still again in 1934 (35,550 estimate). This is an increase per 100,000 of population, an increase per 100,000 cars, and an increase per 10,000,000 gallons of gasoline consumed. If the increase in automobile-accident deaths were exactly in proportion to the number of automobiles in use, varying rates of accident deaths might be attributed to depression and recovery. But when the number of deaths increase per number of cars in use and number of gallons of gasoline consumed, the present trend toward a continued increase of automobile accident deaths becomes cause for alarm.

MINNESOTA ACCIDENT RATES

The Minnesota Safety Council has just published some interesting statistics with reference to the trend of motor-vehicle accident fatalities in the State of Minnesota for the 5 years 1929 to 1933, inclusive. The figures show that regardless of panic or boom there were more motor-vehicle fatalities in 1933 than the peak boom year 1929. And the year 1931, the bottom year of the panic on the basis of national income, brought the highest number of motor-vehicle fatalities for the State of Minnesota. I am at this time offering no deductions of my own on the causes of increases and decreases. I am presenting the facts for observation and study:

Motor-vehicle accident fatalities, Minnesota, 1933, Minnesota Safety Council

Section	Population (1930)	Motor vehicles (1932)	Motor vehicles (1933)	Deaths (1929)	Deaths (1930)	Deaths (1931)	Deaths (1932)	Deaths (1933)
Minneapolis.....	464,356	128,511	127,317	90	94	87	72	88
St. Paul.....	271,606	70,070	69,419	50	60	61	67	68
Duluth.....	101,463	20,787	20,634	28	27	20	19	19
Balance of State.....	1,726,528	487,781	483,208	389	403	479	366	386
Total.....	2,563,953	707,149	700,578	557	584	647	524	561

Fatal motor-vehicle accidents by months, entire State

Month	1929	1930	1931	1932	1933
January.....	18	27	49	29	27
February.....	16	31	36	17	21
March.....	20	28	34	32	20
April.....	21	29	38	28	21
May.....	38	41	52	36	34
June.....	61	41	49	40	39
July.....	55	61	79	51	57
August.....	59	62	55	51	62
September.....	68	58	55	54	57
October.....	48	59	63	49	62
November.....	63	65	54	48	50
December.....	38	41	48	47	64
Railroad crossings and street cars.....	52	41	35	42	47
Total.....	557	584	647	524	561

For the first 5 months of 1934 the Minnesota Public Safety Committee reports motor-vehicle accident fatalities increased 57.7 percent over the first 5 months of 1933 in Minnesota. But during the last 7 months of 1934 the number of fatalities decreased 12 percent. The total

number of 1934 fatalities amounted to 628, an increase over the previous year. On May 18, 1934, the Minnesota public safety educational program was inaugurated at a meeting held at the State Capitol. The Minnesota public safety committee claims that this accounts for the sharp drop in the number of fatalities the last half of the year, in contrast to the record for the first half of the year.

MONTH BY MONTH ANALYSIS FOR MINNESOTA

The actual month by month automobile accident fatalities for Minnesota tend to bear out the claims of the Minnesota public safety committee. I now present Minnesota's record for 1934 by months.

Analysis of 1934 Minnesota motor-vehicle fatalities by Minnesota Public Safety Educational Committee

MONTHLY VARIATIONS OF MOTOR-VEHICLE DEATHS IN MINNESOTA, COMPARING 1933 WITH 1934 DEATHS PER 10,000,000 GALLONS OF GASOLINE CONSUMED

Month	1933 deaths	Gallons of gasoline consumed	Rate per 10,000,000 gallons	1934 deaths	Gallons of gasoline consumed	Rate per 10,000,000 gallons
January.....	30	23,435,823	12.8	37	25,822,881	14.3
February.....	23	18,896,620	12.2	47	22,888,921	20.5
March.....	22	25,427,210	8.6	59	29,587,167	19.9
April.....	23	32,484,590	7.1	34	32,211,203	10.6
May.....	35	36,707,333	9.5	47	36,159,925	13.0
June.....	42	39,832,284	10.5	41	35,958,212	11.4
July.....	63	36,250,149	17.4	61	39,973,645	15.3
August.....	65	40,268,420	16.1	65	41,085,042	15.8
September.....	62	38,566,214	16.1	83	38,388,659	21.6
October.....	76	32,822,161	23.2	62	40,347,522	15.4
November.....	56	29,768,095	18.8	70	36,306,474	19.3
December.....	77	23,107,430	33.3	35	26,282,750	13.3
Total.....	574	377,566,379	15.2	641	405,012,401	15.8

The chart shows that there were 91 more deaths during the first 5 months of 1934 as compared with the same period of 1933, and 24 less deaths during the last 7 months of 1934 as compared with the same period of 1933. Increase in gasoline consumption for the period January through May 1934 as compared with the same period during 1933 was 7.1 percent. Increase in gasoline consumption for the period June through December 1934 was 7.4 percent over the same period in 1933.

MOST DANGEROUS DAYS AND HOURS

The Travelers Insurance Co., of Hartford, Conn., reports that Sunday is the most dangerous day for automobile drivers; Saturday is second, and Tuesday last. The story for 1934 is told clearly in chart form:

Days of occurrence of automobile accidents resulting in persons killed and injured in 1934

	Number of accidents	Percent	Persons killed	Percent	Persons injured	Percent
Sunday.....	153,470	17.4	7,380	20.5	164,090	17.2
Monday.....	117,300	13.3	4,500	12.5	127,840	13.4
Tuesday.....	106,720	12.1	3,920	10.9	116,390	12.2
Wednesday.....	109,370	12.4	4,250	11.8	119,250	12.5
Thursday.....	113,780	12.9	4,360	12.1	123,060	12.9
Friday.....	119,070	13.5	4,790	13.3	128,790	13.5
Saturday.....	162,290	18.4	6,800	18.9	174,580	18.3
Total.....	882,000	100.0	36,000	100.0	954,000	100.0

The most dangerous hour is from 5 to 6 in the afternoon, judging from the percentage of accidents which occurred during that hour. However, the fatality rate was higher for other hours. It is significant that from 6 a. m. to 6 p. m., the normal daylight hours, there were 459,510 automobile accidents, in which 15,050 persons were killed.; from 6 p. m. to 6 a. m., the normal hours of darkness, when the volume of traffic is one-fifth as great as in the daytime, 422,490 accidents occurred, in which 20,950 persons were killed. The rate of death per accident was 51.4 percent worse during the hours of darkness than during the hours of daylight. This means that the hours of darkness are several hundred percent more dangerous than the hours of daylight, although it is customary to drive just as fast at night as in the daytime.

This insurance company has pictured the dangerous hours in the form of a table:

Hours of occurrence of automobile accidents resulting in persons killed and injured in 1934

	Number of accidents	Percent	Persons killed	Percent	Persons injured	Percent
12 to 1 a. m.	29,000	3.4	1,440	4.0	32,440	3.4
1 to 6 a. m.	82,910	9.4	4,460	12.4	87,780	9.2
6 to 7 a. m.	11,470	1.3	610	1.7	11,450	1.2
7 to 8 a. m.	18,520	2.1	580	1.6	20,030	2.1
8 to 9 a. m.	23,810	2.7	720	2.0	25,760	2.7
9 to 10 a. m.	25,580	2.9	900	2.5	27,690	2.9
10 to 11 a. m.	32,630	3.7	900	2.5	35,300	3.7
11 to 12 a. m.	39,090	4.5	1,150	3.2	43,880	4.6
12 to 1 p. m.	37,930	4.3	1,080	3.0	41,970	4.4
1 to 2 p. m.	37,040	4.2	1,290	3.5	41,020	4.3
2 to 3 p. m.	44,100	5.0	1,480	4.1	47,700	5.0
3 to 4 p. m.	54,680	6.2	1,690	4.7	60,100	6.3
4 to 5 p. m.	66,150	7.5	2,270	6.3	71,550	7.5
5 to 6 p. m.	67,910	7.7	2,410	6.7	74,410	7.8
6 to 7 p. m.	59,980	6.8	2,740	7.6	64,870	6.8
7 to 8 p. m.	65,270	7.4	2,840	7.9	70,600	7.4
8 to 9 p. m.	59,090	6.7	2,950	8.2	63,920	6.7
9 to 10 p. m.	48,510	5.5	2,520	7.0	51,520	5.4
10 to 11 p. m.	38,810	4.4	1,910	5.3	41,970	4.4
11 to 12 p. m.	37,930	4.3	2,090	5.8	40,070	4.2
Total	882,000	100.0	36,000	100.0	954,000	100.0

TIME OF ACCIDENTS IN MINNESOTA

One-third of the fatalities in Minnesota last year occurred between the hours of 5 and 9 p. m. The hours between 6 and 10 a. m., although a period of heavy traffic are comparatively safe, accounting for only 6.2 percent of the fatal accidents. The suggestion is made by the safety committee that drivers are more alert and efficient at that time of the morning.

MINNESOTA'S ACCIDENT RECORD BY COUNTIES

A valuable table has been compiled by the Public Safety Committee of Minnesota to show the residents of each county the record of their county in the matter of accident prevention. This table shows the record from January 1 through December 31, 1934, and is published by the State emergency relief administration. It is entitled "Standing of counties on basis of 1934 automobile fatalities." Group A includes counties having 20,000 or more population:

Rank	County	Number killed	Population 1930 census	Rate per 100,000 population
1	Wright	1	27,119	3.69
2	Kandiyohi	1	23,574	4.25
3	Faribault	1	21,642	4.62
4	McLeod	1	20,522	4.87
5	Fillmore	2	24,748	8.08
6	Ottertail	6	51,006	11.76
7	Goodhue	4	31,317	12.77
8	Martin	3	22,401	13.39
9	Stearns	9	62,121	14.49
10	Redwood	3	20,620	14.56
11	Todd	5	26,170	19.10
12	Hennepin	109	517,785	21.05
13	Renoville	5	23,645	21.19
14	Morrison	6	25,442	23.58
15	Washington	6	24,753	24.24
16	St. Louis	50	204,596	24.49
17	Winona	9	35,144	25.61
18	Rice	8	29,974	26.75
19	Crow Wing	7	25,627	27.25
20	Itasca	8	27,224	29.39
21	Clay	7	23,120	30.28
22	Ramsey	88	286,721	30.69
23	Beltrami	7	20,704	33.80
24	Freeborn	10	28,741	34.80
25	Becker	8	22,503	35.53
26	Mower	10	28,065	35.63
27	Carlton	8	21,232	37.68
28	Blue Earth	13	33,847	38.40
29	Olmsted	14	35,426	39.45
30	Pine	8	20,264	39.48
31	Brown	10	23,428	42.68
32	Polk	17	36,019	47.36
33	Dakota	17	34,592	49.12
	Total group A	461	1,860,095	24.78

Group AA includes counties having 10,000 to 20,000 population:

Rank	County	Number killed	Population 1930 census	Rate per 100,000 population
1	Swift	0	14,735	0
2	Waseca	0	14,412	0
3	Douglas	1	18,813	5.32
4	Lac qui Parle	1	15,393	6.49
5	Cottonwood	1	14,782	6.76
6	Norman	1	14,081	7.11
7	Houston	1	13,845	7.22
8	Roseau	1	12,621	7.92
9	Pennington	1	10,847	9.53
10	Stevens	1	10,185	9.82
11	Lyon	2	19,326	10.35
12	Yellow Medicine	2	16,625	12.03
13	Nicollet	2	16,550	12.09
14	Murray	2	13,992	14.38
15	Isanti	2	12,931	16.56
16	Le Sueur	3	17,990	16.67
17	Rock	2	10,962	18.24
18	Scott	3	14,116	21.25
19	Anoka	4	18,415	21.77
20	Chisago	3	13,189	22.75
21	Watsonwan	3	12,802	23.44
22	Marshall	4	17,003	23.51
23	Dodge	3	12,127	24.74
24	Sibley	4	15,865	25.21
25	Jackson	4	15,863	25.22
26	Cass	4	15,591	25.66
27	Benton	4	15,056	26.57
28	Aitkin	4	15,009	26.65
29	Steele	5	18,475	27.06
30	Meeker	5	17,914	27.86
31	Wabasha	5	17,613	28.40
32	Carver	5	16,936	29.52
33	Chippewa	5	15,865	31.52
34	Pipestone	4	12,238	32.68
35	Lincoln	4	11,303	35.39
36	Pope	5	13,085	38.21
37	Koochiching	7	14,078	49.72
38	Nobles	10	18,618	53.71
39	Wadena	6	10,990	54.59
40	Mille Lacs	9	14,076	63.94
	Total Group AA	133	592,899	22.43

Group AAA includes counties having less than 10,000 population:

Rank	County	Number killed	Population 1930 census	Rate per 100,000 population
1	Clearwater	0	9,546	0
2	Lake of the Woods	0	4,194	0
3	Wilkin	1	9,791	10.21
4	Red Lake	1	6,887	14.52
5	Kittson	2	9,688	20.65
6	Grant	2	9,558	20.92
7	Kanabec	2	8,553	23.37
8	Traverse	2	7,933	25.20
9	Big Stone	3	9,833	30.49
10	Hubbard	3	9,596	31.25
11	Mahnomen	2	6,153	32.50
12	Sherburne	4	9,707	41.21
13	Lake (arrowhead)	8	7,068	113.18
14	Cook (arrowhead)	4	2,435	164.67
	Total group AAA	34	110,959	30.64
	Grand total all counties	628	2,563,953	24.49

The grand total for all counties amounts to 628 fatalities due to motor vehicle accidents in Minnesota, making a death rate per 100,000 population of 24.49. The total population of the State is 2,563,953.

TREND OF OCCUPATIONAL ACCIDENTS

Whether it can be attributed to depression, employees' compensation, or the use of safety appliances, or a combination of these causes, the rate of occupational accident fatalities for the past several years decreased; but in 1934 there was an increase of 1,000, or 7 percent, over 1933. The National Safety Council estimates the total number of occupational accident fatalities as follows:

1928	19,000
1929	20,000
1930	19,000
1931	17,500
1932	15,000
1933	14,500
1934	15,500

INDIVIDUAL COMPANY REPORTS TO THE NATIONAL SAFETY COUNCIL FOR 1933

Individual records of plants to community safety councils show that this increase cannot be due alone to increased employment. The injury frequency rates rose 14 percent over 1933, and the severity rates went up 37 percent. There is some reason for this increase in accident frequency. It may be that false economy policies have been inaugurated on safety devices.

Individual company reports to the National Safety Council for 1933 show the injury rates by character of injury and by industry (from Greenwood, Who Pays? appendix H):

Accidental injury rates, by character of injury, and by industry, 1933

Industry	Frequency rates				Severity rates			
	Total	Fatal and permanent total	Permanent partial	Temporary	Total	Fatal and permanent total	Permanent partial	Temporary
Total.....	14.56	0.16	0.63	13.77	1.59	0.94	0.38	0.27
Tobacco.....	1.43	.06	.06	1.31	.36	.34	.01	.01
Cement.....	4.79	.23	.84	3.72	2.39	1.37	.83	.19
Laundries.....	5.77	0	0	5.77	.12	0	0	.12
Printing and publishing.....	5.91	.05	.26	5.60	.47	.32	.07	.08
Public utilities.....	8.70	.20	.17	8.33	1.53	1.19	.17	.17
Textile.....	8.90	.02	.39	8.49	.44	.11	.19	.14
Machinery.....	9.22	.03	.74	8.45	.75	.21	.35	.19
Glass.....	9.85	.02	.36	9.47	.52	.13	.22	.17
Chemical.....	10.46	.18	.64	9.64	1.67	1.10	.41	.16
Nonferrous metals.....	11.24	.14	1.24	9.86	1.89	.82	.83	.24
Steel.....	11.32	.16	.94	10.22	1.91	1.00	.57	.34
Rubber.....	11.71	.08	.56	11.07	1.09	.46	.34	.29
Petroleum.....	12.85	.21	.50	12.14	1.89	1.28	.23	.28
Tanning and leather.....	13.66	.02	.27	13.37	.43	.11	.16	.16
Sheet metal.....	14.52	.07	1.36	13.09	1.27	.39	.67	.21
Marine.....	15.11	.20	.59	14.32	2.05	1.20	.40	.45
Miscellaneous metal products.....	15.41	.06	.78	14.57	1.00	.32	.43	.25
Food.....	15.96	.10	.78	15.08	1.22	.58	.40	.24
Quarry.....	16.42	1.00	.22	15.20	6.68	5.99	.21	.48
Woodworking.....	18.26	.17	.70	17.39	1.56	1.00	.30	.26
Electric railway.....	19.40	.17	1.29	17.94	1.67	1.00	.44	.23
Automobile.....	19.41	.06	.71	18.64	1.02	.39	.35	.28
Paper and pulp.....	19.47	.13	.93	18.41	1.70	.78	.60	.32
Foundry.....	22.52	.05	1.07	21.40	1.35	.31	.60	.44
Refrigeration.....	25.30	.09	.26	24.95	1.33	.53	.22	.58
Clay products.....	27.10	.09	.37	26.64	1.33	.55	.31	.47
Meat packing.....	30.81	.09	.90	29.82	1.19	.51	.30	.38
Construction.....	55.66	.62	1.09	53.95	5.76	3.71	1.19	.86
Lumbering.....	59.67	.41	1.23	58.03	5.00	2.47	1.36	1.17
Mining.....	65.28	1.01	1.84	62.43	9.17	6.07	1.50	1.60

Source: Individual company reports to the National Safety Council.

"SAFE AT HOME"

Although the appalling figure of 4,000,000 personal-injury accidents incurred in and around the home each year creates an economic loss of about \$550,000,000 per year, the trend of accidents in the home has not been a subject for alarm. Modern improvements are in most cases sources of accident prevention, and the home has been considered a safer place than it used to be. However, the National Safety Council reports for 1934 the highest rate in history, 33,000 deaths, and a total of 4,800,000 injuries and deaths, involving a cost of \$600,000,000. A year of excessive heat was responsible for a large share of the increase.

CAUSES OF ACCIDENTS IN THE HOME

It is interesting to note that nearly half of the deaths due to accidents in and around the home result not from modern appliances which would appear to be dangerous but from falls, most of which occur on steps, with slippery rugs, walks, bathtubs, ladders, chairs, tables, and windows bearing their responsibility for accidents in the order mentioned. Three-fourths of such falls are suffered by persons over the age of 65; less than 10 percent by children under 4 years, and about 17 percent by children between 5 and 15 years of age (from Who Pays? p. 58).

CAUSES OF AUTOMOBILE ACCIDENTS

There is some disagreement about the major causes of automobile accidents, but it is generally agreed that the

principal cause of accidents is not the automobile itself, the condition of the roads, or other external factors. The largest share of blame rests squarely on the driver.

One estimate is that about 99.4 percent of the fault lies with the drivers and six-tenths of 1 percent of the accident rate is due to other causes. A more lenient estimate blames the driver for 85 percent of the accidents.

CONDITION OF VEHICLES IN ACCIDENTS

The great majority of motor vehicles involved in accidents are in apparently good condition, as shown by the following insurance company table:

Condition of motor vehicles in accidents resulting in persons killed and injured in 1934

	Vehicles in accidents	Percent	Vehicles in fatal accidents	Percent	Vehicles in non-fatal accidents	Percent
In apparently good condition.....	1,190,140	93.9	40,950	92.1	1,149,190	93.9
Brakes defective.....	20,470	1.6	890	2.0	19,580	1.6
Steering mechanism defective.....	5,080	.4	180	.4	4,900	.4
Glaring headlights.....	6,700	.5	580	1.3	6,120	.5
One or both headlights out.....	6,470	.5	350	.8	6,120	.5
Tail-light out or obscured.....	6,340	.5	220	.5	6,120	.5
No chains (wet and slippery road).....	21,330	1.7	530	1.2	20,800	1.7
Other defects in equipment.....	2,670	.2	220	.5	2,450	.2
Puncture or blow-out.....	7,740	.6	400	.9	7,340	.6
Miscellaneous.....	1,360	.1	140	.3	1,220	.1
Total.....	1,268,300	100.0	44,460	100.0	1,223,840	100.0

THE DRIVER'S COMMON FAULTS

Another table shows what the driver did to cause the 561,000 accidents in which he was at fault. In addition to the information given in the table, it is estimated that 3.16 percent of the drivers involved in accidents were under the influence of liquor, as against 2.43 percent in 1933. At the same time 4.47 percent of the pedestrians involved were under the "influence" as against 2.99 percent in 1933.

	Number of accidents	Percent	Persons killed	Percent	Persons injured	Percent
Exceeding speed limit.....	123,980	22.1	6,850	31.0	134,300	22.1
On wrong side of road.....	92,570	16.5	3,470	15.7	102,090	16.8
Did not have right-of-way.....	136,880	24.4	2,740	12.4	159,220	26.2
Cutting in.....	19,630	3.5	460	2.1	22,490	3.7
Passing standing street car.....	2,810	.5	180	.8	3,040	.5
Passing on curve or hill.....	9,540	1.7	470	2.1	10,330	1.7
Passing on wrong side.....	2,800	.5	70	.3	3,040	.5
Failed to signal and improper signaling.....	28,610	5.1	220	1.0	33,420	5.5
Car ran away—no driver.....	3,370	.6	240	1.1	3,040	.5
Drove off roadway.....	60,590	10.8	3,820	17.3	57,120	9.4
Reckless driving.....	53,290	9.5	2,740	12.4	55,300	9.1
Miscellaneous.....	26,930	4.8	840	3.8	24,310	4.0
Total.....	561,000	100.0	22,100	100.0	607,700	100.0

The 1934 analysis of Minnesota motor-vehicle fatalities, by the Minnesota Public Safety Educational Committee, furnishes a good guide to the common faults of which drivers are guilty. The analysis shows that of the 722 drivers involved in fatal accidents 51 percent were traveling straight ahead on the highway. Most of the accidents resulted from collisions with pedestrians. Seventeen and two-tenths percent of the drivers were traveling too fast.

In this connection it should be noted that some faults are much more dangerous than this table would indicate. For instance, 75 percent of the drivers passing on a hill might be involved in accidents, but the percentage of drivers passing on a hill is small and therefore the accident rate from this cause appears small in comparison.

CONDITION OF DRIVER

Apparently 85 percent of the Minnesota drivers involved in fatal accidents were in good physical condition. I will

give the statistics showing the condition of drivers involved in accidents. This is the 1934 analysis of Minnesota motor-vehicle fatalities, by the Minnesota Public Safety Educational Committee.

	Number of drivers	Percent
Apparently good.....	618	85.8
Evidence of liquor.....	80	11.1
Had physical defect.....	7	.9
Was asleep.....	7	.9
Extremely fatigued.....	10	1.3
Total.....	722	100.0

PEDESTRIAN FAULTS

Although the driver is guilty of most accidents, the pedestrian is not without faults of his own. Pedestrians crossing between intersections are responsible for over a fourth of the automobile-pedestrian fatalities. The Minnesota public safety educational program has determined that this condition arises from the fact that motor vehicles travel at a faster rate between intersections, and drivers are not expecting hazards at such places. Also, the relative darkness between intersections at night is considered important. About half of the pedestrians killed on rural highways had been drinking. The other fatalities were caused by pedestrians who walked with traffic or where they could not be seen at night.

It is estimated that in 1934 nearly half of all persons killed in automobile accidents were pedestrians. In some cases they were themselves partially or wholly at fault. Common faults of pedestrians are shown in the following insurance company table:

Actions of pedestrians resulting in persons killed and injured in 1934

	Pedestrians in accidents	Percent	Pedestrians killed	Percent	Pedestrians injured	Percent
Crossing at intersection:						
With signal.....	9,910	3.5	190	1.2	9,720	3.6
Against signal.....	32,960	11.5	1,100	6.9	31,860	11.8
No signal.....	39,730	13.9	1,930	12.1	37,800	14.0
Diagonally.....	4,700	1.6	380	2.4	4,320	1.6
Crossing between intersections.....	72,070	25.2	4,310	27.0	67,760	25.1
Waiting for or getting on or off street car.....	3,070	1.1	100	.6	2,970	1.1
Standing on safety isle.....	1,130	.4	50	.3	1,080	.4
Getting on or off other vehicle.....	3,750	1.3	240	1.5	3,510	1.3
Children playing in street.....	47,960	16.8	1,800	11.3	46,160	17.1
At work in roadway.....	6,100	2.1	430	2.7	5,670	2.1
Riding or hitching on vehicle.....	5,000	1.8	410	2.6	4,590	1.7
Coming from behind parked car.....	36,060	12.6	1,500	9.4	34,560	12.8
Walking on rural highway.....	13,220	4.6	2,690	16.9	10,530	3.9
Not on roadway.....	6,040	2.1	370	2.3	5,670	2.1
Miscellaneous.....	4,230	1.5	450	2.8	3,780	1.4
Total.....	285,930	100.0	15,950	100.0	269,980	100.0

AGE AS A CAUSE FOR ACCIDENTS

This company's analysis shows that the ratio of drivers under 18 in fatal accidents to the total of that group in all accidents was 65 percent worse than the average for all drivers, or 3 percent greater than in 1933. Between the ages of 18 and 24 the ratio was 27 percent worse, or 5 percent greater than in 1933. Between the ages of 25 and 64 years the ratio was 11 percent better than the average, an improvement of 2 points over 1933. In the ages over 65, the 1934 experience was 104 percent worse than the average, an improvement of 18 points. It is estimated that drivers under 18 years of age cause 1.4 percent of all automobile accidents, 22.6 percent of the accidents are caused by drivers from 18 to 24 years of age, 75.1 percent by drivers from 25 to 64, and 0.9 percent by drivers 65 and over.

The Minnesota experience with reference to age as a cause for automobile accidents is shown by a table published by the Minnesota Public Safety Committee:

Number of persons killed in automobile accidents by age groups during 1934 in Minnesota

Number of persons and type of accident	Ages 0-4	Percent	Ages 5-14	Percent	Ages 15-64	Percent	Ages 65 and over	Percent
Total, 628.....	15	2.4	49	7.8	470	75.0	94	14.8
Motor vehicles in collision with—								
Pedestrian.....	7	46.8	37	75.5	142	30.2	60	63.8
Another motor vehicle.....	1	6.6	8	16.3	137	29.2	13	13.8
Railroad train.....	2	13.4	0	0	30	6.5	5	5.3
Interurban or electric car.....	0	0	0	0	5	1.1	0	0
Bicycle.....	1	6.6	2	4.1	5	1.1	0	0
Horse-drawn vehicle.....	0	0	0	0	2	.4	0	0
Other vehicle.....	0	0	0	0	2	.4	1	1.1
Fixed object.....	1	6.6	0	0	81	17.2	9	9.6
Noncollision.....	3	20.0	2	4.1	64	13.5	6	6.4
Total.....	15	100.0	49	100.0	470	100.0	94	100.0

OTHER FACTORS INVOLVED IN TRAFFIC ACCIDENTS

Road location: More people are killed in accidents on highways than at any other road location, although the largest number of accidents occur at street intersections, as shown by the insurance company table:

Road location of automobile accidents resulting in persons killed and injured in 1934

	Number of accidents	Percent	Persons killed	Percent	Persons injured	Percent
Between intersections.....	286,650	32.5	8,350	23.2	321,500	33.7
Rural intersections.....	28,220	3.2	1,330	3.7	28,620	3.0
Highway.....	167,580	19.0	13,790	38.3	160,270	16.8
Driveway.....	3,530	.4	360	1.0	3,820	.4
Curve.....	42,340	4.8	4,000	11.1	42,930	4.5
Street intersections.....	336,040	38.1	6,440	17.9	379,690	39.8
Railroad crossing.....	5,290	.6	1,190	3.3	4,770	.5
Bridge.....	12,350	1.4	540	1.5	12,400	1.3
Total.....	882,000	100.0	36,000	100.0	954,000	100.0

In addition to faults of both driver and pedestrian there are other causes for automobile accidents, including lack of proper laws and poor enforcement. Nineteen States have no drivers' license requirements. Seven States have no minimum-age requirements. Twenty-six States do not require a driver to come to a full stop at a railroad crossing. Thirteen States permit passing on hills and curves. Thirty-four States do not require a driver to dim his headlights on the approach of another vehicle. One expert estimates the cost of traffic accidents due to poor illumination at \$275,000,000 (from Ernest Greenwood, Who Pays?).

PANIC AND DEPRESSION A CAUSE FOR ACCIDENTS

I am informed that in a certain city the appropriation for lighting of streets was reduced as of April 1, 1932. Thirteen fatal night accidents had occurred during the previous 15 months. During the following 15 months there were 18. Throughout the entire time when lighting was curtailed, a period of 21 months, fatal night accidents increased 80.5 percent.

FALSE ECONOMY AT THE EXPENSE OF HUMAN LIFE

In the city of Detroit street-lighting appropriations were reduced 33 1/3 percent beginning on January 1, 1932, in the interest of "economy." The result was that 23 more night fatalities than before occurred during the first 5 months of the year. At the same time the day fatalities decreased 33 1/3 percent. At the end of 10 months night fatalities had increased 63 percent over 1931, and the loss of 35 lives was definitely attributed by the authorities to the reduced appropriation for lights. The appropriation was then restored, followed by a decrease in the first 5 months of 1933—when the lights had been restored—of 16 percent. Eighteen lives were saved by abandoning the false-economy policy. At the same time day traffic fatalities actually increased in Detroit (from Greenwood, Who Pays?).

LACK OF LAW ENFORCEMENT A CAUSE

Poor enforcement of laws are certainly a cause of accidents. However, the enforcement of laws is linked with

the violation of laws, and in the final analysis reverts back to the faults of the driver, the major cause of motor-vehicle accidents.

CAUSES OF OCCUPATIONAL INJURIES

In occupational injuries as well as motor-vehicle accidents the false economy policy is in a large measure directly responsible for death. Linked with the economy policy is the desire for profits on the part of large industrialists, and the consequent delay and indifference in the matter of providing employees with safety, and carelessness adds to the number of accidents caused by willful neglect.

APPEAL TO THE POCKETBOOK

When employers can by education be shown that their expenses are actually reduced by accident-saving devices and employees' compensation, they are naturally glad to respond. This, in a large measure, accounts for the reduction in occupational injuries year by year.

If an accident occurs in a large plant, which results in a personal injury, such accident can usually be traced to inefficiency or the method of production. In either case, if a system of compensation is in effect and the employee must be paid for his injury, there is a tendency on the part of the employer to investigate the causes of the accident. The investigation will doubtless reveal many similar cases of inefficiency which did not result in accident but did result in loss of time and profits. Therefore, the conditions which brought about one accident and many other cases of inefficiency may be corrected.

MACHINERY AND SPEED

As speed on the highway is a cause for motor vehicle accidents, so the desire for speed in industrial production is a cause for occupational accidents. The stretch-out system, whereby one operator is compelled to operate more machines, again in the interest of economy, is a source of accident as well as danger to the health and well-being of workers. Generally speaking, the industrial accident rate has decreased because it has been realized that safety and efficiency go hand in hand.

REMEDIES FOR ACCIDENTS

I have presented to you the staggering data showing injury and death by accidents, and in some cases called attention to alarming trends. I am not advocating any one remedy, but I am advocating the study of these facts and figures, and the realization that remedies must be found.

MINNESOTA SETS RECORD IN REDUCING ACCIDENTS

My own State of Minnesota is receiving wide recognition for its rapid development of an organized attack on traffic accidents. I have already mentioned the decrease in accidents in Minnesota for the last 7 months of 1934. The State reports an increase of 57.7 percent in motor-vehicle deaths during the first 5 months of 1934 over 1933. Then on June 1, 1934, our drivers' license law became effective, and the safety committee started its work, inaugurating a program of safety activities. For the remaining 7 months of the year the State reports a decrease of 12 percent from 1933 accidents. From an increase of 57.7 percent to a decrease of 12 percent is a very large drop. It is, in fact, the best record made by any State in accident reduction, according to information given me by the F. E. R. A.

PROOFS THAT ACCIDENTS CAN BE REDUCED

Against the dark background of increase in total motor-vehicle fatalities, there are numerous bright spots which provide proof that traffic accidents can be reduced. Some of the proofs furnished me by the office of the F. E. R. A. Traffic Survey Director are:

First. Schoolchild pedestrians: Compared to 1927, children aged 5 to 14 have reduced their toll over one-fourth. Contrasted to this is an increase for persons aged 15 to 64 of about 26 percent.

Second. Commercial drivers: While the death toll for drivers of passenger automobiles has increased since 1927 by about 50 percent, deaths involving taxicabs have been reduced over 40 percent, and for busses the reduction has been about one-quarter.

Third. Trains and trolleys: Deaths from collisions involving trains and trolleys have decreased about one-fifth since 1927.

Fourth. Cities: A number of cities have shown a downward trend of fatal accidents for several years. Among these are Pittsburgh, Providence, Evanston, Milwaukee, and New York. About one-third of the 80 cities over 100,000 in population submitting accident data to the United States Census Bureau, reduced their fatalities in 1934 as compared to 1933.

Fifth. States: Rhode Island has shown a downward trend since 1927, the year 1934 being one-sixth below that of 1927.

Sixth. Rural-urban contrast: The much better trend of urban fatalities as compared to rural, has already been mentioned.

Seventh. License-law States: According to an analysis by the National Safety Council, States having standard license laws with examinations have shown since 1926 an approximately 25-percent reduction in death rate per million gallons of gasoline consumed, while the death rate in other States increased 14 percent.

Eighth. Traffic-control devices: In numerous places, analysis of "before and after" records has shown that well-designed and properly used traffic-control devices, with proper supervision, have reduced accidents. In Philadelphia stop signs reduced accidents over 50 percent, and slow signs by about one-third. A flexible progressive signal system on North Broad Street reduced fatal accidents from 23 to 12 in the year after installation.

Ninth. Highway improvements: In practically every State there are numerous examples of highway improvements which have reduced accidents. Mention has been made of the better accident records on divided highways as compared to undivided roadways.

Yes, there is ample proof today that we do not have to accept this gruesome toll—but there must be a will to reduce it, if desired results are to be achieved.

UNIFORM FEDERAL HIGHWAY LAWS

The work of the Minnesota Public Safety Committee is encouraging. Doubtless many similar commissions are being established in other States. Passing of uniform Federal highway laws, more efficient enforcement, further improvement of highways and signals, and many other remedies are being urged. But the most important remedy is yet to be found: A successful method of teaching the irresponsible to respect the rights and the lives of other people.

I wish to insert here certain recommendations submitted by the Minnesota Public Safety Committee for the reduction of traffic accidents:

We recommend adoption of a system that will afford the proper reporting of traffic accidents.

Our records show that 369, or 51.1 percent, of the drivers involved in fatal traffic accidents were traveling straight ahead on the highway. The fact that more than half of the number of drivers involved in fatal injuries come under this classification indicates the need for a program of education as to the hazard involved on the straight road, the program to be much along the lines of the program carried out regarding passing on curves and hills.

The record further shows that 47, or 6.5 percent, of the drivers either drove or were crowded off the roadway, indicating the need of an educational campaign to eliminate the common practice of cutting in.

The record shows that there were 43, or 6 percent, hit-and-run-driver accidents, indicating the need of arousing public sentiment to insure prosecution of those guilty of this lack of consideration for their fellow men.

ILLUMINATION

A large percentage of the fatal accidents, especially to pedestrians, occurred during the dark hours, which situation can be materially corrected by a careful study of street lighting in cities and villages. With the thought in mind of determining whether the lighting afforded is a factor in the causes of these accidents, city and county officials should check the locations at which automobile accidents have occurred.

Pedestrian deaths can be curtailed by the exertion of more care on the part of the automobile driver, and a continuous campaign of education through the press, the radio, schools, civic organizations, homes, and every other possible contact.

GRADE CROSSINGS

The motor vehicle-railroad classification shows that 37 persons were killed in 24 accidents at railroad grade crossings. Thirteen of

these accidents, which caused 25, or 67.6 percent, of the fatalities, occurred at railroad grade crossings which were not protected with automatic signals, watchmen, or stop signs, but did have proper State regulation signs in place. If the drivers of the automobiles had attempted to cross these railroad crossings cautiously, these lives would have been saved. The Federal Government proposal for separation of railroad and highway crossings should be extended as far as possible. New highway railroad grade crossings should not be opened without giving full consideration to the safety of and need for such additional crossings.

GRADE SEPARATION

Consideration should be given by the State and local government units to the use of Federal work relief funds for the separation of grades at important highway intersections, as well as the use of such funds for the elimination of dangerous curves, the widening of shoulders, and the provision of other protective devices. Both State and Federal Governments are moving in that direction.

An effort should be made to provide, as soon as possible, for the completion of the traffic-control plans of the cities of St. Paul, Minneapolis, and Duluth to further curtail the number of deaths occurring in these cities.

Careful study of the causes of the 628 traffic accident fatalities for 1934 suggests the necessity for action as follows:

ENGINEERING RECOMMENDATIONS

Make such reasonable improvements in the physical characteristics of streets and highways as to provide a maximum of safety.

Provide for proper mechanical inspection and maintenance of motor vehicles.

EDUCATION

Continue the program of public-safety education as outlined in our plan, carrying it through every possible medium into the homes, schools, factories, and farms.

ENFORCEMENT

The largest reduction in motor-vehicle fatalities will be obtained when the law-enforcing agencies of the State, the cities, and the counties realize their obligation to the public to see that the laws pertaining to the safe operation of a motor vehicle are enforced without fear or favor. It is suggested that when the highway patrolman, the sheriff, or the police officer has fulfilled his duty by apprehending the violator of the safety laws of the State or city, he be upheld in the municipal and district courts, not with the idea of penalizing the individual driver, but to make possible the saving of human life and limb by curtailing thoughtless and oftentimes reckless driving on our streets and highways.

I urge that full consideration be given to the adoption of a standard drivers' license law for the State of Minnesota as recommended by the National Conference on Street and Highway Safety of the United States Department of Commerce and the National Safety Council, renewable either annually or biannually, and that the provisions of such a law be enforced in the interests of safety.

Appreciation is expressed for the fine work of the Minnesota highway patrol, composed of men trained in first aid and in general automobile mechanics, who afford real help and service to the motoring public.

The support of all of our citizens interested in public-accident prevention is needed to make more effective the highway patrol and other traffic law enforcement agencies as mediums of accident prevention.

SCHOOLS TEACH SAFETY—TEACHERS AID CHILDREN

The little rime taught by school teachers to children might well be remembered by adults:

Stop, look, and listen before you cross the street;
Use your eyes, use your head, and then use your feet.

ILLUSTRATIONS OF SUCCESSFUL REMEDIAL MEASURES

There is no one panacea for reducing accidents. I have given this matter careful study and have come to the conclusion that what is needed is not a National Safety Week or some other temporary splurge but continuing activities constructed along intelligent lines, and particularly programs which have already proven their value in other places.

F. E. R. A. ACTS

One of the first needs in tackling traffic problems in each community or State is getting the facts. I was much pleased to learn about the traffic survey work which the F. E. R. A. has been sponsoring. Perhaps 100 cities have been making or are now making such fact-finding studies.

A very extensive manual has been prepared for the guidance of local survey directors in making and analyzing these studies. This is a very intelligent use of our relief funds and it should be strongly urged upon communities throughout the country which have not already taken advantage of this plan for reducing accidents.

Several of the leading traffic specialists of the country are serving through the F. E. R. A. as advisers to communities in

the conduct of these surveys and in getting results from the survey.

UNIFORMITY OF TRAFFIC LAWS

One of the major needs is for uniform traffic laws so that when we travel in our automobiles from State to State we shall not find ourselves criminals in one State for things which we have learned in our own State and which are not "crimes" at home.

For some years traffic specialists from all over the country have gathered in Washington and have developed a uniform vehicle code which each State should adopt. In addition, there is a model traffic ordinance for cities, which sets up appropriate local regulations, and some recommendations on types of organizations and methods which are necessary successfully to cope with the traffic problem. Furthermore, this same group has developed standards for traffic signs, stop-and-go signals, road markings, and so forth. If we could get these uniform laws and standards adopted throughout the country, and if they were intelligently and effectively administered, it would go a long way in the reduction of accidents.

Some of our States, even some very prominent ones, do not even require a person to be licensed in order to drive an automobile on our highways. All the person has to do is to buy an old wreck of a car, step on the gas, and let the public beware. Yet several studies have shown that States having drivers' license laws, properly administered, have done much better in reducing accidents than have the States without drivers' license laws.

Can you imagine a railroad picking up the first man who happened to desire to be an engineer, putting him into the cab, and telling him to go ahead? Yet the train cannot leave its tracks. It does not have to be steered, while the automobile—many times more of a killer than the train—requires most experienced steering under numerous conditions.

OUTLINE OF PLAN FOR FUTURE

A well-rounded attack on the accident situation must be made in five different fields:

1. Sensible legislation.
2. Effective organization of State and municipal forces to cope with the various phases of the problem and unswervingly progressive administration of their efforts.
3. Traffic engineering, including the proper design of streets and highways, their marking, proper use of signals, development of plans for regulation, continuing conduct of fact-finding studies, and so forth.
4. Strict and businesslike enforcement, giving particular attention, however, to two matters which are all too little being realized, namely:

(a) That the largest part of the enforcement job in traffic is really a job of education.

(b) Concentrating the energy of police and court in traffic-law enforcement on driving violations and on the worst of these, rather than upon minor first offenses such as over-time parking, which have very little to do with our serious accident situation and relatively little to do even with the congestion on our streets.

5. Education—generally considered the keystone of the arch—is the most needed of all activities to reduce accidents. Education has proved its value in many ways, some of which I have already mentioned. The school safety patrols, sponsored largely by the American Automobile Association, are a symbol of the accomplishment among grade-school children. The same national motoring association is now sponsoring a course for use in high schools to teach and train youngsters so that we may have a generation of better drivers of automobiles. The major appeal being made is to good sportsmanship.

Adult education is at once the most needed and most difficult type. However, much can be done even with adults if there is the will to do. I believe the pamphlet Guides to Traffic Safety, developed by the National Conference on Street and Highway Safety, contains many worth-while recommendations.

HOPKINS HELPS

Harry L. Hopkins is driving ahead with his usual energy to obtain better traffic results all along the line, and I am glad to say that I find all Government agencies, State and National, sympathetic and willing to aid in the solution of injury and death from accident problems.

THE INJURED ARE MADE VICTIMS OF AMBULANCE-CHASING CORPORATIONS

In the wake of accidents lie huge profits for large insurance corporations—profits wrung from accident victims. Representatives of these heartless corporations rush to the scene of the accident like vultures to the dead, and with promises of, "We're here to help you—of course you have no case—don't bother with lawyers—we'll see that you get something", so induce the dazed accident victim to release the party responsible for the accident from all obligation. This is "ambulance chasing" in its most vicious, systematic, developed form.

SEE YOUR LAWYER FIRST

I want to say that I have taken a special interest in workmen's compensation and accident legislation while a State representative from 1910 to 1914. I successfully piloted through the Minnesota Legislature in the 1911 session a bill to increase the value of human life from \$5,000 to \$7,500 in case of death by wrongful act. Millions have been paid to widows and orphans under that law. We tried to place the value at \$10,000; \$7,500 was the best we could do at that time. I was engaged in this legislative work at the same time that I was practicing law, handling many injury and death cases in the courts, and I am familiar with these laws and remedies proposed. The same experience in a larger field comes to me as a Member of Congress and a practicing attorney in the city of Minneapolis, and I say that something must be done to remove the corporation and claim agent ambulance-chasing curse.

AMBULANCE CHASING CORPORATION CLAIM AGENTS

The worst offenders, the most contemptible ambulance chasers of all, are the large corporations who at the same time slander the legal profession by charging attorneys as a class with the same offense. A few attorneys may have violated the ethics of the bar in this respect. These wrongs are infinitesimal compared with the unscrupulous methods of ambulance-chasing corporations.

When one of these ambulance-chasing representatives of an insurance company approaches an accident victim with a promise of fifty or a hundred dollars compensation, that should be the signal for the injured victim to see his lawyer and collect the five hundred or a thousand dollars or more which is rightfully due him. Under no circumstances should he sign the insurance company's release without consulting his lawyer first.

LAWYERS WILL DONATE THEIR SERVICES

The great body of lawyers are honorable men. There are any number of my fellow members of the Minneapolis, Twin City, and Minnesota Bar who will consult with accident victims and give them the benefit of their expert advice without charging a cent for advice. That is why I say to an accident victim, "Always see your lawyer first."

APPEAL FOR NATIONAL ACTION

The Seventy-fourth Congress must pass much-needed national legislation along these lines. We must not adjourn without moving in the direction of national uniform safety laws. The death roll must be cut down. Death now rides at the wheel. The number of injuries is colossal; the number of deaths and injuries beyond comprehension. Good government and good American common sense will in great measure solve all of these traffic and industrial problems, and the greatest industrial nation in the world will some day place on its statute books the best code of safety laws, rules, and regulations—a guide for our country in this campaign for safety-first legislation.

Mr. LUDLOW. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. Crowe].

Mr. CROWE. Mr. Chairman, I am at this time taking some time on the floor because of some statements made yesterday afternoon concerning the use of building stone

material for Federal buildings and for other purposes of the Government. My home is in Bedford, Lawrence County, Ind. A large amount of limestone is quarried in that county. I wish to say in that connection that the Indiana limestone belt, which I partly represent, has its troubles. Distress is on every hand. Loss of homes because of unemployment, even hunger in spite of generous relief abounds. They are disposing of only a small amount of stone today and not any greater percentage of former output than other building stone and other building materials are selling.

In that connection, in 1928, 25,000 carloads of Indiana limestone were used. In 1934 less than 4,000 carloads were used. Nineteen thirty-five bids to use even a still less amount. In 1928 there were 16,000 employable people in those two counties where this stone belt lies. At that time eleven and one-half thousand of those people were used in the stone industry and other industries which had to do with the stone business. Today there are less than 700 men employed in the entire industry, which is only approximately 6 percent of normal, and means 94 of each hundred formerly employed now unemployed or on relief. Because of that fact we have today 5,287 families on the relief rolls. They constitute 31.17 percent of the entire population of those two counties. So we are as hard hit as any building-stone industry district in the United States.

Now, it has been pointed out that certain recent Government buildings in the city of Washington are not properly constructed of worthy material. With this I want to take issue. I defy anyone, any place, to successfully contradict the statement that you cannot find finer or better buildings, or buildings that are more nearly worth the money expended for them, than you will find in the triangle group down Pennsylvania and Constitution Avenues. No undue proportion of the money spent for those buildings went to the Indiana limestone district or to the State of Indiana.

Mr. ARNOLD. Will the gentleman yield?

Mr. CROWE. I yield.

Mr. ARNOLD. The statement was made on the floor yesterday to the effect that this stone was produced largely by scab labor and not organized labor. What can the gentleman tell us about that?

Mr. CROWE. I am glad the gentleman asked that question. I will be glad to pursue that in just a moment, as I have some figures on the question.

First, however, I want to take three buildings in this triangle group, on which I have some figures, covering the Nation-wide distribution of the total expenditures—namely, the Department of Labor Building, Interstate Commerce Commission, and the Post Office Department Buildings. Those three buildings cost \$21,000,000. The expenditure for those buildings went out as follows:

The estimated cost of \$21,000,000 as the total for the architectural and engineering services and construction of the group of buildings erected in Washington, D. C., to house the Department of Labor, Interstate Commerce Commission, and Post Office Department, it has been shown upon analysis of the expenditures thereunder, was distributed over a wide range of territory in a number of States from which the various materials and items of equipment used were furnished.

The distribution of this total for the District of Columbia and the States is shown by the following table. A similar distribution of the expenditures will also be found to occur from buildings constructed by the Federal Government in other localities:

Alabama	\$30,000
Arkansas	160,000
California	500,000
Connecticut	600,000
Delaware	40,000
Georgia	100,000
Illinois	400,000
Indiana	2,500,000
Maryland	850,000
Maine	50,000
Massachusetts	300,000
Michigan	1,100,000
Minnesota	600,000
Missouri	200,000
New Hampshire	400,000
New Jersey	890,000
New York	1,250,000
North Carolina	100,000
Ohio	850,000
Oregon	50,000

Pennsylvania	\$2,500,000
South Dakota	10,000
Tennessee	650,000
Vermont	300,000
Virginia	1,000,000
West Virginia	170,000
Wisconsin	400,000

Twenty-seven States—

Transportation	2,000,000
District of Columbia	3,000,000
This latter mostly for construction labor at building site.	
	21,000,000

In other words, only one-seventh of the total was spent for construction labor at the site and the remainder distributed over 27 States.

Mill employees

	Per hour
Stonecutters	\$1.00
Carvers	1.12½
Planermen	.80
Traveler runners	.60
Mill-derrick runners	.60
Mill-derrick helpers	.50
Head sawyers	.60
Sawyers	.50
Circle, rip, and joint sawyers	.57
Head blacksmith or toolsmith	.75
First tool grinder	.64
Blacksmith or grinder helper	.48
Head hooker	.55
Second hooker	.50
Mill laborers	.35
Head car blocker	.57
Car blockers	.50
Special labor	.45
Air drill runners	.50

Quarry employees

Steam-wardwell runners	\$0.55
All other channeler runners	.60
All channeler helpers	.45
All channeler firemen	.46
Laborers	.40
Quarry-drill runners	.51
Quarry-drill helpers	.45
Breakers	.53
Power men	.50
Power men, self-cutting derrick	.52
Quarry-derrick runner	.60
Derrick helpers	.51
Hand scabblers	.50
Machine-planer scabblers	.61
Wire sawyers	.50
Head mechanic	.75
Head blacksmith	.75
Blacksmith	.60
Blacksmith helper	.48
Nozzle men	.61
Nozzle-men helpers	.50
Water and signal boys	.21

Out of this \$21,000,000 Indiana received \$2,500,000 for stone; the State of Michigan received \$1,100,000; the State of New York received \$1,250,000; the State of Pennsylvania received \$2,500,000; Virginia received \$1,000,000. Transportation received \$2,000,000, and the District of Columbia received \$3,000,000, which went principally to skilled labor drawn from many States. The \$21,000,000 went to many widely scattered industries in 27 States of the Union and benefited these localities in 27 States and did not benefit just one State, or even a few adjoining States. The limestone in those buildings stands out magnificently, any impartial observer will agree.

Now, I want to tell you who was consulted about these buildings before they were constructed. Some outstanding firms of architects were selected and sent out over the United States to survey buildings throughout the country. The original board consisted of Mr. Arthur L. Brown, of San Francisco; Mr. Bennett, of Chicago; Mr. Medarg, of Philadelphia; Mr. Ayres and Mr. Delano, of New York; and Mr. Louis Simon, of the Treasury Department architectural staff. To that list later was added the name of John Russell Pope, of New York, who is considered an outstanding architect in the United States, as well as in England, France, and Italy. He has been decorated for works that he has done in those nations. Those men went out and surveyed buildings in the United States. They ordered sur-

veys made of 50 or more outstanding buildings in the United States which had been constructed for 50 or more years, to determine what material was worthy for use for our department buildings in Washington. Those men decided on a program which was laid out in its entirety, but that program was made to conform in design and general character to the Treasury Building, which was built in 1840 by "Old Hickory" Jackson. Other buildings down in this triangle group were made to compare and stand up alongside of a building like that. This group today stands out in the front rank of Government buildings to be found anywhere.

I say to you that I point to them with pride. The Archives, designed by John Russell Pope, made of select buff Indiana limestone, is a masterpiece. The entire triangle group are buildings which would be a welcome adjunct to any government any place in the world and will stand throughout the ages and be useful as well as ornamental.

The question of labor has been raised. I submit for the RECORD a scale of wages that is paid in our district today to all kinds of labor, which includes common labor. In a district that is as hard hit as that district is now, people would have worked for almost any price. They would have begged for a job at 10 cents an hour, but the lowest the industry has paid at any time, even to common labor when it could be had for 10 cents an hour, was 35 cents an hour. The wages range upward from that to \$1.12½ an hour for carvers and \$1 an hour for stonecutters. It now varies from 38 cents for common labor up to \$1.12½ an hour. The men who are employed are the best paid of any men in any comparable city in the country today. To say that that industry uses scab labor is to make a statement that is absolutely and positively a misstatement of fact, if it was meant to be applied to the Indiana limestone district. I say that without fear of contradiction. The men in that district belong to unions—not unions of the company. They belong to and are associated with the American Federation of Labor. For the most part, they belong to that great national organization. I have been with the men. I have helped them contact the Labor Department here in Washington and also the national labor associations in Washington. The Central Labor Unions of Lawrence and Monroe Counties have enrolled thousands of men who are and who have been employed when the quarries and mills were all running.

The statement was made yesterday that the Indiana Limestone Co. had contributed \$100,000 to the Republican campaign fund. This is an erroneous statement, it is not a true statement of fact, and I am not afraid to contradict it. As might happen in any endeavor of life, some individual company may have contributed a small sum, a nominal sum. I do not know that; I could not say that anybody contributed; but if they did it may have been some one company contributing a nominal sum. I call attention to the fact that the Indiana Limestone Co., which is accused of contributing this large sum of money, was in the hands of its bondholders' reorganization committee and in the hands of its bankers and did not have a sum of money like that to be handed out to anyone or to any organization. So I repeat, I contradict that statement.

But if some one company did contribute something, or if some one company did slip on their labor and did not pay the scale, it would be analogous only to the situation that might be found in any city with a hundred stores; one of the stores might slip somewhat and not pay as high wages as the rest, but would you condemn the city because one of its hundred stores made a mistake? Neither can you condemn an industry composed of 31 large separately owned and separately managed organizations, the people making up the management of those organizations being equal to the best, the most honorable to be found anywhere in the Nation.

Permit me to say further that the statement made that Indiana limestone is not fit for Government building construction is on every point and is by every fact unwarranted. I do not think any man could honestly in his sane moments make such a statement. The Empire State Building,

in New York City, Radio City, the Waldorf-Astoria Hotel, the Cities Service Building, the Metropolitan Art Museum, the Irving Trust Co., the Life Insurance Building in New York City, as well as dozens and dozens of other fine buildings in New York City, are faced with Indiana limestone.

In Boston 39 large buildings built within the last 15 years are faced with Indiana limestone. The buildings, mind you, were built and paid for by people who were spending their own and not the Government's money. If Indiana limestone is satisfactory for use by private people, is it not good enough to be used in Government use? There is no other stone comparable for the purpose. Thus it is exclusively used by private enterprise as well as by the Government.

Indiana limestone is shipped to more than a thousand stoneyards in the United States and Canada, where the big blocks are cut up and fabricated in those cities by thousands of skilled workmen.

That Indiana limestone has enjoyed a reasonable share of the work created by Federal building construction where stone has been used is true, but this is not because any favoritism was shown or any preference paid, but simply because it affords more in the way of structural merit, durability, and a fine appearance than any other exterior building material of equal cost.

The fact that Indiana limestone has been used so extensively in the fields of commercial building where costs are always carefully considered is a sufficient argument on that point.

Approximately 90 percent of all the large buildings in the United States and Canada that are faced or trimmed with stone are faced with or trimmed with Indiana limestone. Why? Because it offers more in the way of value for every dollar expended than any other exterior material of equal or approaching merit.

It is my opinion that the Government recently has been pursuing the wrong course and has not been using the best materials. It is my conviction that the Government should specify the use of the best of stone in its Government buildings and always use materials which will endure and look good for many years to come. Let them use granite, marble, or limestone, or sandstone so long as in using those materials they build to obtain the best results—buildings which will stand for hundreds of years—yes; for thousands of years if need be. If they do that, then we of Indiana will take our chance on Indiana limestone getting its fair share; and that is all we want, all we ask for, and all we expect. We ask only that our limestone receive fair consideration and know it will then receive its fair share. Our stone is used not only in various parts of the United States, but also in Canada, Alaska, Mexico, as well as Central and South America. Eleven State capitol buildings, incidentally, have been built of Indiana limestone.

The great Indiana oolitic deposit of limestone is in reality a national asset. The investment there is not only spread through investors to every State in the Union, but there is no comparable deposit of stone to be found on the entire continent. The only other deposit of like character is the famous Portland limestone quarries in England, which has been used by that nation not only in their greatest public edifices, but in many of their greatest cathedrals over a period of 1,500 years.

The fact that Indiana limestone is used for a Boston project does not by any means mean that Indiana gets all the benefit. There are substantial limestone-fabricating plants located in and around Boston, who have imported millions of dollars' worth of Indiana limestone rough blocks over the past quarter of a century to be hewn and shaped for building construction. I wonder if my fellow colleague, Mr. O'CONNOR, from Brooklyn, realizes that there is over \$12,000,000 invested in greater New York in stone-working plants who fabricate Indiana limestone almost exclusively. Mr. O'CONNOR also makes reference to the great unemployment in the marble trades in New York totaling, as he says, some 2,500 members. Does he realize that there are over 5,000 limestone cutters on the New York union roster, the majority of whom are also

out of work? I wonder if he also realizes that whereas 98 percent of all the limestone used in New York is fabricated in the area, compared to a very small percentage of the granite—in fact, just a few percent being fabricated there. If Mr. O'CONNOR should elect to visit almost any reasonable city in our entire 48 States and inspect one of the local cut-stone industries he would find their stock of raw material 90 percent-plus composed of Indiana limestone.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CROWE. I yield.

Mrs. ROGERS of Massachusetts. Lately a committee was appointed to ascertain facts about the use of stone in our public buildings. Senator BAILEY was chairman of this committee. Does the gentleman know what the committee has ascertained so far as the use of stone building material, such as Indiana limestone and the granite of New England? We have all been very much concerned about it.

Mr. CROWE. I am sorry I was not called into that conference. That conference, I think, had to do mainly with granite and marble.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 1 additional minute to the gentleman from Indiana.

Mrs. ROGERS of Massachusetts. Mr. Chairman, if the gentleman will yield, I think limestone was included also.

Mr. CROWE. I was not called to the conference and did not know about it. All I can say is that I would like to join any group which has for its purpose a study of the use of the most worthy and more permanent building materials in our Government buildings.

Mrs. ROGERS of Massachusetts. I am delighted to hear the gentleman say that.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to myself.

Mr. Chairman, yesterday we listened to a good deal of what I am compelled to call fol-de-rol in regard to alleged favoritism extended to Indiana limestone by Government officials in carrying out the Government's construction program, and I am glad that the able Congressman who represents the heart of the Indiana limestone district, EUGENE B. CROWE, has taken the floor to refute some of the statements that were placed in the RECORD yesterday. Bedford, the town where Mr. CROWE lives, is the limestone capital of America. He lives with the industry, is incessant in his efforts to promote it in every legitimate way, and he is in a position to throw light through the fog of errors that enveloped the discussion of yesterday.

The Lord Almighty made two great building materials—granite and limestone. One of these is costly and the other is relatively inexpensive. From the standpoint of utility in the construction of buildings to be used as Government workshops to house Federal activities they are on a parity, one material being as good as the other. Most of the limestone deposits of standard quality are located in the State of Indiana. The ways of Providence are inscrutable and we do not know why that is so, but it is so.

I have heard for years the same old cry that Government officials are guilty of favoring Indiana limestone at the expense of granite. There is nothing to it. If Indiana limestone has a monopoly of utilitarian Government construction it is a monopoly that is not given by any Government officials but it is a monopoly that was given by God when He placed these valuable limestone deposits in that part of the earth that is now embraced in the State of Indiana. It is a monopoly due to the fact that Indiana furnishes a building material, eminently satisfactory and suitable to all governmental needs, at a cost much below the cost of granite.

I wonder whether the gentleman from Massachusetts [Mr. WIGGLESWORTH] and the gentleman from New York [Mr. O'CONNOR] have taken the trouble to investigate the difference in the cost of constructing public buildings by use of granite and the cost of the same buildings by use of Indiana limestone. The difference is about 15 to 20 percent. On a Government building program of \$100,000,000 the difference would be between \$15,000,000 and \$20,000,000.

Do the gentleman from Massachusetts and the gentleman from New York think that it would be in the public interest to saddle on the people of this country, who are already groaning under the crushing burdens of Government, the additional burden of this enormous differential when there is no reason on earth for doing so except to gratify the whims or the desires of those who, for one reason or another, feel themselves more closely attached to granite than to Indiana limestone?

There is no man in this House for whose powers of mind I have more respect than the gentleman from New York. Usually his discussions are logical, forceful, admirable, but I think I never knew him to indulge in more specious argument than he did yesterday on this question. He said in effect that because there are 2,500 marble cutters out of work in New York the Treasury Department has done a very wrongful thing in constructing public buildings out of Indiana limestone, as if that were a sufficient reason why the Government should turn its back on this suitable Indiana material which is available at a much less cost than either marble or granite. The answer to that, of course, is apparent. The general cessation of private construction has almost paralyzed the Indiana limestone industry and thousands on thousands of its workers are out of employment and on relief. From the standpoint of humaneness and from the standpoint of solving the relief problem it is just as important that our Indiana workmen shall have employment to support themselves and their families as it is that the workmen in the gentleman's district shall have employment, and I wish from the bottom of my heart that every workman in his district could get a permanent job tomorrow.

The gentleman from Massachusetts placed in the RECORD a list of 216 building projects which he said apparently are to be built without the use of any granite whatsoever. I wish you would look at that list. It includes such great cities and centers of population as Bowie, Tex., which I assume was named after the famous author of one of our leading and most efficient implements of destruction, the Bowie knife. I do not know whether or not Bowie is located in the district of our delightful friend, Mr. BLANTON, but I am sure he can tell us all about it—in his own time. According to the census reports, Bowie has a population of 3,131. Surely the able gentleman from Massachusetts does not seriously contend that the Government should erect a granite palace down at Bowie. Then the gentleman's list includes the overpowering metropolis of Galax, Va., which has a population of 2,544. Galax may be a gay place, but it will be lax in its duty to the public interest if it demands its granite palace. The Galax section of America is ably represented in this body by Congressman THOMAS G. BURCH, and he has not yet arisen to exclaim, in the language of another distinguished Virginian, "Give me granite, or give me death."

The list of towns presented by the distinguished Massachusetts Congressman [Mr. WIGGLESWORTH] as being without granite, both in esse and in posse, includes many centers of population like Bowie and Galax—such, for instance, as Lyons, Kans., with 2,939 inhabitants; Baxter Springs, Kans., with 4,541 inhabitants; Thief River Falls, Minn., with 4,268 inhabitants; and Raton, N. Mex., with 6,090 inhabitants. The good people of many of these places, in fact, of most of the places on my friend's list of 216 graniteless towns, are not used to stately granite edifices, and if they should have one thrust upon them, I fear the shock to the community would be great. My own thought is that in the case of most of the towns cited by the gentleman from Massachusetts even Indiana limestone is too expensive a material to be used, and that the buildings in those smaller towns should be constructed of brick.

All of this shows how far afield we are likely to go when we tinker with the orderly processes of government that are constituted to settle and determine these questions. Mr. WIGGLESWORTH and Mr. O'CONNOR are both good fellows, able Representatives, and ornaments to this lawmaking body. I adjure and implore them to banish the terrible Indiana limestone bogey from their troubled dreams. Let the Govern-

ment officials who usually handle such matters continue to handle them and they will be handled right. [Applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, every thoughtful Member of this House must realize that in the very near future the revenue system of this Government must be materially changed. Repeatedly have I said since I have had the honor of representing the Second District of Oregon on this floor that I was ready to forget party lines and join any group willing to present a revenue bill providing for a balanced Budget. The present system, I fear, actually creates and sustains unemployment.

As I view the situation, I can see nothing more pernicious and detrimental to stability than the prevailing notion that we are in a depression and that the clouds will soon roll by and the sun of prosperity will shine on our land as it did in the happy days following the World War. It does not appear to me, however, that we are due to have a return of that era. It seems to me that we are in a new era, a new world, and that we are drifting we know not where, because we refuse to chart a new course. There are several causes which have brought about this condition. First and foremost is the machinery that has come in every shape, manner, and form, until today it is part of our very existence. Nobody, so far as I know, has ever carefully analyzed the effect of the internal-combustion engine on humankind.

A few days ago I stood on Pennsylvania Avenue and I watched the swiftly moving motor traffic. My mind went back through the very brief years since the horse-drawn vehicles were in evidence on that famous Avenue, and as I looked I thought that perhaps the future historian will say that the greatest single factor creating our economic chaos has been the internal-combustion engine—the tractor, the truck, and the motor car.

No one can fail to realize that the Government cannot continue to spend more money than it takes in. That some persons and corporations and combinations are making money in these hours of distress for millions there can be no doubt. Money is piling up for a privileged few, even at a time when one-sixth of our entire population is eating out of the hand of charity and perhaps another sixth near to the bread line. It has been said that before the snow flies next winter one out of every six of the population of the United States will be drawing some kind of a check from the Government. It is true that at the end of this fiscal year, when the Government books are balanced, that balance will show several thousand millions of deficit.

In 1935 the expenses of Federal, State, and local governments, not including emergency outlays, will amount to above thirteen billions, or fully one-fourth of the national income. The only effective method for redistributing the national income equitably so as to permit maximum consumption and hence maximum employment of the employable is through taxation. Much has been said the last few months in this House about the processing tax. I am free to admit that this is in effect a sales tax, to which I have always been opposed. At the very earliest date the processing taxes upon necessities should be shifted from the backs of those least able to pay to those more able to pay. An additional revenue of \$4,000,000,000 could be and should be collected this year by taxing personal incomes, corporation incomes, and liquid surpluses, corporation profits, estates, and gifts. Most of the consumption taxes are paid by people with incomes under \$1,200. Total tobacco taxes for 1935 will probably be \$466,000,000; liquor taxes, \$430,000,000; gasoline, \$170,000,000; and minor nuisance taxes, \$250,000,000. I would clearly draw a distinction between sales taxes on luxuries and sales taxes on necessities, and would continue luxury taxes. Necessities should never be subject to the sales tax.

From the internal-revenue reports we find that 320,503 persons reported net incomes of over \$5,000 in 1933. They had a total income of \$4,992,545,000, of which \$1,789,828,000 was from wages and salaries and \$3,202,725,000 from ownership or control of property. There is no record of their addi-

tional income received from wholly tax-exempt Government bonds. One percent of the families in America received about one-tenth of the national income and one-fifth of the total property income, but they paid in Federal income and surtaxes only \$333,276,761.

After paying all direct taxes in 1933, 46 persons in the United States with incomes of over \$1,000,000 each had left an average of \$1,211,000. Eighty-four persons with incomes of a half million to a million had left, after they paid all taxes, an average of \$442,151. The internal-revenue records show that 139 persons with incomes of \$300,000 to \$500,000 had left an average of \$260,487.

In Great Britain a married man with three dependent children having a salary of \$5,000 pays an income tax of \$560. In the United States that man would pay \$52, or less than one-tenth of what the British taxpayer pays. The British budget is balanced.

There is no accurate record of the full amount of tax-exempt bonds. I heard one of our colleagues state in the Well that it was probably fifty billions. Perhaps forty-two billions is a safer estimate. Part of these Government bonds are partially taxed, but it is estimated that the tax-exempt income from those holding Government bonds is somewhere between \$650,000,000 and \$700,000,000 annually. Much of this tax-exempt income is received by people who pay taxes in the higher income brackets. Just remember there are no tax-exempt bonds in England. Neither should there be in the United States.

The New York Journal of Commerce reports:

First. Dividend and interest payment to investors in 1932, the worst year of the depression for the common man, were almost \$2,500,000 more than in 1929. In 1929 the investor received \$6,887,650,000. In 1932 he received \$6,900,000,000. Was it a depression for the investor?

Second. Total dividend and interest payments for the 5 years of the depression were \$10,000,000,000 greater than for the 5 years before the depression. From 1930 through 1934 the investor received thirty-six billions in dividends and interest. From 1925 through 1929 he received only twenty-six billions. This compares with seventeen billions for the 5-year period from 1920 to 1924, inclusive, and with thirteen billions from 1915 to 1919, inclusive. Whose depression was it?

Third. In the investor's worst depression year, 1933, his receipts were \$6,500,000,000. This was more than a half billion dollars above 1928 and more than twice his share of the war profits of 1919. Is it not clear from what sources taxes should come?

It is indisputable that while the national income has been declining the investor's share has been increasing both relatively and absolutely.

In his report on the operation of the National Industrial Recovery Act, Mr. Leon Henderson, Director of Research and Planning Division of the N. R. A., states:

Although pay rolls in December 1934 were only about 60 percent of the total in 1926, dividends and interest were 150 percent of their total in 1926.

The Federal Reserve Bank of New York reported the total net profits of 290 industrial and mercantile concerns were \$430,500,000 in the first 9 months of 1934, compared with \$202,800,000 in the same period in 1933, an increase of 137 percent.

The Treasury Department reports that in 1933 the net income of corporations reporting net incomes was \$2,506,078,279, compared with \$1,851,575,582 in 1932, an increase of 35.3 percent.

The net income of corporations in 1934 was probably at least \$3,400,000,000, and possibly \$3,600,000,000. The 392,021 corporations which submitted balance sheets for 1932 to the Federal Treasury paid out in interest and dividends \$7,902,644,000, but paid in Federal income taxes only \$282,059,000.

At the close of 1932 the liquid assets of these corporations' cash and tax-exempt bonds amounted to \$27,834,066,000, or some billions more than the national debt before the "depression." Of this the 618 largest corporations held over half.

Great Britain, with about half our wealth and half our income, collects nearly twice as much from personal and corporation income taxes as we do. The indications are that we could get at least three billions a year more from these taxes than at present. Can we balance our Budget if we try?

On December 31, 1932, 618 corporations, each having total assets of \$50,000,000, reported to the Commissioner of Internal Revenue:

Cash on hand.....	\$8,447,610,000
Tax-exempt investments.....	6,328,996,000
Surplus and undivided profits, less deficit.....	22,616,039,000
Total.....	37,392,645,000

They paid out in cash dividends that year \$2,269,998,000.

While no figures for this group of large corporations are available for 1933, the fact that for all corporations the 0.9-percent deficit in 1932 on book value of capital was turned into a 0.4-percent profit in 1933, and many of the large corporations made big profits in 1934, would indicate much larger liquid surpluses at the end of 1934 than at the end of 1932.

The total net value of the 8,727 estates for which returns were filed in 1933 was \$712,588,000, upon which the total tax liability was only \$59,429,000, or 8.3 percent, while in Great Britain the annual yield of the estate tax is about \$375,000,000. On the basis of our wealth the estate tax here should yield at least \$700,000,000. This means amendment of our inheritance-tax laws and rigid enforcement.

In 1933 the total revenue of the Government of Great Britain at the computed conversion value of the pound was \$3,506,611,000, the expenditure \$3,643,474,000, while our revenue was \$2,238,356,000 and our expenditure \$4,845,018,000. In 1934 the figures for Great Britain were: Revenue \$4,079,270,000 and expenditures \$3,905,632,000; and ours, revenue \$3,277,734,000 and expenditures \$6,883,862,000.

I want to give credit to the People's Lobby, which assisted me by assembling these figures. Except where otherwise indicated nearly all the figures are derived from official reports of United States Government.

I regret that no general revenue revision repealing taxes on consumption and providing taxes according to ability to pay and service rendered has been undertaken by this administration.

As a friend and supporter of the administration, I appeal to those who control and manage the affairs of this House to have prepared during the recess this summer a revenue bill that will honestly balance the Budget, so that when the Seventy-fourth Congress reassembles the 3d of next January one of the first bills for consideration will be the revenue bill that will really balance the Budget. No greater disaster could happen to this Nation than to have our bonds fall, say, 10 points in the markets of the world.

Every business man on this floor will recall happy days gone when he casually endorsed a note for a friend. Finally, the banks from which he borrowed insisted that he should list among his liabilities the notes he guaranteed. The experience of those days will recall the fact that the Government was right in requiring us to list guaranteed notes, for in almost all cases the guarantor had the note to pay. Sol Smith Russell, in the days gone on the American stage, often said: "When I was young I had money, I had friends; I loaned my money to my friends; I lost my money and my friends." I very much fear that many thousands of millions of the bonds that the Government has guaranteed and millions of loans will be lost and the Government will be called upon to make good the deficit.

In estimating the debt of this Government, if we use the rules of the Treasury Department and count all guaranteed bonds as debts, we will find that on July 1, 1936, the total obligations of this Government will approach thirty-nine billions, and the annual interest charge will exceed one thousand millions. We are today borrowing from the investing classes, and many of those with small incomes are called upon to pay the major share of the cost of maintaining the unemployed. The war against this so-called "depression"

cannot be won by borrowing from the wealthy and taxing poverty.

I admire the almost superhuman effort of the man in the White House in attempting to give work to the unemployed, but it is safe to say that despite his most herculean efforts there are probably several million that cannot be employed, even under the tremendous work program now being promulgated. In the future it will take from \$5,500,000,000 to \$6,000,000,000 a year to meet the current expenses of this Government. The Government must meet its responsibility for the care of the aged, the child and the mother, for health and education. This can be done, justly, only by drastic changes in our fiscal system. I have given figures to show why I believe these changes should be made.

Again I wish to warn my friends on the Democratic side of this House that the responsibility is ours. We must not neglect our duty. Whether we remain in power after 1936 is a minor matter compared to the saving of this form of government, unquestionably the best form of government that has ever been developed. We who know a little of its inside workings must admit to each other, at least, that it is still far from perfect. It is the greatest experiment in government for the masses that time has ever known. We must not allow it to be wrecked on the rock of insolvency. We have the money, we have the income, we have everything that our people need for clothing, food, necessities, and luxuries. We must devote our time and energy to an equitable division of the rewards of labor and genius. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 12 minutes to the gentleman from Indiana [Mr. SCHULTE].

Mr. SCHULTE. Mr. Chairman, in a very short time we will be called upon to vote for either an extension or the abolition of the N. R. A. The N. R. A. has been a godsend to my district and to my people.

Let us go back to 1933, before the N. R. A. was brought into being. The girls working in the textile mills and the sewing factories were compelled to work 10 hours a day, and 6 days, for which they were paid from \$2.50 to \$3.75 per week.

Under the N. R. A. today, the same girls receive a minimum of \$13 and work but 40 hours per week.

Practically the same situation exists in the oil industries, where the hours of labor have been reduced and more men employed. Should the Clark amendment be accepted in the House of Congress, it will mean that these men will have to go back to the long hours of work, with no increase in wages, and the extra men who were taken on, be out of work and forced to seek relief on the relief rolls in my district.

It means that the girls in the sewing factories would have to go back to the 60 hours and receive but \$2.50 to \$3.75 for their work.

That is the reason, my friends, I am making this plea here this afternoon for the Members of the House to vote to continue the N. R. A. under the present set-up for a period of 2 years.

There is nothing in the present situation which indicates to me that industry and business are in any way better qualified today to manage the industrial life of our Nation, unaided by the cooperation of labor and the supervision of Government, than they were 2 years ago. I see nothing in the present situation which leads me to believe that industry alone will find a way out of the depression from which we are still suffering. Two years ago, our business and industrial leaders were willing and eager to accept the leadership and the cooperation of Government and of labor. Today, due almost entirely to that leadership, they are in a more favorable position and feel strong enough to go ahead without any further cooperation with Government. Their present determination to free themselves of all restraint and regulation and return to the old chaotic order of cutthroat competition, merciless wage cutting, long hours of work, and every sort of unfair trade and labor practice is in effect a recognition that they have benefited very greatly from the program of the past 2 years, and now feel sufficiently recovered to engage in the old struggle. If we now discontinue the N. R. A., or if we consent to its continuation for a very

limited period of time, we are in effect saying to business and to industry, "Go back to the old order, to the old destructive practices which led this country into the depression. Treat your employees as you will; establish any kind of competition you will. With such things the Government has no interest."

We might as well face the fact that continuation of the N. R. A. for the short space of 10 months is in fact an abandonment of the N. R. A. Even worse, it is a qualified abandonment, a cowardly gesture of buck passing, which will cost the administration not only a great sum of money but which will have a most unfavorable reaction upon business and upon the administration itself. It would be far wiser and far braver to end the N. R. A. now than to continue it for a time so short and in such a modified and curtailed form as to make its failure inevitable. This is what the Clark resolution will do, and this is what we must prevent at all costs. Enlightened business leadership stands back of the 2-year continuation; enlightened labor leadership stands back of it. Such a continuation is an essential part of the administration program of recovery and of reform.

We must not be misled by the opposition to the N. R. A. which has developed. There will always be opposition to any regulation by certain groups. There are many lawless, ruthless people who are interested only in profits and who are willing to secure those profits at the cost of human misery, suffering, and even death. Those people have, of course, been restrained by the N. R. A.; they have been forced to do many things they did not want to do. They have, for example, been forced, in many cases, to give up hiring children; they have been forced to pay better wages and hire more employees because hours of work were reduced. They have had to refrain from some of their most merciless competitive practices. Of course, they oppose the N. R. A., as they would oppose any restriction.

Two of the greatest evils of our industrial life have been partially, if not wholly, corrected under the N. R. A., and we might in time succeed in the complete elimination of those evils if we continue the N. R. A. I refer to sweatshop labor conditions and child labor. What assurance have we if we refuse to continue this law, that we shall not again in the very near future see our mills and factories filled with children of 12, 13, 14, and 15 years of age, while their fathers and older brothers walk the streets looking for work they cannot find? What assurance have we that we shall not again see the country filled with sweatshops in which women and girls work night and day for wages as low as \$2 or \$2.50 per week? I know that child labor still exists; I know that sweatshops and home work still exist. But now, under the N. R. A., increasing control is possible.

I make no claim that N. R. A. has done all we hoped it would. I know it has not reduced hours sufficiently, that it has not raised wages as it should, and that compliance with code provisions has not been well enforced. Those are weaknesses in administration of the law and not in the principle upon which the law is based. They are weaknesses which should be and can be corrected but they are certainly not weaknesses for which the entire attempt at regulation of industry should be abandoned without a fair trial. Were any of us so optimistic as to believe that industry could be entirely remade in the short space of 2 years? When we adopted the N. R. A. most of us looked upon it merely as the beginning of a long-time effort to bring some change in our economic order. I do not believe there is a thinking disinterested person in the country who is not today convinced that some change is necessary. Nor do I believe there is such a person who can deny that wages have been increased and unemployment decreased under the N. R. A. You have only to read some of the records of code hearings to find that 2 years ago entire industries admitted paying wages as low as 5 to 10 cents per hour for adult male labor. Those same industries under the N. R. A. are paying wages of 20, 25, or 30 cents per hour. We may believe those wages still too low, but we cannot fail to see what such increases must mean to the workers concerned, and what they must mean in increased buying power. But

we need not deceive ourselves that code wages would be maintained without compulsion. I am reliably informed that some lumber companies, when they were advised that the administration would make no efforts at compulsory enforcement of their code provisions, immediately notified their employees that hours of work would be increased to 60 or 65 and that wage rates would be cut to 15 cents per hour. What happened there will happen in many industries if there is no supervision of industry through a continuation of N. R. A.

Evils as great as those from which we suffered are not corrected in 2 years, nor in twice times 2 years, but we have started on the road to changes in our thinking and our practices. We must not forget that we still have eleven and one-half millions unemployed, and that that number will increase immediately the N. R. A. is discontinued, because hours of work will be increased and many men and women thrown out of work, while others work 60, 70, or 80 hours per week. The N. R. A. has returned a significant number of men and women to work. The principle of re-employment through reduction of hours of work is sound.

Chief among the claims of the opponents of the N. R. A. is that it oppresses the little fellow. Concern for the little fellow has, it would appear, been suddenly stirred into life. Opponents of the Recovery Act are now apparently convinced that he is the victim of monopolies established under the codes. When has not the little fellow been the victim of monopolistic practices? He has always been at the mercy of the big concerns. Actually, he has never been in as favorable a position as he is today, when he has an agency of the Government to protect his interests.

In many cases the little fellows who are making such an outcry against the N. R. A. want to go back to the pre-code conditions of sweatshop labor, of long hours, low wages, and intolerable working conditions. It was through the exploitation of labor that many of them managed to exist and to make profits. They would not deal with organized labor; they would not pay wages paid in the larger and more carefully managed plants; they depended upon their abilities to sweat labor, to employ women and children, to work their employees long hours, for profits which they cannot make under decent conditions. Such economic units are actually a burden upon our economic and social order which must be wiped out if we are to go ahead to any kind of an ordered, decent economic and social system. Before we talk too loudly and long of the oppression of the little fellow under the N. R. A. we should make a very careful investigation of just how much of the oppression consists in an effort to make that little fellow observe standards with regard to his wages and hours and labor and trade practices which are fair and just.

A few examples will show definitely what I mean. A study of bakeries shows that in small units (those with annual sales of \$10,000 or less) the percent which profits constituted of net sales was twice that of the larger units (those with annual sales over \$10,000 and up to and including \$100,000), while the percent which wages constituted of net sales was less than one-half of the figure constituted by wages in the larger units. Similarly, in the case of 5-and-10-cent stores, the percentage of profits for the smaller units was 60 percent above that for the larger units, while the percentage of costs represented by wages was only about one-third. (These figures are from the Dun & Bradstreet Retail Survey for 1933.)

Small enterprises very often show more favorable earnings than the larger units, and those favorable earnings are often based on lower wage costs. For the first time in his life, the little fellow who has a legitimate claim of oppression has an agency to which he can appeal. This is one reason we hear more about the small-business man than ever before. When there was no attempt made to supervise and control business practices, he could not make his voice heard. If he could not meet competition, he simply failed and went out of business. Nothing was done to help him.

A comparison of the number of commercial failures before and since the N. R. A. should convince any sincere advocate of the small-business man that the N. R. A. has been of tremendous value to small business. In 1932, the Survey of Current Business reported 2,652 commercial failures; in 1933, that number had been reduced to 1,692, and in 1934, still further reduced to 1,015. What but the N. R. A. was responsible for this striking decrease in such failures?

I do not talk of section 7 (a) in connection with a continuation of the N. R. A. The right of workers to organize and bargain collectively has not been adequately protected under the N. R. A. Like other portions of the act the collective bargaining section has not been properly enforced. Like the other sections of the act, it must be strengthened; it must be enforced; but it must not be discontinued. We have not yet given N. R. A. a fair trial. Its most bitter opponents have nothing to offer in its place. Their cry is not a cry to go forward, but rather one to go back to the old intolerable conditions which the people of this country simply will not support. The N. R. A. still represents the alternative to revolution. It still represents gradual and ordered change instead of violent, sudden change. And change of one kind or another we shall have. We can make our choice. [Applause.]

Mr. Chairman, the abolition of the N. R. A. in one industry that I know of in particular means the placing of 13,000 men on the streets of our Nation. That is just one industry alone. This is in the event the Clark amendment is adopted by the House. If this is true in the case of one industry, what does it mean to the workers as a whole? I dare say, Mr. Chairman, without fear of contradiction, that if Senator CLARK's amendment is adopted we will find over 1,500,000 more people on the streets of our Nation again. That is why every workingman and every workingwoman is pleading for the life of the N. R. A. Our great leader demands it. He insists that it be continued for a period of another 2 years.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. LEE].

Mr. LEE of Oklahoma. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein a statement made by the Oklahoma farmers who visited Washington in connection with the recent Farm Congress that has just closed, and also to include a resolution adopted by them.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. TABER. Mr. Chairman, I shall not object to the gentleman revising and extending his own remarks, but it was understood here this morning that we would not put in the CONGRESSIONAL RECORD anything except from officials of the Government. Therefore, Mr. Chairman, I must object to anything other than the gentleman's own remarks.

Mr. LEE of Oklahoma. Mr. Chairman, I made the request to insert in the RECORD the statement and resolutions of the farmers from my State who came to Washington to thank a generous Uncle Sam for saving them from bankruptcy, and I am sorry that the gentleman from New York objects to my request, because, as I understand it, this is the first time in the history of the Nation that a group of people ever came from all over the Nation and thanked the Congress for what they had done. The 73 farmers from Oklahoma invited the whole Oklahoma delegation to dinner and fed us. They did not ask for a thing. They only wanted the opportunity to thank us for what we had already done. I thought the uniqueness of the whole situation was worthy of recognition.

There is a bill now pending before the Committee on Agriculture known as the "Frazier-Lemke bill", H. R. 2066. The purpose of this bill is to refinance farm indebtedness at lower interest and longer terms. I arise to speak in behalf of this principle. The United States granted a moratorium to Germany extending their time and lowering the interest rate. I believe our Government should likewise grant a moratorium to the American farmer.

FARM INDEBTEDNESS HINDERS RECOVERY

I shall therefore address myself to that principle, with the hope of stimulating interest in what I consider one of the most important phases of Federal aid to agriculture.

Uncle Sam has saved the farmers of the United States from absolute bankruptcy. Farm prices have been doubled and tripled since Mr. Roosevelt took office, so from the standpoint of farm prices the farmer has been greatly benefited; in fact, saved.

But the thing that is now making it difficult for the farmer to repair and improve his farm, to replace his worn-out machinery, to buy harness, equipment, paint, and clothes is the debt burden that, like a millstone about his neck, is still keeping his head under water.

CHANGE IN VALUE OF DOLLAR WORKS HARDSHIP

Most of these debts were made when times were good and money was cheap. The farmer naturally figured in terms of his commodities. Wheat was \$1.50 a bushel. If he borrowed \$1,000, he figured it would take 666⅔ bushels of wheat to pay it back. Cotton was 20 cents a pound, so he figured it would take 10 bales of cotton. Pork was 15 cents per pound, therefore 30 fat hogs would pay off his \$1,000 note. Now, of course, it was not written in the mortgage that the farmer would have the right to pay off in terms of what he borrowed. Yet in all justice he should have the right to pay off that debt with dollars of the same value that he borrowed. Therefore, I believe that he should be refinanced on long terms and low interest rates in order that he might not lose his property until the dollar returns to its normal value.

Suppose one day you went over to your neighbor and borrowed a bushel of wheat. Then when you went to pay it back you took a bushel over to him, and he said, "No; you owe me 6 bushels." You would have thought he was crazy. Yet that is what happened. When many of these debts were made wheat was \$1.50 a bushel, but when the debt came due wheat was 25 cents a bushel.

I had this personal experience. I borrowed some money on my ranch when wheat was \$1.25 per bushel. I raise wheat and could have paid that debt off with less than 800 bushels of wheat, but when the note came due I was selling wheat at 25 cents per bushel. It took 4,000 bushels of wheat to pay that note, not counting the interest. It took five times as many bushels of wheat to pay the principal as it would have when I made the debt. That is a typical example of millions of cases of farmers.

Therefore the farmers should be granted a moratorium in order to give them a chance to pay back those debts with the same dollars they borrowed. By the terms of the Frazier-Lemke bill, the farmer is required to pay only 3 percent a year, 1½-percent interest and 1½ percent on the principal. This will pay the entire debt in 47 years.

AN EVEN BREAK ON INTEREST RATES

But to merely extend the time is not enough. The farmer cannot pay the high rate of interest that he is being charged. Not long ago I talked to a banker in Omaha, Nebr., a very splendid man. I asked him, "What is the lowest interest rate that Swift Packing Co. can borrow from you for?"

He said, "One and a fourth percent."

I said, "What is the lowest rate a good-risk farmer can borrow for?"

"Six percent."

I said, "What is the difference?"

"Well," he replied, "the loan to the packing company is liquid. We can get the money on that any time we want it. But in the case of the farmer, we must wait until his crop is harvested; therefore we must charge him more interest."

The banks do not make loans on farm land anyway. Therefore such a law as this would not injure the country banks. I do not wish to destroy our banks. The farmer cannot get along without the country banker. What we need today is a lot more "chain harness banks."

Perhaps the private banks cannot lend to farmers for the same rates that they lend to big business because they must meet certain requirements as to liquid assets. But the Government can lend to the farmer at as low a rate as big business enjoys. The men who gamble on the stock market

can borrow "call money" at less than 1 percent, and big business can borrow for operating their business as low as 1¼ percent.

The farmer is trying to compete with big business and carry this tremendous handicap. If big business had to pay the same interest rate that the farmer does, it would not outstrip him as it does now. A farmer is lucky if he can get money at 6 percent simple interest. There are fees, commissions, and sometimes compound interest that runs his rate far above 6 percent.

We have in Oklahoma as good land as lies out of doors. Our soil is so rich that if some States had it they would sack it up and sell it for fertilizer, and yet I do not believe there is a farm in Oklahoma that on a strictly agricultural basis has paid 6-percent interest on the investment since the crash of '29. That is taking the best farm and the lowest interest rate. If that is true of the best farms and the lowest interest, then what of the other farms and the higher interest? The question answers itself.

INTEREST KEEPS MARCHING ON

When the depression hit the farmer he could cut down on all of his expenses except the interest on his debt. It kept marching on. In Oklahoma we reduced our property tax assessment, but the interest on the farmer's debt kept marching on. The farmer raised his own food and feed and lived at home without cash. He patched his harness with baling wire and repaired his machinery with barbed wire. He stopped every possible expenditure, but the interest on his debt kept marching on. That interest required cash, in many cases more than his total cash income for the year.

He could not pay. Many farmers have already been foreclosed. The Government stepped in and offered him a helping hand through the farm land loans, but the interest rate on these is still too high. It is 5 percent plus certain fees and charges. This Frazier-Lemke bill would refinance the farmer at 1½-percent interest. Big business can borrow money for that. All I am asking for the farmer is the same as big business enjoys. I am not asking a special favor for him. I am merely asking that the advantage that big business has over the farmer be cut down and equalized.

EQUALIZING THE CONTEST

At the University of Oklahoma we have a circular race track. This track is divided into lanes. Each racer must stay in the lane assigned to him. The fellow who has the outside track must run farther than the one on the inside; therefore, at the start of the race, the referee places the man in the outside track several paces down the track so that when they come out at the finish line both have run exactly the same distance. That is all I am asking for the farmer. He has had the outside track too long. All I am asking now is that you cut off enough of this interest to give him the same chance as big business.

A gang disk plow is a horse killer. It is too heavy for four horses, but if you put five on one must walk on the plowed ground. Unless you change him off he will give out. He cannot walk on the plowed ground all day and keep up with the other four that have firm footing.

Gentlemen, the farmer has walked on the plowed ground until he "is give out." Why not shift him over on a firm financial footing and give him a chance?

By the terms of the Frazier-Lemke bill he would be required to pay 3 percent a year, 1½-percent interest and 1½ percent to apply on the principal, until the debt is entirely liquidated.

GILT-EDGED SECURITY

For these loans the Government would have gilt-edged security. What could be better security than a first-mortgage lien on the farms of America? The mortgage companies consider them the best security. The life-insurance companies consider them the best security. Adam Smith, the dean of economists, says that all wealth comes from the land. It represents the productive power of the Nation. The Government, therefore, would have the best security there is in the Nation back of these loans. Furthermore, the Government would have the name, reputation, and charac-

ter of the farmers on that paper. These loans would be secured both by character and collateral. Could anyone ask more?

NO COST TO THE TAXPAYER

The Government can perform this service for the farmers without a cost to the taxpayers, but at an actual profit to the Government. The Frazier-Lemke bill provides that the Government can borrow money at 1½ percent to lend to the farmers at 1½ percent, thus breaking even on those loans financed in this manner.

But if the Government does not find enough money that can be borrowed at 1½ percent, then it can issue new money and receive 1½ percent on that money, thus making a profit on the loans that are financed in that manner. The Government has allowed private banks to issue new money and lend it at 6 percent interest, and the banks receive all that profit, while the Government received nothing. The only change of policy involved here is that the farmer gets the money for 1½ percent instead of 6 percent, and the Government gets the profit instead of the banks.

This bill has a safety valve. If the financiers of the Nation do not want the Government to issue this new money, they can buy enough Government bonds at 1½ percent to refinance these farm debts. This will have the wholesome effect of forcing money into circulation.

GREATER ECONOMIC SECURITY

Such a policy of refinancing the farm indebtedness would result in greater economic security for the Nation. I favor granting pensions to old people who are unable to support themselves. But in my opinion that is not getting at the source of the trouble. If we will lower interest on farm mortgages, we will not need so many old-age pensions. High interest is what has bled our farmers white. It has drained them dry. It has eaten out their substance, and consumed their savings. Through good years and bad, it has marched steadily on. It is a certainty against an uncertainty. It never fails. Droughts and floods, pests and depressions, come and go, but interest goes marching on.

The result is that the farmers have lost their homes. Many old graybeards who pioneered in Oklahoma are today trying to get on the relief rolls. Many silver-crowned old mothers who were among the "first settlers" are today asking for old-age pensions. Many pioneers who made the run in Oklahoma in 1889 are today on relief. Forty-six years ago last month they staked a claim in the new State. They were young then. Their blood was red; their hopes were high. They lived on gyp water and white gravy. They weathered the droughts of pioneer years that they might have a home to shelter them in their old days. But the interest on the mortgage overtook them. Today they are farmers without a farm, homesteaders without a home.

I favor an old-age pension all right, but that only takes care of the victims of high interest. It does not remedy the evil that causes poverty in old age. If you cut those interest rates down, there will not be so many of our old people who need pensions.

Let our people own their homes. Let our farmers own their farms. Then you will have national security.

When a farmer owns the farm he is farming he will take better care of it. He will farm it better. He will keep the improvements repaired. He will protect the soil against erosion. The value of the farm thus increases. But the tenant has little incentive to keep up a place. Therefore the value of the farm property decreases when loan companies and insurance companies own the farms and rent them out to tenants.

Home owners make the best citizens in times of peace and the best soldiers in times of war. The farm-owning farmer is the bone and sinew of the Nation. But the tenant becomes discouraged. Even the peasants of Europe have their huts, but the tenants of America have not where to lay their heads. If you want patriotic citizens in peace or war, help them to own a home. Then they have something to live for and, if need be, die for. You cannot expect the gypsy to feel much loyalty to the place where he camps tonight, for tomorrow he moves on. But if you want

our people to say, "This is my own, my native land", let them own some of it. If you want them to sing, "My country, 'tis of thee", "I love thy rocks and rills", let them own some of those rocks and rills.

Therefore I should like to see this Congress pass legislation that will grant a moratorium to the debt-burdened farmer of America. The high morale of the American farmer is worth preserving. But once he loses hope entirely, there is darkness ahead for our Nation, because there is no fall so dangerous as the fall of those invisible towers of faith.

But let the farmer own a few fertile acres of land, and the agitator's words will fall on dull ears.

When a man works his own plot of ground he is twice fed by it. There is a wholesomeness that permeates his being and purges his mind of evil thought. A man cannot lean up against the forks of his own apple tree and plan the destruction of his own country. [Applause.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, ladies and gentlemen of the Committee, yesterday it was announced through the press that there had been allocated for the construction of a tidal power project at Passamaquoddy Bay the sum of \$10,000,000 out of the work-relief fund.

The project is sufficiently novel, and the interest so widespread, that it seemed to me quite appropriate that as a Representative of the congressional district in which the project is located I should explain briefly to this assembly, and to the very much wider audience, the location and character of this project, incident to what I trust may be a visit to the project during its construction and after its completion by very many here, who may join with the million people who each year spend their vacation in the State of Maine. [Applause.]

The Passamaquoddy project is located on the extreme northeastern part of the United States where the tides reach between 30 and 40 feet. At the point where this is located the tides run as high as 30 feet and have an average height of 18 feet.

The project was originally conceived by Dexter P. Cooper, brother of Hugh Cooper, the distinguished engineer who has constructed many power projects not only in this country but throughout the world.

Dexter P. Cooper has devoted most of his mature life to the formation of the project and carrying out surveys which have finally made it feasible.

While I was Governor of Maine 7 years ago, a charter was passed by the Maine Legislature and signed by me, authorizing the construction of this project as a private enterprise, but owing to the depression it was never feasible to carry it out as a private project.

It was later taken up as a public or Federal project, and as a result of the studies made by those in authority, it culminated in the Work Relief Board recommending it to the President of the United States. The initial allocation is \$10,000,000, with an ultimate expected cost of \$30,000,000, to be carried out as a great tidal power development, perhaps the greatest throughout the world.

Tidal power has been the dream of engineers for centuries without end. It is not as novel or fantastic as might at first seem, since the English economic council on the estuary of the River Severn has been for some years studying such a project and preliminary works looking toward the carrying out of such a project have been authorized.

There is before you a blueprint showing how the tides have been harnessed. As a result of the configuration of the earth up there an island at the mouth of the bay makes it possible to hold the water in an upper pool, letting it then run through down into a lower pool, which is held at the level of low tide, getting a constant head of approximately 16 feet, which, with the weight of the sea water, will generate in its inception 166,000 kilovolt amperes, looking to an ultimate development of 366,000 kilovolt amperes, which is a tremendous power project. It will take 30 months to construct, and it will require the expenditure for direct labor of 52 percent of the allocation of \$30,000,000. It will involve the removal of

2,500,000 cubic yards of rock, 9,000,000 cubic yards of earth; 700,000 cubic yards of cement will be placed, and we have the cement plant now located in the Second Congressional District of my colleague [Mr. MORAN], which will be readily accessible to furnish the cement. It will require 13,000,000 pounds of metal, which will be used in the construction of the dams and generating units in various phases of the project.

Mr. CROWE. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. Yes.

Mr. CROWE. That works project brings relief. Does the gentleman approve of it?

Mr. BREWSTER. I am thoroughly in accord with the proposition that the \$4,880,000,000 work-relief fund must be used for the relief of those in distress throughout the United States, and we have over 40,000 upon the relief rolls now. I subscribe entirely to the proposition that any feasible project that will put these men to work is fully warranted and wise, and it has been determined as a result of careful studies and surveys that this will take some 7,000 men off the relief rolls and give them employment throughout, we trust, the greater portion of the next 2 years.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. Yes.

Mr. McFARLANE. I think it is a splendid project, and this question arises: I am wondering if the gentleman can tell us about it. Have there been any safeguards or provisions written into the project guaranteeing to the consumers of power up there low rates for that power, or will there be proper safeguards placed in the grant limiting the rates that may be charged the consumer?

Mr. BREWSTER. This is being constructed purely as a Federal project, and there is at this time no provision as to how that power will be distributed. There is nothing, however, to indicate that conflict is proposed with existing investments, as the power developments in Maine at the present time are in the central part of the State on the rivers, and there is only one power line running down along the border of the State, while a municipal power plant furnishes power in Eastport, Maine, where this project is located.

Mr. McFARLANE. Does not the gentleman believe that, in fairness to all of the people in that area who will consume the power from that project, the Government ought to safeguard maximum prices that might be charged before any State charter or private power contracts are granted for distribution of power to the consumer? In the T. V. A. they sell power to private companies at two-tenths of 1 cent, and proper safeguards as to the maximum charge per kilowatt-hour are made to the public. Do not you think we ought to properly safeguard the rates to be charged the public?

Mr. BREWSTER. I have felt that we could safely trust this administration not to permit extortion from the power consumers.

Mr. McFARLANE. I agree with the gentleman that we can trust the administration, but sometimes we do not know who is going to administer the affairs up there or what influence private power companies might have in securing power contracts and how they may inveigle those in charge to permit high rates, and so forth.

Mr. BREWSTER. It has been considered that a State authority might be created for the purchase of this power and its distribution. If such an instrumentality were used as has been proposed, it would certainly provide ample safeguard of the nature you suggest.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. Yes.

Mr. BOLTON. Aside from the relief side of the question, does the gentleman know whether there is a demand for this additional power to be developed, or is it to replace existing power supplied by private plants?

Mr. BREWSTER. There is no existing market for this power other than the normal expansion of power demand, but it is expected that industries will gather to use this power attracted by the cheap power and water transporta-

tion. There is at the present time no contemplation, so far as my knowledge goes, that they will enter into competition with private enterprise.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. Yes.

Mr. ROBSION of Kentucky. Is this to be a self-liquidating project?

Mr. BREWSTER. It does not enter within that field, as it is being constructed entirely as a Federal project by the Engineering Corps of the War Department. Some of the cost is being reckoned as part of our national defense as a potential source of needed electrical energy for producing nitrates, as is T. V. A., and part of it is being charged to the expense of relief, which the Government is now being required to supply.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. ROBSION of Kentucky. The gentleman has suggested there would be a plan on foot whereby some State authority would take it over and distribute the power?

Mr. BREWSTER. In the charter that was drafted it was contemplated that it should then be self-supporting for the part which the State authority assumed, and that the State authority should assume all expenses of distribution, although securing funds for development from the Federal Treasury.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. SCHNEIDER. Does the State of Maine still restrict the exportation of power from the State?

Mr. BREWSTER. It does.

Mr. SCHNEIDER. How would that law affect the regulation and sale of this power?

Mr. BREWSTER. In the charter, which was granted while I was Governor of the State, specific exemption was made of this project allowing power to be exported from this site.

I speak of this because it has been easy to be facetious regarding the development of tidal power. As far as my knowledge goes, there has never been a question raised as to the engineering feasibility of this project or as to the vast amount of power that would result from the development of the tide.

I trust that many Members of this Congress may join that army of a million of which I spoke that each year vote in favor of coming up to Maine. Bar Harbor and Acadia National Park, where much of our activity centers, is nearby along the coast. The President's summer home at Campobello is just across the bay. The attractions of the coast of Maine have been long and widely known, and it is a matter of great gratification to us that now a great engineering enterprise of this character is to be carried out up there in that corner of the United States, where we trust we may welcome increasing numbers of you as the months and years go by. Come up and see Maine sometime. [Applause.]

Mr. BOLTON. Will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. BOLTON. Can the gentleman tell whether this proposal will interfere in any way with navigation; and, if so, has it been considered by the Engineers of the Army?

Mr. BREWSTER. It is my understanding that it has been reported by the engineers as not interfering with navigation. The site is located entirely outside the bounds of where vessels now pass, as both Eastport and Lubec find themselves and their wharves entirely outside the bounds of the dams, although a lock is being provided through which ships may pass if they wish to use one of these basins as an inner harbor.

Mr. BOLTON. In other words, it cannot be considered as coming within the river and harbor activities of the Chief of Engineers?

Mr. BREWSTER. It is my understanding that the Solicitor of the War Department has so ruled.

The engineering phase is notable. The upper bay is filled at high tide, when the water level is up, perhaps, 30 feet. It then runs through the dam to the lower basin, which is at the level of low tide. Meanwhile a great storage reservoir to take care of midtide is located some miles away, where the water is pumped 130 feet above sea level. It then flows down to take care of the period when the tides are just at mid. All of these features make it a thing of great engineering interest and will undoubtedly result in its receiving world-wide attention not only during the course of its construction but in its operation, which we trust may also result in an industrial development for the use of the very cheap power which will result.

Mr. HOLLISTER. Will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. HOLLISTER. This is absolutely for the development of power?

Mr. BREWSTER. Yes.

Mr. HOLLISTER. The gentleman is a great lawyer. Does the gentleman feel that the expenditure of Federal money solely for the development of power, with no connection with anything else, is a constitutional expenditure of funds?

Mr. BREWSTER. This project seems to come well within the bounds of the constitutional provision that Congress shall have power to "provide for the common defense and general welfare of the United States."

The CHAIRMAN. The time of the gentleman from Maine [Mr. BREWSTER] has expired.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, I listened with a great deal of attention to the remarks made yesterday by our distinguished friend from Indiana [Mr. GREENWOOD]. He told us at the beginning that his was to be a political address. That was hardly necessary. I believe that I could have imagined our distinguished friend pleading a cause out in his home State as a brilliant defense lawyer, for certainly he brought to his command all of the ingenuity, all of the cunning, all of the craftiness that a brilliant, capable lawyer can bring to bear in defense of his own cause. I compliment him for the effort that he put forth to have the Democratic program appear in its best possible light. I tried to ask the gentleman a few questions yesterday as to what he understood to be regular expenditures and those which might be characterized as extraordinary expenditures. I want to quote him correctly. His declaration was:

No one is claiming on behalf of the administration that we are balancing the Budget or attempting to balance the Budget of the unusual expenditures which are an investment in the future, but we do say that, so far as current expenses are concerned, we are approximately balancing the Budget.

That is a startling confession. The Budget is not being balanced, nor is any attempt being made to balance it. How the party platform and the Democratic stump speeches of 1932 must haunt the faithful when they hear that bold and brazen confession.

I want to direct the attention of the gentleman from Indiana and the Members of the House to a few pertinent statements that were made during the course of the hearings on the naval appropriation bill. For instance, note the following from page 275 of the hearings on the Navy appropriation bill:

PROJECTS COMPLETED FROM FUNDS ALLOTTED BY P. W. A., FISCAL YEAR 1934

Mr. McLEOD. How much money did you receive from P. W. A. funds last year?

Captain McKITTRICK. I can give you a list of the Public Works projects which were completed during the fiscal year 1934 for the Naval Academy, including the hospital and all of the activities of that district. They are as follows:

1. Repairs to swimming pool filters.....	\$435
2. Pile dolphins.....	600
3. Improvements to Santee Wharf.....	25,844
4. Repairing smokestack, hospital.....	358
5. Window screens, radio station.....	823

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6. Irrigation system, Thompson Stadium.....	\$1,859
7. Painting radio towers.....	6,480
8. Overhead doors, radio.....	990
9. Repairs to <i>Reina Mercedes</i> pier.....	59,884
10. Timber trestle, experiment station.....	2,380
11. Fire pump, radio station.....	2,978
12. Shore protection, radio station.....	10,404
13. Flagstaff, hospital.....	1,342

Total..... 114,377

These are items that the gentleman from Indiana would have us believe were entirely extraordinary expenditures, yet the admission was made during the course of the examination by the gentleman from Michigan [Mr. McLEOD] that had there not been available extraordinary or emergency appropriations that these items would have had to have been provided for under the regular appropriation bills. No accountant would classify repair items as capital investments. I feel that there is no possible dispute between the gentleman from Indiana and myself as to whether or not these are future investments or just maintenance costs.

I refer the gentleman to page 437 of these hearings in which inquiry was being made with respect to the cost of the original fill of ammunition for the vessels of the Navy. I read:

Mr. McLEOD. In answer to a question by the chairman you said that it would be hard at this time for you to segregate the contribution of money specifically appropriated by Congress for the building of ships and that of P. W. A. funds. You recall making that statement, do you not?

Admiral STARK. So far as these new ships are concerned, that is not at all difficult, because they are built under their specific appropriations.

Mr. McLEOD. Of P. W. A.?

Admiral STARK. Separate records of obligations and expenditures are maintained for the ships being built under the P. W. A. allotment of funds. Perhaps I do not exactly understand your question.

Mr. McLEOD. You might answer the question this way: If money is provided by P. W. A. for the building of a ship, and the money is used for the building of a ship—P. W. A. money—is P. W. A. money also provided for the cost of the original fill of ammunition for that ship?

Admiral STARK. Yes, sir.

Mr. McLEOD. Regardless of whether it would be \$125,000 or \$375,000?

Admiral STARK. Yes, sir.

Mr. McLEOD. It would make no difference?

Admiral STARK. That is correct.

A navy would be a useless luxury indeed without ammunition. And still our friend would have us believe this is an extraordinary or emergency expenditure.

May I again refer my friend from Indiana—I have the greatest regard for him—to page 594 of those hearings where we have the startling disclosure made that the naval authorities have used P. W. A. money to provide the funds for the 5-percent increase in wages and the 40-hour week? I read:

How are you financing this year the 5-percent pay increase and the additional cost of the 40-hour week? Are you drawing on the indefinite appropriation or are you absorbing the expense?

Admiral SMITH. Part of it was taken care of by transfer of funds from Public Works appropriations.

Mr. CARY. From what fund was the transfer made, Admiral?

Admiral SMITH. Part of it was transferred from the public-works appropriations that were granted by Congress.

Mr. CARY. Was that public-works money that was allocated to the Navy for some specific purpose?

Mr. SMITH. No, Mr. Chairman. Public-works appropriations, as you know, are continuing appropriations. There are no yearly appropriations. They accumulate from year to year. We had under those appropriations an accumulated balance that had not been expended because of restrictions put upon cash withdrawals, which enabled us to transfer that amount of money from the public-works appropriations to the appropriation "Maintenance" without jeopardizing any project which had been authorized with which we might proceed.

Mr. CARY. How much was transferred from public works?

Admiral SMITH. The amount transferred to maintenance in 1935 was \$531,487 from public works and \$200,000 from emergency appropriations, making a total of \$731,487.

Mr. CARY. Without those transfers from the public-works appropriation and the emergency appropriation you would have been compelled to ask for a deficiency appropriation, would you not?

Admiral SMITH. Yes, sir; we would.

Mr. SMITH. We would have asked for an allocation of money in a deficiency bill which provided an appropriation to take care of those items.

Pay restoration and the additional cost of the 40-hour week comes within the extraordinary or emergency classification under the present administration's method of budgeting.

I wish the gentleman from Indiana would take the time to go through this record from beginning to end. I have picked out just a few statements at random. I wish he would do this, for then he would see how frequently throughout these hearings on the naval appropriation bill admissions are made by those in charge of the operations of the Navy that P. W. A. funds are used and have been used, and it is contemplated that they will be used, not for extraordinary items, not for emergency items, not for future investment items but for the operating costs, for the maintenance costs of the Navy. And what is true of the Naval Establishment is true in other governmental operations. The gentleman's criticism, therefore, caustically referring to the deficit of the Hoover administration might well be directed, only to a larger extent, to the present administration. If a single system of bookkeeping were being used, if we would put all of the items of income and all of the items of outgo in one set of books; if, in other words, we followed a bookkeeping system which would reflect definitely the deficit, the income, and the amount being spent, the country could then intelligently and honestly appraise the value of the alleged achievements.

The gentleman from Indiana dwelt at considerable length in his defense of the administration on the supposed benefits coming to the Nation from national planning in agriculture. He declared that we must have national planning in agriculture as we have had in industry. His glittering generalities included a statement that the farmer is producing the foodstuffs that feed America. A complaint from one of the housewives from my own district, directed to the Secretary of Agriculture, contradicts the assertions made by our distinguished colleague. The complaint is a recital of a personal experience of this woman when she went to market for the foodstuffs for the family. The suggestion was made to her that instead of buying boiled ham from America that she purchase a product which came in from Poland. As an inducement to her to buy the imported product, she was told by the storekeeper that the imported product could be sold for 20 cents a pound cheaper than the domestic hams. To this practical housewife it was difficult to reconcile the program of the Agricultural Department of limiting production and opening the doors wide to foreign competition. Her pointed inquiry to the Secretary of Agriculture was in these words, "I would like to know how you justify curtailing the raising of hogs in our own country, then permitting Poland to ship ham for consumption in the States. Do you consider this fair competition?" There can be no reasonable answer to this question. There is no justification for a program which will permit curtailment of a home product in order to invite the importation of a foreign product. There is only one basis for this procedure and that is the fantastic, experimental policy of wastefulness sponsored by the present administration. It is the philosophy of creating scarcity in a land of plenty in order to artificially raise prices. The records from the Ways and Means Committee on this subject are illuminating. During the calendar year 1934 there were imported from Poland 340,379 pounds of hams, shoulder, and bacon. During the first 3 months of 1935 there were imported 317,666 pounds of hams, shoulders, and bacon. In other words, during one-quarter of the present year there were imported almost as many pounds as were imported during the entire year of 1934.

In order to provide a market for the pork produced in Poland, where apparently the Tugwellian theory of birth control has not been adopted, the American farmer will be forced to continue the use of the contraceptive devices advocated for the relief of the American farmer in hog raising.

Time will not permit a reference to all of the defenses advanced by the gentleman from Indiana in justification of his party's program. As eloquent as he might be, the

futility of his effort is apparent. The administration's program has been one of extravagance, wastefulness, and luxury. It has been predicated on the theory that we should spend ourselves out of our difficulties. Profligacy is the order of the day. Frugality is a discarded and outmoded virtue, and no effort on the part of our colleagues on the other side of the aisle can refute these charges.

The warning of Plutarch might well be used as a warning to America today when he said:

It was a shrewd saying, whoever said it, that the man who first brought ruin on the Roman people was he who pampered them by largesses and amusements.

The need of America for today is for one budget—not a double budget—a budget which will reflect definitely emergency disbursements as well as regular disbursements; a budget which will reflect in all of the governmental operations the cost of the present program so that we today may know the enormous price being paid for the maintenance of the gigantic, bureaucratic machine created by the Democratic Party. [Applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include certain excerpts.

Mr. DITTER. Mr. Chairman, reserving the right to object, do I understand that these are excerpts from official reports of Government departments?

Mr. McFARLANE. That is right; they will be Government records.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Chairman, I rise at this time to answer the remarks of the gentleman from Pennsylvania [Mr. RICH], which remarks are to be found in the RECORD of May 13, on page 7409. During the course of the gentleman's remarks, the following colloquy occurred between the gentleman and myself:

Mr. McFARLANE. The gentleman mentioned the total expenditures of the Government from its founding to the end of Taft's administration. Let us consider in connection with the Republican regime the gentleman speaks about, the legislation for which the Republican Party is responsible which has brought about the situation in the country where 4 percent of the people own more than 80 percent of the wealth. It was brought about through special-privilege legislation. Legislation enacted by the Republican Party is responsible for the present condition of the country.

Mr. RICH. I have heard statements similar to that just made by the gentleman from Texas made on this floor half a dozen times, that 4 percent of the people own 80 percent of the wealth. The gentleman is conservative, for many Congressmen have stated on the floor that 3 percent of the people own 95 percent of the wealth.

I wish gentlemen who talk thus would present facts and figures to support their conclusions. I wish some Member who makes such statements would come prepared with his figures to support them, and I shall try to get them printed in the RECORD, for I do not believe such statements.

Mr. McFARLANE. I shall be very glad to present them in my own time.

Mr. RICH. I may say to the gentleman from Texas that I doubt the accuracy of his statement. I believe he is misinformed. I have heard similar statements made on the floor of the House a number of times, as I said before. Several times I have tried to find authority for such statements but have not been able to find it. I do not believe it; I do not believe those statements.

THE DISTRIBUTION OF INCOME AND WEALTH

In answer to that colloquy with the gentleman from Pennsylvania, I have here information clearly showing that the Government records show that the statements I have made are in keeping with the facts as to the distribution of wealth in this country as near as it can be ascertained. I will first quote from the Washington Daily News, page 31, of April 11, 1935, in which it says:

The News assigned one of its most competent investigators, Lowell Limpus, to the job of digging up the figures. About Limpus' character and qualifications for such a job, it should be recorded that he is not a sentimentalist; is not suffused, for instance, with the conviction that when a white-collar person loses his job he should be taken by the hand by a paternalistic Government and taught eurythmic dancing. Limpus is a realist.

He was a West Pointer, in fact, and West Pointers are not noted for their sentimentality toward the poor, the rich, or anybody else.

So Lowell Limpus * * * worked for weeks in the Library of Congress and elsewhere. * * *

The results of that research are now being published in the News. And to the consternation of many people (including ourselves when we first heard of them), the results of that research show that * * *

More than 96 percent of the workers in the United States receive less than the \$2,000 a year which is regarded as sufficient only for basic necessities.

According to the United States Federal Trade Commission, in 1926, 1 percent of the people dying did own 59 percent of the wealth reported; and since that time the rich have been getting richer in proportion and the poor poorer. (Italics mine.)

The national income picture projected on the year 1932, according to Mr. Lowell Limpus' analysis, shows:

I. The people

The poor (those with incomes of less than \$2,000 per year):	
Wage earners.....	28,263,372
Farmers.....	8,014,585
Unemployed workers.....	15,840,000
Total poor.....	52,117,957
The nonpoor (all those with incomes exceeding \$2,000 per year):	
From income-tax returns.....	2,083,153
Total employable adults.....	54,201,110

II. The money

Aggregate national income.....		\$57,204,980,000
Income of poor:		
Paid to wage earners.....	31,533,000,000	
Farmers' income.....	2,924,893,805	
Odd jobs of unemployed.....	429,037,350	
From gardens, roomers, etc.....	286,024,900	
Total income of the poor.....	35,172,955,055	
Income of the nonpoor.....	22,032,023,345	

III. Conclusions

Less than 4 percent (3.75) of the employable population receives 38.5 percent of the national income. More than 96 (96.25) percent of them receive less than \$2,000 per year.

This is not a new problem but is one that has been confronting our Nation for more than 50 years and, according to our leading economists, the concentration of wealth into the hands of a few people has been growing worse all the while. According to the above table more than 96 percent of the workers of the United States receive less than \$2,000 a year, which is regarded as sufficient only for basic necessities. Three and three-fourths percent receive 38½ of the aggregate national income. They own and control more than 87 percent of the national wealth. According to the News:

The poor are getting poorer, the national income is steadily draining into fewer and fewer pockets, the Nation's wealth is rapidly coming under the control of a mere handful of men. (Italics mine.)

These facts have been known for many years. Charles B. Spahr pointed them out in 1890. George K. Holmes, of the Department of Agriculture, spotted the maldistribution in 1892; Lucien Sanial again showed it in 1900. Bryan C. Matthews commented on it in 1908. The Commission on Industrial Relations sounded the warning in 1916. Dr. W. I. King surveyed it in 1921. The Federal Trade Commission in a report to the Senate, Resolution No. 451 of the Sixty-seventh Congress, reported on it in 1926. Robert Doane analyzed it in 1933, and the Daily News brought these figures down to date.

The Conference Board Bulletin, April 10, 1935, analyzed the national income produced from 1899 to 1934 and makes this interesting comment on the analysis submitted:

National income—the net value of the goods and services produced by the Nation's gainful workers—amounted to \$47,600,000,000 in 1934. Compared with \$41,800,000,000 in 1933, this represents an increase of 13.9 percent. In the same interval wholesale prices of commodities increased 13.7 percent, while the cost of living of wage earners rose 6.1 percent. The effective increase of national income, measured by purchasing power, was, therefore, considerably less than the nominal increase, measured in dollars.

Comparing 1934 with 1929, when national income reached its highest level, \$83,000,000,000, it is found that the income level declined 42.7 percent, wholesale prices 21.4 percent, and the cost of living 20.6 percent. The purchasing power of the national income produced in 1934 was, therefore, about 27 percent below the predepression peak.

While national income produced represents the earned income from production, it does not necessarily coincide with the combined income that is paid out or distributed to individuals as wages, salaries, and other labor income, rents and royalties, interest, dividends, and withdrawals by proprietors and partners. During the depression years 1930–33 estimates of the United States Department of Commerce indicate that income paid out exceeded income produced by about \$27,000,000,000. (Details, by industries, are given in National Income and Its Elements, Conference Board Bulletin, May 10, 1934.) The deficiency was met out of previously accumulated business assets.

National income produced, 1899–1934

Year	Total (billion dollars)	National income		
		Per capita	Per gainful worker, including unemployed	Index of wholesale prices, all commodities (1926=100)
1899.....	15.6	\$209	\$547	52.2
1900.....	16.2	213	556	56.1
1901.....	18.3	235	610	55.3
1902.....	20.8	262	674	58.9
1903.....	21.1	261	664	59.6
1904.....	21.6	262	661	59.7
1905.....	25.1	298	747	60.1
1906.....	27.6	322	800	61.8
1907.....	28.2	322	796	65.2
1908.....	24.9	280	684	62.9
1909.....	27.2	300	727	67.6
1910.....	30.1	326	785	70.4
1911.....	29.4	314	761	64.9
1912.....	31.8	334	814	69.1
1913.....	33.7	350	857	69.8
1914.....	32.0	327	806	68.1
1915.....	34.5	347	860	69.5
1916.....	44.2	439	1,093	85.5
1917.....	53.2	521	1,304	117.5
1918.....	60.2	581	1,463	131.3
1919.....	67.4	642	1,623	138.6
1920.....	74.3	697	1,770	154.4
1921.....	52.6	486	1,233	97.6
1922.....	61.7	562	1,423	96.7
1923.....	69.8	626	1,584	100.6
1924.....	69.6	615	1,555	98.1
1925.....	77.1	671	1,695	103.5
1926.....	78.5	674	1,699	100.0
1927.....	77.2	653	1,647	95.4
1928.....	80.5	671	1,691	96.7
1929.....	83.0	683	1,719	96.3
1930.....	70.3	571	1,436	86.4
1931.....	54.6	440	1,107	73.0
1932.....	39.4	315	793	64.8
1933.....	41.8	333	836	65.9
1934.....	47.6	377	946	74.9

Per capita income of \$377 was produced in 1934. This figure is 44.8 percent below the 1929 level, in dollars, and 30 percent below it in purchasing power. The average income produced per gainful worker, including the unemployed, was \$946 in 1934, as compared with \$1,719 in 1929.

The accompanying table and chart shows the total income produced, the income per capita of population, and per gainful worker from 1899 to 1934. The column of index numbers of wholesale prices, expressed in terms of 1926 as 100, furnishes an approximate guide regarding the extent to which rising incomes have been offset by rising prices, and vice versa.

These estimates of national income produced have been derived from a number of sources, adjusted in some instances to preserve continuity of concept. Figures for 1924–28, 1933, and 1934 are estimates of the National Industrial Conference Board. For 1929–32, United States Department of Commerce estimates of income produced have been used, as given in its report, National Income, 1929–32. For 1918–23, the Federal Trade Commission's estimates of national income in its report, National Wealth and Income, correspond to the production concept. For 1909–17, the estimates by D. W. I. King, of the National Bureau of Economic Research, have been adjusted, mainly by eliminating imputed income from ownership of durable goods (including owned homes). For 1899–1908 estimates by Dr. Warren M. Persons have been incorporated in order to carry the series back to the turn of the century.

Our leading economists agree that \$2,000 is the minimum annual income sufficient only for basic necessities for the average family, and the above table shows that only 2 years in the last 35 has the average worker received more than \$1,700 per year, or nearly \$300 less than a living wage. When our country was enjoying its most prosperous times,

the average worker received nearly \$300 less than the amount required for a bare living per family. Let us compare the average in this table showing income and wealth of the average worker, as above shown, with that of the income and wealth of the average farmer. According to Dr. A. G. Black, Chief of Bureau of Agricultural Economics, the following tables show agriculture's share of the national income and national wealth:

Farm income per capita and agricultural wealth of the United States, 1909-34

Year	Agriculture's share of national income		Agricultural wealth		Percentage agricultural wealth is of total
	Total	Per capita ¹	Total	Per capita	
	Million dollars	Dollars	Billion dollars	Dollars	Percent ²
1909.....	4,988	156	41.3	1,291	19.6
1910.....	5,218	163	42.9	1,336	19.0
1911.....	4,815	150	44.1	1,374	18.7
1912.....	5,294	165	46.1	1,436	18.4
1913.....	5,133	160	47.7	1,486	18.2
1914.....	5,081	158	47.9	1,492	18.8
1915.....	5,488	171	50.5	1,573	18.1
1916.....	6,631	207	55.0	1,719	17.6
1917.....	9,188	288	61.6	1,931	17.1
1918.....	11,205	352	67.0	2,107	17.1
1919.....	12,182	384	79.1	2,495	18.2
1920.....	11,057	350	71.8	2,272	15.3
1921.....	6,967	220	63.1	1,991	14.6
1922.....	7,300	230	61.4	1,931	13.3
1923.....	8,026	256	58.9	1,882	12.1
1924.....	8,325	268	57.7	1,855	11.6
1925.....	9,089	292	57.8	1,859	10.8
1926.....	8,214	267	56.7	1,841	10.3
1927.....	8,371	276	57.2	1,888	10.2
1928.....	8,109	268	58.1	1,917	9.6
1929.....	8,254	272	58.1	1,917	9.3
1930.....	6,320	209	52.7	1,745	9.5
1931.....	4,659	152	45.3	1,480	9.6
1932.....	3,582	115	30.7	984	8.2
1933.....	4,557	142			
1934.....	5,287	163			

¹ Total of agriculture's share divided by farm population, Jan. 1.

² Agricultural wealth divided by farm population.

The Daily News of April 10, 1935, in analyzing the national income distribution trend, shows:

THE INCOME-DISTRIBUTION TREND

I. As revealed by income-tax returns

(Average of people under \$5,000 per year)

1928, 24.8 percent of the people had 67.3 percent of the income.....	\$2,700
1929, 23.07 percent of the people had 67.2 percent of the income.....	2,600
1930, 21.8 percent of the people had 58.1 percent of the income.....	2,600
1931, 18.3 percent of the people had 48.8 percent of the income.....	2,500
1932, 8.9 percent of the people had 36.3 percent of the income.....	2,800
1933, 8.5 percent of the people had 36.3 percent of the income.....	2,030

II. As revealed by Department of Commerce estimates

Per capita income	Salaried employees, selected industries	Wage earners, selected industries	All employees, all industries
1929.....	\$2,567	\$1,406	\$1,475
1930.....	2,589	1,331	1,448
1931.....	2,474	1,186	1,360
1932.....	2,175	959	1,199

Thus it will be seen by each succeeding year that fewer percent of the people is controlling a larger percent of the income. The News wealth-distribution trend clearly shows that as the years have passed the rich have grown richer and the poor poorer, as is shown by the following table:

THE WEALTH DISTRIBUTION TREND

I. As revealed by estate-tax returns

1916 (U. S. Ind. Com.) 2 percent of people reported owned 60 percent of wealth.

1926 (Fed. Tr. Com.) 1 percent of people reported owned 59 percent of wealth.

II. As revealed by independent estimates

1890 (Spahr) 1 percent of the people controlled 50 percent of wealth.

1892 (Holmes) 0.03 percent of the people controlled 20 percent of wealth.

1900 (Sanial) 0.08 percent of the people controlled 74 percent of wealth.

III. As revealed by Doane's estimates

	People with less than \$2,000 incomes owned—	People with more than \$50,000 incomes had—	People with more than \$500,000 incomes had—
	Percent	Percent	Percent
1921.....	17.12	10.94	2.36
1929.....	15.03	13.19	3.74

Analyzing the above table the News said:

All sources consulted agree that more and more of this wealth is coming into fewer and fewer hands. This applies to its control as well as its actual ownership.

Senator BURTON K. WHEELER, of Montana, made a survey recently of corporation control, and in analyzing the study made by himself and other economist experts, on pages 2200-2201 of the CONGRESSIONAL RECORD of February 19, 1935, he said:

Let me recite some statistics from an authoritative source—the Modern Corporation and Private Property, by Berle and Means.

In 1930 there were over 300,000 nonfinancial corporations in the United States. Their gross assets were approximately \$165,000,000,000. Of these 300,000 corporations, the 200 largest, including 42 railroads, 52 public utilities, and 106 industrials, each with assets over \$90,000,000, had combined assets of over \$81,000,000,000. These 200 corporations, representing less than seven one-hundredths of 1 percent of the number of corporations, thus control practically half of the corporate wealth of the country. Their control of the business wealth of the country, corporate and non-corporate, is equally impressive. It is estimated that at least 78 percent of American business wealth is corporate wealth. Since the 200 largest corporations control over 49 percent of all corporate wealth, it is estimated that they control over 38 percent of all business wealth. Likewise a substantial proportion of the total national wealth, corporate and noncorporate, business, agricultural, personal, and governmental, is controlled by these 200 largest corporations. Figures for 1930 indicate a total national wealth of about \$367,000,000,000. The \$81,000,000,000 controlled by these corporations represent about 22 percent of the total national wealth.

Even more significant than the present extent of concentration is its increasing rate; that is, the increase in the proportion of corporate business and national wealth controlled by the largest corporations. This rate of increase was greater for the years 1924-29 than for the years 1909 to 1929; but if we take the period of slower growth 1909 to 1929, and apply the same rate of growth for the next 20 years, we find that by 1950 70 percent of all corporate activity would be carried on by 200 corporations. By 1950 half of the national wealth would be under the control of such corporations and by 1970 all corporate activity and practically all industrial activity would be absorbed by these 200 giant corporations. If we take the more rapid rate of growth, from 1924 to 1929, and apply it to the future, we find that by 1950, 85 percent of the corporate wealth of the country would be held by these corporations, and by 1960 all corporate activity and practically all industrial activity would be in their control.

The existence of these giant corporations, of course, means enormous concentration of control in the hands of their individual managers. The 200 largest corporations are directed nominally by about 2,000 individuals out of a population of 130,000,000. These 2,000 individuals are those in a position to control and direct half of our corporate business. But actual control rests in the hands of even fewer individuals. Many of the 2,000 directors are inactive. The ultimate control, therefore, rests in the hands of a few hundred men. One further fact should be remembered. The foregoing figures are based on the direct control of assets by 200 nonbanking corporations. But the influence of each of these corporations, as is stated by Berle and Means, extends far beyond the assets under its direct control. In short, the bulk of our corporate resources, the product of the savings and labor of millions of individuals rests in the control of a handful of men. These are the facts. It is the very negation of industrial democracy. It resembles, instead, a feudalism more pervasive than that of the Middle Ages.

Certainly with these facts staring us in the face no one will further contend or deny that the incomes of the rich are increasing and that the wealth of the Nation is rapidly and steadily under these depressed times being concentrated into the hands of the few. The News of April 9 states it thus:

THE NATIONAL-WEALTH PICTURE

I. Its ownership (projected on Doane's figures for 1932)

Corporation owned.....	\$168,364,696,000
Government owned.....	23,073,269,000
Institution owned.....	27,469,250,000
Foreign owned.....	9,485,800,000
Individual owned.....	147,182,212,000

Total national assets..... 375,575,227,000

Owned by 52,118,000 poor (less than \$2,000 income).....	46,519,228,000
Owned by 2,083,000 nonpoor (more than \$2,000).....	100,662,984,000
Average owned by poor.....	892
Average of nonpoor.....	48,320

II. Its control (projected on Doane and income-tax figures, 1932)	
200 directors control corporations owning.....	\$36,137,840,000
1,836 people (with incomes of more than \$100,000 each) own 14 percent.....	52,521,600,000
2,000 persons control.....	88,659,440,000
20,316 people (with incomes of more than \$25,000 each) own 31 percent of national wealth, or.....	116,298,050,000
20,500 persons control.....	152,435,890,000

III. Conclusions

More than 96 percent (96.25) of the employable adults own less than 13 percent (12.4) of the national wealth.

Less than one two-hundredths of 1 percent (0.005) of these people control nearly one-fourth (23.5 percent) of the wealth.

Less than 0.04 percent of these people control more than 40 percent of the national wealth.

THE CAUSE

A review of the laws enacted for the past 60 years or more would throw great light on the reasons for the great concentration of wealth as above shown. Our lawmaking bodies, State and National, have continued year after year to enact legislation for the benefit of the well-organized lobbies, controlled by wealth and for their benefit and through the enactment of special privileged legislation, including tariff and tax laws, a small number of men through their nationwide property holdings and campaign of propaganda, have been able to dominate and control the business, economic, and political life of the Nation. Through their control of our medium of exchange and our banking system they have been able to contract and expand the currency at will and in this way cause panics that have periodically wiped out the life savings and property holdings and earnings of the people, and have permitted these money changers to get possession of a large part of the Nation's wealth at a small percent of the real value of such property. The greatest vehicle used by these predatory interests in carrying out their program has been through the collection of interest.

USURY

Under the laws of God given by Moses usury or interest is positively forbidden, and the Bible is full of passages prohibiting the taking of interest or usury: Exodus 22:25, Leviticus 25:35-37, Deuteronomy 23:19, 20, Psalms 15:5, Proverbs 28:8, Luke 6:35.

Yet we find since about the fifteenth century, as the importance of the big bankers has grown and their power extended and their control, first over the church, then over the politics of the nations, has enabled them to control legislation and have enacted laws legalizing usury at whatever rates possible until now interest taking is recognized as a highly legalized moral undertaking. The statement has been frequently made during recent sessions of Congress that the total interest burden of the people of the Nation today is about \$15,000,000,000. Add to this the total tax burden of the people (National, State, county, and school) amounting to about \$15,000,000,000, would make a total annual interest and tax burden for the 25,000,000 families in the United States of \$1,200 that each family must pay for interest and taxes alone. No Nation can stand any such a burden of indebtedness forced upon its people. Interest should be abolished in keeping with the teachings of the Bible. Wealth is barren. It produces nothing; it merits no increase.

To give some idea of how the interest burden alone, of the Federal Government has increased I submit the following table:

Interest on the public debt

Fiscal year:

1917.....	\$24,742,702
1918.....	189,743,277
1919.....	619,215,569
1920.....	1,020,251,622
1921.....	999,144,731
1922.....	991,000,759
1923.....	1,055,923,690
1924.....	940,602,913
1925.....	881,806,662
1926.....	831,937,700
1927.....	787,019,578
1928.....	731,764,476
1929.....	678,330,400
1930.....	659,347,613
1931.....	611,559,704
1932.....	599,276,631
1933.....	689,365,106
1934.....	756,617,000
1935.....	837,000,000

It is estimated that the average worker today spends about one-half of his time working to pay for his per capita interest and tax burden to which you exclaim, "I pay no interest and/or taxes." However, if you will analyze your purchase you will find these charges in everything you purchase, your food, your clothing, your rent, your transportation, as well as your payments for professional services and other purchases, and these fixed charges are always increasing.

THE REMEDY

The President, when he flew to Chicago and made his acceptance speech as nominee of our party in 1932, said:

That admirable document, the platform which you have adopted, is clear. I accept it 100 percent. [Applause.]

In the first plank of the 1932 Democratic Platform, we read the following:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

In his acceptance speech the President said:

For 3 long years I have been going up and down this country preaching that government—Federal, State, and local—costs too much. [Applause.] I shall not stop that preaching. As an immediate program of action we must abolish useless offices. We must eliminate actual functions of government; functions, in fact, that are not definitely essential to the continuance of government. We must merge, we must consolidate subdivisions of government, and, like the private citizen, give up luxuries which we can no longer afford.

By our example at Washington itself we shall have the opportunity of pointing the way of economy to local government, for let us remember well that out of every tax dollar in the average State in this Nation, 40 cents enters the Treasury in Washington, D. C., 10 or 12 cents only go to the State capitals, and 48 cents out of every dollar are consumed by the costs of local government in counties and cities and towns.

And then further he said:

Throughout the Nation, men and women, forgotten in the political philosophy of the Government, of the last years look to us here for guidance and for more equitable opportunity to share in the distribution of national wealth. [Applause and cheering.]

And in his inaugural address he said:

Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.

True they have tried, but their efforts have been cast in the pattern of an outworn tradition. Faced by failure of credit, they have proposed only the lending of more money. Stripped of the lure of profit by which to induce our people to follow their false leadership, they have resorted to exhortations, pleading tearfully for restored confidence. They know only the rules of a generation of self-seekers. They have no vision, and when there is no vision the people perish.

The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.

No President has served our Nation confronted with greater problems than has President Roosevelt and no President has tried harder than has he to remedy the chaotic

condition he found at the beginning of his term of office. His most bitter critics will concede our Nation today has made greater progress toward recovery from the depression in which we found ourselves in March 1933. We should, however, hew to the line and cut expenses wherever possible in keeping with our pledge to the people.

We should immediately set ourselves to the task of working out a more equitable opportunity to share in the distribution of national wealth. In order to do this Congress must coin money and regulate its value and stabilize its purchasing power at the earliest possible time. We should immediately amend our tax laws by increasing our inheritance taxes, at least comparable with those of France and England, and we should tighten up our gift-tax law nullified by the reign of Mr. Andrew W. Mellon.

I have offered measures covering these subjects that I hope will receive the immediate consideration of the Ways and Means Committee, H. R. 8401, H. R. 8402, and H. R. 8403.

We should further amend our personal income-tax laws by the enactment of a progressive personal income tax providing rates sufficient to insure a fixed ceiling on personal income. Such an amendment to our tax laws would peacefully and orderly bring about a redistribution of our national wealth. These amendments would soon be reflected to both the consumer and producer.

Business, which is prone to reduce wages or oppose their increase, would not find it advantageous to do so if the resultant savings increased their income tax sufficiently to reduce their personal income. Likewise, the incentive to reap excess profits by increasing the selling price would cease to exist. Instead the tendency would be to maintain good wages, shorten hours, and decrease prices to the lowest point compatible with this maximum possible personal income. The increased wages, shorter hours, and decreased selling prices would automatically benefit the whole community by increasing employment and buying power.

Such a tax would not only eliminate profiteering but would stimulate legitimate business and profits. By taxing only personal incomes and not business profits, a handicap would be removed from business. Untaxed, undivided profits would be available for development and expansion made necessary by the increased buying power of higher wages and more employment.

Deferred dividends or undivided profits held to avoid the tax would be futile. The longer profits were allowed to accumulate the larger the dividends or taxable income when the melon was cut, and so the greater the tax and the smaller the personal income would be. Yearly dividends would thus necessarily result. Only such undivided profits as were necessary for sinking funds, operating expenses, and expansion could profitably be held. Excess profits, that now through salaries, commissions, bonuses, and dividends find their way into the pockets of a few stock manipulators and officials would then be participated in by all stockholders and indirectly by the public also.

Would such a tax drive money into tax-exempt securities? Not necessarily. Better and surer dividends to small stockholders should have the opposite effect. However, with an income limited to \$50,000 yearly, one would never be able to buy enough tax-exempt securities to be a menace to the community.

Many economic evils and practices that are common under the present system would not be practical or profitable with such a progressive personal income tax. Holding companies, trusts, monopolies, and other devices for making and covering up excess profits would be of no avail. All such profits would ultimately be passed on as personal income and so would be available for taxation.

The temptation to water stock would be much lessened. Stocks are watered so that a few at the top may reap a bounteous harvest without giving anything in return. What would be the advantage of such manipulation if most, or all, of the profits reverted to the people through taxation?

The proposed tax would make large holdings of unproductive natural resources unprofitable or impossible and so help

to restore such resources to the people. It would tend also to break up all large fortunes and holdings however owned or controlled. We would have no millionaires or wealthy playboys, also fewer paupers.

The perennial warfare between labor and capital would be largely avoided by such tax. Labor troubles are usually due to the desire of the employed for a more equitable share of the profits of industry. Given such a share, the conflict should cease.

Undue political influence and power that so often goes along with great fortunes and incomes would naturally be much less when such fortunes and incomes no longer exist.

Such a tax would take the excess profits out of the munitions and shipbuilding industries. It would thus help to eliminate one of the potent factors that tends to promote war.

Would such a tax and such a limitation of personal income deprive us of the services of our great industrial leaders? Would competent men refuse to work for such a pittance? We need have no misgivings about not being able to secure the services of competent men in any line or for any job for an income of \$50,000 per year. The net salary of the President is about \$50,000. Our Congressmen, Cabinet members, Supreme Court Justices, and business executives all receive less than \$25,000 per year. Competent men are found in every line of work who do not receive that much. In fact, all of our so-called "industrial leaders" have worked for less and would gladly do so again, if necessary.

Let us suppose such a one should refuse to work for a paltry \$50,000 per year. What would he do? Retire to his million-dollar estate and live off his income? Well, as that income could not be over \$50,000 per year, he would not be able to pay taxes and upkeep on that million-dollar estate very long. As a result, the estate would have to be sold. This, of course, would be very desirable. The land would then be available for small home owners. A number of small home owners is a far greater asset to any community than is one large estate.

Nor need we fear that our millionaires would take their wealth and flee the country. If they did leave they would not be missed. They could take with them little of real value. Our industries and resources would have to be left behind.

Would the possessors of swollen incomes try to evade such a tax? Probably so. Many of them try to now, and they often get by with it. Under the proposed plan such evasion would be more difficult. The greater the income the more numerous the sources from which it is derived and the more complicated and difficult it is to uncover. A limited income would naturally be derived from a smaller number of sources and so would be much easier to check. Requiring all corporations and employers to report the wages, salaries, bonuses, and dividends paid to all employees, stockholders, and officials would reduce evasion to a minimum. Anyone found spending money clearly in excess of his reported income would, of course, be a subject for special investigation.

Some will say it sounds all right but the people would never stand for such a tax. Well, that depends on what is meant by the people. Under the proposed plan, as under the present one, only a very small percent of the voters would pay any income tax at all. The rate on the lower incomes, \$4,000 or less above exemptions, would be less than now. We might conservatively conclude that less than 1 percent of the people would then pay more income tax than at the present. The other 99 percent and all the non-income-tax payers would profit either directly or indirectly. If properly presented to the people, their own self-interest should cause them to approve such a tax.

Since our income tax is provided for by constitutional amendment we should have no interference by the Supreme Court. Nor could it be said that the proposed tax would violate the provisions of the Constitution which forbids unjustly depriving anyone of his property. It would merely prevent acquisition of property in excess of that compatible with the public good.

As stated before, the amount of the tax suggested, 1 percent on the first \$1,000 above exemptions and increasing 1 per-

cent with each additional \$1,000, is purely arbitrary and may be adjusted to meet the needs of the Treasury Department for income. The practical working of such a plan is the point stressed. To be effective the tax must progressively increase so that excess profits will result in a diminished personal income. A lesser tax, such as our present income tax, is shifted to the consumer and so will not produce the desired result.

Such a tax would best be a Federal tax. There would then be no excuse for a business, corporation, or surtax. The ultimate purpose of all profits is personal income. Real-estate and personal-property taxes would then, as now, be left to the State, county, and municipality. The rationale of this is easily seen. Real estate and personal property is local and so available for local taxation. One's income may be derived from Nation-wide sources and so can best be controlled by a Federal tax.

I have requested an estimate of the revenue that would be yielded under the different measures above discussed, and have received the following information from the Treasury Department in this regard in a letter dated May 8, 1935:

Estimated increases in revenue

Individual income tax.....	\$234,400,000
Estate tax.....	127,000,000
Gift tax.....	14,200,000

In conclusion, let me urge you that if you favor the legislation I have offered and believe in the remedies suggested that you immediately contact the members of the Ways and Means Committee and ask for hearings on these bills so that we may get action and have this legislation considered on the floor of the House. The depression is still with us; more than 10,000,000 able-bodied men anxious to work cannot find employment at a living wage. Men, women, and children, because of this condition, are going hungry and are in need of clothing and a place to live.

Do you as a Member of Congress have the courage to vote for legislation that will drive the money changers from the temple and restore our Government back into the hands of the people? If so, let us work and vote for legislation which will bring about that result. Let us redistribute the wealth through limitation of personal incomes, through increasing our inheritance and gift tax rates, making them at least the equal of those of other countries. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein certain letters address to me and the replies to same.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRUAX. Mr. Chairman, the gentleman from Illinois and some other Members thought I was applauding the statement just made by my friend the gentleman from Texas [Mr. McFARLANE] when he said that the rich were becoming richer and the poor becoming poorer. I did not applaud that statement. Rather I condemn the condition he recites. I was applauding, however, the courage of the gentleman from Texas to come out here on the floor of the House and tell the truth in regard to the maldistribution of wealth in this country. I shall have more to say about that subject later. In my judgment, the only way this evil may be corrected once and for all is by a capital tax levy, bringing every swollen fortune down to \$1,000,000 and scaling every big income down to not more than \$50,000 a year, and I think that is about \$40,000 too much.

Mr. McFARLANE. Will the gentleman yield?

Mr. TRUAX. I yield to the gentleman from Texas.

Mr. McFARLANE. I am working on a tax measure that will bring about just that result; that is, limiting future incomes to not exceeding \$51,500 annually.

Mr. TRUAX. I would not make it \$51,500; \$50,000 is about \$40,000 too much.

Mr. Chairman, I want to call the attention of the Members of the House to one of the most sinister campaigns of propaganda being conducted by the big interests and by big busi-

ness, the fellows who were down here in Washington a few days ago attending the convention of the United States Chamber of Commerce. In this convention they roundly criticized and condemned President Roosevelt and the new deal. This campaign of propaganda is directed to the Members of Congress so that we will oppose the Wagner National Labor Relations Board. I am happy to say that as a member of the Committee on Labor our committee voted unanimously to report this bill favorably.

Yesterday the Senate passed the bill by a vote of 63 to 12. During this very week and for some days before, we have had an organized propaganda by big business and by the big industrialists seeking to have this bill defeated.

Mr. Chairman, I have here some telegrams received today. They come from Columbus, Cleveland, and other cities in the State of Ohio. These telegrams and letters are inspired by the big business interests. They are the known enemies of all legislative measures that have as their end the benefit and welfare of the great mass of the common people of this country. I ask permission to insert in the RECORD a reply that I have drafted to all of these telegrams and letters. This reply is drafted upon the basis that the two greatest producing classes of the country are the farmers and wage-workers who create all the wealth and ultimately pay all of the taxes. [Applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. TRUAX. Mr. Chairman, I take this opportunity to make one last argument and to take one last parting shot, as you might call it, for the enactment into law of the Patman soldiers' bonus bill. We read in the newspapers that this bill has been forwarded to the White House and that the first of next week, probably Monday, we will receive a veto message from the President of the United States. I want to say that if this veto message actually does come before us on Monday of next week, in my humble opinion, it will be contrary to the wishes of the great majority of people in this country. It will be contrary to the wishes of the farmers in this country. It will be contrary to the wishes of the great mass of wage-workers of this country. It will be contrary to the wishes of the unemployed. It will be contrary to the wishes of 20,000,000 people who are on the relief rolls and it certainly will be contrary to the wishes of the ex-soldiers. Mr. Chairman, I propose to vote to override the expected veto. [Applause.]

CLEVELAND, OHIO, May 15, 1935.

HON. CHARLES V. TRUAX,

House Office Building:

Please defeat Wagner bill. Save country from ruin.

LOUIS ACKLIN.

CLEVELAND, OHIO, May 15, 1935.

HON. CHARLES V. TRUAX,

House Office Building:

Help defeat Wagner bill to save country from poorhouse.

DR. W. A. WOMACK.

CLEVELAND, OHIO, May 15, 1935.

HON. CHARLES V. TRUAX,

House Office Building:

If Wagner bill not defeated, country infested with strikes and unrest.

WALTER J. BOEHMERT.

CLEVELAND, OHIO, May 15, 1935.

HON. CHARLES V. TRUAX,

House Office Building:

I sincerely urge you to defeat the Wagner dispute bill.

GEORGE BERGHAUS.

CLEVELAND, OHIO, May 15, 1935.

HON. CHARLES V. TRUAX,

House Office Building:

Imperative to defeat Wagner bill; avoid continuous strikes.

N. P. LARSEN.

CLEVELAND, OHIO, May 15, 1935.

HON. CHARLES V. TRUAX,

House Office Building:

I sincerely urge you to defeat the Wagner dispute bill.

ROGER D. MIDDLEKAUFF.

CLEVELAND, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX,

House Office Building:

Defeat Wagner bill, save country from chaos.

HENRY KLEFMAN.

CLEVELAND, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX,

House Office Building:

Wagner bill will force industry to fall; organizers please defeat.

JOHN C. CHAL.

CLEVELAND, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX,

House Office Building:

Wagner dispute bill danger to all industries. Help defeat it.

JAMES HOLAN.

CLEVELAND, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX,

House Office Building:

Defeat Wagner bill, avoid strikes and industry trouble.

JOHN KOTT.

Mr. Chairman, here are 10 telegrams evidently inspired from the same source and apparently dictated by the same hand. You will note that they are all transmitted on the same day, May 15, 1935. The time of transmittal ranges from 11:46 a. m. to 12:15 p. m., exactly 29 minutes to send these telegrams from the Cleveland office of the Postal Telegraph Co. I want to commend the Postal Telegraph Co. for their speed in transmittal, and also for the fair dealing in absorbing the 5-cent Federal tax on telegrams, instead of charging it to the sender, as is done by the Western Union Telegraph Co., a Kuhn-Loeb, Morgan outfit, so I am told.

In the State of Ohio the Postal Telegraph charges us 25 cents for a 10-word message, while the Western Union charges 30 cents for the same message. This is a racket, resulting in millions of dollars of illicit profits annually. Getting back to telegrams, I am told that the passage of the Wagner bill will cause ruin in the country. It will send people to the poorhouse. It will promote strikes and unrest. It will send us hell-bent to chaos. Industry will fall, and so forth, and other asinine nonsense.

History tells me, and the most costly depression in all history proves, that the racketeering bankers, industrial pirates, and millionaire bluebeards did more to send this fair country of ours headlong into irreparable and irreconcilable industrial ruin, financial chaos, than all of the horny-handed farmers and wageworkers combined.

A financial dictator nor an industrial czar never arises from the ranks of the workingman. A Robespierre is never born from the masses of those who earn their bread by the sweat of their brow.

Here are a baker's dozen of telegrams, ranging from the American Rolling Mills Co. to the Tinnerman Stove & Range Co. These messages are interesting but not necessarily dangerous.

MIDDLETOWN, OHIO, May 17, 1935.

Hon. CHARLES V. TRUAX,

House of Representatives:

I cannot believe that you would support the Wagner bill as now written if you understood serious situation confronting employees in industry should this law be enacted as passing Senate. Employees would be subject to racketeers and abuse, which would result in strife such as this country has never known. Senator WAGNER at 1934 hearings agreed his bill ought to be amended so as to prohibit intimidation and coercion from any source. We urge you to insist on this amendment before final passage of this legislation.

CHARLES R. HOOK,

President the American Rolling Mill Co.

COLUMBUS, OHIO, May 17, 1935.

The Honorable CHARLES V. TRUAX,

House Office Building:

If enacted, Wagner bill should by all means be amended to prevent intimidation and coercion from any source exerted on employees by outside influences; otherwise dissension and strikes will increase.

DON K. MARTIN,

Ohio Manufacturers' Association.

CLEVELAND, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX,

*Representative at Large from Ohio,**House Office Building, Washington, D. C.:*

Sir, as employers of labor we protest against the enactment of the pending Wagner labor-disputes bill.

JOHN NEWELL,

President Reid Products Co., Cleveland, Ohio.

TRENTON, N. J., May 14, 1935.

Hon. CHARLES V. TRUAX,

House Office Building:

We strongly urge you to vote against the Wagner bill; also we ask you to work for an extension of the National Industrial Recovery Act for a period of 2 years.

JOHN A. ROEBLINGS SONS CO.,

W. A. ANDERSON, Vice President.

DAYTON, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX,

House Office Building:

Have discussed with a number of your constituents here their feeling in regard to Wagner bill, and the universal feeling seems to be that there are many features of the bill which will prove disastrous to the industries of your State.

R. T. HOUK.

CLEVELAND, OHIO, May 15, 1935.

CHARLES V. TRUAX,

House Office Building:

We urge you to do all in your power to defeat Wagner labor disputes bill, which threatens introduction of unlimited industrial strife and indefinite postponement of economic recovery.

TINNERMAN STOVE & RANGE,

GEORGE A. TINNERMAN.

DAYTON, OHIO, May 16, 1935.

Hon. CHARLES V. TRUAX,

House Office Building, Washington, D. C.:

We emphatically protest passage Wagner labor bill, respectfully requesting your active opposition to it.

DAYTON TOY & SPECIALTY CO.

CLEVELAND, OHIO, May 16, 1935.

CHARLES V. TRUAX,

House Office Building, Washington, D. C.:

We appeal to you to vigorously oppose the Wagner labor relations bill, as we are very strongly of the opinion that its passage would create wide-spread industrial disturbance, destroy amicable relations existing between employers and employees for many years, and retard recovery.

NATIONAL MALLEABLE & STEEL CASTINGS CO.,

CARL C. GIBBS, *President.*

MARIETTA, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX,

House Office Building, Washington, D. C.:

We consider the Wagner labor relations bill, S. 1958, un-American and unfair to employers and unorganized labor, and believe it packs a lot of dynamite for all industry. We respectfully urge your opposition to the measure, because of its many one-sided provisions.

MARIETTA TORPEDO CO.

DAYTON, OHIO, May 16, 1935.

CHARLES V. TRUAX,

House of Representatives, Washington, D. C.:

We respectfully urge you to oppose Wagner bill.

HARRIS THOMAS DROP FORGE,

G. E. HARRIS.

COLUMBUS, OHIO, May 14, 1935.

Representative CHARLES V. TRUAX,

House Office Building:

Please throw your influence against the Wagner labor-disputes bill, which has been approved by Senate Educational Committee on Labor and reported to Senate. This bill is a menace to American industry and will greatly retard a business come-back.

R. H. BELL, Jr.,

Neil House.

CLEVELAND, OHIO, May 17, 1935.

Hon. CHARLES V. TRUAX,

House of Representatives Office Building:

Cannot too strongly urge your vote against Wagner labor-disputes bill, despite pressure upon you by selfish interests not truly representative of working men and women.

H. P. EELLS, Jr.

CLEVELAND, OHIO, May 15, 1935.

Hon. CHARLES V. TRUAX:

Avoid paying membership dues to American Federation of Labor by defeating Wagner bill.

ALBERT PAVETKA.

The following letter emanates from one of the largest retail merchandising establishments in Ohio:

CLEVELAND, OHIO, May 2, 1935.

HON. CHARLES V. TRUAX,

House of Representatives, Washington, D. C.

DEAR MR. TRUAX: In view of the fact that the proposed Wagner labor-disputes bill, S. 1958, has come out of the Senate committee, we ask that you give careful consideration to the serious effects that undoubtedly would follow the adoption of such a bill.

Since the passage of the N. I. R. A. we have had considerable experience with many of its phases, and particularly with 7 (a). While we have always believed that 7 (a) should have contained the same prohibitions against coercion, intimidation, etc., on the part of employees, employees' organizations, and labor unions (of which some portion of the employees might perhaps be members), that were imposed upon the employers by the specific language of the act, nevertheless we feel that it would be far better to continue 7 (a) in its present form than to operate a retail store under the proposed Wagner bill.

You are no doubt familiar with the favorable as well as the unfavorable features of the bill itself, and we hope you will oppose its enactment.

Very truly yours,

THE HALL BROS. CO.,
JAY IGLAUER,

Vice President and Treasurer.

I know this merchandising organization only by reputation. I know them to handle a high-grade line of merchandise and to charge and receive prices commensurate thereto. They complain about their experience with section 7 (a) of N. I. R. A. Strange to relate, organizations of employees complain about this same section. They contend that Donald Richberg nullified the intention of Congress and the intention of the President by his arbitrary interpretation of section 7 (a) of the Recovery Act. Organized labor contends, and rightly so, that the N. I. R. A. should be continued, if not for any other reason than because of the abolition of child labor, outlawing of "yellow dog" contracts, and the right of collective bargaining under section 7 (a).

The truth is, however—labor knows this, and it is also known by the real friends of labor in Congress—that section 7 (a) is not enforced, and the big industrialists and the big commercialists do not want it enforced. I must admit the contentions in this letter have more merit than the others. This firm is to be commended, because in over 42 years of business life they have had no labor disputes until March 1934. Had a similar condition been observed by the majority of large employers of labor, there perhaps might not be so much need today for the legislation we are considering. The regrettable fact remains, however, that such has not been the experience of others. Hence the imperative need for this legislation.

I am happy to include this letter from the Hancock Savings & Loan Co.:

THE HANCOCK SAVINGS & LOAN CO.,
Findlay, Ohio, May 3, 1935.

HON. CHARLES V. TRUAX,

House Office Building, Washington, D. C.

DEAR MR. TRUAX: We know you are flooded with letters and arguments, both in favor of and against the legislation that is proposed, and we hesitate to write you, but we feel it our duty, and we feel quite sure that you will agree with us that there are many bills before the Legislature at this time that are very radical. We refer to the Wagner labor-disputes bill and the Black 30-hour bill, as well as the social legislative program that is before you.

We feel that if business was left alone today, we would be on the way to recovery, and when business was approaching, or was near, normal would be a much better time to consider social legislation, as well as other legislation mentioned above.

We would appreciate a very serious consideration along this line. Money is piling up in all financial institutions, who are waiting for an opportunity of investment, if given the assurance there was going to be no rational change.

With kindest personal regards, I remain,
Sincerely,

R. C. FIRESTONE, *Secretary.*

I expected, naturally, that this legislation would be opposed by the money lenders. I am at a loss, however, to understand just how money-lending institutions would be adversely affected by the enactment into law of the Wagner-Connery labor relations bill. As I know the business, their hours are not long, the work is not toilsome, the employees are not numerous. They have few labor disputes. I fail to perceive how this institution would be seriously affected

by the 30-hour-week bill, but here is the colored gentleman in the woodpile.

You will note that these people are opposed to the President's social security legislative program. In other words, they are against the new deal, they are against old-age pensions, employment insurance, old-age annuities. I take it that they also oppose the Rayburn-Wheeler utility bill which proposed to abolish once and for all time the real overlords of creation, the Morgans, the Dohertys, and the Mellons of public-utility holding companies.

You assert, Mr. Firestone, "money is piling up in all financial institutions." I have heard that statement made before. I heard that statement made on the floor of the United States Senate a short time ago. A distinguished Senator asked for the proof of that assertion. He was not furnished the proof. If your statement is true, then why is it necessary for the United States Government to authorize \$3,000,000,000 of Government funds to refinance farms—to authorize nearly \$5,000,000,000 Government funds to refinance homes? If your statement is true, then why is it necessary for the Reconstruction Finance Corporation to act as a central bank, practically owning 6,000 of the 15,000 banks in the country open and doing business today? No doubt you will try to tell me that the millions of workers in this country who are unemployed now and who will have a tendency to be unemployed when this country comes out of depression, largely because of progress in mechanical agencies and machines, no doubt you will tell me that these people will suffer more than in the past if this bill is enacted into law. Frankly, I do not believe any such statements or assertions. I think you are in error and that you will so admit once this bill is enacted into law and becomes operative.

You will recall that only a short time ago the brewers of the country were having bad attacks of financial jimjams because their places of business were closed as tightly as tombs. Then the Seventy-third Congress, responding to the wishes and desires of the people, legalized beer and other beverages. When that legalization was in process of consummation by Congress, we were told by brewers and prospective brewers that the people, and especially the thirsty ones, would soon be lapping up 5-cent beer. That ill-timed prophecy has never been fulfilled to my knowledge. The price is still 10 cents. Instead some brewers are attacking the proposed processing taxes for hops, and now they rant about this bill. The manager of the company whose place of business is in my own congressional district, I am sure is unduly excited when he says that this measure "spells ruin for industry in this country." The fact that he spells the words "ruin" and "opposes" on his typewriter with red ink is prima facie evidence that he is excited. He concludes his little epistle with these words, "the Black 30-hour bill is just as bad." Here again I must disagree with this gentleman.

FINDLAY, OHIO, May 11, 1935.

HON. CHARLES V. TRUAX,

House Office Building, Washington, D. C.

DEAR MR. TRUAX: If there ever was a measure that spells ruin for industry in this country, it is the Wagner labor-disputes bill, S. 1958.

We do trust you will see fit to oppose this bill.

The Black 30-hour bill S. 87, is just as bad.

Thanking you, I am, very truly yours,

WM. J. ALTMAYER,
Manager the Krantz Brewing Co.

DAVID KIRK, SONS & CO., LTD.,
Findlay, Ohio, May 4, 1935.

THE HONORABLE CHARLES V. TRUAX,

House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: The writer was very much startled by the news that the Wagner labor-relations bill now appears acceptable to the majority of Congress.

This is inconceivable to me that our Representatives would even consider such a dangerous piece of legislation, which is so vague in its wording that wide-spread confusion and endless litigation must follow any attempt at interpretation.

This bill would put Federal Government endorsement on the closed shop, which would definitely lead to the recognition of national labor unions in all our industries, providing for ma-

majority rule, by which 51 percent of the employees of industry could decide for the other 49 percent, and an outsider could originate or enter into a dispute by which he is not affected and need not be either an employer or an employee.

The bills S. 87, S. 1958, H. R. 3657, and the Wheeler-Rayburn utility bill should be defeated for the best interests of the country, of which you and I are a part.

The writer would be pleased to hear your views on this, as I have always respected your judgment a lot in matters of this kind.

With kindest personal regards, I remain,

Yours very truly,

DAVID KIRK, Jr.

Here is another from my own congressional district, the eighth of Ohio. This comes from a well-known wholesale grocers and importers company. The writer of this letter is "much startled by the news that the Wagner-Connelly bill appears acceptable to the majority of Congress." Well, this gentleman must recall that the majority of Congress is the Democratic majority in Congress and the majority that enacted into law the Roosevelt recovery measures. I voted for practically all of these recovery measures. I confess that I voted against the so-called "administration banking bill" a few days ago. To me this bill meant a continuation and perpetuation of the bankers' racket, which costs the taxpayers of this country billions of dollars every year. Therefore, I voted "no" on this bill.

This gentleman also discloses a clearly defined line of demarcation between his views and those of us who are fighting for an equitable redistribution and distribution of national wealth, property, and income. I am transmitting to the gentleman mentioned a copy of the letter which has been prepared to answer the hundreds of similar propaganda letters and telegrams received in my office. There are literally hundreds of these communications in the same vein and along the same lines that could be included if time and space and ethics permitted. Some of our constituents resent and object to the acknowledgment and answering of these letters by form letters. Some of them call them circular letters. I regret this incident deeply and can only say to these constituents that a limited office force and a limit on our time, even though we do not govern our time by the N. R. A., precludes a more formal and personal reply.

Now come some gentlemen living up in the Seventeenth Ohio Congressional District, namely, the Swisher & Shafer Auto Co., dealers in Cadillac, La Salle, Stutz, and so forth. Perhaps these gentlemen are influenced by the kind of customers they deal with, since it will be universally admitted that owners and drivers of Fords and Chevrolets are inclined to be more concerned with the welfare of the working people than are the owners and drivers of Cadillacs, La Salles, and Stutzes:

SWISHER & SHAFER AUTO CO.,
Mansfield, Ohio, May 13, 1935.

Representative CHARLES V. TRUAX,
Washington, D. C.

DEAR REPRESENTATIVE: We are writing this letter asking you to help us in protesting the Wagner labor-relations bill (Senate bill 1958), which we are sure if passed will make it bad for the manufacturer as well as the automobile dealer.

We will appreciate your help.

Thanking you in advance for your support,

Yours very truly,

W. O. SWISHER.

Here comes our old friends, the American Ship Building Co. Here is their letter:

THE AMERICAN SHIP BUILDING CO.,
Cleveland, Ohio, May 14, 1935.

HON. CHARLES V. TRUAX,
House Office Building, Washington, D. C.

HONORABLE SIR: We would like to take the liberty of giving you our views in regard to the Wagner National Labor Relations Act, or any bill embodying its principles. From every angle we believe that this bill would be detrimental to the public. By far the large majority of employers and employees in this country have maintained harmonious relationships for years, and there are a great many companies where satisfactory employee representation plans have been in actual operation for long periods of time and where the employees themselves have insisted upon exercising this right by themselves, as they are now doing, without any outside jurisdiction or interference.

This bill is backed only by the American Federation of Labor and the professional labor leaders who, on their own figures, represent not more than from 10 percent to 12 percent of the country's industrial workers. In its practical application this bill

would allow the rights of the other 90 percent of the country's workers to be entirely subjugated to this 10 percent. It offers nothing to prevent labor organizations and other forces from exercising any degree of violence, coercion, or intimidation against employees. It contains nothing which would make professional labor organizations in any way responsible in the eyes of the law.

If passed this bill would do more than anything which has occurred in recent years to set up false standards of class distinctions and of class interests where previous relations were harmonious and where there is no real diversity of interests.

May we urge that you do all in your power to defeat this bill?

Very truly yours,

R. B. ACKERMAN, Secretary.

It seems that these gentlemen suddenly become vitally alarmed about the welfare of the "people." In fact, they go so far as to say that the Wagner National Relations Act will be "detrimental to the public." They take a left-handed crack at labor also by saying the bill is "backed only by the American Federation of Labor and the professional labor leaders who, on their own figures, represent not more than from 10 percent to 12 percent of the country's industrial workers." I am sorry, Mr. Ackerman, that I cannot go along with you in this philosophy or theory. It was Mr. Grace, president of the Bethlehem Steel Co., that company which built so many ships for the Government during the World War, and who made millions of dollars from the Government, it was Mr. Grace, when testifying before the Senate Committee Investigation of Profits in War Munitions, it was that same Grace who admitted that he had received a bonus of nearly \$3,000,000 for his own services, who acknowledged that he was opposed to the payment of the soldiers' bonus because he had never looked at it in that way before. So to the American Ship Building Co. I can truthfully say that the bill will be enacted into law by the Seventy-fourth Congress, signed by the President of the United States, and they will have a fair chance to prove or disprove their contentions.

THE AMERICAN COACH & BODY CO.,
PUBLIC UTILITIES EQUIPMENT MANUFACTURERS,
Cleveland, Ohio, May 14, 1935.

HON. CHARLES V. TRUAX,
House Office Building, Washington, D. C.

HONORABLE SIR: We are sincerely interested in the Wagner bill which is now pending before the House. We believe that the Wagner bill would be an injustice to all employers, small or large, because it gives not only the American Federation of Labor unions a free hand to coercion but also encourages the professional labor organizer, which is resulting in nothing but disturbance, strikes, and racketeering. Unless similar provision is enacted to protect the employers, to make the union organizations responsible, either direct to the Federal Government or courts, there will be nothing but friction and strikes and retardment in progress.

For this reason we believe the Wagner bill should be defeated, and we are hereby asking you, in your own fair judgment, to help defeat this bill.

Sincerely yours,

THE AMERICAN COACH & BODY CO.,
JAMES HOLAN, President.

I note from the heading on this letter that the company caters to the manufacturers of public-utility equipment. I assume, therefore, that this company will also be against the Rayburn-Wheeler bill that outlaws and abolishes public-utility holding companies. It appears that the American Coach & Body Co. has a big grievance against the American Federation of Labor. My experience teaches me that were it not for the organized activities and militant spirit of the American Federation of Labor, with their fighting and courageous leader, Mr. William Green, and of other kindred organizations, labor would be crushed completely out of existence by certain employers and their henchmen.

The Dayton Chamber of Commerce, Dayton, Ohio, writes me as follows:

DAYTON CHAMBER OF COMMERCE,
Dayton, Ohio, April 22, 1935.

HON. CHARLES V. TRUAX,
House of Representatives, Washington, D. C.

DEAR SIR: Acting under instructions of the board of directors of the chamber of commerce, I am pleased to transmit to you enclosed a copy of the report of the taxation and legislation committee, together with the action of the board of directors of this organization, on Senate bill no. 1958, known as the "Wagner labor-disputes bill."

We trust that you will give the attitude of this organization and the reasons therefor your very serious consideration, and with the

hope that it may be somewhat of a guide to you in any vote that you may register as a Member of Congress on this very important and exceedingly far-reaching bill.

Very truly yours,

DAYTON CHAMBER OF COMMERCE,
By WAYNE G. LEE, *Managing Director*.

They send me a copy of the action of the committee on legislation and taxation and the board of directors of the Dayton Chamber of Commerce re Wagner labor-disputes bill. They wind up that statement by saying:

One can readily grasp the bureaucratic control that would be exercised by the Government not only under industrial management itself but upon the employee who might be unwilling to join a labor union. Your committee unanimously recommends the chamber's opposition to the passage of this bill.

Signed "W. S. McConnaughey, chairman taxation and legislation committee."

You will note in the foregoing letter that the Dayton Chamber of Commerce submits the letter with the hope that it will be "somewhat of a guide" to me in any vote that I may cast on this bill. My dear friends, I am sorry to state that my mind was made up on this bill sometime ago, as my mind is made up on all legislation that is of far-reaching benefit to the common people. I think you are not in full possession of the facts in this case or you would not solicit me to oppose this legislation.

Here are several more from Dayton, and I insert them in the RECORD at this point:

DELCO PRODUCTS CORPORATION,
Dayton, Ohio, April 30, 1935.

HON. CHARLES V. TRUAX,
House Office Building, Washington, D. C.

HONORABLE SIR: As a representative of industry and as one of your constituents, I wish to enter my protest in opposition to the proposed legislation known as "the Wagner labor relations board bill", which I understand is now in the hands of the Senate Committee on Education and Labor.

As I see it, this bill injects the Federal Government further into the relationship between virtually all employers and employees, regardless of the number of persons employed; it creates an all-powerful central administrative body which may summon employers to appear anywhere in the country on 3 days' notice; and it forecloses the rights of minorities to representation in collective bargaining negotiations by setting up a majority rule.

With reference to the central administrative body referred to above, their findings of facts bind any court to which an appeal is made, although the board itself is not bound by "the rules of evidence prevailing in courts of law." In other words, the board can reach a decision on hearsay or rumor and the courts must accept as "facts" what the board accepted as "rumor."

Further, while the proposed legislation prohibits certain labor practices as unfair on the part of the employer, it sanctions the closed union shop and imposes no restraints on labor unions.

There are many additional features in the bill to which I object, and which I will not burden you with at this time, but I feel that if this proposed legislation is enacted into law it will not only place additional hardships on industry and create additional strife between employer and employee, but will also seriously retard our progress toward complete economic recovery.

I therefore bespeak your earnest support in aiding to defeat this proposed legislation.

Very truly yours,

CARL L. STORCK,
Assistant to the Factory Manager.

One is from the Delco Products Corporation, a subsidiary of the General Motors Corporation. Needless to state that these gentlemen are all wrong in their premises. I take it from a perusal of the letter that they offer no opposition to a continuation of the N. I. R. A., which is designed primarily to benefit and protect the big industries. The conclusions in this letter are wholly erroneous. The bill does not further inject the Federal Government into the relationship between employers and employees, only as it should be injected therein to protect the rights of those workmen, those vital cogs, in these huge industrial machines that rob workingmen of their youth and future earning powers. The bill, of course, should and does sanction closed union shops, but does not impose restraints on legitimate labor unions. It gives the employees themselves the right to say to what organization they will belong without dictation or punishment by the employers.

AMERICAN ZINC OXIDE CO.,
Columbus, Ohio, May 9, 1935.

Congressman CHARLES V. TRUAX,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN TRUAX: Referring to the Wagner labor-disputes bill (S. 1958), it is our opinion that legislation of this nature

will aggravate labor troubles and do more harm to a very large majority of workers than it can possibly do good to the comparatively small number advocating such legislation.

Permanent legislation prescribing relationship between management and labor is not desirable and can result only in additional disputes, arguments, and general confusion and dissatisfaction, which means hardship to the workers and their families.

What is needed, in our opinion, is more genuine cooperation between labor and management, and legislation such as the Wagner bill would make this more difficult.

Will very much appreciate a line from you stating your position on this piece of legislation and your opinion of the bill's chance for passage.

Yours very truly,

J. I. WALL, *Manager*.

This one is from the American Zinc Oxide Co., a subsidiary of the American Zinc, Lead & Smelting Co. You will be interested to know that the only acquaintance I enjoy with these corporations is by hearsay or reputation. I have not the pleasure of knowing them personally in the 12 years during which I have been a servant of the people, first as director of agriculture for the State of Ohio for 6 years, and now as Representative at large for the State of Ohio. I repeat that never once during my 12 years' service to the public have any of these gentlemen deemed it necessary to contact me heretofore. Now, since they seemingly fear the "organized onslaughts of organized labor", they appeal to me for help. That is futile, I beg to state. You state more "genuine cooperation" is needed. I am in accord with that viewpoint, and this is exactly what the Wagner-Connery bill proposes to do. Mr. Wall, I take this opportunity to answer the last paragraph of your letter. My judgment is that the bill will pass the House of Representatives by a large majority.

LOCKHART IRON & STEEL CO.,
Pittsburgh, Pa., May 13, 1935.

HON. CHARLES V. TRUAX,
The House of Representatives, Washington, D. C.

DEAR SIR: We are writing you in connection with the Wagner labor relations bill, as we wish to go on record as opposing the passage of this act, as, in our judgment, it would by its terms and procedure tend toward a continuous stimulation of complaint.

It would excite irritation and result in increased bitterness in employment relations, thus having the effect just the opposite to that intended to improve, and would indefinitely prolong the return of reasonably prosperous conditions in this country.

The bill if enacted would practically impose the closed shop upon industry and throw the labor situation into the hands of the labor union, but there is nothing said that would prevent labor organizations from exercising coercion or intimidation.

We trust you will use your best efforts to defeat the bill in question.

Yours very truly,

LOCKHART IRON & STEEL CO.,
J. M. GILLESPIE, *President*.

Assuredly those of us in the House of Representatives who are vitally interested in the welfare of American labor are not surprised when we receive letters of protest from the subsidiaries of the steel trusts. Here is one from the Lockhart Iron & Steel Co. The president of the corporation, Mr. J. M. Gillespie, is having nightmares about "increased bitterness in employment relations." Let me humbly suggest, friend Gillespie, that the continued opposition of the steel trusts to this and other measures designed to help the wageworker will do more to promote and increase that "bitterness" than all of those measures combined.

Mr. Chairman, I conclude my remarks with a reaffirmation of my attitude and position on this all-important legislation.

TRUAX REPLIES TO OPPONENTS OF WAGNER-CONNERY LABOR-RELATIONS BOARD

As a member of the Committee on Labor I voted to report favorably the Wagner-Connery labor-relations bill.

The two greatest producing classes of the country are farmers and wageworkers who create all the wealth and ultimately pay all the taxes.

For the past 15 years both of these classes have been exploited by the millionaire overlords and racketeering bankers with the result that farmers were universally bankrupted and wageworkers universally unemployed. The money lenders and Shylocks finished the job by wholesale and ruthless foreclosures of farms and homes.

The Roosevelt Administration sponsored and the Seventy-third and Seventy-fourth Congresses enacted into law the

Agricultural Adjustment Administration, the Farm Credit Administration, and the Farm Bankruptcy Act for the relief and benefit of farmers. N. I. R. A. was created for the benefit of industrialists. Banking legislation was enacted for the benefit of bankers and capitalists. H. O. L. C. was established for the relief and salvation of stricken home owners.

To complete this circle the establishment of the National Labor Relations Board and enactment of the 30-hour-week bill are necessary, the first bill to provide for a peaceful forum for both industry and labor and to benefit employers, workers, and the people at large. It is designed to put "teeth" in section 7 (a) of the N. I. R. A. It is necessary to guarantee to labor the right of collective bargaining. It will promote industrial peace instead of riotous discord.

Fewer hours per day, less days per week, will reduce the ranks of the 11,000,000 unemployed caused not only by the depression but by the permanent loss of jobs due to the mechanistic age. I will vote for the bill.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the remaining time to the gentleman from Georgia [Mr. DEEN].

Mr. DEEN. Mr. Chairman, on January 3, 1935, I introduced House Joint Resolution 51, proposing an amendment to the Constitution which provides for the election of Members of the House of Representatives for 4-year terms. The resolution makes no provision as to whether or not Members should be elected during the Presidential election years or during the off years. I preferred to leave this feature to the wisdom and judgment of the House and Senate.

It is my contention, as well as my sincere, honest, and conscientious belief, that Members of the House of Representatives should be elected for 4-year terms instead of for 2 years, for the following reasons:

First. If the term of Members was lengthened to 4 years, the office would seek the man instead of the man seeking the office. Persons with the most satisfactory qualifications and background do not feel that they can afford to lay aside their business or profession for such a short tenure of service, coupled with the possibilities of meeting defeat at the end of 2 years' service. As a result of this attitude on the part of the better qualified persons, the office is frequently sought by persons of insufficient training, experience, and background. The result, of course, is the lowering of the standard of efficiency in the greatest law-making body in the world.

Second. The Federal Government has grown to such large proportions that Members cannot do much more than learn the rules during their first term, which is largely an apprenticeship. The duties devolving upon the Members of the House of Representatives are multiplied many times in comparison with the duties devolved upon Members in the earlier years of the history of our country. Some Members of the Seventy-fourth Congress, who have served for more than 20 years, say that their problems and duties have multiplied several fold in the past 20 years. Correspondence has increased from a mere handful of letters each day to hundreds of letters every day.

The departments of the Government have expanded in such proportions that frequently Members of the House of Representatives find it necessary to spend half their time in the departments trying to work out problems with officials and problems which concern the interests of their constituency.

It has been said that the enormous amount of work which piles upon Members of the House frequently makes them errand boys. During my first term as a Member of the House I received more than 10,000 letters from persons requesting my aid and assistance in securing jobs. These letters, for the most part, were from sincere, honest, and conscientious constituents. Many of them could not be handled by the secretaries but required my personal attention.

During the course of a year Members of the House receive thousands of letters from their constituents pertaining to

pending legislation. Constituents are interested to know the various provisions of pending bills. They have a right to know. It is a matter of impossibility for Members to find time to properly study legislation or to do their committee work. Since legislation in the House of Representatives is largely the work of committees, it is highly important that Members attend the committee meetings. All too frequently Members have conflicting committee meetings and do not have time to study legislation. Requests from their constituents to go to various departments and look after hundreds of problems takes a great deal of time. If Members attend their committee meetings, study the legislation, and acquire the proper background and keep themselves informed on important measures which affect their districts and the whole country, they, in turn, must neglect hundreds of duties which they properly and justly owe their constituents.

If Members were elected for 4 years, the time, thought, and work which they devote to reelection every 2 years could be devoted to their duties while in office and the benefits to the whole country would be most wholesome. Although my district is largely agricultural, I find it necessary to study and familiarize myself with legislation relating to industry, mining, banking, foreign and domestic commerce, tariff, and various and sundry other subjects. Members of Congress represent the whole country, as well as their districts. Legislation of national importance requires considerable thought and study.

Third. Elections are expensive, both to Members and to the general public. The taxpayers have to bear their share of the expense in connection with primaries and elections. Four-year terms for Members of the House will certainly be more economical.

Fourth. History substantiates the fact that a 4-year term for the Members of the House of Representatives was advocated by several members of the Constitutional Convention. Some of the members argued for and contended for 4-year terms for Members of the House of Representatives. It must be remembered that the Nation in 1789 was an exceedingly small country compared to our Nation of today. Most of the Representatives in Congress at that time lived only a short distance from the Capitol in Washington, D. C. Their problems were fewer and much less complicated than are the problems of today.

Fifth. The outstanding reason which I submit in defense of the legislation proposed in House Joint Resolution 51 is as follows:

(a) The executive branch of the Federal Government has a 4-year term to execute the will of the people as it is reflected through and expressed by the legislative branch.

(b) The judicial branch of the Federal Government has 4-year terms, for the most part, among county, circuit, and district judges, with a life tenure for judges of the Supreme Court of the United States.

(c) Members of the United States Senate, which is one division of the legislative branch of the Federal Government, are elected for 6-year terms.

The legislative branch of the Federal Government is essentially and fundamentally the most important of the three branches of Government. The judicial and executive branches are secondary in importance for the reason that they merely seek to properly adjudicate and execute the decisions of the legislative branch of the Government, which in turn is the expressed will of the people reduced to law. All appropriations must originate in the House of Representatives. Before the judicial branch of the Government can act on questions of litigation, and before the executive branch can undertake to execute the laws, the legislative branch must necessarily have preceded them by legislating the expressed will of the people into law.

The question, therefore, arises, if it is advisable for the executive and judicial branches of the Federal Government to be given 4-year tenures in which to adjudicate and execute the wishes of the people in terms of judicial and executive procedure, then why is it not as equally wise and important that the legislative branch be given at least 4 years in which to carry out the expressed will of the people

in a legislative capacity? In my judgment, Mr. Chairman, the question answers itself. In the light of reason, logic, facts, and circumstances I cannot see any justification for continuing the time-worn and wholly unsatisfactory method of electing Members of the House of Representatives every 2 years, while on the contrary I can think of many reasons which justify 4-year terms for the Members of the House.

Sixth. Twenty-three States elect their Governors for 4-year terms, and most county officials in all the States are elected for 4-year terms. If the people find it advantageous to provide 4-year terms in their local self-government, then certainly this is all the more a greater reason why their system of local self-government should be extended through the Federal Government to Members of the House of Representatives.

Seventh. May I call your attention to the following excerpt taken from my five-point platform submitted on July 12, 1934, to the citizens of my district. I quote as follows:

If you endorse the following simple platform I will appreciate your support for a second term: (1) Introducing and sponsoring a bill to make the term of Members of the House of Representatives in Congress 4 years instead of 2 years.

I may add, Mr. Chairman, that I honestly and conscientiously believe in the merits of this legislation, and it is my opinion that the majority of the citizens of my congressional district are also convinced that the legislation is meritorious and should forthwith be enacted into law.

Eighth. The initiation of legislation by the executive branch of the Government, through its departments, carries with it the inferential power of legislating and the increasing tendency of delegation of legislative power to the executive branch of the Government is rapidly subordinating the legislative branch. There is some justification for this delegation of power in time of war or during an extreme economic crisis such as existed from 1929 through 1932; however, it is equally important that the receding period not be overlooked or delayed. Four-year terms will have a beneficial effect in helping to restore the lost power and prestige of the House of Representatives.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. DEEN. I yield to the chairman of my committee.

Mr. FLETCHER. May I ask the gentleman whether he would prefer to have all the Members elected the same year or have half of them elected every 2 years, so as always to have experienced men in Congress?

Mr. DEEN. I think it would be better to have half of them elected every 2 years, because we would need the experienced men.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

For mileage of Representatives, the Delegate from Hawaii, and the Resident Commissioner from Puerto Rico, and for expenses of the Delegate from Alaska and the Resident Commissioners from the Philippine Islands, \$175,000.

Mr. MITCHELL of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MITCHELL of Tennessee: On page 11, strike out lines 13, 14, 15, and 16.

Mr. MITCHELL of Tennessee. Mr. Chairman, I recognize the fact that this may not be a very popular move on my part. I hope I may not be misunderstood by my colleagues.

I am taking this position: The mileage fixed for the Members of the House was set way back in 1860 or 1866, I believe. At that time it was expensive to travel. We did not have the roads, the automobiles, or the railroads. There was some excuse for rather liberal compensation as mileage to the Members of the House and Senate at that time.

I think the Membership of the House can well afford to begin to set an example of economy and retrenchment in expenses. If we are to ever come back, in my judgment, we will have to practice more rigid economy and have less expense in government, and, surely, the Membership of the

House can afford to set this kind of example for other public officials throughout the Nation.

It is with this in view, Mr. Chairman, that we on Capitol Hill here in Washington may set the precedent of undertaking to share the burdens of the taxpayers back home.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Tennessee. I shall be very glad to yield to the gentleman.

Mr. SNYDER. When the Economy Act was passed by the Congress it was for the purpose of reducing expenses. It reduced our salaries 15 percent, and I should like to know whether the gentleman voted for or against the Economy Act.

Mr. MITCHELL of Tennessee. I voted against the Economy Act, for I was pledged to support the soldiers.

Mr. SNYDER. That is it.

Mr. MITCHELL of Tennessee. I did that; yes.

Mr. CARPENTER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Tennessee. Yes.

Mr. CARPENTER. What does the gentleman's amendment propose?

Mr. MITCHELL of Tennessee. To strike out the \$175,000 for mileage allowed the Membership under the provisions of this bill.

Mr. CARPENTER. It strikes out all mileage?

Mr. MITCHELL of Tennessee. Yes.

Mr. CARPENTER. I wish to say to the gentleman that I have introduced a bill reducing the mileage to 10 cents a mile, or, in other words, just cutting it in two.

I wish further to state to the gentleman that I voted against the Economy Act because I thought it was unjust to the veterans, but at that session of Congress I refunded to the Government \$242 of mileage, all that I did not expend out of my mileage above the cost of my traveling to Washington in my own car for which I made no charge, and furthermore, I refunded the Government \$1,000 by check out of my salary in addition to the \$242, reducing my salary to \$7,500. I also made a calculation so that for the next 10 months of the second year I would receive the same amount of salary.

Mr. MITCHELL of Tennessee. I want to commend my colleague for that sacrifice upon his part.

Mr. ANDREWS of New York. Will the gentleman yield?

Mr. MITCHELL of Tennessee. I yield.

Mr. ANDREWS of New York. I am wondering if the gentleman would not admit that his amendment is somewhat discriminatory against the delegation from California?

Mr. MITCHELL of Tennessee. If the House does not concur in the idea of striking out the entire mileage, I agree with my colleague on the right that certainly no one of us can insist that we are entitled to any more mileage than the actual expense of travel incident to going and coming to our respective residences.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I ask unanimous consent that the amendment may again be reported.

The Clerk read the Mitchell amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was rejected.

The Clerk read as follows:

CLERK HIRE, MEMBERS AND DELEGATES

For clerk hire necessarily employed by each Member, Delegate, and Resident Commissioner, in the discharge of his official and representative duties, in accordance with the act entitled "An act to fix the compensation of officers and employees of the legislative branch of the Government", approved June 20, 1929, \$2,200,000.

Mr. MITCHELL of Tennessee. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 19, after line 19, insert "That no part of this appropriation shall be available to any Member who employs his next of kin within the third degree."

Mr. MITCHELL of Tennessee. Mr. Chairman and members of the Committee, I realize that this is not a popular

move on my part. I have not a doubt that the Membership of this House suffers very greatly in the public estimation because of the current rumor that many Members have immediate members of their family on the pay roll.

In these days of unemployment, when we are appropriating millions of dollars for those who are suffering, and trying to make available positions for our fellow men, I feel sure that every Member of the House will concede that it is nothing but just and right that with the compensation we receive one member of the family ought to be satisfied with the salary he receives and not place any other member of his family on the pay roll.

I am glad to say that it is not practiced as much as it formerly was. I was elected a Member of the House 4 years ago, and at that time it was flagrant and practiced much, not only at this end of the Capitol but at the other end of the Capitol.

Today, perhaps, there are fewer members of the family on the pay roll than before. I want to commend my colleagues for that, but surely we owe it to ourselves here on Capitol Hill to quit the practice altogether.

Some of the States bar it under their constitutions. In Missouri and Oklahoma and in some other States it is not constitutional to put members of their own family on the pay roll.

When I go before the Committee on Accounts, I propose to amend my bill on nepotism so as to prevent the heads of bureaus from appointing their sons-in-law and their daughters-in-law and other members of the family on the pay roll. It has been practiced too long, and I hope that you will vote for my amendment as an example for other officials, both State and county, in this country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken; and on a division (demanded by Mr. MITCHELL of Tennessee) there were 18 ayes and 82 noes. So the amendment was rejected.

Mr. MITCHELL of Tennessee. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MITCHELL of Tennessee. Would it be in order at this time to offer an amendment to make this effective as of today but not retroactive?

The CHAIRMAN. The Chair would first have to see the amendment.

Mr. MITCHELL of Tennessee. I have not one prepared.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

House Office Buildings: For maintenance, including equipment, miscellaneous items, and all necessary services, \$346,694, of which sum \$6,000 shall be immediately available.

Mr. DOCKWEILER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 27, line 15, strike out "\$346,694" and insert in lieu thereof "\$347,894", and in the same line strike out "\$6,000" and insert in lieu thereof "\$8,200."

Mr. DOCKWEILER. Mr. Chairman, this amendment is agreeable to the subcommittee of the Committee on Appropriations. It adds \$1,200 for the purpose of buying steel shelving in one of the rooms under the charge of the Architect of the Capitol for storing books. Under the terms of the bill we allowed \$1,000 for additional steel shelving, and they requested \$2,200. We are now giving them under the terms of my amendment the full \$2,200 in order that all the steel shelving in this particular room may be purchased at one time. I hope the Committee will agree to the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

LEGISLATIVE REFERENCE SERVICE

To enable the Librarian of Congress to employ competent persons to gather, classify, and make available, in translations, indexes, digests, compilations, and bulletins, and otherwise, data for or

bearing upon legislation, and to render such data serviceable to Congress and committees and Members thereof, including not to exceed \$5,700 for employees engaged on piecework and work by the day or hour at rates to be fixed by the Librarian, \$87,990.

Mr. TABER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. TABER: Page 31, line 9, after the word "Librarian", strike out "\$87,990" and insert in lieu thereof "\$77,990."

Mr. TABER. Mr. Chairman, this amendment is designed to strike out that scheme which would provide for digesting bills by the Legislative Reference Service in the Congressional Library. In my opinion that service should be performed by the clerks of the committees of the House, and when a bill comes on the floor the chairman of the committee and the ranking minority member should digest for their respective sides the merits of the bill, if it is an important bill. For less important bills the clerks of the committees should do this work. I can see no excuse for having clerks in a lot of these committees unless they do this work. It seems to me it is absolutely unnecessary and a waste of the people's money to provide \$10,000 additional for this work, which will destroy the efficiency of the committees and the efficiency of the clerks. I think from the standpoint of legislative assistance, if we are going to have a digest that is dependable, it must come from those who have studied and who are in the habit of studying some particular phase of bills, and the clerks to our committees, if they are going to serve a useful function, are the best people to do that work and to do it right. I hope the Committee will adopt this amendment and prevent our embarking upon a service of this character.

Mr. LUDLOW. Mr. Chairman, I rise in opposition to the amendment. We have proposed this new service in the hope of being helpful to Members of the House. It is a matter for the House to decide. If it does not care to embark on this activity, the House can settle the question by a vote. We have thought it will be helpful. The gentleman from New York [Mr. TABER] speaks about the possibility that the clerks may perform this service. The clerks of Members and even of committees are not expert in the law or on purely legislative matters. It is proposed to have over there in the Library a very small personnel who will be able to make an accurate digest or syllabus of every public bill when it is introduced, and likewise a little more extended syllabus of a bill when it is reported from the committee, and these digests or syllabi will be delivered automatically once a week to every Member of the House, so that each Member may have this information for his own use and may readily be able to answer correspondents who present inquiries in regard to legislation and particular bills. Then they will have this information in a comprehensive digested form at hand at all times. We all know that when Congress meets there is a flood of bills and that no individual Member can possibly undertake to ascertain the meaning of one-quarter of them. This information will be presented in concise form to every Member for his use as a Member and for his use in answering correspondents. We believe it has the germ of a very good service. It is a very slight outlay. We think it is advisable to undertake it and try it out. If it does not work, at the end of a year we can drop this appropriation out of the bill. We believe it is worth trying, but, as I said before, after all it is a matter for the House to decide and the House can decide by a vote.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 29, noes 66.

So the amendment was rejected.

The Clerk concluded the reading of the bill.

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes, directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

Mr. LUDLOW. Mr. Speaker, I move the previous question on the bill and the amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question recurs upon the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

On motion by Mr. LUDLOW, a motion to reconsider the vote by which the bill was passed was laid on the table.

VISITING FARMERS

Mr. AYERS. Mr. Speaker, I ask unanimous consent for the present consideration of a resolution which I send to the Clerk's desk.

The Clerk read as follows:

Whereas the Capital has been visited this week by more than 4,000 bronze-faced farmers of the Nation, coming from every agricultural State and representing every class of agriculture, and having come upon their own time and at their own expense; and Whereas it is an unprecedented occurrence in that it is the first delegation of such proportions to ever visit the Nation's Capital without seeking special privileges or without having come to oppose or condemn or denounce something; and

Whereas this vast delegation of producers from all parts of our land have come here to say to the President and to the Congress, "We thank you", and to say to the Secretary of Agriculture and to the Administrator of the Agricultural Adjustment Act, "We approve of your administration of the laws affecting agriculture and agricultural products"; and

Whereas such voluntary pilgrimage of good will and evidence of cooperation between the producers of our Nation and the officers who make and who execute the laws tends to a better understanding and a better Government: Now, therefore, be it

Resolved, That the House of Representatives of the United States of America expresses its appreciation of the visit of this delegation of farmers who carried an agriculture good-will message to the Nation's Capital and to the Executive and legislative officers of this Government; and further, the House of Representatives expresses its confidence in the agricultural population of this Nation and in the industry to which such population is committed.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, I object to its consideration at this time.

THE WAGNER-CONNERY LABOR-DISPUTES BILL

Mr. EAGLE. Mr. Speaker, I ask unanimous consent to insert in the RECORD as part of my remarks a letter which I have written to a constituent upon the subject of the Wagner labor-disputes bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. EAGLE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written by me to a constituent upon the subject of the Wagner-Connery labor-disputes bill:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 14, 1935.

Mr. R. E. POWELL,
Care Humble Oil & Refining Co., Baytown, Tex.

DEAR MR. POWELL: Your letter of the 10th instant is received and is welcome and has been read with care and interest concerning the Wagner-Connery labor-disputes bill.

Every vote I have cast here has shown that I would not overtax and never confiscate capital or property. They show that I recognize as fully as any man living that our capitalistic system is the

best system ever devised, and, of course, I know that profit is the proper reward and service is the justification of business and industry.

After 12 years of misrule and robbery and pillaging of the public, we found the country bankrupt and ruined when we took charge on March 4, 1933. Our first acts were to save the banks, the railroads, the building-and-loan companies, the insurance companies, and all legitimate big business enterprises—and they were all broke except oil. We have saved 1,000,000 homes and hundreds of thousands of farms from foreclosure. We have voted for and lifted the pay of labor. We have brought producers' prices up above cost.

But no sooner do we get business and industry saved and under way than there is a great centering here in Washington—every hotel is full day in and day out, week in and week out—of the agents and attorneys and lobbyists whose business we saved, trying now to make us stop the new deal so that they can again make peons out of producers and make slaves out of labor.

I wish I could talk it out with you as there is not space or opportunity to write it fully. For one, I rebel at their propaganda that we stop the new deal and again turn the country over to their tender mercies.

If all the management were like the Humble's management, and like you treat your 2,500 employees, then what you say in your letter might be followed. But it is not, Mr. Powell. After 2 weeks' hearings in our Labor Committee, such brutal disregard of the rights of helpless men who work was conclusively proven to exist in the great industrial plants of the North, that I know we must either protect labor or labor would be enslaved completely. Those manufacturers want to make all the money, and at the expense of producer and labor; and I remarked in committee that if big business and intensified industry made brutes of men like that, then I hoped Texas would remain a cow ranch.

In the industrial sections of the country they have ignored section 7 (a) of the N. R. A., and have put forth spurious unions of their own for themselves to deal with, under false construction of 7 (a) by Mr. Richberg. Now they want to kill N. R. A. and kill A. A. A.—after we have started the country up prosperously again—so that they can make peons of labor and peasants of farmers, so that big business, under the dominance of Wall Street, can make even bigger profits at the expense of labor and producers.

For instance, in the 10-year period from 1924 to 1934 four big cigarette makers, like Camel's, Lucky Strike, Chesterfield, and others, while paying the management enormous salaries, and while paying tobacco growers less and less until they were bankrupt, and while paying all taxes and interests and all labor and material and freight and expenses, decreased the pay per hour, let out one-third to one-half of their employees, lengthened the hours of work, and yet paid dividends of \$769,000,000. It is pitiable the conditions to which they drove their workers. Contrast that with the beautiful and noble way in which you and the Humble have treated your employees. The automobile industry is equally harsh, and big manufacturing in the East universally so.

If we do not perfect section 7 (a) in these labor bills and enact it, so as to preserve minimum wages, maximum hours, the right of collective bargaining through their own union of their own choosing, so that fraudulent company unions cannot chisel, and the continued abolition of child labor, the new deal might as well never have been started and carried so far toward general success and prosperity; and if the processing tax levied under the A. A. A. is thrown out, as the cotton manufacturers are trying to do, to make for themselves the additional 4.2 cents per pound on raw cotton purchased and processed, denying that benefit to the producer, the cotton producer, the wheat, hog, and corn producers, will again be bankrupt; and thus both labor and producer will have no purchasing power and there would soon be chaos in the country again.

For that reason, my dear friend, I cannot agree with the well-intentioned point of view and recommendation in your welcome letter. I want to fix it so that labor must be treated with human justice by those who will otherwise oppress it, just as you and the Humble do not oppress, and so that producer is not robbed for the benefit of manufacturer or anybody else. Then we will have justice and general prosperity and universal buying power, with consequent happiness in the land. Surely industry itself will vastly profit by this just course, with contented labor and with contented producers and general prosperity, rather than a short period with exorbitant dividends taken out of the blood and sweat of the producer and labor.

Your mind and your heart and my mind and my heart want the same results, which is justice and protection for capital and justice and protection for labor and producer. The difference is that because you and your good money are just I suppose you think industry as a whole are just toward labor and producer, when the indisputable evidence, after studying it for 2 years in its minute details, shows me that the weak must be protected from industry as a whole, for they do oppress it, they do underpay it, they do overwork it, they do turn it out on the streets to starve when they desire, and they do employ their fake company unions as a pretense of a real union to deal with as to wages and hours of labor and working conditions, and do fire men without mercy and unjustly if they do not kneel down and obey.

Mine is an awful responsibility, Mr. Powell. If I could look at matters as a politician, thinking first of myself, I would have far less trouble; but I have to think and feel and act as I have the mind and heart and resolution. And I have given you in substance the reasons why I am going to do all I can to perfect

section 7 (a) to safeguard the just rights of labor against the inhuman greed of all too many in industry who exploit labor.

I hope this does not result in any breach between you and me, because I like you and feel friendly toward you, but I must follow the right as I see the right, agreeing when I can agree and differing when I must.

With kind regards and best wishes, sincerely yours,
JOE H. EAGLE.

ALLOTMENT OF WORK-RELIEF FUNDS IN ALASKA

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.
There was no objection.

Mr. DIMOND. Mr. Speaker, some of the newspapers this morning, in articles concerning the allotment of relief work funds in the total amount of \$1,000,000,000 made yesterday by the President upon the recommendation of the Advisory Allotment Board, contained an item to the effect that the Department of the Interior had been allotted \$446,500 for an anchorage and 30 miles of road in the newly colonized Matanuska Valley, Alaska.

The statement so made is in part erroneous. Allotments were really set up in the total amount of \$446,500 for the construction of roads in that region. One a road to connect the city of Anchorage, Alaska, with the Matanuska Valley, the sum allotted therefor being \$326,500, and the other for extending the system of roads already existing in the Matanuska Valley in order to give service to the new settlers in the sum of \$120,000.

No money whatsoever was allotted, or is likely to be allotted, for any anchorage or any harbor project in the immediate vicinity of the Matanuska settlement, since there is no need for undertaking any such work.

The city of Anchorage is situated about 36 miles from the lower end of the Matanuska Valley. Several years ago construction work was commenced on a projected road to connect the city of Anchorage with the Valley, and approximately \$120,000 has heretofore been spent on this road. Part of this money was contributed by the residents of Anchorage, part by the Territory, and part by the Public Works Administration.

The building of this road has long been under contemplation, and in the year 1927 the Alaska Legislature passed an act appropriating \$200,000 for the construction of a road to connect Anchorage with the Matanuska Valley. However, the act was afterward declared invalid for some reason and the money was never directly reappropriated.

Over a period of years in the past approximately 120 miles of roads have been constructed in the Matanuska Valley to connect the principal farms and small settlements in that region. The completion of the road between Anchorage and Matanuska will serve to connect with Anchorage the system of roads already existing in the valley, as well as the new roads which will be built for the settlers recently arriving there. This road is a vital part of the settlement program and, in my opinion, the success of the settlement would be greatly handicapped if the road were not built.

The road has been on the program of the Alaska Road Commission, which is the Federal road-building agency in Alaska for all roads built in the Territory outside of national-forest areas, for a number of years. It is not a new or a strange thing, and I am confident that every person informed about this region believes that the building of the road is not only advisable but really necessary in the development of that part of the Territory and almost equally necessary for the success of the colony just established in the Matanuska Valley. Eventually, I believe this system of roads will be extended to the Willow Creek mining district, and possibly also to the coal mines on Moose Creek.

Moreover, the undertaking of this road work, since it is expected that approximately 500 men will be employed in the work, will materially help to relieve unemployment in that immediate region of Alaska. The project complies with every one of the fundamental policies laid down by the President concerning the use of funds appropriated by the Emergency Relief Appropriation Act of 1935.

ADJOURNMENT OVER

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1958. An act to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes; to the Committee on Labor.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 3896. An act to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 46 minutes p. m.) the House, pursuant to its order previously entered, adjourned until Monday, May 20, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

(Monday, May 20, 10 a. m.)

Committee will hold hearings on extension of the N. R. A.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

344. A letter from the Secretary of War, transmitting draft of a proposed bill concerning claims against the War Department by the Bend Garage Co., Bend, Oreg., and W. N. Holbrook, Cumberland Gap, Tenn.; to the Committee on Claims.

345. A letter from the Secretary of the Navy, transmitting draft of a proposed bill to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the post-graduate schools, the United States Naval Academy; to the Committee on Naval Affairs.

346. A communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation for the National Railroad Adjustment Board, 1935 (H. Doc. No. 190); to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. GREENWOOD: Committee on Rules. House Resolution 223. Resolution for the consideration of H. R. 6914; without amendment (Rept. No. 956). Referred to the House Calendar.

Mr. DRIVER: Committee on Rules. House Resolution 224. Resolution for the consideration of House Joint Resolution 285; without amendment (Rept. No. 957). Referred to the House Calendar.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 6983. A bill to provide for the transfer of certain land in the city of Anderson, S. C., to such city; with amendment (Rept. No. 958). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 1415. A bill to provide for the establishment of the Richmond National Battlefield Park, in the State of Virginia, and for other purposes; without amendment (Rept. No. 959). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 5722. A bill to provide for the addition or additions of certain lands to the Colonial National Monument in the State of Virginia; without amendment (Rept. No. 960). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 2105. An act to provide for an additional number of cadets at the United States Military Academy; with amendment (Rept. No. 963). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COSTELLO: Committee on Military Affairs. H. R. 3786. A bill for the relief of Woodworth B. Allen, captain, United States Army; without amendment (Rept. No. 961). Referred to the Committee of the Whole House.

Mr. COSTELLO: Committee on Military Affairs. H. R. 2442. A bill for the relief of Thomas A. McGurk; without amendment (Rept. No. 962). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 8036) granting a pension to Sarah Graves, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOEHNE: A bill (H. R. 8115) authorizing manufacturers to protect their products against unfair or deceptive practices, and for other purposes; to the Committee on the Judiciary.

By Mr. FERNANDEZ: A bill (H. R. 8116) providing for a site and public building for a post office at Arabi, parish of St. Bernard, La.; to the Committee on Public Buildings and Grounds.

By Mr. DEROUEN: A bill (H. R. 8117) to provide a measure of damages for timber trespass upon lands of the United States; to the Committee on the Public Lands.

By Mr. JACOBSEN: A bill (H. R. 8118) to amend section 506, title XXVI, United States Code, Annotated; to the Committee on Ways and Means.

By Mr. SCHNEIDER: A bill (H. R. 8119) for securing the uniform grading of fur, preventing of deception in transactions in fur, and regulating traffic therein, and for other purposes; to the Committee on Agriculture.

By Mr. WALTER: A bill (H. R. 8120) to provide for the erection of a monument in Stroudsburg Cemetery, Stroudsburg, Monroe County, Pa., to mark the resting place of J. Summerfield Staples; to the Committee on Military Affairs.

By Mr. CROSSER of Ohio: A bill (H. R. 8121) to promote safe and efficient service to the public by the national system of rail transportation by providing a retirement system for railroad employees; to the Committee on Interstate and Foreign Commerce.

By Mr. DIMOND: A bill (H. R. 8122) to reenact section 463 of the act of Congress entitled "An act to define and punish crime in the District of Alaska, and to provide a code of criminal procedure for said district", approved March 3, 1899, and for other purposes; to the Committee on the Judiciary.

By Mr. YOUNG: A bill (H. R. 8123) to regulate the Supreme Court in connection with determining constitutionality of acts of Congress and statutes of the several States; to the Committee on the Judiciary.

By Mr. GREENWOOD: Resolution (H. Res. 223) for the consideration of H. R. 6914; to the Committee on Rules.

By Mr. DRIVER: Resolution (H. Res. 224) for the consideration of House Joint Resolution 285; to the Committee on Rules.

By Mr. AYERS: Resolution (H. Res. 225) expressing the appreciation of the House of Representatives of the visit of the delegation of farmers that brought an agricultural goodwill message to the Nation's Capital; to the Committee on Agriculture.

By Mr. PATMAN: Resolution (H. Res. 226) providing for the expenses of the investigation authorized by House Resolution 203; to the Committee on Accounts.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. SPEAKER: Memorial of the Legislature of Wisconsin, relating to a dairy program to protect the dairy industry; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CALDWELL: A bill (H. R. 8124) for the relief of Douglas Walker; to the Committee on Claims.

By Mr. DISNEY: A bill (H. R. 8125) for the relief of T. L. Rippey, who suffered loss by fire in Josephine County, State of Oregon, during September 1924; to the Committee on Claims.

By Mr. MEAD: A bill (H. R. 8126) granting a pension to Pauline Fallahee; to the Committee on Invalid Pensions.

By Mr. MORAN: A bill (H. R. 8127) for the relief of Blanche I. Gray; to the Committee on Claims.

By Mr. RYAN: A bill (H. R. 8128) for the relief of E. F. Bantas; to the Committee on Claims.

By Mr. SEGER: A bill (H. R. 8129) for the relief of Dr. J. Reuben Budd; to the Committee on Claims.

By Mr. LARRABEE: Joint resolution (H. J. Res. 294) authorizing the award of a medal of honor to Ralph E. Updike; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8507. By Mr. BOYLAN: Letter from the Greater New York Independent Wholesale Meat Dealers Association, Inc., New York, opposing the passage of House bill 7713; to the Committee on Agriculture.

8508. Also, resolution unanimously adopted by the Building Service Employees' International Union, meeting in convention at Chicago, Ill., favoring passage of Senate bill 1958, known as the "Wagner Disputes Act"; to the Committee on Labor.

8509. By Mr. CULLEN: Petition of the board of trustees of the village of Pulaski, Oswego County, N. Y., memorializing the Congress to pass the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

8510. By Mr. FORD of California: Memorial of the Los Angeles County Employees' Association, California, urging the enactment of House bill 5359, for the creation of a National Civil Academy to train qualified young men and women for all branches of public service through a school of public administration maintained by the Federal Government, and thus secure a professionalized public-service personnel; to the Committee on Education.

8511. By Mr. HEALEY: Resolution of the Building Trades Council of Boston and vicinity, expressing opinion that to give preference in employment to persons now on relief as

against persons that are employed on a part-time or broken-time basis is unsound and will create further enrollment of workers on relief rolls and general disruption through a break-down of the morale of workers that have struggled to sustain themselves without recourse to public relief, hereby petition the President of the United States to broaden the employment regulations, which it is proposed to set up for employment of labor on work-relief projects, and to include in such regulations an equal opportunity for employment to so-called "self-sustaining labor"; to the Committee on Ways and Means.

8512. By Mr. KVALE: Resolution of the Farm Bureau Legislative Committee of Rock County, Minn., urging adoption of the amendments proposed to continue and strengthen the Agricultural Adjustment Act; to the Committee on Agriculture.

8513. Also, petition of the Lincoln County Board, Ivanhoe, Minn., urging passage of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

8514. Also, resolution of the Florida unit of the Yellow Medicine County Farm Bureau Federation, of Burr, Minn., urging adoption of the amendments proposed to continue and strengthen the Agricultural Adjustment Act; to the Committee on Agriculture.

8515. Also, petition of the Hammer Local No. 143 of the Farmers Educational and Cooperative Union of America (Minnesota division) of Canby, Minn., urging passage of the Frazier-Lemke refinancing bill and the Massingale cost-of-production bill; to the Committee on Agriculture.

8516. By Mr. PFEIFER: Petition of the National Organization of Masters, Mates, and Pilots of America, New York, concerning the Crosser House Joint Resolution 219; to the Committee on Interstate and Foreign Commerce.

8517. Also, petition of the Greater New York Independent Wholesale Meat Dealers Association, Brooklyn, N. Y., concerning House bill 7713; to the Committee on Agriculture.

8518. By Mr. SADOWSKI: Petition of Detroit Lodge, No. 46, American Federation of Government Employees, endorsing House bill 7674; to the Committee on Expenditures in the Executive Departments.

8519. Also, petition of Group 1035, Polish National Alliance, of Detroit, Mich., endorsing House bill 2827; to the Committee on Labor.

SENATE

MONDAY, MAY 20, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, May 16, 1935, was dispensed with, and the Journal was approved.

ADMINISTRATION OF OATH TO SENATOR-DESIGNATE FROM NEW MEXICO

Mr. HATCH. Mr. President, on last Thursday I presented credentials of the Senator-designate from New Mexico, Mr. CHAVEZ. Senator CHAVEZ is present this morning, and is prepared to take the oath of office.

The VICE PRESIDENT. The Senator-designate will advance to the desk and take the oath.

Mr. McNARY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bulow	Couzens	Gore
Ashurst	Burke	Dickinson	Guffey
Austin	Byrd	Dieterich	Hale
Bachman	Byrnes	Donahay	Harrison
Bailey	Capper	Duffy	Hastings
Barbour	Caraway	Fletcher	Hatch
Barkley	Carey	Frazier	Hayden
Bilbo	Clark	George	Johnson
Black	Connally	Gerry	Keyes
Borah	Coolidge	Gibson	Kling
Brown	Costigan	Glass	La Follette

Logan	Moore	Reynolds	Townsend
Loneragan	Murphy	Robinson	Trammell
Long	Murray	Russell	Truman
McAdoo	Neely	Schall	Tydings
McCarran	Norris	Schwellenbach	Vandenberg
McGill	Nye	Sheppard	Van Nuys
McKellar	O'Mahoney	Shipstead	Wagner
McNary	Overton	Smith	Walsh
Maloney	Pittman	Steiger	Wheeler
Metcalf	Pope	Thomas, Okla.	White
Minton	Radcliffe	Thomas, Utah	

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Washington [Mr. BONE], the Senator from Ohio [Mr. BULKLEY], the Senator from New York [Mr. COPELAND], and the Senator from Illinois [Mr. LEWIS] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness, and that the Senator from South Dakota [Mr. NORBECK] is necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

The Senator-designate from New Mexico will come forward to take the oath of office.

Mr. CHAVEZ, escorted by Mr. HATCH, advanced to the Vice President's desk, and the oath prescribed by law was administered to him by the Vice President.

TRIBUTE TO THE LATE SENATOR CUTTING

The VICE PRESIDENT laid before the Senate a resolution adopted by the Council of Administration of the Department of Virginia, United Spanish War Veterans, assembled at Richmond, Va., as a tribute to the memory of the late Senator Bronson Cutting, of New Mexico, and stating, in part, "That we deeply and sorrowfully mourn and bewail the loss of one, who was not afraid to face the shot and shell shoulder to shoulder with those for whom in time of peace he continued to fight for what he believed was their just due. We grieve deeply and deplore the said circumstance of his untimely end", which was ordered to lie on the table.

SIGNING OF ENROLLED BILL DURING RECESS

The VICE PRESIDENT. The Chair announces that, under authority heretofore granted by the Senate, he signed, on Friday, May 17, 1935, the enrolled bill (H. R. 3896) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes, which had been signed previously by the Speaker of the House of Representatives.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed without amendment the bill (S. 1803) to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Eleventh Olympic Games.

The message also announced that the House had passed a bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 1776. An act granting a leave of absence to settlers of homestead lands during the year 1935;

H. R. 6143. An act to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free; and

S. J. Res. 98. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late Maj. Gen. Fred C. Ainsworth for the purpose of establishing a permanent library at the Walter Reed General Hospital to be known as the "Fred C. Ainsworth Endowment Library."

NOTICE OF ADDRESS BY SENATOR TYDINGS

Mr. TYDINGS. Mr. President, I give notice that immediately upon the convening of the Senate tomorrow, after the memorial exercises in the House of Representatives, I should like to address the Senate on the subject of the war debts, disarmament, stabilization of international currencies, and world trade, and in that connection I shall submit a plan and a resolution which will be self-explanatory.

ORDER FOR CONSIDERATION OF THE CALENDAR

Mr. ROBINSON. Mr. President, at the suggestion of a number of Senators, including the Senator from Oregon [Mr. McNARY], I desire to submit a request for unanimous consent. I ask that when the routine business shall have been concluded the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of unobjected bills on the calendar until the hour of 2 o'clock.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ACREAGE, PRODUCTION, AND TRADE IN COTTON AND WHEAT (S. DOC. NO. 62)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting, in response to Senate Resolution No. 111, a report on acreage, production, and trade in cotton and wheat in the United States and foreign countries, which, with the accompanying papers, was ordered to lie on the table and be printed.

FORT M'HENRY, MD.

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend the act of Congress entitled "An act to repeal and reenact chapter 100, 1914, Public, No. 108, to provide for the restoration of Fort McHenry, in the State of Maryland, and its permanent preservation as a national park and perpetual national memorial shrine as the birthplace of the immortal Star Spangled Banner written by Francis Scott Key, for the appropriation of the necessary funds, and for other purposes", approved March 5, 1925, which, with the accompanying paper, was referred to the Committee on Military Affairs.

REPORTS OF BUSINESS ADVISORY COUNCIL

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, ordered to lie on the table, as follows:

To the Senate:

In response to Senate Resolution 132, I enclose copies of the reports filed with me by the Business Advisory Council on Thursday, May 2, 1935. These reports pertain to the National Industrial Recovery Administration, the social security bill, and grants to States for old-age assistance. No other reports were left with me at that time, and no other reports are now on file with me.

The method of handling reports of the Business Advisory Council is for Chairman Kendall to present them to the administrative officials having to do with the subject matter rather than leaving them in my possession.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 20, 1935.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Wisconsin, which was referred to the Committee on Agriculture and Forestry:

Joint resolution relating to a dairy program that will protect the dairy industry

Whereas the dairy industry, having no control program, is now being handicapped due to the fact that land taken out of production by the various control programs may be used for the growing of dairy feeds; and

Whereas the growing of cattle feeds on such land will give an overproduction of dairy products: Now, therefore, be it

Resolved by the senate (the assembly concurring), That the Dairy Department of the Agricultural Adjustment Administration be urged to inaugurate a dairy program which will protect the dairy industry and prevent overproduction by prohibiting the land taken out of production by other crop-control programs from being used for the growing of dairy crops; be it further

Resolved, That copies of this resolution be forwarded to the Honorable Henry A. Wallace, Secretary of Agriculture, and to the presiding officers of both Houses of Congress.

The VICE PRESIDENT also laid before the Senate a letter from Clifford Milligan, of Dayton, Tenn., relative to the operation of the Federal Emergency Relief Administration in Dayton and Rhea County, Tenn., which was referred to the Committee on Appropriations.

He also laid before the Senate a letter in the nature of a petition from Starlight Youth Branch, American League Against War and Fascism, New York City, N. Y., praying that the kidnapers of Minor and Levinson be punished under the so-called "Lindbergh law", which was referred to the Committee on the Judiciary.

He also laid before the Senate petitions of sundry citizens of the United States, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. Long and Mr. OVERTON], which were referred to the Committee on Privileges and Elections.

He also laid before the Senate the petition of Pearlee Ford, of Blanchard, La., praying for the enactment of old-age pension legislation, which was ordered to lie on the table.

He also laid before the Senate papers and telegrams in the nature of petitions from several citizens and veterans' organizations of the United States, praying for the enactment of the so-called "Patman bonus bill", which were ordered to lie on the table.

Mr. NORRIS presented the following resolution of the House of Representatives of the State of Nebraska, which was ordered to lie on the table:

Resolution concerning cooperation in the President's program

Whereas there is in existence a Nation-wide emergency productive of wide-spread unemployment and disorganization of industry, which has burdened commerce, affected the public welfare, undermined the standards of living, and reduction of living wages; and

Whereas the President and Congress have inaugurated and established a far-reaching reconstruction program to alleviate the sufferings resultant from unemployment, to realign industry, and to correct the maladjustments to our economic life, all for the purpose of bringing about a speedy return of prosperity: Now, therefore, be it

Resolved by the house of representatives assembled in regular session, That we appreciate fully this great reconstruction program and are grateful to Congress and to the President for the help afforded the State of Nebraska, especially our farming communities; and

Resolved further, That we are desirous of cooperating to the fullest extent with the President and with Congress in every way; and

Therefore urge upon our Senators to take, as early as possible, final action upon such measures now pending in their honorable body that will bring immediate relief to our Nation's aged, particularly as this legislature is anxiously waiting for such action in order to carry out this State's part in meeting the Federal requirements; be it further

Resolved, That a copy of this resolution be placed upon our records and a copy of same sent to the President of the United States and copies to the Nebraska Members of the national Congress.

Mr. NORRIS also presented a resolution of the House of Representatives of the State of Nebraska, memorializing Congress to enact the so-called "Nye-Sweeney bill", being the bill (S. 2162) to restore to Congress its constitutional power to issue money and regulate the value thereof; to provide for the orderly distribution of the abundance with which a beneficent Creator has blessed us; to establish and maintain the purchasing power of money at a fixed and equitable level; to restore the values of property to just and equitable levels; to increase the price of agricultural products to a point where they will yield the cost of production plus a fair profit to the farmer; to provide a living and just annual wage which will enable every citizen willing to work and capable of working to maintain and educate his family on an increasing level or standard of living; to repay debts with dollars of equal value; to lift in part the burden

of taxation; and for other purposes, which was referred to the Committee on Banking and Currency.

(See resolution printed in full when laid before the Senate by the Vice President on the 16th instant, p. 7642, CONGRESSIONAL RECORD.)

Mr. WALSH presented a petition of sundry citizens of Boston and vicinity, in the State of Massachusetts, praying for the prompt enactment of social-security legislation, which was referred to the Committee on Finance.

He also presented a resolution adopted by Aerie No. 399 of the Fraternal Order of Eagles, of Marlboro, Mass., favoring the enactment of old-age-pension legislation, which was referred to the Committee on Finance.

He also presented petitions of Bay State Division, No. 413, Order of Railway Conductors of America; General Office Lodge, No. 71, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, and sundry citizens, all of Boston, Mass., praying for the enactment of legislation extending the effective period of the Emergency Railroad Transportation Act for 1 year, which were referred to the Committee on Commerce.

He also presented a petition of sundry citizens of the State of Massachusetts, praying for the enactment of the so-called "Patman bonus bill", which was ordered to lie on the table.

HOME OWNERS' LOAN CORPORATION

Mr. WALSH. Mr. President, I present and ask to have printed in full in the RECORD and appropriately referred resolutions adopted by the General Court of Massachusetts, memorializing Congress in favor of making additional appropriations for use by the Home Owners' Loan Corporation for continuing its activities.

There being no objection, the resolutions were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

Resolutions memorializing Congress in favor of additional appropriations of money for use by the Home Owners' Loan Corporation in continuing its activities

Resolved, That the general court hereby records itself in favor of the appropriation by the Congress of the United States of additional funds for use by the Home Owners' Loan Corporation, so that said Corporation may continue its activities for the benefit of distressed home owners, and particularly those whose applications for loans from said Corporation were filed and pending when said Corporation ceased making loans; and be it further

Resolved, That the secretary of the Commonwealth forthwith forward copies of these resolutions to the President of the United States, to the presiding officers of both branches of Congress, and to the Members thereof from this Commonwealth.

TAX ON CIGARETTES

Mr. WALSH. Mr. President, I also present and ask to have printed in full in the RECORD and appropriately referred resolutions adopted by the General Court of Massachusetts, memorializing Congress for the enactment of legislation to substitute another tax for the discriminatory tax on cigarettes selling at a low price.

There being no objection, the resolutions were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Resolutions memorializing Congress for the enactment of Federal legislation to substitute another tax for the discriminatory tax on cigarettes selling at a low price

Whereas the imposition of a Federal tax at the same rate on 10-cent cigarettes as is imposed on cigarettes selling at 15 and 20 cents strengthens the power of the tobacco trust, known as "the big four", tends toward monopoly and threatens to eliminate from the market the lower-priced product used by the great majority of consumers, and which is union made under clean and healthful conditions established by collective bargaining in line with the new deal, so called, and comprising 90 percent of the workers in the industry; and

Whereas the fate of the 10-cent cigarette and of a majority of the workers on and of small manufacturers of cigarettes hangs in the balance until this issue is settled: Therefore be it

Resolved, That the Congress of the United States is hereby requested to repeal the present unfair and discriminatory tax burden and to impose, in lieu of the present tax, levied according to volume, of \$3 per thousand cigarettes, or 6 cents per package of 20, regardless of the selling price of the same, a tax of \$2.70 per thousand on 10-cent cigarettes, of \$3 per thousand on 15-cent cigarettes, and of \$3.30 per thousand on higher-priced cigarettes, as

provided in pending Federal legislation, the Secretary of the Treasury having recommended such change in tax and having stated that it would protect and maintain Federal revenues; and be it further

Resolved, That copies of these resolutions be forwarded forthwith by the secretary of the Commonwealth to the President of the United States, to the Secretary of the Treasury of the United States, to the presiding officer of each branch of Congress, and to the Senators and Representatives in Congress from Massachusetts.

FREE SPEECH, FREE ASSEMBLY, AND FREE PRESS

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the RECORD, with the names of the signers, a petition signed by 272 clergymen representing three faiths—Protestant, Catholic, and Jewish—requesting the Senate Committee on the Judiciary to make an investigation as to how far, if at all, the constitutional liberties of free speech, free assembly, and free press are being encroached upon from any source.

There being no objection, the petition, together with the names of the signers, was ordered to be printed in the RECORD, as follows:

We, the undersigned clergymen of three faiths—Protestant, Catholic, and Jewish—and citizens of all parts of the United States, urge the Judiciary Committee of the Senate of the United States to make an investigation of conditions throughout the country that limit the liberties guaranteed to citizens of the United States under the Constitution. We feel impelled solemnly to warn the Nation against the imminent dangers which threaten our constitutional liberties of free speech, free assembly, and a free press.

We unite in condemning as un-American what appears to be an organized and wide-spread effort to induce both Congress and the several States to pass laws designed further to restrict free speech, free assemblage, and a free press.

Some of the organizations sponsoring this repressive legislation are, no doubt, sincere in their patriotic purpose of defending Americanism, but they appear to be strangely ignorant of this country's historical principles of freedom and are now advocating measures which would in the end tend to destroy the very foundations of the Republic.

Other organizations appear to be moved by a desire to repress demands for economic change on the part of labor and to maintain the special privileges and power which they now enjoy. They wrongly identify the present economic system with those principles of democracy for which this country stands but which have not yet been extended fully to industrial relations and the economic well-being of the masses of our people. They appear to be unaware that the purpose of the Constitution of our country was not to protect the rights and privileges of any single economic class, but—in the words of the preamble—"to promote the general welfare." Our forefathers felt that the only safeguard to liberty for all was freedom of expression. This is the very essence of Americanism.

We are opposed to the use of force and violence. It is for that very reason that we feel impelled to point out that to enact measures which would exclude any political party—no matter what its aims—from the ballot, would have the effect of encouraging violent action on the part of those groups against whom the door to orderly political action had been closed.

Other bills which are being advocated go even further and could be construed in such a way as to restrict the very freedom of the pulpit to speak in the name of conscience against war and those preparations for war which lead to it.

We feel that once the bars set up by the founders of our Nation against restricting free speech are let down, the way will be open for further and further encroachments upon the liberties of our people, until we may be forced to tread the bitter road of dictatorship with its denial of the very fundamentals of American democracy. While the proposed measures are at present ostensibly aimed at extremists, the recent experience of other countries shows that once the civil liberty of the most extreme group has been removed, the rights of organized labor, of liberals, and of the churches have also gone down in rapid succession. Let us beware lest in the name of Americanism, we allow the destruction of our most precious American traditions. Both the Fascists and the Communists deny the rights of free speech in countries which they control, but we should abhor their common practice in this regard and should scorn to adopt their methods of suppression in our free land.

Still more strongly do we condemn those outbursts of violence and lawless suppression of civil liberty by organized vigilantes and armed mobs which have occurred in a number of our States. Such demonstrations are a disgrace to our country and a denial of the very patriotism in whose name these acts have often been committed.

We therefore call upon the people of our respective faiths to arouse themselves at once to these dangers which threaten our American liberties, and to exert their immediate influence as citizens for the preservation and maintenance of the rights and responsibilities of free speech, free assembly, and a free press, and the encouragement of free communication of mind with

mind as essential to the discovery of truth and the maintenance of our American form of Government.

Respectfully yours,

Rev. Frank D. Adams, Unity Universalist Church, Oak Park, Ill.; Rev. Edward Albuoy, Church of the Nativity, Flagstaff, Ariz.; Rev. Robert G. Armstrong, secretary of the New Hampshire Congregational-Christian Conference, Concord; Rev. Everett Moore Baker, Westminster Unitarian Church, Providence; Rabbi Bernard J. Bamberger, Congregation Beth Emeth, Albany; Rev. Albert E. Barnett, professor of literature and history of the Bible, Scarritt College, Nashville; Rabbi Joseph L. Baron, Congregation Emanu-El B'Ne Jeshurun, Milwaukee; Rev. John L. Barton, general superintendent, South Dakota Baptist Convention; Rev. Robbins W. Barstow, president Hartford Seminary Foundation, Hartford; Rabbi Solomon N. Bazell, Congregation B'Rith Sholom, Louisville; Rev. Quitman F. Beckley, chaplain Princeton University, Princeton; Rev. A. D. Beittel, Collegeside Church, Nashville; Very Rev. John L. Belford, rector Church of the Nativity, Brooklyn; Rev. R. J. Bellperch, regent University of Detroit, Detroit; Rabbi Henry J. Berkowitz, Congregation Beth Israel, Portland, Oreg.; Rev. Philip Bernstein, Temple B'Rith Kodesh, Rochester, N. Y.; Rt. Rev. Msgr. E. J. Blackwell, St. Thomas Aquinas Church, Milwaukee; Rev. John P. Boland, St. Columba's Church, Buffalo; Rev. John J. Bonk, Milwaukee; Rabbi Philip D. Bookstaber, Congregation Ohev Sholom, Harrisburg; Rev. W. Russell Bowie, New York City; Rev. Harold Leonard Bowman, Chicago; Rev. P. M. Boyd, College Heights Methodist Church, Lakeland, Fla.; Rev. Ward F. Boyd, Great Falls, Mont.; Rev. M. R. Boynton, Chicago; Rev. Arthur H. Bradford, Providence; Rev. Dwight Bradley, Newton Center, Mass.; Rabbi William G. Braude, Temple Beth-El, Providence; Rabbi Baruch Braunstein, Eloff St. Temple, Wheeling; Rabbi Barnett R. Brickner, Congregation Anshe Chesed, Cleveland; Rev. Martin S. Brin-gazi, Redemptorist Fathers, Oconomowoc, Wis.; Rev. J. C. Broomfield, president General Conference, Methodist Protestant Church, Pittsburgh; Rev. Hugh Elmer Brown, Evanston; Rev. Duncan H. Browne, St. James' Church, Chicago; Rev. Dan B. Brummitt, editor the Christian Advocate, Kansas City, Mo.; Rev. Edmund J. Burke, Fordham University, New York; Rev. Philip H. Burkett, St. Joseph's College, Philadelphia; Rev. B. Ronald Burns, Taunton, Mass.; Rev. Edward C. Burns, Taunton, Mass.; Rev. Hugh Chamberlin Burr, Detroit; Rabbi Moses Buttenwieser, Hebrew Union College, Cincinnati; Rev. George A. Buttrick, New York City; Rev. S. Parkes Cadman, Central Congregational Church, Brooklyn; Rev. Raymond Calkins, Cambridge, Mass.; Rt. Rev. Msgr. John C. Carr, director, Catholic Charities of Buffalo, Buffalo; Rev. John J. Casey, Taunton, Mass.; Rev. John B. Cavitt, First Presbyterian Church, Albuquerque, N. M.; Rev. Edmund B. Chaffee, Labor Temple, New York City; Rev. G. L. Clark, First Presbyterian Church, Twin Falls, Idaho; Rev. Merrill F. Clarke, New Canaan, Conn.; Rev. Russell J. Clinchy, Mt. Pleasant Congregational Church, Washington, D. C.; Rabbi Rudolph I. Coffee, San Francisco; Rev. T. G. Coffin, Iowa City; Rabbi Deryl Cohon, Temple Israel, Boston; Rev. John J. Collins, Albany; Rev. B. A. Connelly, Redemptorist Fathers, Oconomowoc, Wis.; Rev. Arthur G. Considine, Taunton, Mass.; Rev. Dr. John M. Cooper, Catholic University, Washington, D. C.; Rev. Fred P. Corson, Carlisle, Pa.; Rev. James A. Crain, secretary Board of Temperance and Social Welfare, Disciples of Christ, Indianapolis; Rabbi Abraham Cronbach, Hebrew Union College, Cincinnati; Rev. J. B. Culemans, Sacred Heart Church, Moline, Ill.; Rev. Matthew A. Cummings, Epiphany Church, Chicago; Rev. J. J. Curran, Wilkes-Barre, Pa.; Rabbi Max Currick, Reform Congregation Anshe Chesed, Erie; Bishop Ralph S. Cushman, Methodist Episcopal Church, Denver; Rev. E. Leroy Dakin, First Baptist Church, Milwaukee; Rev. Albert E. Day, Mount Vernon Place Church, Baltimore; Rev. William Horace Day, president the Congregational Home Boards, Bridgeport, Conn.; Rev. James Dolan, Taunton, Mass.; Rev. James E. Dolan, Catholic Welfare Bureau, Los Angeles; Rev. Paul E. Denzel, Our Lady of Good Counsel Church, Cleveland; Rev. John Maurice Deyo, Danbury, Conn.; Rev. R. P. Douglass, president Idaho Baptist State Convention, Twin Falls; Rev. B. Thomas Drea, Taunton, Mass.; Rev. R. L. Duckworth, St. Louis; Rev. Henry M. Edmonds, Birmingham; Rev. F. C. Eiselen, Chicago; Rev. John W. Elliott, Philadelphia; Rev. Phillips P. Elliott, Brooklyn; Rev. Chester B. Emerson, Cleveland; Rabbi Victor Eppstein, Madison Avenue Temple, Scranton; Rabbi Harry W. Ettelson, Temple Children of Israel, Memphis; Rev. Peter J. Etzig, Redemptorist Fathers, Oconomowoc, Wis.; Rev. Abraham J. Feldman, Congregation Beth Israel, Hartford; Rabbi Howard L. Fineberg, Mount Zion Congregation, Sioux Falls, S. Dak.; Rev. Leo M. Finn, St. Mary's Church, Bridgeport, Conn.; Rev. F. E. Fitzpatrick, St. Patrick's Church, Kankakee, Ill.; Rev. G. B. Ford, chaplain Columbia University, New York City; Rev. Harry Emerson Fosdick, New York City; Rabbi George Fox, South Shore Temple, Chicago; Rev. George Arthur Frantz, Indianapolis; Rabbi Benjamin Friedman, Temple Society of Con-

cord, Syracuse; Rabbi Ephraim Frisch, Temple Beth-El, San Antonio; Rev. Charles Gerlinger, First Congregational Church, Sioux Falls, S. Dak.; Rev. Paul J. Gilligan, St. Paul Seminary, St. Paul; Rabbi Benedict B. Glazer, Congregation Rozef Shamon, Pittsburgh; Rev. Laurence A. Glenn, secretary Bureau of Catholic Charities, Duluth; Rabbi Samuel H. Goldenson, president Central Conference of American Rabbis, New York City; Dr. Sidney E. Goldstein, chairman Social Justice Commission, Central Conference of American Rabbis, New York City; Rabbi Abraham Vossen Goodman, Congregation B'Er Chayim, Cumberland, Md.; Rabbi Abraham M. Granowitz, Congregation Beth Zion, Johnstown, Pa.; Rev. Joseph M. M. Gray, chancellor the American University, Washington, D. C.; Rev. Theodore Ainsworth Greene, First Church of Christ, New Britain, Conn.; Rev. John J. Griffin, Taunton, Mass.; Rev. Dr. Francis J. Haas, director National Catholic School of Social Service, Washington, D. C.; Rev. Dennis W. Harrington, Taunton, Mass.; Rev. B. M. Hegarty, Taunton, Mass.; Rabbi James G. Heller, Isaac M. Wise Temple, Cincinnati; Rev. John Haynes Holmes, New York City; Rabbi Abraham Holtzberg, Congregation Har Sinai, Trenton; Rev. Douglas Horton, United Church of Hyde Park, Chicago; Rev. Henry Hospers, Holland, Mich.; Rev. Roy M. Houghton, New Haven; Rev. James M. Howard, Morristown, N. J.; Rev. Murray Shipley Howland, Binghamton; Rev. Leo A. Hoying, Our Lady of Good Counsel Church, Cleveland; Rev. Graham C. Hunter, First Presbyterian Church, Fullerton, Calif.; Rev. Stanley Armstrong Hunter, St. John's Presbyterian Church, Berkeley, Calif.; Bishop S. Arthur Huston, Bishop of Olympia, Washington; Rabbi Isidor Isaacson, Temple Israel, Hollywood, Calif.; Rabbi Edward L. Israel, Har Sinai Congregation, Baltimore; Bishop Thomas Jenkins, Bishop of Nevada; Rev. Ray Freeman Jenney, Park Central Presbyterian Church, Syracuse; Rev. F. Ernest Johnson, executive secretary Department of Research and Education, Federal Council of the Churches of Christ in America, New York City; Dr. George Johnson, secretary Catholic Education Association, Washington, D. C.; Rev. W. Ashby Jones, Atlanta; Rev. Albert F. Kaiser, Our Lady of Good Counsel Church, Cleveland; Rabbi Harry Kaplan, Temple Anshe Amonim, Pittsfield; Rev. Jacob H. Kaplan, Temple Israel, Miami; Rev. John J. Kelley, associate director, Diocesan Bureau of Social Service, Stamford, Conn.; Rev. Clarence W. Kemper, First Baptist Church, Denver; Rev. John W. Keogh, chaplain Federation of College Catholic Clubs, Philadelphia; Rt. Rev. Msgr. William J. Kerby, Washington, D. C.; Rev. Philip H. Kiley, St. James Church, West Duluth; Rev. B. Marclan Korsky, Taunton, Mass.; Rev. William E. Kroll, Arlington Avenue Presbyterian Church, East Orange; Rev. Charles R. Kuebler, First Presbyterian Church, Hackensack; Rev. Alvin Kutcher, St. Rose Church, Milwaukee; Rev. George S. Lackland, First Methodist Episcopal Church, New Haven; Rev. John Samuel Land, St. Charles Avenue Presbyterian Church, New Orleans; Rev. John Howard Lathrop, Brooklyn; Rabbi David Lefkowitz, Temple Emanu-El, Dallas; Rabbi Emil W. Leipziger, Touro Synagogue, New Orleans; Rabbi Felix A. Levy, Emanuel Congregation, Chicago; Rabbi Theodore N. Lewis, Congregation Mount Sinai, Sioux City, Iowa; Rev. H. H. Lindeman, Congregational Church, Yankton, S. Dak.; Rev. B. Cosmas Linnane, Taunton, Mass.; Rev. M. Lochtefeld, Our Lady of Good Counsel Church, Cleveland; Rev. Sidney Lovett, New Haven; Rev. A. Ritchie Low, Johnson, Vt.; Rabbi Alvin S. Luchs, Temple Israel, New Rochelle; Rev. Arthur J. Luckey, Seven Dolers Church, Manhattan, Kans.; Rev. Dilworth Lupton, Cleveland; Rev. James E. Lynch, Taunton, Mass.; Rev. Oswald W. S. McCall, First Congregational Church, Berkeley, Calif.; Rev. Thomas F. McCarthy, St. Clement's Church, West Somerville, Mass.; Rev. A. Meredith MacColl, Dobbs Ferry; Bishop Francis J. McConnell, Methodist Episcopal Church, New York City; Rev. L. Ward McCreary, Park Avenue Church, East Orange; Rev. Milton M. McGorrell, Fountain Street Baptist Church, Grand Rapids, Mich.; Rev. R. A. McGowan, assistant director, Social Action Department, National Catholic Welfare Conference, Washington, D. C.; Rev. James McIntyre, Our Lady of Good Counsel Church, Cleveland; Rabbi Julius Mack, Vine Street Temple, Nashville; Rev. Donald A. MacLean, Catholic University, Washington, D. C.; Rev. Francis J. Maloney, Taunton, Mass.; Rev. John M. Manion, Somerville Catholic Charities, Mass.; Rabbi S. H. Markowitz, Congregation Achduth Vesholom, Fort Wayne; Rabbi Albert L. Martin, Congregation B'nai Israel, Bridgeport; Rev. B. Gerald Martz, Taunton, Mass.; Rev. C. Marzano, St. Viator College, Bourbonnais, Ill.; Rev. Boynton Merrill, West Newton, Mass.; Rev. William Pierson Merrill, New York City; Rev. A. C. Millar, editor Arkansas Methodist, Little Rock; Rev. Donald F. Miller, Redemptorist Fathers, Oconomowoc, Wis.; Rev. Kenneth D. Miller, Madison, N. J.; Rev. Raymond J. Miller, Redemptorist Fathers, Oconomowoc, Wis.; Bishop Walter Mitchell, bishop of Arizona; Very Rev. A. J. Muench, rector St. Francis Seminary, St. Francis, Wis.; Rev. John R. Mulroy, diocesan director Catholic Charities, Denver; Rev.

James Myers, industrial secretary Federal Council of the Churches of Christ in America, New York City; Rev. F. E. Narbut, Haverhill, Mass.; Rev. Frank H. Nelson, rector of Christ Church, Cincinnati; Rabbi Morris Newfield, Temple Emanu-El, Birmingham; Rabbi Louis I. Newman, Congregation Rodeph Shalom, New York City; Rev. Robert Hastings Nichols, professor in Auburn Theological Seminary, Auburn; Rev. Morgan P. Noyes, Central Presbyterian Church, Montclair, N. J.; Rev. B. Jarlath O'Brien, Taunton, Mass.; Rev. Oscar Thomas Olson, Epworth-Euclid Methodist Episcopal Church, Cleveland; Rev. Fletcher D. Parker, Hartford; Bishop Edward L. Parsons, bishop of California; Rev. Don Ivan Patch, Westfield, N. J.; Rev. William Weston Patton, Glen Ridge, N. J.; Rev. H. E. Peabody, Appleton, Wis.; Rabbi David Philipson, Congregation Bene Israel, Cincinnati; Rev. Harold C. Phillips, Cleveland; Mr. Clarence E. Pickett, Philadelphia; Rev. Jason Noble Pierce, First Congregational Church, San Francisco; Rev. Paul Reid Pontius, Zion Reformed Church, Lehigh, Pa.; Rev. E. McNeill Poteat, Jr., Raleigh, N. C.; Rev. A. Clayton Powell, New York City; Rev. S. D. Press, president Eden Theological Seminary, Webster Groves, Mo.; Rev. Karl K. Quimby, Methodist Church, Ridgewood, N. J.; Rev. Augustus P. Reccord, Church of Our Father, Detroit; Rev. F. E. Reissig, Emanuel Lutheran Church, Rochester, N. Y.; Rabbi Abraham Rhine, Congregation House of Israel, Hot Springs, Ark.; Rev. James Austin Richards, Oberlin; Rabbi Harry R. Richmond, Congregation Emanu-El, Wichita; Rev. H. G. Riordan, rector St. Joseph's Parish, Fond du Lac, Wis.; Rev. James Robertson, First Presbyterian Church, Helena, Mont.; Rev. M. C. Robinson, Minneapolis; Rev. Joseph H. Rolfe, St. Mary's Church, Oxford, Ohio; Rev. Edward Tallmadge Root, Somerville, Mass.; Rev. Ivan Murray Rose, Philadelphia; Rabbi William Rosenblum, Temple Israel, New York City; Rev. William F. Rothenburger, president International Convention, Disciples of Christ, Indianapolis; Rabbi Leonard J. Rothstein, Temple-in-the-Penthouse, New York City; Rabbi Jacob Philip Rudin, Temple Beth-El, Great Neck, Long Island; Rt. Rev. Msgr. John A. Ryan, professor of moral theology, Catholic University, Washington, D. C.; Rev. Theodore F. Savage, executive secretary the Presbytery of New York; Rev. Charles E. Schaeffer, secretary Board of Home Missions, Reformed Church in the United States, Philadelphia; Rev. M. Schexnayder, Louisiana State University, Baton Rouge; Rev. Edgar Schmiedeler, director Rural Life Bureau, National Catholic Welfare Conference, Washington, D. C.; Rev. Alphonse N. Schuh, director St. Michael's Orphanage, LaCrosse, Wis.; Rev. Benjamin F. Schwartz, Muscatine, Iowa; Rabbi Lawrence W. Schwartz, Jewish Community, White Plains, N. Y.; Rev. Robert W. Searle, New York City; Rev. Richard W. F. Seebode, First Unitarian Church, Louisville; Rev. Charles C. Seelcman, president Southern Methodist University, Dallas; Rt. Rev. Joseph Selinger, St. Mary's Hospital, Jefferson City, Mo.; Rev. J. Thomas Sharman, Federated Presbyterian Church, Meridian, Miss.; Rev. A. A. Shaw, president Denison University, Granville, Ohio; Rev. John J. Shay, North Dighton, Mass.; Rev. F. M. Sheldon, Milwaukee; Very Rev. Robert J. Sherry, rector St. Gregory Seminary, Cincinnati; Rev. Guy Emery Shieler, editor the Churchman, New York City; Rev. W. A. Shullenberger, Central Christian Church, Indianapolis; Rabbi Abba Hillel Silver, the Temple, Cleveland; Rev. Minot Simons, All Souls Unitarian Church, New York City; Rabbi Edgar Siskin, Congregation Mishkan Israel, New Haven; Rev. Joseph R. Sizoo, Washington, D. C.; Rev. Herbert Booth Smith, Los Angeles; Rev. Theodore G. Soares, Pasadena; Rev. Ralph W. Sockman, New York City; Rev. Edmund D. Soper, Delaware, Ohio; Rabbi Samuel P. Soskin, Congregation Ohev Shalom, Huntington, W. Va.; Rev. Theodore G. Speers, Utica; Rev. William B. Spofford, New York City; Rev. Russell Henry Stafford, Old South Church, Boston; Rev. Frederick K. Stamm, Clinton Avenue Congregational Church, Brooklyn; Rev. Marshall T. Steel, Winfield Methodist Episcopal Church (South), Little Rock; Rabbi Nathan Stern, West End Synagogue, New York City; Rev. George Stewart, Stamford; Rev. Leon Stewart, Fort Collins, Colo.; Rev. Francis C. Stifler, East Orange; Rev. Jay T. Stocking, St. Louis; Rev. Alfred W. Swan, First Congregational Church, Madison, Wis.; Rev. Paul Tanner, Immaculate Conception Parish, Milwaukee; Rabbi Sidney S. Tedesche, Union Temple, Brooklyn; Rev. Wofford C. Timmons, South Church, New Britain, Conn.; Rev. Worth M. Tippy, executive secretary Department of the Church and Social Service, Federal Council of the Churches of Christ in America, New York City; Rev. Ernest F. Tittle, First Methodist Episcopal Church, Evanston; Rev. Robert Leonard Tucker, Indianapolis Methodist Episcopal Church, Columbus; Rev. Morris H. Turk, Portland, Maine; Rev. Ernest C. Tuthill, rector Grace Episcopal Church, Tucson; Rev. Joseph A. Vance, First Presbyterian Church, Detroit; Rev. Clarence A. Vincent, Miami; Rev. Raymond B. Walker, First Congregational Church, Portland, Oreg.; Rev. Charles E. Ward, First Congregational Church, Boise; Rev. John H. Warnshuis,

Staten Island; Rev. Henry B. Washburn, Boston; Rev. J. C. Weineke, Cedar Falls, Iowa; Rev. Cary S. Weist, Mount Vernon, N. Y.; Rabbi David H. Wice, Temple Israel, Omaha; Rev. Russell Wilbur, Notre Dame de Lourdes Church, St. Louis; Rev. Lawrence Wilson, Pioneer Congregational Church, Sacramento; Dr. Stephen S. Wise, Free Synagogue, New York City; Rabbi Samuel Wohl, Isaac M. Wise Temple, Cincinnati; Rev. James W. Workman, Conway, Ark.; Rev. Paul S. Wright, First Presbyterian Church, Oklahoma City; Very Rev. Peter M. Wynhoven, director Board of Catholic Charities, New Orleans; Rabbi Maurice L. Zigmund, Temple Emanuel, Pueblo, Colo.

(Transmitted by: Rt. Rev. Msgr. John A. Ryan, professor of moral theology, Catholic University; Rabbi Sidney E. Goldstein, chairman Social Justice Commission, Central Conference of American Rabbis; Rev. James Myers, industrial secretary Federal Council of the Churches of Christ in America.)

SUGAR AND THE AGRICULTURAL ADJUSTMENT ACT

Mr. COSTIGAN. Mr. President, on May 3, 1935, a meeting of farmers and community committeemen was held at Greeley, Colo., with 158 farmers present, representing 2,550 sugar-beet contract signers, 1,222 wheat-contract signers, and 740 corn-hog contract signers of various sugar-beet control associations, the Weld County Wheat Production Control Association, and the Weld County Corn-Hog Control Association.

At the meeting certain resolutions were unanimously adopted in support of the sugar law of May 9, 1934, the production-control programs of the Agricultural Adjustment Administration, and proposed amendments to the Agricultural Adjustment Act.

I ask that these resolutions may be printed in the CONGRESSIONAL RECORD following and as a part of my remarks.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas the sugar markets of the United States have been overwhelmed with the entry of free sugars into the United States from this country's insular possessions; and

Whereas as a result of the offering of these free sugars the price of sugar had reached such a low figure that beet farmers were losing the home markets and were attempting to produce sugar beets at ruinous prices which were far from production costs and parity prices; and

Whereas the Jones-Costigan Act, by means of quotas and processing taxes, guarantees farmers not only the cost of production but parity prices per ton: Now, therefore, be it

Resolved, That the representatives of the Sugar Beet Production Control Association for the factory districts of Weld County approve the Jones-Costigan Act and appeal to Congress to enact such further provisions to the act as will make it more effective and also that the benefits of the Agricultural Adjustment Act through amendments proposed in Congress be extended to other groups of producers.

J. E. HUMPHREY,
Secretary-Treasurer.

Whereas House bill 7160 and Senate bill 2228 propose to provide funds on an annual basis to States to carry out the activities of the Agricultural Adjustment Administration, experiment stations, and extension activities; and

Whereas the board of directors of the Weld County Sugar Beet Production Control Association of the Windsor factory district is meeting in Greeley for the purpose of considering the benefits to agriculture of the Agricultural Adjustment Act and the proposed above-mentioned bill; and

Whereas the expressed opinion of the members of the board is that the act through its various production-control programs now in effect has and is accomplishing the purpose of the act, but in order that the act may be more effective by the continuation of extension activities: Therefore be it

Resolved, That copies of this resolution be sent to the Representatives and Senators from Colorado, the Governor of the State of Colorado, members of the State board of agriculture, the National Chamber of Commerce, the Denver Chamber of Commerce, and the Greeley Chamber of Commerce.

J. E. HUMPHREY,
Secretary-Treasurer.

Whereas amendments to the Agricultural Adjustment Act now pending in Congress propose:

1. To make the act more effective for groups of farmers, including producers of dairy products, vegetables, wool, and other special crops, who otherwise would not be helped.

2. To increase the effectiveness of the act as related to basic commodities, with the specific provisions that payments may be made for expansion of domestic or foreign markets.

3. To provide for the coordination of commodity loans and production adjustment programs with a view to safeguarding the interests of both producers and consumers through the ever-normal granary plan.

4. To protect consumers against unwarranted price increases by processors and handlers of farm products; and

Whereas we, the members of the Weld County Corn-Hog Production Control Association, the Weld County Wheat Production Control Association, and the Weld County Sugar Beet Control Association, in meeting in Greeley for the purpose of considering the benefits to agriculture of the Agricultural Adjustment Act and the proposed amendments; and

Whereas the expressed opinion of the members of the several associations is that the act, through its various production-control programs now in effect and marketing agreements already approved by the Secretary of Agriculture, has accomplished the purposes intended, but that in order for other groups of producers to be eligible to participate in the benefits of the Agricultural Adjustment Act and also to make the act more effective: Therefore be it

Resolved, That we urge Congress to speedily approve the amendments as proposed by the Secretary of Agriculture, and petition our representatives in Congress to work for the early adoption of the amendments; be it further

Resolved, That copies of this resolution be sent to the Secretary of Agriculture, the Administrator of the Agricultural Adjustment Act, the Colorado Representatives in Congress, the Governor of the State of Colorado, and members of the State board of agriculture, also the National Chamber of Commerce, Denver Chamber of Commerce, the Greeley Chamber of Commerce, Greeley, Colo.

R. I. SHAKLEE,
Secretary-Treasurer.

ALLEGED USE OF MEXICAN LABOR IN MICHIGAN BEET FIELDS

Mr. VANDENBERG. Mr. President, there have recently, within the last 2 or 3 weeks, been recurrent stories about the use of Mexican labor in the Michigan beet fields. The subject is of deep importance, and there is no truth whatever in these recurrent tales. I ask to have printed in the RECORD a letter from the Isabella Sugar Co., of Mount Pleasant, Mich., completely refuting the entire story.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ISABELLA SUGAR CO.,
Mount Pleasant, Mich., May 16, 1935.

It is refreshing to have some one submit a direct inquiry asking for actual details in connection with the recent publicity given the hiring of Mexican labor in Michigan beet fields. Apparently this was not the purpose of those responsible for the glaring publicity which was given to the unfortunate accident involving a truck load of laborers who were migrating to Michigan to obtain work in the Michigan beet fields. A most ridiculous interview was picked up from some irresponsible source shortly after the accident, although 100 percent wrong as to facts.

In this purported interview our company was credited with the most astounding activities, such as engaging in the importation of Mexicans and Indians, paying \$15 per head to have them smuggled into this country, arranging for their transportation, and even retaining an attorney to look after our interests in the matter of the accident itself, every word of which was of course totally and completely untrue.

We deny every detail of the statement that was made, as we knew nothing whatever of the accident nor of the people involved. They affected surprise to learn that the truck load of laborers were evidently a group of Mexicans living in Texas who had no doubt been recruited by some labor leader who made a business of bringing laborers to Michigan about this time every year. These leaders promise to secure work for the laborers in the beet fields, with the understanding that those who obtained work would pay them something for getting jobs for them. This we presumed to be the situation with that group, and subsequent developments disclosed that such was exactly the case. It was proved that our company was not involved and that all of the group were American citizens, most of them born in Texas, who had just as much right to go from one State to another to seek employment as I have, as you have, or as the President of the United States has. To my knowledge, however, the Associated Press had made no attempt to broadcast this information after it was disclosed.

Because we fully realized the damaging effect that the widespread publishing of this unfortunate misinformation might have upon the beet-sugar industry, we insisted that the United States Immigration authorities and the State welfare authorities send representatives immediately into this area to investigate the whole labor situation in our beet fields and obtain the true facts first hand. In response to this request three investigators were sent up here from the Immigration and welfare departments at Lansing. After spending 2 days driving out among our growers and personally interviewing them, and after questioning practically all the laborers in this area of Mexican descent who are employed by our beet growers, they failed to find even one who was not a resident of this county or who had not a perfect right to be here and to hold the job he had. They found no aliens, to our knowledge.

Further than this, the welfare investigation revealed the hitherto unpublished fact that our growers had already arranged to hire every available worker on the welfare roll in Isabella County who could and would work, and had taken every available laborer in this whole area whom they could find unemployed and who was willing to work in the beet fields, with the result that the sum total of the whole group available in this county was sufficient to

care for only about 4,000 acres of beets out of a planted acreage of 15,300 acres. They found also that the balance of the workers required were being recruited from Detroit, Pontiac, Port Huron, and every place in Michigan where help was known to be available. This is the manner in which labor has been assembled for the past 25 or 30 years. They discovered that a good many people migrate up here from other States every year, knowing that this work is here and that they can obtain jobs if they are willing to work. Out of about 1,500 laborers required by our growers to take care of their beets this year, it was revealed that approximately 200 or so migrated up here from Texas, most of whom had been here previously and no doubt went directly back to the same farms they had worked on before. The investigators found that this group of Mexicans which figured in the accident was part of the group which made up this estimated number of 200.

So that is all there is to this whole matter concerning which so much has been said, and concerning which so much misinformation has been broadcast throughout the country. But the strangest part of it is that there has been no broadcasting of the true facts which were revealed as a result of the investigation that was made.

Sincerely yours,

ISABELLA SUGAR CO.,
By H. A. VALLEZ,
President and General Manager.

SOCIAL SECURITY

Mr. HARRISON. From the Committee on Finance I report back favorably with amendments the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes, and I submit a report (No. 628) thereon.

The VICE PRESIDENT. The bill will be placed on the calendar.

REPORTS OF COMMITTEES

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the joint resolution (S. J. Res. 130) making immediately available the appropriation for the fiscal year 1936 for the construction, repair, and maintenance of Indian-reservation roads, reported it without amendment and submitted a report (No. 629) thereon.

Mr. SCHWELLENBACH, from the Committee on Military Affairs, to which was referred the bill (S. 2326) authorizing the Secretary of War to lease or to sell certain lands and buildings known as "Camp Eagle Pass, Tex.", to the Eagle Pass & Piedras Negras Bridge Co., reported it with amendments and submitted a report (No. 630) thereon.

He also, from the same committee to which was referred the bill (S. 2710) to amend the National Defense Act of June 3, 1916, as amended, reported it without amendment and submitted a report (No. 635) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

S. 2762. A bill to exempt from taxation, under certain conditions, on the basis of reciprocity official compensation of a consular officer, nondiplomatic representative, or employee of a foreign country (Rept. No. 632); and

S. J. Res. 86. Joint resolution authorizing an annual appropriation of \$10,000 to enable the United States to become a member of the Pan American Institute of Geography and History, authorizing the President to invite the institute to hold its second general assembly in the United States in 1935, and authorizing appropriation of \$10,000 for expenses of such meeting (Rept. No. 631).

Mr. PITTMAN also, from the Committee on Foreign Relations, to which was referred the bill (H. R. 6453) to amend the act of May 13, 1924, entitled "An act providing for a study regarding the equitable use of the waters of the Rio Grande", etc., as amended by the public resolution of March 3, 1927, reported it with amendments and submitted a report (No. 633) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 272) for the relief of William Frank Lipps, reported it without amendment and submitted a report (No. 634) thereon.

Mr. TRAMMELL, from the Committee on Public Buildings and Grounds, to which was referred the bill (S. 2426) to provide for the creation of a memorial park at Tampa, in the State of Florida, to be known as "The Spanish War Memorial Park", and for other purposes, reported it without amendment and submitted a report (No. 636) thereon.

Mr. DIETERICH, from the Committee on the Judiciary, to which was referred the bill (S. 1313) providing for waiver of prosecution by indictment in certain criminal proceedings, reported it without amendment and submitted a report (No. 637) thereon.

Mr. BULOW, from the Committee on Civil Service, to which was referred the bill (S. 476) relating to promotions of civil-service employees, reported it without amendment and submitted a report (No. 638) thereon.

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the resolution (S. Res. 18) authorizing the appointment of a committee to receive evidence and take testimony in impeachment trials, reported it without amendment.

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which were referred the following resolutions, reported them each without amendment and submitted reports thereon:

S. Res. 122. Resolution for an investigation of the labor conditions in the Panama Canal Zone; and

S. Res. 137. Resolution to pay certain funeral expenses of the late Senator Bronson Cutting.

MEASUREMENT OF VESSELS USING PANAMA CANAL

Mr. BARBOUR, from the Committee on Interoceanic Canals, submitted minority views to accompany the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes, which were ordered to be printed as part 2 of Report No. 624.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 2850) for the relief of Christian H. Gladback; to the Committee on Claims.

A bill (S. 2851) relating to the tribal and individual affairs of the Osage Indians of Oklahoma; to the Committee on Indian Affairs.

By Mr. STEIWER:

A bill (S. 2852) for the relief of Edith M. Powell; to the Committee on Claims.

By Mr. FRAZIER:

A bill (S. 2853) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

A bill (S. 2854) providing that the unexpended balance of the appropriation for grasshopper control, contained in the Agricultural Department Appropriation Act of 1935, remain available during the fiscal year ending June 30, 1936; to the Committee on Appropriations.

By Mr. HALE:

A bill (S. 2855) granting a pension to Ila May Grindell (with accompanying papers); to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 2856) to amend title 40, section 276A, of the United States Code, Supplement VII; to the Committee on Education and Labor.

A bill (S. 2857) to fix rates of compensation of certain employees in the employ of the War Department; to the Committee on Military Affairs.

A bill (S. 2858) for the relief of Lt. Leo L. Waite; to the Committee on Naval Affairs.

By Mr. HARRISON:

A bill (S. 2859) to provide for the development of the Tennessee Valley and Tombigbee River Inland Waterway, and for other purposes; to the Committee on Commerce.

By Mr. BAILEY:

A bill (S. 2860) authorizing adjustment of the claim of Thomas F. Gardiner (with accompanying papers); to the Committee on Claims.

By Mr. CLARK:

A bill (S. 2861) granting an increase of pension to Cornelia Anderson Damrell (with accompanying papers); to the Committee on Pensions.

By Mr. WAGNER:

A bill (S. 2862) to promote safe and efficient service to the public by the national system of rail transportation by providing a retirement system for railroad employees; to the Committee on Interstate Commerce.

A bill (S. 2863) to provide a measure of damages for timber trespass upon lands of the United States; and

A bill (S. 2864) to establish the San Juan National Monument, Puerto Rico, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. VAN NUYS:

A bill (S. 2865) to amend the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928; to the Committee on the Library.

By Mr. MINTON:

A bill (S. 2866) authorizing manufacturers to protect their products against unfair or deceptive practices, and for other purposes; to the Committee on Interstate Commerce.

By Mr. BURKE:

A bill (S. 2867) to reenact section 463 of the act of Congress entitled "An act to define and punish crime in the District of Alaska and to provide a code of criminal procedure for said district", approved March 3, 1899, and for other purposes; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A bill (S. 2868) to provide for the reappointment of Harrison S. Markham as a second lieutenant, United States Army; and

A bill (S. 2869) to legalize the use of Emergency Relief funds for the construction of armories for the National Guard; to the Committee on Military Affairs.

By Mr. WALSH:

A joint resolution (S. J. Res. 132) to create a commission to determine a suitable location and design for a memorial to the men and women who have been notable or may become notable in the history of the United States; to the Committee on Public Buildings and Grounds.

By Mr. CLARK:

A joint resolution (S. J. Res. 133) for designation of a street to be known as "Missouri Avenue"; to the Committee on the District of Columbia.

HOUSE BILL REFERRED

The bill (H. R. 8021) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1936, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

AMENDMENT TO RIVER AND HARBOR BILL

Mr. GIBSON submitted an amendment intended to be proposed by him to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

SOCIAL SECURITY—AMENDMENT

Mr. MOORE submitted an amendment intended to be proposed by him to the bill (H. R. 7260) to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes, which was ordered to lie on the table and to be printed.

PROPAGATION OF UNAMERICAN DOCTRINES

Mr. DICKINSON. Mr. President, I send to the desk a resolution and ask that it be read, printed, and properly referred.

The VICE PRESIDENT. The resolution will be read as requested.

The Chief Clerk read the resolution (S. Res. 140), as follows:

Whereas the press carries an extended report showing that communistic and socialistic doctrines are being spread among the members of the Civilian Conservation Corps camps, and that newspapers are being published in these camps, reflecting favorable comment on such doctrine; and

Whereas it is authoritatively reported that communistic and socialistic doctrines are being taught by various instructors in various sections of the country, by teachers and instructors whose salaries are being paid from the Federal Emergency Relief funds; and

Whereas there is a growing tendency in various bureaus and departments of the Government, including the Department of Education, to further socialistic and communistic teachings and instruction: Now, therefore, be it

Resolved, That a special committee is hereby authorized to be appointed by the President of the Senate and directed to make an investigation as to whether or not public officials are permitting the use of public funds for such purposes as heretofore suggested; whether or not they are in sympathy with the teaching of such doctrine; and whether or not Federal funds are being used for the publication of such various subversive papers and pamphlets; and whether or not such instructions and publications seek for their purpose to discredit our form of government and seek to substitute another form of government therefor.

That said committee shall report to the Senate as soon as practicable the result of its findings, with its recommendation, together with suitable legislation remedial of said condition.

For the purposes of this resolution the committee is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$10,000, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman.

The VICE PRESIDENT. The resolution will be referred to the Committee on Appropriations.

Mr. ROBINSON. Mr. President, I suggest to the Senator from Iowa and to the Chair, in view of the terms of the resolution, that probably it should go to the Committee on Education and Labor. The Committee on Appropriations does not legislate. It merely considers appropriations.

Mr. DICKINSON. My reason for suggesting that it go to the Committee on Appropriations was that the committee has already received some data touching upon the subject. If the Democratic leader thinks it should go to the Committee on Education and Labor, I have no objection.

The VICE PRESIDENT. Without objection, the resolution will be referred to the Committee on Education and Labor.

BACKERS OF THE UNITED STATES CHAMBER OF COMMERCE

Mr. NORRIS. Mr. President, I ask unanimous consent to insert in the RECORD an editorial from the latest issue of Labor on the National Chamber of Commerce and its backers.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. NORRIS subsequently said: Mr. President, I am informed that the Senator from Montana [Mr. WHEELER] had printed in the RECORD a few days ago the same editorial which I have this morning asked unanimous consent to have printed. Therefore I withdraw my request.

FREEDOM OF THE PRESS—SPEECH BY SENATOR ASHURST

Mr. ASHURST. Mr. President, I ask leave to have printed in the RECORD an address, opposing the censorship of the press, delivered by myself in 1917.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. ASHURST. Mr. President, I am opposed to a censorship of the press as we have come to know that expression, and I oppose it upon the ground of public policy and upon the ground of constitu-

tionality. I shall discuss the subject, reviewing both aspects of the same as they present themselves to me; that is, from the standpoint of public policy and from the standpoint of its constitutionality.

Press censorships have invariably brought unhappy and in many instances disastrous results. The evil that a censorship creates is more malignant than the evil it seeks to avoid and conceal. If, during the ensuing war, the press should be censored and information as to the progress of the war should go to the public filtered through a censor, we would soon be living in a vapor of suspicion, a cloud of misinformation, a miasma of rumor.

A censorship of the press results in the diffusion and spread of misinformation and idle tales. Under a censorship sensational stories fly apparently on the wings of the wind. The ordinary citizen is practically helpless and knows not what or whom to believe. I do not mean to say that the press is always accurate in its gathering and presentation of facts, or always correct in its interpretation of facts, but in the main it attempts to be correct and seldom is willfully and wantonly unjust. A censorship proposed to be established with the intention and for the purpose of preventing our enemies from obtaining information as to the position and movement of our troops and fleets and the location of munition factories, machine shops, and details of coast defenses would, and no doubt should, meet with general approval.

The people composing the United States Government are now just about to enter upon a stupendous struggle. Events of world-wide importance are following each other so rapidly that they tread upon each other's heels; and sufficient events are transpiring each day to make volumes for the historian of the future.

I wish first to present my view of the censorship in respect to its being an unconstitutional statute as proposed.

The first amendment to the Federal Constitution reads as follows:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; * * *"

Everyone here knows what the word "abridging" means. I need not pause to consider or discuss the meaning of "abridgment."

What does "freedom of the press" mean? It is amazing to note the amount of loose talk—not in the Senate, but throughout the country and in the newspapers—as to what is "freedom of the press" as used in the Constitution of the United States. The average citizen of this Republic who is not a lawyer, from a constitutional standpoint, believes that "freedom of the press" means the right to publish his sentiments just as he pleases. In a large sense that may be true; but in a legalistic sense, and from a constitutional standpoint, that is not entirely accurate. "Freedom of the press" means simply, solely, and only the right to be free from a precensorship—the right to print and publish and have a judicial tribunal by due process of law declare after publication thereof whether or not the article was libelous, obscene, or improper. In other words, under the Constitution as amended by amendment no. 1, "freedom of the press" means that the citizen may publish whatever he sees fit and not be subjected to pains and penalties because he did not consult the censor before publishing. The citizen is left to publish what he pleases, and must take his chances before a court of his country as to whether or not he has published anything libelous or anything that may bring any human being into disrepute or ridicule, or whether he has published anything of a treasonable or obscene nature.

Now, to discover what this phrase "freedom of the press" means, we resort to that method to which lawyers have ever resorted, viz: What was the meaning of the phrase "freedom of the press" when the Constitution of the United States was adopted? When the first amendment was adopted, what did those who adopted the amendment and what did the lawyers of that day say "freedom of the press" meant? What did the reports and the courts of the time say "freedom of the press" meant?

Mr. President, I believe that Sir William Blackstone is a good authority as to what is the common law of England; and the common law of England has been in force in this country since we have been a Nation. It was brought to these shores by the migration hither of our ancestors. This book of Blackstone's Commentaries was written before the adoption of the first amendment, so it is presumed that those who adopted the amendment adopted it with the construction which Blackstone put upon its language and which the common law gave it. I read now from volume 4 of Wendell's Blackstone's Commentaries, page 151, where that great commentator says:

"In this and the other instances which we have lately considered, where blasphemous, immoral, treasonable, schismatical, seditious, or scandalous libels are punished by the English law, some with a greater, other with a less degree of severity, the liberty of the press, properly understood, is by no means infringed or violated. The liberty of the press is, indeed, essential to the nature of a free state; but this consists in laying no previous restraints upon publications."

Let me read that again: "But this" what? Freedom of the press "consists in laying no previous restraints upon publications, and not in freedom from censure for criminal matter when published. Every freeman has an undoubted right to lay what sentiments he pleases before the public; to forbid this is to destroy the freedom of the press; but if he publishes what is improper, mischievous, or illegal, he must take the consequences of his own temerity."

Senators will observe that these words are not the "wild shoutings of some demagogue on the hustings, seeking to arouse public prejudice and get votes." They are the words and the lan-

guage of the great writer whose works we all study when we attempt to become lawyers. He says: "To subject the press to restrictive power of a licenser, as was formerly done, both before and since the revolution" referring to the English revolution of 1688 "is to subject all freedom of sentiment to the prejudices of one man and make him the arbitrary and infallible judge of all controversial points in learning, religion, and government. But to punish (as the law does at present)" what law? The common law of England "any dangerous or offensive writings, which, when published, shall, on a fair and impartial trial, be adjudged to be of a pernicious tendency, is necessary for the preservation of peace and good order, of government and religion, the only solid foundations of civil liberty. Thus the will of individuals is still left free; the abuse only of that free will is the object of legal punishment. Neither is any restraint hereby laid upon freedom of thought or inquiry; liberty of private sentiment is still left; the disseminating or making public of bad sentiments, destructive of the ends of society, is the crime which society corrects. A man (says a fine writer on this subject) may be allowed to keep poisons in his closet, but not publicly to vend them as cordials. And to this we may add that the only plausible argument heretofore used for restraining the just freedom of the press, 'that it was necessary to prevent the daily abuse of it', will entirely lose its force when it is shown (by a seasonable exertion of the laws) that the press cannot be abused to any bad purpose without incurring a suitable punishment; whereas it never can be used to any good one when under the control of an inspector. So true will it be found that to censure the licentiousness is to maintain the liberty of the press."

Now, Mr. President, advert to this bill, we find in lines 19, 20, 21, and 22, of page 8, the offensive language. We find there the language which, even though Senators should admit it might apparently be for the common good, offends the Constitution, because the same reads as follows: "Whoever, in time of war" now comes the matter obnoxious to the Constitution "in violation of reasonable regulations to be prescribed by the President, which he is hereby authorized to make and promulgate." It sets up a censor to whom you must go to have your writings visaed or O. K'd, or you are guilty of a crime; and that, in my judgment, is unconstitutional. All the commentators who wrote before the adoption of our Federal Constitution, and nearly all of them who wrote since, agree that "freedom of the press" means freedom from the restraints of a censor; means the liberty and right to publish whatever you wish; but you take chances of punishment in the courts of your country for the violation of the laws of libel and slander.

In 1803 a man named *Croswell* was tried in the courts of New York for libeling Thomas Jefferson. *Croswell* printed a scandalous publication. He was arrested, tried, and convicted before one of the nisi prius courts of New York. He took an appeal to the supreme court of the State, the court of last resort in the State at that time being designated the supreme court. The case came before the supreme court, and upon the supreme bench was Chancellor Kent. One of the attorneys, in fact the leading attorney, for the defendant *Croswell* was Alexander Hamilton. I think that Alexander Hamilton as a constitutional lawyer will compare favorably with some of the lawyers of the Senate. I think we may concede that Alexander Hamilton knew something as to what the Constitution meant. I have here the case, which is reported in Johnson's Cases, third volume, at page 355, et sequitur. I will not pause to read the whole case, but will say that the prosecution urged that under the common law "the greater the truth the greater the libel", and that the defendant thereby was not permitted to prove the truth of his publication.

The question of censorship was discussed, and Hamilton in his argument in February 1804 at Albany—by the way, Hamilton's last great legal argument—pointed out that there was on the part of the attorneys for the prosecution a misconception as to what was the common law. Some lawyers, for instance Lord Mansfield and Lord Raymond, had insisted that the common-law doctrine, "the greater the truth the greater the libel", was a part of the common law. Hamilton pointed out to the satisfaction of the court, and all American lawyers have taken the same view, that "the greater the truth the greater the libel" was part of the "star-chamber rule", which, under the rule of the Stuarts, was injected into the common law and was not the common law.

Hamilton's view has been the view of all the courts of this country. The Legislature of New York in the succeeding year (1805) enacted a law which provided substantially that the truth may be given to the jury in all cases of libel and slander where it is published for good motives and for justifiable ends. Hamilton was of opinion that a censorship violates the liberty of the press, and freedom from censorship means the liberty of the press.

Now, Mr. President, we are not wholly in the dark in our country as to what censorship may mean.

I shall here include in the Record some authorities I have compiled from Words and Phrases (vol. 5, p. 4131, et seq.):

"Liberty of the press", as used in the provision of the Federal Constitution guaranteeing the liberty of the press, etc., means a right in the conduct of a newspaper to print whatever he chooses, without any previous license, but subject to be held responsible therefor to exactly the same extent that anyone else would be responsible for the publication (*Sweeney v. Baker*, 13 W. Va., 158, 182; 31 Am. Rep., 757; *Negley v. Farrow*, 60 Md. 158, 175; 45 Am. Rep., 715; *Jones v. Townsend's administratrix*, 21 Fla. 431, 450; 53 Am. Rep. 676; *Upton v. Hume*, 33 Pac. 810, 812; 24 Or., 420; 21 L. R. A. 493; 41 Am. St. Rep. 863; *Fitzpatrick v. Daily States Pub. Co.*, South., 173, 179; 48 La. Ann. 1116; *Commonwealth v. Buckingham* (Mass.) *Thacher*, Cr. Cas. 29, 39)."

"The liberty of the press was said by Blackstone to consist 'in laying no previous restraints upon publication, and not in freedom from censure for a criminal matter when published. Every freeman has an undoubted right to lay what sentiments he pleases before the public. To forbid this is to destroy the freedom of the press; but if he publishes what is improper, mischievous, or illegal, he must take the consequences of his own temerity' (*Morton v. State*, 3 Tex. App. 510, 516 (citing 4 Bl. Comm., side p. 152))."

"In its broadest sense 'freedom of the press' includes not only exemption from censorship but security against laws enacted by the legislative department of the Government or measures resorted to by either of the branches for the purpose of stifling just criticism or muzzling public opinion. It will not apply to a contract for the sale of a newspaper, whereby it was agreed that the seller would not edit, print, or conduct a newspaper, or be connected with one in the State without consent of the purchaser (*Cowan v. Fairbrother*, 24 S. E. 212, 215; 118 N. C. 406)."

"Freedom of the press" does not mean "a press wholly beyond the reach of the law, for this would be emphatically Pandora's box, the source of every evil. The founders of our governments were too wise and too just ever to have intended by the freedom of the press a right to circulate falsehood as well as truth, or that the press should be the lawful vehicle of malicious defamation, or an engine for evil and designing men to cherish for malicious purposes sedition, irreligion, and impurity. I adopt in this case as perfectly correct the comprehensive and accurate definition of one of the counsel at the bar (General Hamilton) that the liberty of the press consists in the right to publish with impunity truth, with good motives and for justifiable ends, whether it respects government, magistracy, or individuals" (*People v. Crosswell*, 3 Johns. Cas. 337, 393; *State v. Meyers*, 21 Wkly. Law Bul. 302; 10 Ohio Dec. 238).

"The constitutional guaranty of freedom of speech and liberty of the press were designed to secure constitutional immunity for the expression of opinion; but that does not mean unrestrained license, nor does it confer the right upon the editor of the newspapers to write or publish whatever he may choose, no matter how false, malicious, or injurious it may be, without full responsibility for the damage it may cause (*Fitzpatrick v. Daily States Pub. Co.*, 20 South. 173, 179; 48 La. Ann. 1116)."

It is a popular thing to say that this must be put through as a "war measure."

Mr. President, this is America, not another country. We forget something of the genius of the American people, if we believe we can censor their sources of information. We must not think for a moment that the Great War in which we are about to engage is going to be carried through successfully by confusing the people or denying them information to which they are entitled.

During the Civil War feeling ran high and censorship was attempted. Indeed, not only was the censorship attempted, but General Burnside seized and suppressed an edition of the *Chicago Times*, alleging that it was publishing matter treasonable and against the public safety. The edition was stopped, but in the loyal State of Illinois the feeling of the people was so great that the legislature of the State passed a resolution denouncing the act of General Burnside for stopping the edition of the *Times*, and Lyman Trumbull and Isaac N. Arnold, Lincoln's confidential advisers, urged him to revoke the order at once, and Lincoln revoked it. Not even in the tense and critical periods of our country did the American freemen permit the hands of military authorities to be laid upon the ark of freedom.

Mr. BRANDEGEE. Mr. President—

Mr. ASHURST. I yield to the Senator.

Mr. BRANDEGEE. The Senator stated, if I understood him correctly, that some people attempted to justify the censorship on the ground that it was a war measure. I wish to ask the Senator if, in his opinion, Congress has any greater power in time of war than it has in time of peace?

Mr. ASHURST. Congress has no greater power in time of war than in time of peace.

Mr. BRANDEGEE. Let me ask the Senator, because the question not only arises now but, in my opinion, will continue to arise as other measures unusual and drastic may be proposed, Does the fact that Congress under the Constitution may declare war give any power to anybody to repeal or in any way conflict with the restraints and limitations and guaranties of the Constitution itself?

Mr. ASHURST. None whatever.

The State of Illinois during the Civil War may be fairly counted to have been a loyal State, and I am able to imagine the flame of indignation that rolled over the State when General Burnside attempted with his censorship to stop the edition of the *Chicago Times*, and that wise man, who countenance seemed seared with the plowshare of sorrow, at once directed Mr. Stanton, the Secretary of War, to revoke the order stopping the issue of the *Chicago Times*. I will read a copy of the order. It was subjoined as a note to a long letter, but is dated "War Department, Washington, June 1, 1863." Note the date June 1. It was only 30 days anterior to the Battle of Gettysburg, the critical period of our country's history. "Maj. Gen. A. E. Burnside, commanding department of the Ohio. General: * * * Here is a long letter, and then comes the postscript: 'P. S. Since writing the above letter, the President has been informed that you have suppressed the publication or circulation of the *Chicago Times* in your department. He directs me to say that, in his judgment, it would be better for you to take an early occasion to revoke that order.' Here is wisdom: 'The irritation produced by such act is, in his'—the President's—"opinion, likely to do more harm than the publication would be. The Government approves of your motives and desires to give you

cordial and efficient support. But while military movements are left to your judgment, upon administrative questions, such as the arrest of civilians and the suppression of newspapers, not requiring immediate action, the President desires to be previously consulted. Edwin M. Stanton, Secretary of War."

Mr. KING. The Senator was referring to the act of Mr. Lincoln. Will he permit me to call his attention to an order which Mr. Lincoln did promulgate and which, contrary to the statement of the Senator, was the basis of the action of General Burnside, rather than the statute to which the Senator referred?

Mr. ASHURST. I would be very glad to see that; it may have escaped me in my researches.

Mr. KING. This is an order which was promulgated July 8, 1861: "Henceforward the telegraph will convey no dispatches concerning the operations of the Army not permitted by the commanding general, Winfield Scott. The above order is confirmed."

"SIMON CAMERON."

Mr. ASHURST. I thank the Senator, but I have that before me and I have reflected upon it.

Mr. KING. Just a little further, if the Senator will pardon me, the second order, dated August 7, 1861, is as follows:

"By the fifty-seventh article of the act of Congress entitled 'An act for establishing rules and articles for the government of the armies of the United States' approved April 10, 1860, holding correspondence with, or giving intelligence to, the enemy, either directly or indirectly, is made punishable by death, or such other punishment as shall be ordered by the sentence of a court martial. Public safety requires strict enforcement of this article. It is therefore ordered that all correspondence and communication, verbally, or by writing, printing, or telegraphing, respecting operations of the Army or military movements on land or water, or respecting the troops, camps, arsenals, intrenchments, or military affairs within the several military districts, by which intelligence shall be directly or indirectly given to the enemy without the authority and sanction of the major general in command, be, and the same are, absolutely prohibited, and from and after the date of this order persons violating the same will be proceeded against under the fifty-seventh article of war."

"SIMON CAMERON."

"Approved:

"A. LINCOLN."

Does not the Senator know that under that order not only was the paper in Chicago suppressed, but numerous other newspapers were suppressed and men were arrested and charged with sedition and various other offenses?

Mr. ASHURST. The Senator is correct. Not only, Mr. President, as the Senator well said, was the Chicago Times seized and the edition suppressed, but editions of the New York World were seized and suppressed, I believe.

In war the strong man wins, and my desire and solicitude—and I think I may be pardoned if I say I believe it is a patriotic solicitude—is that America will win the war and will sustain the Constitution and sustain every constitutional right possible. Between winning the war and giving up the Constitution, I would give up the Constitution, but in my judgment the time has not arrived when the citizen is called upon to give up his constitutional rights.

Now, I am going to read for a moment from the fourth volume of Rhodes' History of the United States, referring to General Burnside's order. I read from page 253:

"Burnside was induced to further acts of folly."

After describing some acts committed with which the writer from whom I quote does not agree:

"He issued an order announcing that 'the publication or circulation of books containing sentiments of a disloyal tendency comes clearly within reach of General Orders, No. 38, and those who offend in this manner will be dealt with accordingly.' June 1 he promulgated General Order No. 84. The circulation of the New York World, it said, 'is calculated to exert a pernicious and treasonable influence, and is therefore prohibited in this department.' * * * On account of the repeated expression of disloyal and incendiary sentiments the publication of the newspaper known as the Chicago Times is hereby suppressed."

And the author concludes with the pregnant sentence:

"Strange pronouncements were these to apply to the States of Ohio, Indiana, and Illinois, where there was no war, where the courts were open, where the people were living under the American Constitution and English law. Fortunately men bred in liberty do not easily forget their lessons."

I said in opening of my remarks that every attempt on the part of President Lincoln or Mr. Stanton, the then Secretary of War, to set up a censorship of the press brought a reaction which created much damage and discontent.

Mr. BRANDEGEE. Did the Senator state the name of the author from which he read?

Mr. ASHURST. Rhodes' History of the United States, volume IV, 1862-64.

The only person who has had his civil rights affected in the United States by the declaration of war is the soldier, who patriotically gives up for a short period by virtue of his enlistment some of his civil rights; but as to all others no civil right whatever is suspended.

I secured a book the other day which I had never seen before, although I had heard of the author, for he was a correspondent of the New York Herald and the Washington agent of the Associated Press during the Civil War. His name was L. A. Gobright. He tells about a censor, a young man, who had his office in the National Hotel here—now a historic building, historic not only because the

censor had his office there but historic because one of our greatest American tribunes, Henry Clay, died there. This author, telling about the difficulty he had in getting his dispatches through respecting the situation to New York, recites the dispatch, and then says:

"This dispatch had, like all others, to undergo censorship. The censor at the time was a very young man, who, appreciating the importance of his position I should think he would appreciate the importance of his position when every newspaper correspondent had to go to him and ask him whether or not he could send out his dispatch to his newspaper 'put on airs' I do not know that the Senate understands what that expression means, but I do 'and assumed an undue degree of gravity. He had a small room in the National Hotel, high up badly lighted stairs' 'badly lighted stairs' synchronizes with 'censorship' dark-chamber proceedings 'and at first somewhat difficult to find. There he had on his table scissors of various sizes, a full rack of pens, several inkstands, a dozen or more of lead pencils of different colors—black and blue' I presume they were mostly blue 'a pot of muclage, half a ream of paper, and other properties thought by him to be essential to his high office. Well, I handed the dispatch to the young man, Mr. Holland, in the office, directing him to give it to the censor and to be particular in watching what this mighty little man did with it. When he returned he informed me that the censor, without fully reading the dispatch, stuck it into his capacious pocket, which answered the purpose of a wastebasket."

Then the author goes on to recite more experiences, but I shall not weary the Senate telling about the difficulty of getting dispatches through. I will, however, read from page 322 another instance of what the author calls "censorial caution and astuteness." He says: "Passing up Pennsylvania Avenue on a Saturday night, I happened to meet one of General Wool's staff. My friend had just arrived from Frederick, Md., and had in his pocket an official communication from his chief to the Secretary of War. He informed that there was much alarm in western Maryland, Lee and his army having invaded that State. He told me no more, because he had not yet ascertained the particulars. I immediately went to the telegraph office to 'send off' the fact of the invasion 'to 'send off' meant to dispatch his matter 'making not more than 20 lines. The censor—not the young man who had vetoed my former communication but a man at that time well known to many persons in New York and elsewhere—looked at my dispatch, then said: 'It can't go.' 'Why not?' 'Because it gives information to the enemy.' 'Colonel, do you suppose the enemy does not know what he himself is doing? And, besides, is it not important that the people in Pennsylvania and New York should know of their danger? Should they be kept in ignorance on so vital a question?' I continued my interrogatories. Although the censor had not the reputation of being a very wise man, he was impressed a little with my arguments, and, by the way of compromise, agreed to forward my dispatch with the qualification of the one which, he said, he had sent to his wife. That qualification was, 'It is said that', etc. Thus the positive announcement was turned into a mere rumor which the public could believe or not. No better bargain could be made; and I, of course, was forced to submit."

Having now read some extracts showing the workings of a censorship and its ridiculousness in this city during the War between the States in a great Government where free people are accustomed to indulge in the luxury of reflection, I will give attention to the expression from the censor of the press in England, and I believe the person whom I shall now quote was the last censor in England until the present year.

Sir Roger L'Estrange in May 1680, in first exercising his authority as licenser and censor of the press, and in explaining the attitude of the ruling classes, among other things, said:

"A newspaper makes the multitude too familiar with the actions and councils of their superiors and gives them (the multitude) not only an itch but a kind of colorable right and license to be meddling with the Government."

Now, Mr. President, it is said that republics never learn by experience. We are now called upon to avail ourselves of the lessons taught to us by the British Empire. No man can say who won the war for Great Britain, because it has not been won as yet; but I am able to name the man who has prevented Great Britain from being defeated. The man who prevented Great Britain from being defeated in this war was not the distinguished Right Hon. Arthur James Balfour, who did us the honor to address us yesterday. The man who saved Great Britain was not David Lloyd George; not that distinguished statesman, Herbert Henry Asquith; not even Sir John Jellicoe; nor was it Churchill. But the man who saved the British Empire was none other than Alfred Charles Harmsworth, known to heraldy as Lord Northcliffe. He made nine visits to the British lines. He discovered that the shells made in England would only reach one-third of the distance they were guaranteed to reach; that inferior powder was being used, and that thieving contractors were palming off upon the Government, shells of one-third of the potentiality they were guaranteed to have. In spite of censorship, in the face of a court martial, Alfred Charles Harmsworth published to Great Britain and to the world those facts that a censorship sought to conceal, and, in my judgment, those publications saved his Government from disaster.

So, Mr. President, we may pass our statutes, and say to the press that we will filter out the news to the people through some one man; but the press of this country, if it be patriotic, as I believe it is, will publish the facts, censorship or no censorship, if an attempt should be made to feed our troops embalmed beef and set up typhoid fever camps, such as were set up in the War with

Spain. Do you think the press of this country would be performing a patriotic duty if it sat silent, cowed by a censorship, when grafting contractors were palming off on the Government paper shoes and embalmed beef and shells that would not explode and would carry but one-third of the distance they were intended to go? No. There would be a hundred Alfred Charles Harmsworths, who might not be lords in one sense, but would be lords in another. They would come to the rescue of their country and would publish the facts that an incompetent War College or bureaucratic commander might—I do not say would, but might—see fit to suppress. Human nature is human nature. It is our duty as Senators to see to it that no defects or blunders are concealed, but that they are laid before the American people, so that they may at least know the facts in the case and aid the officials in correcting them.

So, Mr. President, I am opposed to censorship. A golden stream of billions of dollars is soon going to proceed from out the Treasury of the United States, raised by taxes laid upon the people. We may want to discuss how and when and by whom that is to be spent. We do not know what we might want to say about it. We do not know what the papers might want to say about it; but in making this speech I wish to be understood as not in the slightest degree reflecting upon the integrity or the capability of those Cabinet ministers now in charge of our affairs.

I believe I can say, without that offensive flattery, that the Cabinet today measures up just as high and is just as pure and as patriotic as any Cabinet in the history of our Government. But do you claim that they are infallible and unable to make a mistake? If they be the wise men I think they are, if they be the patriotic men I believe them to be, they will welcome a disclosure so startling as that which was made by Lord Northcliffe, should like facts exist, regarding the shortage and inferiority of the shells that were furnished to the British Government in the latter part of 1914 and during the early part of the year 1915.

We are going to make, in my judgment, many mistakes in this war, because we are human beings. We only learn by mistakes; and unless the mistakes are discovered and exposed to the public, how will we learn? Our War College and our generals will probably be in command of more men than they have ever before assembled together even on paper. They will be called upon to perform duties requiring high efficiency.

I know there are men in the world like some ancient rulers, who always beheaded those who brought bad news; but, Mr. President, there is some iron and blood in the American people. They can hear bad news without flinching.

The privileges which the English-speaking people hold to be of inestimable value, to wit, suffrage—based upon patriotism and integrity instead of upon property—a free press, and freedom of religion, have not been easily acquired or easily maintained. The contest for a free and untrammelled press has been just as keen and intense as the contest for a free ballot.

In England, until the expiration of the licensing act, May 3, 1695, it was by no means certain that the publication of a newspaper was not illegal. The court of star chamber delivered an opinion that it was unlawful to publish without license, and, indeed, near the close of the reign of Charles II the judges pronounced that it was a misdemeanor at common law to publish any news of a political nature without the express approval of the licensors of the King. Even John Milton's *Paradise Lost* narrowly escaped severe mutilation and with difficulty obtained "leave to print" from the King's licensors.

Article I of the first amendment of the Constitution of the United States was a rampart reared for the protection of the American people against those persons who believed that Republican governments were dangerous delusions, and for the security of the people against legislative, executive, and judicial usurpations, just as the Bill of Rights and the Great Charter were reared by the English people for their own protection against the encroachments of the royal prerogative.

Congress passed the act of July 14, 1798, which declared it to be a crime to publish any false scandalous article concerning Congress or the President, and making it unlawful to stir up sedition against the United States. The manifest purpose of this sedition law was to shield the Federal Government from damaging criticism, and the sedition law was of a transient nature limited to short duration and expired by effluxion of time on March 4, 1801.

The constitutionality of the sedition law was vigorously assailed with great ability and earnestness and was defended with equal vigor. This sedition law was impugned as being directly opposed to the letter and spirit of the Constitution of the United States and as wholly inconsistent with the rights of citizens and the liberty of the press. It never came before the United States Supreme Court, but Mr. Vice President John C. Calhoun, writing in August 1832, said that from the date of the formation of the Constitution in 1787 down to 1832 only one question of a political character had been settled in the public opinion, and that that question was the unconstitutionality of the sedition law.

It is difficult to estimate the number of prosecutions conducted under this sedition law, but sufficient it is to observe that each prosecution still further served to swell the tide of indignation against it and its authors, and the heat of popular resentment against the sedition law was undoubtedly one of the features of the campaign which promoted the triumph of Thomas Jefferson and the defeat of John Adams in 1800.

We must not forget that in many of the governments of antiquity liberty degenerated into license, and that with many of the ancient rulers the word "liberty" became an excuse or pretext for measures which transformed liberty into license and destroyed the very things which made liberty valuable. Indeed, the history of

the world furnishes us with many painful and shocking examples of men who have spoken rapturously and sometimes with flaming eloquence of liberty and patriotism, but who simply used such speeches as a disguise or mask to conceal the fact that they were subverting true liberty.

We in this age who are not restrained to establish and publish a newspaper or print our sentiments therein seem to think these rights were born with us, are inherent in us, and seemingly it never occurs to us that our patriotic ancestors gave up their liberty, shed their blood, and sacrificed their lives in order that we might enjoy privileges which we of today accept as a matter of course, but which mean very much to people who value true freedom. American citizenship is an inheritance which has been achieved and maintained only by virtue of stupendous sacrifices that have been made by those who have gone before to secure for us this inestimably valuable boon.

The United States is just entering upon a struggle of unparalleled proportions against the most perfectly organized and powerful nation in the world. Such a situation, of course, calls for sacrifice from every individual citizen of this Republic. In responding to the duties incumbent upon us in this posture of affairs the soldier stands foremost and his sacrifice is the greatest. He will be called upon, if necessary, to give up much that is dear to him—his home, freedom of speech and action, his prospect of gainful occupation for a time, and perhaps his life. The soldier exacts no conditions, but loyally gives himself to his country as represented by the constituted authorities placed over him, and although the soldier yields up his civic rights entirely for the good of his country, he is none the less a citizen. He simply waives his rights temporarily to give greater efficiency to his efforts and justly looks forward to the time when the authority of government will again restore the exercise of civil rights he has so patriotically laid down.

The duties of the citizen not in the battle line are of a more peaceful and not so exacting a character, but every citizen is none the less a soldier; he is either a soldier of the shop, a soldier of the soil, a soldier of the train, a soldier of the farm or factory, and it well becomes the citizen not in the battle line to appreciate the grandeur and magnitude of the devotion of his fellow citizens in the field and to prove that he, the citizen not in the battle line, is also a soldier called upon to make some sacrifices, but that his country's demand upon him is relatively small when compared to the sacrifices that may be called for from the soldier. Hence, of course, the citizen not in the battle line must and should be willing to give up a part of the liberty he exercises in normal times and imitate, so far as possible, the loyal and patriotic example of the soldier in the field. The citizen will be unfair to the soldier as well as unfaithful to the country if while enjoying the fruits of freedom he were unwilling to give up a portion of the privilege which the soldier resigns for the common good.

We must admit that freedom of discussion as to the movements of the Army and Navy and the location of munition factories and powder plants, which would be perfectly innocent and harmless in time of peace, may be insidious treason and strike at the root of military power in time of war. Hence a statute should be enacted laying heavy penalties upon those persons who publish any information concerning the location, number, and movement of troops and fleets, the location and operation of munition factories, powder plants, fertilizers, and defenses; but let the statute be enacted in accordance with the Constitution; allow the offending person to be indicted, tried by a jury of the vicinage; let the question of the guilt or innocence of the person be tried according to law; make penalties as heavy as may be thought necessary—subject the defendant to rigorous and extreme punishment—but do this in the manner provided by the Constitution.

If it be wise to require the citizen in civil life to give up his great right to publish his sentiments and views and to forego for the common good his right to have accurate information as to the state of war, let the citizen be denied such right and privilege in accordance with the methods prescribed by our Federal Constitution.

THE RADIO IN RELATION TO EDUCATION—ADDRESS BY ANNING S. PRALL

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a very able and instructive address delivered by Hon. Anning S. Prall, Chairman of the Federal Communications Commission, before the Fifth Annual Assembly of the Council on Radio in Education and the Sixth Annual Ohio Radio Education Institute, at Columbus, Ohio, May 6, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

At the outset let it be understood that I am not an educator, nor am I by any means an expert in the art of radiobroadcasting. As I understood it, for a long period of time the educational groups of the country and the broadcasting industry have worked diligently, though unsuccessfully, to develop a plan whereby the facilities of broadcasting might profitably be used for educational purposes.

Having no official connection with the educators or the broadcasters it may be safe to assume that my place in this picture—and that of the Federal Communications Commission as well—is somewhere in between the two groups. You have my assurance now that we are ready to cooperate fully with you and to con-

tribute as far as possible to the final and complete development of a definite, practical, and workable plan for the extension, expansion, and modernizing of education by means of radio broadcasting. That there is a fertile field for such modern methods in this direction is unquestioned, that a time more opportune to put it into effect has never presented itself, and that the universal demand for a broader use of radio for educational purposes increases as time goes on and as modern mechanical improvements mark the progress of the possibilities of radio and make its application to greater educational uses possible.

In addressing you on the influence of the radio upon education, there are two important aspects I would have you consider. The first is concerned with radio and its educational implications upon the large mass of our people, living through the problems of their everyday life under our democratic institutions. The second aspect has to do with radio and those educational values that will aid the school in reaching fuller and more adequate modern objectives.

The great founders of our Government recognized, from the very beginning, the supreme importance of education in a democracy such as ours. They appreciated that, where the people themselves directly determine governmental policies and elect the representatives who are to carry them out, the quality of community life will not rise above the educational level of the average citizen, his intelligence, his understanding, his ideals, and the wisdom of his decisions.

If education were important in those early days of town-hall meetings, when we were but 3,000,000 people, living along the Atlantic coast, when communities were relatively sufficient unto themselves, and when voting power was restricted to the few, how much more today is education significant. Fortyfold have we grown in population. From the Atlantic to the Pacific, from the Great Lakes to the Gulf of Mexico, the busy descendants of many nations have developed a wide diversity of resources, have built up a broad variety of industries. Widely scattered though we are, we have become closely interdependent and necessary to one another. The dust storms beyond the Mississippi leave their withering trace within the kitchen of the housewife in the East; the destructive floods that work havoc with the cotton fields of the South spell idleness to the millhand of New England. Never before in our history has there been so much need for that broader education so essential to a democracy, which shows itself in the good will of its citizens—their clear thinking, their understanding, their tolerance, their social sensitiveness to the needs of others, and their social responsiveness that will make for the upbuilding of our national life. When you consider further that in these days of universal suffrage these important educational values have to be the possession not merely of the limited few but of practically all, it must be evident that no narrow conception of educational objectives or methods will meet our modern needs.

We point with pride to the tremendous growth in the number of those who attend our public elementary schools, to the great decrease in illiteracy, to the increased registration in our secondary schools, colleges, and universities as evidence of our loyalty to democratic traditions. But our hopes for tomorrow must be built on educational foundations far broader and far more secure. For a century and more education has been closely—too closely for our national welfare—limited to the schools; the school has been identified too exclusively with the scholar, and the scholar with the teacher and the book. We have trusted too narrowly to the three R's, and particularly to the printed symbol, to develop the thinking, social-minded, understanding citizen who is to take an active part in the solution of the many complex problems that confront us as a nation. We have overlooked the many who are not scholastic. We have left almost entirely out of the picture that large multitude of men and women beyond the compulsory school years, who must find their learning in the everyday experiences of life.

It is only within comparatively recent times that forward-looking educators have insisted that we must consider the educative process, in fact as well as in theory, to be life-long, extending far beyond the school years, going backward into infancy and forward into adolescence and adulthood. Fortunately there has come to us, as if to meet this broader need, a voice vibrant with the personality of the living teacher, the voice of radio. It speaks to all: to the mother busy with her household tasks; to the worker pausing for his noonday meal; to the young, to the old; to the solitary recluse, to the family circle; to the rich, to the poor; to the scholar, to the unlettered; in remote mountain hamlet, in crowded city tenement; everywhere radio sends alike its friendly human greeting.

I would compare it in its educational influence with the press, but the press falls far short in universality of circulation; it lacks the directness of appeal; the press depends upon the printed symbol and falls short in the variety of radio's avenues of expression. Whatever the human interests may be, be they civic, political, religious, social, musical, dramatic, literary, current news, sports—everywhere radio brings us relaxation, growth, enrichment, recreation in the best sense of the term. It enlarges our circle of acquaintances to include the President himself; it broadens our sympathy for fellow citizens in remote parts of our country; it enlightens our understanding of important public questions and clarifies our thinking in relation to them; it is an immediate aid in helping us reach decisions. Who would appraise the educational value of radio to the citizens of this great Republic? It has raised the cultural level of a nation by making the best in music and the literary arts an influence in every home. It has

made of California a next-door neighbor of Maine. On numerous public occasions of national importance it has given us back the effectiveness of the old town-hall forum; it has brought one hundred million within the magic spell of the speaker's voice.

If such is the magnificent educational service of radio to a nation out of school, radio promises almost equally significant aid to the school itself in its search for those larger, modern citizenship objectives already referred to. Quite generally throughout our country the school is trying to break away from its over-emphasis of the traditional three R's. It is accepting more and more as its legitimate responsibility the so-called "cardinal" objectives concerned with health, worthy use of leisure time, vocational guidance, worthy home and community membership, increased emphasis on the creative arts.

Scan the daily programs of our broadcasting stations and see how closely these cardinal school objectives are paralleled by the numbers broadcast over the radio. Many a radio program reads like a page from the curriculum of a progressive school. This should not surprise us, for the school and radio as institutions have much in common. Both must needs study their clientele, must know and appeal to their interests; both build success upon activity and personality; both seek vital life relationships; both are at their best when they pulsate with human interest. I would not have you infer that I exalt the radio above the school, for, after all, education is much more than a listening process. But there are times when appreciative and discriminating listening is appropriate, even within school hours. Since radio can afford to put on the air only the ablest talent and outstanding authorities, we have the assurance of something worth listening to. The school does well to tune in directly; it is doing so more and more. Many a teacher will tell you that in this way her pupils have learned to love good music, have become interested in important civic questions and current news items, and have later discussed them with profit.

There are those who show concern because the schools have not made more general use during school time of the truly remarkable educational opportunities so generously provided. I would assure them that it is not a matter of pure obstinacy on the part of school people of failure to know and to appreciate. School curricula and time schedules are not yet sufficiently flexible to permit the ready and easy use of radio programs. That so many schools have surmounted these obstacles is a tribute not only to an appreciation of the high quality of the service but also to the ingenuity of school administrators.

My experience with schoolmen over a long period of years convinces me that they do genuinely appreciate the value of educational radio service within school hours and that they will increasingly find the way to secure for their students those great radio influences that make for better human relationships; that give the school greater relevancy to life outside; and that contribute toward an enriched curriculum. For the excellent quality of the educational programs and for the very helpful manuals provided by our broadcasters the schools are deeply grateful.

But whether the school tunes in or not, it still has the fundamental obligation of recognizing radio as an important recreational and educational factor in the out-of-school life of the pupil. The modern teacher uses these outside radio contacts as dynamic factors in the classroom proceedings. Songs, chorals, instrumental and orchestral music, current news items, civic discussions, dramatic moments in history, journeys in geography, drama, literature, science, and a thousand and one matters of human interest relate themselves quite naturally to the activities of the modern classroom. Interesting student reports and fruitful discussions arise from them. The wise teacher uses them as the basis for developing standards of taste in listening to the best in radio offerings.

In the field of parental education, especially as it relates to the health, the bringing up, and vocational guidance of children, the radio is peculiarly able to reinforce and extend the efforts of the school. Radio programs bear eloquent witness to the all-compelling interest of parents in their children; they speak with the highest authority; they bring the influence of the school directly into the home. The better understanding and more intelligent parenthood will inevitably lead to the increased effectiveness of the educational product of the school. It remains for the school in turn, through constructive criticism, to aid in improving the quality of this radio service.

Such, then, are the educational values that radio makes possible to the school, to the home, and to the citizenry of these United States—understanding, tolerance, good will, a cheerful cultured life, social sensitiveness, and social responsiveness to broad human needs.

At the educational conference arranged by the Federal Communications Commission, to begin in Washington on May 15 next, divergent views for harnessing education with radio will be presented for consideration. Let us do our share to bring to a successful conclusion the work of this conference. It is very apparent to me that educational groups anxious to support a practical plan, having the sympathetic cooperation of the broadcasting industry—plus the full and complete backing of the governmental agency which I represent today, cannot fail in this effort to offer the people of our country a real demonstration of education by radio by means simple, certain, and successful.

DELEGATION OF LEGISLATIVE POWER—ADDRESS BY JOHN DICKINSON

Mr. LEWIS. Mr. President, a very informing and illuminating address was delivered by the Assistant Secretary of Commerce, Hon. John Dickinson, before the American Law

Institute, lately assembled at Washington, D. C., setting forth some features of government, and particularly the meaning of certain measures. I have obtained the estimate of cost from the Public Printer as required by the rules of the Joint Committee on Printing. I request that the address be published in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In every age there is no more important task than to preserve the great central principles and substantial forms of free government as we have inherited them from our fathers, against the temptation to abandon them for the purpose of more readily dealing with temporary emergencies. Those who devote themselves to emphasizing the importance of this task, lest perchance we forget, do a good work and deserve our sincerest gratitude.

When, however, we talk of preserving the central principles and the substantial forms of our heritage of free government, there are two words which we must not ignore—the word "central" and the word "substantial." What we must preserve are the principles that are basic and fundamental rather than manifestations that are transitory—the forms which go to the heart of our liberties, and not mere elaborations and conventions that may be nonessential.

We all of us know how in the history of religious great basic truths tend, with the passage of time, to be elaborated and congealed into rigid systems of abstract dogma which, as they become more and more logical and systematic, are more and more certain to break down under the impact and pressure of a changing world, and in their collapse to weaken and discredit the abiding truths of which they are but the casual vestments.

It is our duty to see that this does not occur in the case of the principles of free government—that those principles do not become so identified with unduly systematic constitutional theories that as the theories cease to fit the working necessities of government, discredit will be brought unnecessarily upon the principles we have at heart.

I believe this word of caution especially necessary in current discussions of the very real and pressing problems connected with the delegation of legislative power. The practice of delegation is not new. Professor Comer has unearthed 19 instances, some of them highly important, from the first volume of the statutes of the United States, enacted during Washington's administration, when the conduct of the Federal Government was largely directed by men who had sat in the convention which framed our Federal Constitution (John P. Comer, *Legislative Functions of National Administrative Authorities*, pp. 52 ff.). One of these acts, enacted in 1794, went so far as to authorize the President, when Congress was not in session, and, to quote the statute, "whenever in his opinion the public safety shall so require, to lay an embargo on all ships and vessels in the ports of the United States under such regulations as the circumstances may require, and to continue or revoke the same whenever he shall think proper" (1 Stat. 372). An earlier act (Act of 1789, 1 Stat. 28) authorized the President by such regulations as he might prescribe to control all resident citizens of potential enemy countries. By still another act, the President was empowered to establish the methods for determining duties on goods whose cost was stated in depressed foreign currencies (1 Stat. 673). With the passage of time, the practice of delegation has been steadily extended. Today it has reached a point where the constitutionality of the whole procedure has suddenly come to be challenged as never before.

From a practical point of view and from the standpoint of what is feasible in the administration of government, it seems perfectly clear that if we are to have anything like the volume of regulatory legislation now upon the statute books—and I do not now refer simply or mainly to the so-called "new deal" legislation but to the type of legislation which has been increasingly enacted for the past quarter of a century by the States as well as the Federal Government—it is entirely beyond the mere physical capacity of a single legislative body, like Congress or a State legislature, to formulate this legislation in such completeness of detail as to exclude the necessity for a very wide power of supplementary rule making by the agency charged with administering the legislation. A single legislative body could not physically, even if it were wise for it to make the attempt, write all the details of regulation in these numerous and highly specialized fields of administration into the form of statutes.

Of course, there are those who challenge the political and economic wisdom of much or all of this regulation. That is not, however, the question which I am discussing. Even if the field of regulation were drastically cut down, it would still remain true that as population increases, and as human relationships become closer and more complex, a single legislative body could not in its corporate capacity be the source of every detailed regulatory rule applied to the Government of the Nation or even of a single State. The thing would be impossible. It was felt to be impossible, even at the beginning of our Federal Government, as is indicated by the early statutes to which I referred a moment ago.

If it was impossible then, it is obviously impossible today. Accordingly, however much out of sympathy we may be with some of the types of regulation which operate through delegated powers, our constitutional objections to that legislation, if the Constitution is to be a workable instrument of Government and not a formulation of abstract theory, must rest on some other

ground than merely that the legislation requires delegation in order to administer it. If we erect the constitutional principle of the separation of powers into such a rigid logical dogma as to exclude delegation as *malum in se*, we may preserve the symmetry of a theory, but, as was the case with another famous body of doctrine in a different field, at the cost of converting it into a "one-horse shay", which some fine morning, when we need it most, is certain to collapse at the touch of events.

The retort is sometimes made that it is all very well to defend legislative delegation in the abstract, but that it cannot be defended as it actually operates. Of course, none of us likes some of the apparently inevitable incidents of bureaucracy. We are often irritated, and properly so, by what for the time being at least gall us as the carelessness, the indifference to lawful rights, the high-handed assumption of power on the part of Government officials dressed in a little brief authority, and minded to make the most of it. We dissent from their constructions of the law, we resent their ever-present purpose to stretch the law, and we cast the burden of our resentment upon Executive power as such. To be sure, we are not always more charitable in our attitude toward the legislative department, but when our minds are turned on our grievances against bureaucrats, legislative wisdom, and disinterestedness, suddenly take on an altogether new and roseate coloring. Nor as lawyers do we always refrain from grumbling at the decisions at least of our *nisi prius* courts. It does not occur to us, however, to conclude that the courts should be deprived of the powers with whose exercise we are dissatisfied. We reserve that judgment exclusively for executive agencies.

I suggest that this is an emotional, rather than a rational, approach to the problem. It is one which is due in large part, I believe, to an attitude inherited from the seventeenth and eighteenth centuries when the executive was the Crown, a hereditary organ not chosen by any process of popular election and still claiming to rule by inherent right rather than by delegation of authority from the people. In the American Colonies there was the additional fact that the executive in the person of the colonial governor represented in most colonies the alien power of the mother country, 3,000 miles away, in opposition to the will of the local legislators. It was primarily for these reasons that the struggle for liberty in that period of our history took on the form of a struggle against the executive, rather than because of anything inherently hostile to liberty in the nature of executive power. However, the result was to create in the popular reading of history a bias against the executive branch as such, and it has always remained easy to rouse Americans who pride themselves on some historical knowledge to a distrust of any increase whatever in the powers or responsibilities of the executive department, even though that department is, and under our constitutional system has long been, as fully representative and as responsible to the electorate as is the legislature, and even though it has been made fully dependent on the legislature for many of its powers and all its funds. Identification of executive power under our Constitution with the position of an English King, like Charles the First, or James the Second, and an attitude towards executive power based on such identification, represent a misleading perversion of historical knowledge.

If, in fact, delegation to executive agencies is essential to the working of modern government, the problem is how to remove, or at least minimize, the evils attendant on it, rather than to kick against the pricks and demand the impossible in its abolition. Assuming that we do not like certain types of regulatory legislation, let us squarely and honestly meet that question on the merits and not mask our real objective by a flank assault upon the principle of the delegation of power, which has a far wider importance. Let us, in short, not seek to limit the applicability of an essential governmental device because that seems to afford a possible means of defeating some of the ends for which the device happens to be currently used.

It is true that the courts, while uniformly upholding instances of legislative delegation in the past, have not commonly referred to it directly as such, but have spoken of it instead as "filling in the details", "determining the circumstances under which the legislation shall apply", "exercising discretion to interpret a statute", "exercising discretion within the circle of the statute", and by other similar forms of words. Recently, however, in the *Norwegian Nitrogen case* (288 U. S. 294 at 305) the Supreme Court, speaking through Mr. Justice Cardozo, admitted frankly that "what is done by the Tariff Commission and the President in changing the tariff rates to conform to the new conditions is in substance a delegation, though a permissible one, of the legislative process."

The form of words matters after all relatively little. It goes to the more or less academic question of whether we shall call all rule-making which has legal effect "legislation", or whether we shall limit the term "legislation" to the initial phase of the process, which must obviously be performed by the legislature itself. The vital question of substance is whether, admitting, as the courts have in the past always admitted, the validity of the process, the constitution surrounds that process with safeguards adequate to minimize the abuses to which like all exercises of human power it is subject, and if so, what those safeguards are and how far they extend.

There are at least three broad groups of possible safeguards through which the exercise of rule-making power by administrative agencies might conceivably be kept from impinging too oppressively upon lawful private interests. One is judicial insistence that the administrative rule shall be confined within the scope of

the broader rule laid down by the legislative body and to that end that the legislative rule or standard shall be expressed with sufficient clarity to determine whether the administrative rule transcends it; another is the requirement of notice and hearing; and, thirdly, there is the requirement of such action by the administrative body as to enable the courts, and private individuals as well, to know what the rule is and to determine whether or not it is in conformity with the statutory standard.

When an individual resists the application to him of an administrative rule made under delegated legislative authority, our courts will always, unlike the English courts, examine whether the statute provides a sufficient guide for the administrative authority and whether the exercise of that authority conforms to the guide. This is so well established as to be elementary. Two results follow. Either on the one hand the statute as a whole may be invalidated for failure to provide a sufficient legislative standard or, on the other hand, the particular rule or regulation under attack may be invalidated as not properly conforming to the legislative standard.

Up to the present no statute which undertook to provide a standard at all has ever been held invalid by the United States Supreme Court for want of sufficiency of the standard, although some of the statutory standards upheld have been of the broadest and loosest kind. Thus statutes have been upheld which conferred administrative authority to "establish uniform standards of purity, quality, and fitness for consumption of tea" (29 Stat. 604, *Buttfield v. Stranahan*, 192 U. S. 471); to "designate the standard height of drawbars for freight cars and fix a maximum variation from such standard height" (27 Stat. 281, *St. Louis, etc., Ry. v. Taylor*, 210 U. S. 281); to "prohibit the showing of moving-picture films unless such films are in the judgment and discretion of the board of a moral, educational, or amusing and harmless character" (103 Ohio Laws 399, *Mutual Film Corp. v. Ohio Industrial Comm.*, 236 U. S. 230); to establish reasonable and nondiscriminatory rates (24 Stat. 379); to authorize in special cases, after investigation, exemptions from the long-haul and short-haul clause of the Interstate Commerce Act (36 Stat. 539, 547, *Intermountain Rate cases*, 234 U. S. 476); to establish divisions of joint rates between carriers after giving "due consideration to the efficiency with which the carriers are operated, the amount of revenue required to pay their expenses, taxes, and a fair return on their property, and the importance to the public of the transportation services of such carriers" (41 Stat. 486, *New England Divisions case*, 261 U. S. 184). These legislative grants of authority have left the widest measure of discretion to the administrative agency as to the type of specific prohibitions or mandates through which to execute them. A general authority to prohibit moving pictures not of a moral, educational, or harmless character given, for example, no clue as to the particular theory of harmlessness or morality whose standard is to be accepted, although there is, of course, more than one such theory.

Turning from the moral to the economic field, the same thing is true of the provisions of section 5 of the Federal Trade Commission Act (38 Stat. 719), which declare unfair methods of competition unlawful and authorize the Commission to prevent persons from using such methods by the issue of its cease and desist orders.

A somewhat different method of expressing the legislative intent was employed in the forest reserve acts (26 Stat. 1103, 30 Stat. 36, 33 Stat. 628) involved in the leading case of *United States v. Grimaud* (220 U. S. 506). That method was for the legislature to express certain purposes—namely, the protection of the forest, the maintenance of favorable water flows, and the furnishing of a continuous supply of timber to citizens of the United States. The administrative agency was then authorized to make rules and regulations appropriate for the accomplishment of these purposes. Obviously, such a form of enactment leaves the administrative agency free within the limits of what is reasonable and appropriate to choose the means of accomplishing the statutory purposes.

No doubt the reason why our courts have so far taken this liberal attitude toward broad forms of expression of the legislative standard they reserve to themselves is that the power, whenever they choose to exercise it, of interpreting that standard and making their own interpretation of it prevail as the standard to which administrative action must conform. This latter point is well illustrated, for example, by the ruling of the Supreme Court in connection with section 5 of the Federal Trade Commission Act to the effect that the meaning of the term "unfair competition", as used in that section, is always in the last analysis a question of law for determination by the court (*Federal Trade Commission v. Gratz*, 253 U. S. 421 at 427).

It is perhaps this control by the courts of the ultimate meaning of the legislative standard which has also made them willing to accept not merely standards couched in broad language but also those which are expressed merely as a group of diverse guiding factors or considerations, like those, for example, of the Interstate Commerce Act, which deal with the division of joint rates, and provide that the division shall be based upon the efficiency of the different carriers, their ability to earn a return, and the importance of their respective services (*New England Divisions case*, 261 U. S. 184). Although these variant considerations may possibly point in divergent directions in a given case, and although the statute supplies no formula for combining them, nevertheless the same thing is true of some of the standards evolved by the courts for their own guidance, and they have apparently regarded the legislature as in substance posing to the administrative body for solution an intelligible problem with reasonably clear outlines. It is no doubt the same approach which has also led them to regard as sufficient a mere listing of legislative pur-

poses as in the *Grimaud case*, with authority to the administrative officer to find and apply reasonably appropriate means of accomplishing those purposes.

In short, on the basis of the cases it seems fair to say by way of summary that the substantial test of the sufficiency of a legislative standard is nothing more nor less than its sufficiency to give to the courts an adequate instrument of control over the administrative agency. If, in other words, the legislature has either issued a mandate to the administrative body, or posed a problem for the administrative body, or stated a purpose for the administrative body to carry out, and has expressed that mandate or problem or purpose in sufficiently clear language to enable the courts to say whether the administrative body is working along the lines that the legislature intended, or, on the other hand, is doing something that the legislature did not intend it to do, that is the test of the sufficiency of the standard. It is not, in other words, necessary for the legislature to give instructions in the statute exactly how the administrative body is to act, or even whether it is to solve a problem in one way rather than another, provided that the legislature marks out the problem for solution from the general field of legislative action and commits its solution to the administrative agency so distinctly as to enable the courts to tell whether the administrative agency is overstepping its delegated function. This seems clearly established by the cases in the fields of legislation affecting health, morals, and safety. There would seem no reason why, so far, at least, as the validity of delegation is concerned, any different rule should apply in the field of economic regulation, and, in fact, no different rule has been applied in the field of rate regulation, the only type of economic regulation where the question has so far been passed upon.

Of course, it would clearly be invalid for the legislature to do no more than commit to the administrative body the solution of the general problem of the community's economic welfare. It must particularize sufficiently to mark out a field within which the delegated authority can be confined by the courts on the basis of the doctrine of the reasonableness and appropriateness of means to ends. And, finally, of course, exercises of administrative authority within the delegated sphere are obviously subject to the same limitations of due process as statutory enactments themselves would be.

The frank recognition of this liberal rule which the cases have hitherto applied to the sufficiency of the statutory standard of delegation carries of itself no threat to the interests of the individual from bureaucratic abuses. That threat, if threat there be, comes from other sources.

The principal reason why our law has in the main insisted on particularity of expression in the provisions of statutes is in order that the individual to whom those statutes may be applied may know in advance the legal consequences of contemplated conduct. This is, of course, as essential in the case of statutes which are applied through administrative regulations as it is in the case of other statutes. However, the very purpose of an administrative regulation is to give greater clarity and particularity to the broad statutory provisions. Accordingly, any supposed vagueness in the statutory standard is cured for the benefit of the individual by the more detailed provisions of the regulations.

It was with this thought that Chief Justice Taft pointed out in one of his opinions that a much less degree of particularity is required in statutes delegating administrative authority than in the case of an ordinary criminal statute.

Of course, the contention here advanced presupposes that the rules and regulations issued to implement a statute will be given as wide and full publicity as would be given to a statute. The danger lies not in any possible vagueness in the statute but rather in obscure and casual and covert regulations sought to be applied without ever having been given publicity or made available to those whose conduct is affected. This is a type of bureaucratic abuse of the most objectionable character. More than a year ago I had the privilege of being a member of a group of Government lawyers who felt that with the growth of administrative powers during the last quarter century, the time was long overdue for a more effective and widely available medium of publicity for administrative rules and regulations. Any failure to give proper publicity to such rules and regulations is seldom the result of deliberate intent, but almost always of the pressure of business upon Government agencies suddenly charged with a volume of new duties which they are not yet organized to meet. What is needed, accordingly, is some regular established channel of publicity which will function as part of the normal everyday routine of government, and, happily, such a medium is on the way to establishment.

A second source of danger to the individual from administrative rules and regulations lies in the possible unfairness or unreasonableness of those rules and regulations.

Here, of course, as I have already said, the ordinary constitutional guaranties under the fifth and fourteenth amendments are as applicable as they are to a statute. After all, what the individual is entitled to is a rule of law that is not unjust or oppressive, and not necessarily to a rule that in all its details has come to the direct personal attention and had the benefit of the personal judgment of the actual individuals who constitute a quorum of a legislative body, so long as it has at least been issued at the behest of such a body. What is rather needed is to provide a proper procedure for ultimately determining in the courts whether the rule is arbitrary and a proper procedure for framing the rule to insure, so far as possible, that it will be the result of knowledge and deliberation. The charge is frequently made against administrative regulations that they are something cooked up in a

corner, remote from the light of day. In order to prevent the conditions which might give color to such a charge, most of the recently adopted Federal statutes are careful to provide expressly for public hearings preliminary to the promulgation of regulations.

It has, of course, never been held that such hearings are constitutionally necessary, any more than in the case of legislative enactments. A possible exception might be thought to be the case of rate-fixing orders by the Interstate Commerce Commission and Public Service Commission, but rate-fixing orders constitute a special case. Such orders were held legislative in the well-known *Prentiss case* (211 U. S. 210) and in spite of the strong ruling to the contrary in the *Wilcox case* in New York (194 N. Y. 383), the *Prentiss case* is almost everywhere followed.

In consequence, rate-fixing orders occupy technically the position of interpretive or implementing regulations, reducing to detail the statutory mandate of reasonableness or nondiscrimination in public-utility charges. None the less, it is established that to meet the test of constitutionality a rate-fixing order must be based upon a quasi-judicial hearing and record, with a right of subsequent court review to determine whether the facts reasonably support the order, and with a reserved power in the courts nation in public-utility charges. None the less, it is established facts bearing on the question of confiscation (*Ohio Valley Water Company v. Ben Avon Borough*, 253 U. S. 287). In other words, although a rate-fixing order is said to be, and for certain purposes is, treated as an exercise of delegated legislative power, and although one court has even gone so far as to speak of a public-utility commission as belonging to the legislative, rather than the executive, branch of the Government, such an order is at the same time from the standpoint of notice and hearing treated substantially as a quasi-judicial administrative determination. I once suggested that an obvious reason for this result is that while the order, so far as it affects all future shippers indifferently, lays down a general rule and so is legislative, at the same time it has a definitely quasi-judicial element in that it directly affects the rights of a specific carrier or group of carriers, and is binding upon them immediately. If it is this judicial element in rate-fixing orders which accounts for the requirement of notice and hearing, we can see why the rule regarding such orders has never been held a precedent for other types of interpretive regulations which like all legislative acts require a factual basis but from which this quasi-judicial element is lacking.

Certainly there are many types of executive regulations where the requirement of a hearing would add nothing to the protection of private rights and would simply further encumber and delay the process of administration, giving rise to added complaints. The matter would seem to be rather one for legislative policy than for constitutional requirement. Furthermore, in few cases could they be properly quasi-judicial hearings, if for no other reason than because of the multitude of parties possibly affected and, therefore, having an interest. Cross-examination and mutual inspection of documents would under such circumstances be impossible. As Mr. Justice Holmes said in a passage recently quoted with approval by the Supreme Court, "There must be a limit to individual arguments in such matters if government is to go on" (*Bimetal Co. v. Colorado*, 239 U. S. 441 at 445, quoted in *Norwegian Nitrogen Co. v. U. S.*, 288 U. S. 294 at 308).

The question remains as to the provisions of proper facilities for adequate court review of rules and regulations attacked as oppressive. On such review the issue, in the case of statutes no less than regulations, is more and more coming to be one of facts. It may be suggested that an administrative agency would stand in a better position to defend one of its regulations on the facts if the regulation had been promulgated after a hearing and on the basis of something in the nature of a record. I have just put before you some of the difficulties connected with making such a hearing an absolute constitutional requirement. The suggestion has accordingly been advanced that in the absence of such a hearing and record, any presumption of validity of the order should at least be excluded.

To this proposal the same objection would seem to apply as to the constitutional requirement of a hearing. The difficulty is that while we might feel that it would be justified in the case of some of the newer agencies, it clearly would not and could not be applied to other agencies, as for example, the taxing authorities, and the authorities administering pure food laws and quarantine laws, where the danger of oppressiveness is equally great and where the only difference is one of relative novelty. Under these circumstances, to treat the newer agencies on a different basis from the older ones would tend to bring still further confusion into a field of constitutional law already sadly troubled.

After all, the field where the individual most needs judicial protection against possible oppression by bureaucrats is the field of quasi-judicial application of administrative authority to his particular case. The dangers are not so much those of the application of possibly unwise policies, for as to wisdom in matters of policy, opinions differ, and no particular department of the Government can be said a priori to have a monopoly of wisdom, but rather the danger lies in the possibility of hasty and careless and high-handed procedure, in a refusal by officials to hear the facts, or arbitrary revocations of orders, or decisions based upon inadequate investigation. Wherever such administrative arbitrariness can be shown, our existing rules of constitutional law supply full opportunity for the aggrieved individual to raise the issue and claim protection, in the court proceedings

incidental to any attempt to enforce an administrative order against him.

This is the place to try out the question of administrative arbitrariness and not in the abstract consideration of what administrative delegation may possibly lead to. Summing up all that I have said, it comes substantially to this: that we should not undertake to declare the whole method of administrative delegation unconstitutional or even a whole statute unconstitutional because under a statute embodying such delegation the possibility of evil exists. There are ample means, and if they are not ample, they should be amplified, for aggrieved individuals to seek redress of actual grievances without our attempting to protect them so far in advance as to necessitate the elimination of a necessary instrumentality of modern government.

Of course, life would be simpler and law would be simpler today if we could go back to the simple conditions of our fathers, to the old farm with the maple trees, and the sap bucket, and the gristmill with its water wheel by the brookside. Then no questions, or perhaps only a few, as to separation and delegation of constitutional powers would trouble us. I know a distinguished member of the bar of a conservative cast of mind who recently admitted in private conversation that he doubted whether the nice distinctions of constitutional theory which he has devoted his life to drawing could survive in a world of mass production, automobiles, and hydroelectric power. But then he went on to say that for his part he wondered whether mass production and automobiles and hydroelectric power were worth the symmetry of constitutional theory that they are costing us. For his part he did not think they were. Unfortunately, we are not free to choose.

Nature and the tide of events are making the choice for us, and if our Constitution is to be a living thing, if it is not to be hard and brittle and crack under the strain of actuality, then we must recognize that it is to be interpreted in no spirit of formal logic but as a vital, growing framework for a government capable of ministering to the needs of a nation of 150,000,000 people.

THE CALENDAR

The VICE PRESIDENT. Under the unanimous-consent agreement heretofore entered into, the calendar is in order, and the clerk will state the first business in order.

BILLS AND RESOLUTION PASSED OVER

The bill (S. 944) to amend section 5 of the Federal Trade Commission Act was announced as first in order.

Mr. McNARY. Mr. President, the Senator from Vermont [Mr. Austin] is opposed to the bill, and, in his absence, I ask that it go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909 (35 Stat. 1109, U. S. C., title 18, sec. 203), and for other purposes, was announced as next in order.

Mr. ROBINSON. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

Mr. BACHMAN. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1878) conferring jurisdiction upon the Court of Claims to hear and determine the claims of the Mack Copper Co. was announced as next in order.

Mr. KING. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

Mr. McGILL. Over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 35) authorizing the Committee on the Judiciary to investigate certain phases of the National Recovery Act was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The resolution will be passed over.

The bill (S. 875) for the relief of Michael F. Calnan was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2119) for the relief of Amos D. Carver, S. E. Turner, Clifford N. Carver, Scott Blanchard, P. B. Blanchard, James B. Parse, A. N. Blanchard, and W. A. Blanchard, and/or the widows of such of them as may be deceased, was announced as next in order.

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1162) to regulate the making of small loans in the District of Columbia and to amend an act to regulate the business of loaning money, etc., approved February 4, 1913, was announced as next in order.

Mr. McNARY. Mr. President, in the absence of the Senator from Minnesota [Mr. SCHALL], I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 509) to prevent the use of Federal offices or patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. ROBINSON. Over.

Mr. STEIWER. Mr. President, may I ask who made the objection?

Mr. ROBINSON. I made the objection.

Mr. STEIWER. May I ask the Senator from Arkansas if it is the purpose of the majority to continue—

Mr. ROBINSON. Regular order!

The VICE PRESIDENT. Is there objection?

Mr. ROBINSON. I object.

The VICE PRESIDENT. Objection is heard, and the bill will go over.

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching, was announced as next in order.

Mr. ROBINSON. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 164) for the relief of Donald L. Bruner was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

BOARD OF SHORTHAND REPORTING

The bill (S. 1453) to create a Board of Shorthand Reporting and for other purposes was announced as next in order.

Mr. KING. Over.

The VICE PRESIDENT. The bill will be passed over.

Mr. CONNALLY subsequently said: Mr. President, I ask unanimous consent to return to Order of Business 354, the bill (S. 1453) to create a Board of Shorthand Reporting and for other purposes. I believe the Senator from Utah [Mr. KING] objected to the present consideration of the bill.

Mr. KING. Mr. President, will the Senator make an explanation as to the necessity for the measure?

The VICE PRESIDENT. Is there objection to returning to Order of Business 354? The Chair hears none.

Mr. CONNALLY. Mr. President, the measure involves no expense on the part of the Government. It simply proposes to establish a board for the examination of shorthand reporters who do reporting work for the Interstate Commerce Commission and other departments of the Government. It involves no charge whatever on the Treasury.

Mr. KING. May I ask the Senator the modus operandi of the commission when it shall be created? For instance, it is apparently to affect many of the agencies of the Government. Shorthand reporters are located in different parts of the United States from Maine to California. Is the board to be ambulatory? How is the board to determine the qualifications of persons who may be residing in the respective and various States? It seems to me it would impose a great deal of expense.

Mr. CONNALLY. It is applicable only to those who do Federal Government work. It has no application to others.

Mr. KING. I understand that.

Mr. CONNALLY. It is not required that the Government or governmental agencies shall employ the shorthand reporters who are examined.

Mr. KING. I inquire again of my able friend. In the case of an investigation by the Federal Trade Commission

or by the Veterans' Bureau or by the Interstate Commerce Commission or by any other governmental agency, what would happen? The Board of Tax Appeals, for instance, has been hearing a case in Pittsburgh for some time where the services of attorneys and shorthand reporters have been required. The Senator knows that the Board of Tax Appeals has been holding sessions in all parts of the United States. I am wondering how we are to deal with such a situation and obtain the necessary reportorial skill in such cases, and whether the commission is to be ambulatory and visit all parts of the United States? It might involve holding up the business of the Government unduly.

Mr. CONNALLY. The bill has no reference whatever to the employment of the shorthand reporters. It simply sets up a board so shorthand reporters may secure a certificate that they are qualified as Federal shorthand reporters. That is all the particular bill does. There is another bill, which is different, and for which I am not asking consideration at this time. The examinations provided by the bill to which I am referring may be held at any point in the country. The board or commission would only sit where there is a sufficient number of applicants to justify the board going there. The Government would not pay the expense. The expense would be defrayed by the applicants who file their applications for the certificates and pay a fee for the examination. All the board would do would be to issue or decline, as the case may be, to issue a certificate of proficiency to reporters who are to be determined by them to be capable of performing reportorial work for the various governmental agencies.

Mr. KING. I wish the Senator would let the bill go over today, and I shall look into it further.

Mr. CONNALLY. Very well.

The VICE PRESIDENT. The bill will be passed over.

VETERINARY CORPS OF THE REGULAR ARMY

The bill (S. 363) to increase the efficiency of the Veterinary Corps of the Regular Army was announced as next in order.

Mr. KING. Over.

Mr. CAREY. Mr. President, I should like to ask the Senator from Utah what is his objection to the bill? May I explain the purpose of it?

Mr. KING. I withhold my objection temporarily to enable the Senator to make an explanation.

Mr. CAREY. The purpose of the bill is to grant to officers of the Veterinary Corps of the Army who served in the Quartermaster Corps the same privileges that such officers have who served in the Cavalry and Artillery. When the Veterinary Corps was created the Congress gave those veterinary surgeons who served in the Cavalry and Artillery credit for such service, but those who served in the Quartermaster Corps were not given the same credit. The purpose of the bill is to accord to them the same treatment which was accorded to those who were in the other branches of the service. There are very few of them, and it will cost the Government less than \$1,000 a year.

Mr. KING. I withdraw my objection.

There being no objection, the Senate proceeded to consider the bill (S. 363) to increase the efficiency of the Veterinary Corps of the Regular Army, which had been reported from the Committee on Military Affairs with an amendment adding a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That for the purposes of promotion, longevity pay, and retirement there shall be credited to officers of the Veterinary Corps, and former officers of the Veterinary Corps now on the retired list, all full-time service rendered by them as veterinarians in the Quartermaster Department, Cavalry, or Field Artillery: *Provided,* That no back pay or allowances shall be held to have accrued prior to the passage of this act.

The amendment was agreed to, and the bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 5) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and

cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act, was announced as next in order.

Mr. VANDENBERG. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1589) authorizing the purchase of the United States Supreme Court Decisions and Digest was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. The bill will be passed over.

APPOINTMENT OF ADDITIONAL DISTRICT JUDGES—BILL RECOMMITTED

The bill (S. 477) to provide for the appointment of 2 additional judges for the southern district of New York, and 2 additional judges for the southern district of California, was announced as next in order.

Mr. CAPPER (and others). Over.

The VICE PRESIDENT. The bill will be passed over.

Mr. KING subsequently said: Mr. President, there is on the calendar Order of Business No. 422, being Senate bill 477, providing for the appointment of a number of judges. In the Judiciary Committee this morning it was understood that request should be made today for the consideration of another bill providing for the appointment of two judges in California and that an amendment should be made to that bill providing for the appointment of a judge for the Circuit Court of the United States for the Ninth Circuit. That bill has been passed; but it was understood in the committee that a motion would be made to recommit Calendar No. 422, being Senate bill 477, to provide for the appointment of 2 additional judges for the southern district of New York and 2 additional judges for the southern district of California; and I move that that bill be recommitted to the Committee on the Judiciary.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Utah that Order of Business 422, being Senate bill 477, be recommitted to the Committee on the Judiciary.

The motion was agreed to.

BILL PASSED OVER

The bill (H. R. 5599) to regulate the strength and distribution of the line of the Navy, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

CHIPPEWA INDIANS OF MINNESOTA

The bill (S. 1492) to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury of the United States not otherwise appropriated, the sum of \$223,162.62, said amount to be credited to the trust fund of the Chippewa Indians of Minnesota arising under the provisions of section 7 of the act of January 14, 1889, in full payment for 178,530.10 acres of land embraced within reservations established by the treaties of March 11, 1863 (12 Stat. 1249), May 7, 1864 (13 Stat. 693), and March 19, 1867 (16 Stat. 719), for the future homes of said Indians, and later patented to the State of Minnesota under the provisions of the amendatory Swamp Land Act of March 12, 1860, without compensation to said Indians.

SEC. 2. That the Secretary of the Interior be, and he hereby is, authorized to determine just and proper compensation to the respective attorneys representing the Chippewa Indians of Minnesota in the prosecution of their claims against the United States for the services rendered in the prosecution of said claim, said

compensation to be based upon the nature, extent, character, and value of said services, and to pay such amounts, if any, as he may find said attorneys to be entitled to receive out of the trust funds standing to the credit of the Chippewa Indians of Minnesota.

NAVAJO INDIAN RESERVATION, N. MEX.

The Senate proceeded to consider the bill (S. 2213) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments. The first amendment was, on page 5, line 11, after the word "south", to insert "1 mile, fence east 1 mile, fence south", so as to make the phrase read:

Fence south 1 mile, fence east 1 mile, fence south to place of beginning.

The amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, the Senator from New Mexico [Mr. HATCH] is interested in this particular piece of legislation. I do not see him on the floor at the moment, and, accordingly, I ask that the bill be temporarily passed over.

The VICE PRESIDENT. The bill will be temporarily passed over.

Mr. HATCH subsequently said: Mr. President, I was unavoidably detained from the Senate when Senate bill 2213, Calendar No. 452, was reached. I ask unanimous consent to recur to that bill for the purpose of making a motion.

The VICE PRESIDENT. Without objection, the Senate will recur to the bill.

The Senate resumed the consideration of the bill (S. 2213) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments.

The VICE PRESIDENT. The first amendment of the committee has been agreed to.

Mr. HATCH. I move to reconsider the vote whereby the amendment was agreed to.

The motion was agreed to.

Mr. HATCH. Mr. President, there has been considerable conflict in my State concerning this bill. I have been informed that the Indian Bureau and the citizens of the area affected have agreed on a substitute measure. I now move to strike out all after the enacting clause and insert the matter which I send to the desk.

The VICE PRESIDENT. The amendment offered by the Senator from New Mexico will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and in lieu thereof to insert the following:

That the exterior boundaries of the Navajo Indian Reservation in New Mexico be, and they are hereby, defined as follows:

Beginning at a point common to the States of New Mexico, Arizona, Colorado, and Utah; thence south along the Arizona-New Mexico State boundary line to the southwest corner of fractional section 15, township 11 north, range 21 west, New Mexico principal meridian, New Mexico; thence east to the southeast corner of section 13, township 11 north, range 20 west; thence north 15 miles to the northwest corner of section 6, township 13 north, range 19 west; thence east 6 miles; thence south 12 miles; thence east 6 miles; thence north 6 miles; thence east 6 miles; thence north to the south boundary of the Fort Wingate Military Reservation; thence west to the southwest corner of Fort Wingate Military Reservation; thence north along the west boundary of the said military reservation to the township line between townships 13 and 14 north; thence east to the intersection of the township line between townships 13 and 14 north with the east boundary of the said military reservation; thence north 9 miles along said boundary line; thence east to the range line between ranges 14 and 15 west; thence south to the north right-of-way of the Atchison, Topeka & Santa Fe Railroad; thence eastward following said north right-of-way line to its intersection with the township line between townships 13 and 14 north; thence east along that township line to the northeast corner of section 4, township 13 north, range 11 west; thence south 2 miles; thence east 1 mile; thence south 1 mile; thence east 1 mile; thence south 1 mile; thence east 1 mile; thence south 2 miles; thence east 3 miles; thence north 24 miles along a line bisecting townships 13, 14, 15, and 16 north, range 10 west; thence west to the southeast corner of township 17 north, range 11 west; thence north 6 miles; thence west 6 miles; thence north 3 miles; thence east 1 mile; thence north 1 mile; thence west 1 mile; thence north along the range line between ranges 11 and 12 west to the southeast corner of township 22 north, range 12 west; thence east 6 miles; thence north 6 miles; thence west 6

miles; thence north 2 miles; thence west 9 miles; thence north 2 miles; thence west 3 miles; thence north along the east boundary of Navajo Indian Reservation to the San Juan River; thence down said river to where it crosses the east line of the Navajo Reservation as established by the treaty of June 1, 1868; thence north to the crest of Hogback Ridge; thence in a northeasterly direction, following the crest of Hogback Ridge to its intersection with range line between ranges 15 and 16 west; thence north to the northwest corner of township 30 north, range 15 west, New Mexico principal meridian; thence west to the east boundary of the treaty reservation; thence north along said treaty east boundary line to its intersection with the New Mexico-Colorado State line; thence west along the New Mexico-Colorado State line to the point of beginning; also the following:

Beginning at the corner of townships 20 and 21 north, ranges 8 and 9 west, New Mexico principal meridian; thence south 6 miles; thence west 3 miles; thence south 6 miles; thence west 1 mile; thence south 6 miles; thence east 16 miles; thence south 6 miles; thence east 18 miles; thence north 6 miles; thence east 1 mile; thence north 12 miles; thence west 22 miles; thence north 6 miles; thence west 9 miles to the place of beginning; and beginning at the township corner of townships 10 and 11 north, ranges 15 and 16 west, New Mexico principal meridian; thence east to the northeast corner of township 10 north, range 15 west; thence south to the northwest corner of section 19, township 9 north, range 14 west; thence east 6 miles; thence south to the southeast corner of township 6 north, range 14 west; thence west to the southwest corner of said township; thence north 3 miles; thence west 6 miles; thence north to the northeast corner of township 6 north, range 16 west; thence west to the southwest corner of township 7 north, range 16 west; thence north 6 miles; thence east 3 miles; thence north 8 miles; thence west 1 mile; thence north 7 miles along the east boundary of the Zuni Indian Reservation to the northwest corner of section 21, township 10 north, range 16 west; thence east 1 mile; thence north 1 mile; thence east 1 mile; thence north 1 mile; thence east 2 miles; thence north to the point of beginning; also beginning at the southwest corner of section 30, township 2 north, range 6 west; thence east to the southeast corner of section 29, township 2 north, range 5 west; thence north 4 miles; thence west 1 mile; thence north 1 mile; thence west to the corner of townships 2 and 3 north, ranges 5 and 6 west; thence north 4 miles; thence west 6 miles; thence north 1 mile; thence west 1 mile; thence north 1 mile; thence west 3 miles; thence south 7 miles; thence east 2 miles; thence south 2 miles; thence east 1 mile; thence south 1 mile; thence east 1 mile; thence south to place of beginning; also beginning at the southwest corner of section 6, township 9 north, range 3 west; thence east to southeast corner of section 1, township 9 north, range 2 west; thence north to the northeast corner of township 10 north, range 2 west; thence west to the southwest corner of section 35, township 11 north, range 3 west; thence north to the intersection of the south boundary of the Canada de los Alamos Grant; thence west to the southwest corner of the said Canada de los Alamos Grant; thence north along the west boundary of the said Canada de los Alamos Grant to its intersection with the township line between townships 11 and 12 north; thence west along the line between townships 11 and 12 north to its intersection with the east boundary of the Cebolletta Grant; thence south to the southeast corner of said grant; thence east along the north boundary of the Paguate Purchase to the northeast corner thereof; thence south along the east boundary of said purchase to the southeast corner thereof; thence west along the south boundary of the Paguate Purchase to its intersection with the range line between ranges 3 and 4 west; thence south along said range line to the place of beginning; also the east half northwest quarter northeast quarter and the west half northeast quarter northeast quarter section 33, township 26 north, range 11 west: *Provided*, That all vacant, unreserved, and unappropriated public lands within the boundaries above defined, except township 15 and the south half of township 16 north, range 18 west and township 15 and the south half of township 16 north, range 19 west, New Mexico principal meridian, New Mexico, are hereby permanently withdrawn from all forms of entry or disposal for the benefit of the Navajo Tribe of Indians. All lands of the Cibola National Forest within the above defined boundaries are also hereby eliminated from said forest and permanently added to the Navajo Reservation. All valid rights and claims of individuals initiated prior to approval hereof under the public land laws or by purchase involving any lands within said boundaries shall not be affected by this act.

SEC. 2. The State of New Mexico may relinquish to the United States in favor of the Navajo Indians such tracts of school or other State-owned lands, surveyed or unsurveyed, within the reservation boundary defined by section 1 of this act as it may see fit, reserving, however, to said State such rights as it may now possess to any and all minerals underlying State lands so relinquished; and said State shall have the right to make selections in lieu thereof equal in value to those relinquished, from the vacant, unreserved, nonmineral public lands contiguous or noncontiguously located within the State of New Mexico. Such lieu selections shall be made in the same manner as is provided for in the Enabling Act pertaining to said State, except as to the payment of fees or commissions, which are hereby waived.

SEC. 3. The provisions in the act of March 3, 1921 (41 Stat. 1225-1239), authorizing the acceptance of relinquishments by the Secretary of the Interior, including Indian allotment selections for the purpose of effecting exchanges and consolidations of privately owned lands within San Juan, McKinley, and Valen-

cia Counties, N. Mex., be, and the same is hereby, amended so as to apply to lands within Socorro, Bernalillo, and Sandoval Counties, N. Mex.: *Provided*, That in determining the values and areas of lieu lands to which private landowners and the State of New Mexico are entitled under the said act of March 3, 1921, as hereby amended, the value of improvements privately owned or owned by the State on lands to be conveyed or relinquished to the United States for Indian benefit shall be taken into consideration and, in the discretion of the Secretary of the Interior, full credit in the form of lands may be allowed therefor. All areas within the above-defined reservation boundaries heretofore and hereafter consolidated in the Government under the provisions of the act of March 3, 1921, as hereby amended, shall be held for the exclusive tribal use and benefit of the Navajo Indians.

In consideration of the foregoing reservation additions, no applications made by Navajo Indians for allotments on the public domain under section 4 of the act of February 8, 1887 (24 Stat. 388; U. S. C. title 25, sec. 334), or Indian homesteads under the act of July 4, 1884 (23 Stat. 96; U. S. C. title 43, sec. 190), shall be allowed for lands in the above-mentioned counties, unless filed prior to July 8, 1931.

SEC. 4. For the purpose of purchasing privately owned lands, together with the improvements thereon, within or without the boundaries above defined, and also within the areas in San Juan County, Utah, added to the Navajo Indian Reservation by the act of March 1, 1933 (47 Stat. 1418), there is hereby authorized to be appropriated, from any funds in the Treasury not otherwise appropriated, the sum of \$482,136.22, which sum shall be reimbursable from funds accruing to the Navajo tribal funds, as and when such funds accrue, and shall remain available until expended: *Provided*, That title to the land so purchased may, in the discretion of the Secretary of the Interior, be taken for the surface only: *Provided further*, That said funds may be used in purchasing improvements of lessees on leased State school land within the said boundaries, provided the State of New Mexico agrees to the assignment of said leases to the Navajo Tribe of Indians on a renewable and preferential basis, and provided the legislature of said State enacts such laws as may be necessary to avail itself of the exchange provisions contained in section 2 of this act, and disclaims any right, title, or interest in and to any improvements on said lands. The title to all lands acquired under this section is hereby declared to be in the United States in trust for the benefit of the Indians of the Navajo Tribe.

SEC. 5. Individuals owning lands and improvements within the above boundary extension shall be compensated for their holdings and improvements at a just figure. In the event an agreement as to values cannot be amicably reached by interested parties, then an appraising committee shall be appointed, consisting of three men, one representing the Department of the Interior, one representing the owner of the property, these two representatives selecting a third member. However, in the event that the Interior Department and property owner representatives cannot agree on the third member, such third member shall be appointed by the county commissioners of the respective counties involved and the report of the committee so created shall be final. Also the non-Indian owners of land and improvements within the extension shall, after they are paid for their land and improvements, have 3 months within which to vacate.

SEC. 6. The Secretary of the Interior is directed to make rules and regulations to restrict the number of livestock grazed on the entire Navajo Indian Reservation to the safe carrying capacity of the ranges, and to promulgate such other rules and regulations as may be necessary to protect the ranges from deterioration, to check the erosion of the soil, and to make possible the restoration of vegetative cover on the ranges.

The amendment was agreed to.

MR. KING. Mr. President, in view of the proposed radical change—I assume it is not an ordinary change—I should like to ask the Senator whether the bill ought not to go back to the committee.

MR. HATCH. I was about to suggest that the bill be printed and go back on the calendar. I do not think it is necessary to have it returned to the committee, but I think it should be printed and go over until Senators can familiarize themselves with it.

THE VICE PRESIDENT. Without objection, the bill will retain its place on the calendar.

RELIGIOUS PERIODICALS INCLUDED AS SECOND-CLASS MATTER

The Senate proceeded to consider the bill (S. 1439) amending the postal laws to include as second-class matter religious periodicals publishing local information, which had been reported from the Committee on Post Offices and Post Roads with amendments, on page 1, line 9, before the word "information", to strike out the word "local", and after the word "information", to insert the word "locally", so as to make the bill read:

Be it enacted, etc., That subsection "Fourth" of section 14 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30,

1880, and for other purposes", approved March 3, 1879, is amended by inserting after the words "public character", the words "or for the dissemination of information locally by religious organizations."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill amending the postal laws to include as second-class matter religious periodicals publishing information locally."

Mr. WALSH subsequently said: Mr. President, during my temporary absence from the Senate Chamber Senate bill 1439, Calendar No. 477, was favorably acted upon. An amendment was adopted which destroys the purpose of the bill. I have conferred with the Chairman of the Committee on Post Offices and Post Roads and desire to have the amendment eliminated. Therefore I ask unanimous consent that the votes whereby the bill was ordered to be engrossed for a third reading, read the third time, and passed may be reconsidered.

Mr. McKELLAR. I have no objection.

The PRESIDENT pro tempore. The Senator from Massachusetts asks unanimous consent for the reconsideration of the votes by which Senate bill 1439 was ordered to be engrossed for a third reading, read the third time, and passed. Without objection, the votes will be reconsidered.

Mr. WALSH. Now I ask for a reconsideration of the vote by which the committee amendment was agreed to.

The PRESIDENT pro tempore. Without objection, the vote will be reconsidered.

Mr. WALSH. I now ask that the committee amendment be rejected and that the bill be passed as originally drafted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The amendment to the title was rejected.

ARAPAHOE AND CHEYENNE INDIAN CLAIMS

The Senate proceeded to consider the bill (S. 1504) authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments.

Mr. KING. Mr. President, will the Senator from Montana [Mr. WHEELER] explain the bill?

Mr. WHEELER. Mr. President, the bill merely authorizes the Arapahoe and Cheyenne Indians to go into the Court of Claims to present a claim which they feel they have against the United States.

Mr. KING. Is there any objection from the Interior Department?

Mr. WHEELER. No; none whatever.

The VICE PRESIDENT. The amendments will be stated.

The first amendment of the Committee on Indian Affairs was, in section 1, page 1, line 6, after the words "time or", to strike out "of any settlement heretofore directed by any act of Congress" and to insert in lieu thereof the words "statute of limitations"; and on page 2, line 1, after the word "agreement", to strike out the word "understanding", so as to make the section read:

That jurisdiction, be and is hereby, conferred upon the Court of Claims, with right of appeal in the usual and prescribed manner to the Supreme Court of the United States by either party, notwithstanding the lapse of time or statute of limitations, to hear, examine, adjudicate, and render final judgment in any and all legal and equitable claims, not heretofore finally determined by the Court of Claims or the Supreme Court of the United States, arising under or growing out of any agreement, Executive order, treaty, or act of Congress with or affecting the land or other rights of the Arapahoe and Cheyenne Indian Tribes or bands thereof residing in the States of Wyoming, Montana, and Oklahoma, against the United States: *Provided*, That if the said tribes or any band thereof claim any interest in the lands, moneys, or other property involved in any proceedings already instituted and pending in the Court of Claims, such tribe or band thereof may file

an intervening petition therein and be made parties thereto, with all the rights and privileges as if original parties to such proceedings, including the right to have judgment for any sum or sums found due such intervenors.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 18, after the word "limitation", to strike out the words "or prior acts of Congress"; on page 3, line 10, after the word "agreements", to strike out the word "understanding"; on the same page, line 15, after the words "United States", to strike out "that the said Indians may be fully and fairly compensated for all lands conveyed and all rights surrendered to the United States: *Provided*, That if the Court of Claims shall determine that the United States, under the provisions of any treaty, agreement, understanding, or Executive order, by a mistake of fact or duress, obtained title to or the cession of any lands of the said Indians for an inadequate consideration, or if the said court shall determine that the United States obtained cession of said lands from said Indians without obtaining their consent as required by former treaty stipulations, or if the said court shall determine that the United States disposed of any portion of the lands, the title and occupancy of which by long possession had been acknowledged by the other Indian tribes and officials of the United States for the benefit of any other tribe or band of Indians without compensation to the said Cheyenne and Arapahoe Indians, the damages shall be confined to the reasonable value of such lands at the time of such appropriation"; on page 5, line 6, after the word "documents", to strike out the words "affidavits on file in the Interior Department"; in line 8, after the words "evidence and", to strike out the words "all such records shall be available" and to insert the words "the departments of the Government shall give access"; and in line 11, after the word "Indians", to insert the words "to such records", so as to make the section read:

SEC. 2. That if any claim or claims be submitted to the court hereunder, it shall determine the rights hereunder, both legal and equitable, of each and all the parties thereto, as upon a fair arbitration and award, notwithstanding the lapse of time or the statutes of limitation; and any payment which may have been made upon such claims shall not operate as an estoppel but may be pleased as a set-off, and the United States shall be entitled and allowed credit for all sums, including gratuities, if properly chargeable in such proceedings, paid to or expended for the benefit of such tribes or bands of said Indians. The claim or claims of each of said tribes or bands of Indians may be presented separately or jointly by petition, subject, however, to amendment and consolidation in proper cases. Such action shall make the petitioner or petitioners party or parties plaintiff and the United States party defendant; and any nation, tribe, or band of Indians the court may deem necessary to the final determination of such suit or suits may be joined therein by order of the court.

The petitioner shall set forth the facts upon which the said claim or claims are based and the law, treaties, agreements, Executive orders, act of Congress, or wrongful actions of the United States under and upon which recovery is sought, it being the intent of this act to give the Court of Claims full and complete jurisdiction to determine all legal and equitable rights of the said Indians against the United States: *Provided, however*, That if any claim or claims are asserted against the United States for minerals mined and removed by white persons without authority and in trespass from lands reserved to the said Indians prior to the time the same were ceded to the United States, and the said Indians have not been compensated therefor, the Court of Claims is authorized and empowered to base any judgment entered for such minerals at one-eighth of the value of the minimum amount shown to have been so mined and removed in trespass, and this provision shall not be construed as creating any right of a legal or equitable nature but shall authorize the said Indians to present their claims in this respect to the Court of Claims for adjudication as such claims may exist under treaties or agreements with the United States.

The petition shall be signed and verified by the attorney or attorneys employed to prosecute such claim or claims under contract or contracts with said Indians and approved in accordance with existing law: *Provided*, That any and all such claims against the United States shall be forever barred unless suit be instituted or petition filed herein in the Court of Claims within 5 years of the date of this act.

Official letters, papers, documents, or other public records or certified copies thereof, may be used in evidence, and the departments of the Government shall give access to the attorney or attorneys for the said tribes or bands of Indians to such records.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 626) to amend the Agricultural Adjustment Act so as to include hops as a basic agricultural commodity was announced as next in order.

Mr. McNARY. I desire to have the bill go over to enable me to prepare and offer an amendment.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2481) to stabilize the bituminous coal-mining industry and promote its interstate commerce; to provide for cooperative marketing of bituminous coal; to levy a tax on bituminous coal and provide for a drawback under certain conditions; to declare the production, distribution, and use of bituminous coal to be affected with a national public interest; to conserve the bituminous-coal resources of the United States and to establish a national bituminous-coal reserve; to provide for the general welfare; and for other purposes, was announced as next in order.

Mr. VANDENBERG. Over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S. J. Res. 38) for the adjustment and settlement of losses sustained by the cooperative marketing associations was announced as next in order.

Mr. KING. Over.

Mr. FRAZIER. Mr. President, will the Senator withhold his objection a moment?

Mr. KING. I will.

Mr. FRAZIER. This is a joint resolution similar to one which passed the Senate in the last session of Congress. It provides simply that the cooperative wheat and cotton organizations, which feel they lost money under the Farm Board by withholding their products from the market at the request of the Farm Board shall be given the right to go before the Farm Credit Administration and have adjustments made, out of the funds which are now available under the law, if the Farm Credit Administration feels there are adjustments due them. I can see no objection to the bill. The cooperative wheat and cotton organizations feel that they lost money because they cooperated with the Farm Board set up by the Congress of the United States, and consider that they are entitled to have a day in court to go before the Farm Board Administration.

Mr. KING. I must insist upon my objection.

The VICE PRESIDENT. Objection being made, the bill will be passed over.

The bill (S. 1460) to fix standards for till baskets, climax baskets, round stave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on this subject, and for other purposes, was announced as next in order.

Mr. SCHWELLENBACH. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 12) to amend the Packers and Stockyards Act was announced as next in order.

Mr. KING. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

MESSAGE FROM THE HOUSE—JOINT MEETING OF THE TWO HOUSES

A message from the House of Representatives, by Mr. Hattigan, one of its reading clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 22), in which it requested the concurrence of the Senate, as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, the 22d day of May 1935, at 12:30 o'clock in the afternoon, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

Mr. ROBINSON. Mr. President, out of order, I ask unanimous consent for the present consideration of the concurrent resolution, which has just come over from the House.

The VICE PRESIDENT. Is there objection?

Mr. STEIWER. I object.

The VICE PRESIDENT. The Senator from Oregon objects.

JAMES TAYLOR, DECEASED CHEROKEE INDIAN

The Senate proceeded to consider the bill (S. 2306) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor,

deceased Cherokee Indian, for the value of certain lands now held by the United States, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 4, line 7, after the word "authorized", to strike out "and directed", and in line 8, after the word "fees", to strike out "to the extent of 20" and insert "in an amount not to exceed 10", so as to make the bill read:

*Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims, both legal and equitable, notwithstanding any statutes of limitations, to hear, determine, and render final judgment upon the claim of the heirs of James Taylor, a deceased Cherokee Indian, named in his last will and testament dated the 7th day of October 1905 (codicil dated Jan. 7, 1907), as recorded in the office of the clerk of the superior court of Cherokee County, State of North Carolina, in book of wills, page 139, and the following, against the United States for the value of certain lands, including the value of all timber and other property taken therefrom, and appropriated to the use and benefit of the United States since the 15th day of March 1869, and for the value of the use of such lands and other property by the United States since said date, March 15, 1869, and for attorney's fees. The lands referred to are in the State of North Carolina and were the subject matter in Congressional Case No. 1344, *James Taylor v. The United States* (H. Doc. 187, 64th Cong., 1st sess.), described in a letter to the Secretary of the Interior dated May 5, 1933, signed by H. A. Wallace, Secretary of Agriculture (S. Rept. No. 875, 73d Cong., 2d sess., p. 6), and are now under administration by the United States as a part of the Nantahala National Forest.*

Sec. 2. The Court of Claims shall consider the findings of fact reported to the House of Representatives, as found by said court in Congressional Case No. 1344, *James Taylor v. The United States* (H. Doc. 187, 64th Cong., 1st sess.), as evidence in any suit filed and prosecuted hereunder; but additional evidence and testimony may be submitted by the claimant heirs or by the United States. Records, deeds, correspondence, or other papers recorded or on file in any department of the United States Government or of the State of North Carolina, or certified copies thereof, may be used as evidence; and the departments of the Government shall give access to and permit inspection of any such records, deeds, correspondence, or other papers, by the claimant heirs of James Taylor or by their attorney in the preparation and prosecution of any suit filed under the authority of this act. It is the intention of this act that the said claim of the heirs of James Taylor against the United States shall be heard and finally determined on its merits and on the basis of justice and equity to both parties, and the Court of Claims is hereby authorized and directed to exercise unrestricted discretion to that end.

Sec. 3. Any suit filed hereunder shall make the heirs of James Taylor party plaintiff and the United States party defendant, and the petition shall be verified by one of the heirs named in the will mentioned in section 1 of this act, or by the attorney representing said heirs, or representing one of them for and on behalf of all of them, and no other verification shall be necessary. Petition hereunder shall be filed within 1 year from the date of approval of this act with right of amendment at any time before final judgment. The case shall be advanced on the court's docket for hearing; and the court shall have full authority by proper orders and process to bring in and make parties to such suit any or all persons or corporations deemed by it necessary or proper to the final determination of all questions and matters involved.

Sec. 4. Upon the final determination of any suit filed hereunder the Court of Claims is authorized to allow attorney's fees in an amount not to exceed 10 percent on the total amount of the judgment which may be rendered in favor of plaintiff, if any, to be paid by the United States in addition thereto, and the same shall be made a part of the court's decree.

Sec. 5. In the event judgment shall be rendered in favor of the plaintiff heirs of James Taylor, and when the money shall have been appropriated to pay the same it shall be paid to the said heirs, respectively, or to their respective legal representatives, or to the duly appointed and then acting administrator or executor of the estate of James Taylor, deceased, such payment to be made by the Secretary of the Treasury: *Provided, however, That before making such payment the Secretary of the Treasury shall have delivered to him by the said heirs, or by a duly appointed and acting administrator or executor of the estate of James Taylor, deceased, a conveyance to the United States of all the right, title, and interest of said heirs in and to the lands referred to in this act.*

Mr. ROBINSON. Mr. President, I assume this bill merely confers jurisdiction on the Court of Claims to hear, determine, and render judgment upon a claim, in the usual form.

Mr. THOMAS of Oklahoma. Yes. This claim has been through the Court of Claims. It was thereafter found that the jurisdiction of the Court of Claims under the former bill was not explicit. The bill was reintroduced and went to the Indian Affairs Committee; but inasmuch as it deals with national-park lands the Indian Affairs Committee asked that it be referred to the Committee on Agriculture and Forestry. The Committee on Agriculture and Forestry considered the measure, and the Department of Agriculture recommended

its favorable consideration, so the committee likewise recommended its favorable consideration. The bill simply puts the question before the Court of Claims for further adjudication.

The VICE PRESIDENT. The question is on agreeing to the amendments of the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PUBLIC-SCHOOL BUILDING, WOLF POINT, MONT.

The Senate proceeded to consider the bill (S. 1523) to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont., which was read, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of \$50,000 for the purpose of cooperating with the public-school board of district no. 45, town of Wolf Point, county of Roosevelt, Mont., for construction, extension, and betterment of the public high-school building at Wolf Point, Mont.: *Provided*, That the expenditure of any money so authorized shall be subject to the express conditions that the school maintained by the said district in the said building shall be available to all Indian children of Fort Peck Indian Reservation, Mont., on the same terms, except as to payment of tuition, as other children of said school district, and that accommodations in said enlarged building to the extent of one-half its capacity shall be available for Indian children from the Fort Peck Reservation: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

Mr. ROBINSON. Mr. President, this appears to be an appropriation from the Federal Treasury. I ask the Senator from Montana [Mr. WHEELER], who introduced the bill, to explain it, and state the justification for it.

Mr. WHEELER. Mr. President, this bill provides for an appropriation out of the Public Treasury of \$50,000 to cooperate with the public-school board at Wolf Point, Mont.; and the following bill, Senate bill 1528, makes an appropriation of \$25,000 for similar cooperation with the public-school board at Poplar, Mont. Both of these towns are located on an Indian reservation, and the great bulk of their land is exempt from taxation because it is held by the Government of the United States in trust for the Indians.

A large number of the pupils attending these public schools are Indians; and these bills propose to appropriate \$50,000 in one instance and \$25,000 in the other in order to add to the public schools so as to make room for the Indian children who wish to attend these public schools. Unless this additional building shall be constructed there simply will not be room for the Indian children in the schools.

In addition to that, let me say that the Government at the present time has entered upon the policy of closing down many of the boarding schools. Formerly the Indian children were taken away from their homes and sent to boarding schools at very great cost to the Government of the United States. The Department has found that by building local schools in cooperation with the public-school authorities they can take care of the Indian children cheaper, and they can take care of them better, and the results are much more satisfactory to the Indian children and to the white people in the communities.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. WHEELER. I yield.

Mr. VANDENBERG. I do not wish to object to the Senator's bills, but I am curious about a fact, as to which I should like to have his observations. I notice that in all of these instances it is noted in the committee report that these expenditures are contrary to the President's financial program and have not been approved by the Bureau of the Budget. I wish to inquire whether any effort is made to procure the approval of the Budget Bureau, or whether it is impossible to proceed with this type of project except in defiance of the Budget Bureau.

Mr. WHEELER. I will say to the Senator from Michigan that, as he will observe, both of these bills have been approved by the Secretary of the Interior. He simply reports

that when he referred the bills to the Bureau of the Budget that Bureau reported that the bills were not in accord with the financial policy of the President. I have never taken up the subject with the Bureau of the Budget, and we never have done so in the case of any of these bills. As a matter of fact, I imagine that most of these school buildings will be built from Public Works funds, although I am not sure about that.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. ROBINSON. Will the Senator state the number of Indian pupils who will have access to this school and who will likely attend it?

Mr. WHEELER. The report says:

This legislation is necessary to relieve an overcrowded situation in the public schools of Wolf Point, due to the increasing number of Indian children in attendance. Of the 350 children in the elementary grades, 85 are Indians; of 29 high-school pupils, 15 are Indians. There is also a rural school under the Wolf Point school board with 30 Indian pupils, a total of 136 Indian children in the Wolf Point system—an increase of over 30 percent since last year.

Mr. ROBINSON. It occurred to me that this might be a very good way to have a school building constructed at Federal expense.

Mr. WHEELER. I am familiar with Wolf Point situation. There is a very fine public-school building there, built at local expense. It is one of the finest, most up-to-date buildings to be found in a small community; but it is necessary to add to it if the Indian children are to be taken in.

Mr. ROBINSON. Do the Indians wish to attend the white schools?

Mr. WHEELER. Absolutely. In some States the white people have objected to the Indian children going to the white schools. In Montana, however, the white people have welcomed the Indian children to the public schools; and it has been found that they have become much better citizens, and have mingled better with the white children, and have been much better fitted for their work in after life.

Mr. KING. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Utah?

Mr. WHEELER. I do.

Mr. KING. It seems to me that these appropriations, instead of being charged to the Federal Treasury, should be charged to the Bureau of Indian Affairs. The Senator knows that the appropriations of that bureau have increased from some ten or fifteen million dollars a few years ago until they reached the rather stupendous sum of \$38,000,000 2 or 3 years ago. In view of the fact that the Indians have some funds, some land, and that part of one of the general appropriation bills is devoted exclusively to the consideration of items of appropriation charged against the Indians, it seems to me these appropriations ought to be charged to the Bureau of Indian Affairs rather than to the General Treasury.

Mr. WHEELER. I do not wish to be facetious, but let me say to the Senator from Utah that I understand he objected to these two bills the last time they were reached on the calendar, but, nevertheless, a bill identical with this for the State of Utah passed without objection.

Mr. KING. I may say to the Senator that the only reason that was done was because the Senator from Montana and others were having these school buildings erected. The building to which I refer is almost exclusively for the Indians, and I believe it should be charged to the Indian account.

Mr. WHEELER. I do not care whether it should be charged to the Indian account or not; it all comes out of the Treasury of the United States.

I desire to say that the policy which is being carried out by the Government at the present time with reference to the Indian children is, in my judgment, the very best policy that could possibly be adopted by the Government.

Mr. KING. I agree with the Senator.

Mr. WHEELER. Heretofore the Indian children have been taken away from their families, sent three or four hundred miles away, and put in boarding schools, with the result that they were never fitted to go back on the reserva-

tions and resume their life there. I hope the present policy will be continued.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PUBLIC-SCHOOL BUILDING, POPLAR, MONT.

The Senate proceeded to consider the bill (S. 1528) for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont., which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 5, after the words "sum of", to strike out "\$20,000" and insert "\$25,000", so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated from any moneys in the Treasury not otherwise appropriated the sum of \$25,000 for the purpose of cooperating with the public-school board of district no. 9, town of Poplar, Mont.: *Provided,* That the expenditure of any money so authorized shall be subject to the express conditions that the school maintained by the said school district in the said building shall be available to all Indian children of Fort Peck Indian Reservation, Mont., on the same terms, except as to payment of tuition, as other children of said school district and that accommodations in said enlarged building to the extent of one-half its capacity shall be available for Indian children from the Fort Peck Reservation: *Provided further,* That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMPETENCY OF DEFENDANTS IN CRIMINAL CASES TO TESTIFY

The bill (S. 1383) to amend an act entitled "An act to make persons charged with crimes and offenses competent witnesses in United States and territorial courts", approved March 16, 1878, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to make persons charged with crimes and offenses competent witnesses in United States and territorial courts", approved March 16, 1878 (U. S. C., title 28, sec. 632), be, and the same is hereby, amended to read as follows:

"In the trial of all indictments, informations, complaints, and other proceedings against persons charged with the commission of crimes, offenses, and misdemeanors in the United States courts, territorial courts, and courts martial and courts of inquiry in any State or Territory, including the District of Columbia, the person so charged shall, at his own request but not otherwise, be a competent witness.

BILLS PASSED OVER

The bill (S. 2416) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2361) to fix the compensation of registers of district land offices was announced as next in order.

Mr. JOHNSON. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1227) to authorize the issuance and sale to the United States of certain bonds of municipal governments in Puerto Rico, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

PUBLIC-SCHOOL BUILDING, VALDEZ, ALASKA

The bill (S. 2315) to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding \$50,000; and to authorize said town to accept grants of money to aid it in financing any public works, was announced as next in order.

The VICE PRESIDENT. This bill is the same as Calendar 612, House bill 6723.

Mr. KING. Mr. President, I inquire whether, when these Alaskan municipal bills were under consideration, there was not some understanding with the Senator from Washington that one of the bills should be permitted to go through, and that the others should be held upon the calendar. That was my understanding, although I am not very clear about the matter. I will ask the colleague of the senior Senator from Washington if he so understands the matter.

Mr. SCHWELLENBACH. Mr. President, the understanding referred to was with my colleague [Mr. BONE], who is unavoidably detained, and not with me. I suggest that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

NOME, ALASKA, PUBLIC WORKS AND BOND ISSUE

The bill (S. 2317) to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding \$100,000 was announced as next in order.

The PRESIDENT pro tempore. This is the same as Order of Business 611, being House bill 5707, which will be substituted, without objection, for the Senate bill.

There being no objection, the Senate proceeded to consider the bill (H. R. 5707) to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding \$100,000, which was ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Senate bill 2317 will be indefinitely postponed.

PETERSBURG, ALASKA, PUBLIC WORKS AND BOND ISSUE

The bill (S. 2316) to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding \$40,000 was announced as next in order.

Mr. KING. Let that bill go over, under the understanding heretofore indicated.

The PRESIDENT pro tempore. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 2228) to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges and agricultural experiment stations was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1689) for the relief of Frank Fisher was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1861) to incorporate the National Association of State Libraries was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1807) to amend the Agricultural Adjustment Act and for other purposes was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. SMITH. Mr. President, I should like to give notice now that immediately upon the conclusion of the consideration of the naval appropriation bill I shall move the consideration of Senate bill 1807.

ESTATE OF JOSEPH Y. UNDERWOOD

The Senate proceeded to consider the bill (S. 2616) for the relief of the estate of Joseph Y. Underwood, which had been reported from the Committee on Claims with amendments, on page 1, line 7, to strike out "\$282,075" and to insert in lieu thereof "\$10,000", and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert C. Underwood, of Brooklyn, N. Y., as executor of the estate of Joseph Y. Underwood, deceased, the sum of \$10,000, in full satisfaction of all claims of such estate against the United States arising out of services rendered by such Joseph Y. Underwood in effecting the sale of 15 wooden vessels in June 1919 and of 11 wooden vessels in January 1920 by the United States Shipping Board to the Nacirema Steamship Corporation: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

Mr. KING. Mr. President, let this bill go over.

Mr. LOGAN. Mr. President, will the Senator withhold his objection a moment?

Mr. KING. Certainly.

Mr. LOGAN. This matter came before the Committee on Claims, and I do not believe we have ever given more serious consideration to any claim than we gave to this one. It was under consideration last year.

The Shipping Board was authorized, by an order of the President, to sell certain ships after the war. A contract was made with Mr. Underwood, who was a ship broker in New York, and he sold ships to the amount of \$11,000,000. He thought he had a contract to receive 1½-percent commission, but later the question was raised that the contract was not in writing or that there was some defect in it, and the case went to the Court of Claims, and because of that fact it was held that the contract was not valid.

In going into the matter we found that while Mr. Underwood sold \$11,000,000 worth of ships, only six or seven hundred thousand dollars was paid into the Treasury, and after mature and lengthy consideration we reached the conclusion that the claimant ought to have his 1½-percent commission based on what the Government actually collected, which amounted, in round figures, to \$10,000. So we cut the amount from \$285,000 to \$10,000.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ESTATE OF HARRY F. STERN

The bill (S. 2644) for the relief of the estate of Harry F. Stern was announced as next in order.

Mr. KING. I should like to have an explanation of this bill.

The PRESIDENT pro tempore. The Senator from Utah asks for an explanation of the bill, which was reported by the Senator from Wisconsin [Mr. DUFFY], who does not seem to be in the Chamber at this moment.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

CUSTODY OF FEDERAL PROCLAMATIONS

The bill (H. R. 6323) to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and dis-

tribution thereof, was considered, ordered to a third reading, read the third time, and passed.

Mr. BARKLEY subsequently said: Mr. President, I ask unanimous consent to recur to Order of Business 576, being House bill 6323. I did not know the calendar was to be called this morning. That is a bill reported from the Committee on the Library and it passed without amendment. Since it was reported the State Department has suggested an amendment to the bill which I do not happen to have in my desk, but I ask unanimous consent that the vote by which that bill was passed be reconsidered and that the bill be returned to the calendar.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered. The bill will be returned to the calendar.

Mr. BARKLEY. I may ask the privilege of having the bill considered later.

THADDEUS C. KNIGHT

The bill (H. R. 2294) for the relief of Thaddeus C. Knight was considered, ordered to a third reading, read the third time, and passed.

FRANCES AGRAMONTE

The bill (S. 2472) to pay an annuity to Frances Agramonte, the widow of Dr. Aristides Agramonte, member of the Yellow Fever Commission, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts annually as may be necessary to pay, during the remainder of her natural life, the sum of \$125 per month to Frances Agramonte, widow of Dr. Aristides Agramonte, deceased, who was a member of the Yellow Fever Commission, and whose name appears on the roll of honor of the participants in the yellow-fever investigations in Cuba, published annually in the Army Register, said annuity being the same heretofore paid to Dr. Aristides Agramonte, pursuant to the provisions of the public act approved February 28, 1929, entitled "An act to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever."

JACK DOYLE

The bill (S. 166) for the relief of Jack Doyle was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

ADDITIONAL DISTRICT AND CIRCUIT JUDGES

The Senate proceeded to consider the bill (S. 317) to provide for the appointment of two additional judges of the District Court of the United States for the Southern District of California, and for other purposes, which was read, as follows:

Be it enacted, etc., That the President is hereby authorized to appoint, by and with the consent of the Senate, two additional judges of the District Court of the United States for the Southern District of California, who shall possess the same powers, perform the same duties, and receive the same compensation as the present district judges of said district.

Sec. 2. In the event a vacancy occurs in the office of the district judge now senior in date of commission in said district, and who was appointed under the act of September 14, 1922, such vacancy, and succeeding vacancies in the same office, shall be filled without further action by Congress.

Mr. KING. Mr. President, the Judiciary Committee this morning had this measure under consideration, as well as another measure which calls for the appointment of a judge of the Circuit Court for the Ninth Circuit. It was understood that I was to ask for the consideration of the bill, with the amendment to which I have just referred, and if the Senator from Nevada [Mr. McCARRAN] would offer the amendment I should be very glad to receive it, and then ask for the passage of the bill.

Mr. McCARRAN. Mr. President, on page 1, line 8, after the word "district", I move to insert the words "and one additional judge of the Circuit Court of the United States for the Ninth Judicial Circuit, by and with the advice of the Senate."

I should like to say in this respect, supplementing the expressions of the Senator from Utah, that both of these provisions are approved by the Department of Justice.

Mr. JOHNSON. As I understand, the Senator refers to the United States circuit court?

Mr. KING. Yes; the Circuit Court for the Ninth Circuit.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide for the appointment of 2 additional judges of the District Court of the United States for the Southern District of California, 1 additional judge for the Circuit Court, Ninth Judicial Circuit, and for other purposes."

COMMITTEE ON AIR COMMERCE AND CIVIL AVIATION

The resolution (S. Res. 118) creating a standing Committee on Air Commerce and Civil Aviation was read, considered, and agreed to, as follows:

Resolved, That rule XXV of the standing rules of the Senate be, and the same is hereby, amended by inserting on page 30, after the third line of paragraph 1, the following:

"Committee on Air Commerce and Civil Aviation, to consist of 12 Senators."

PAYMENT OF NON-INDIAN CLAIMANTS

The bill (S. 2608) to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933, was announced as next in order.

Mr. KING. I should be glad to receive an explanation of this bill.

The PRESIDENT pro tempore. The Senator from New Mexico [Mr. HATCH] introduced the bill, and reported it from the Committee on Indian Affairs.

Mr. KING. May I ask the Senator whether this is not for the payment of claimants who ought to have been paid, if they are entitled to anything, under a bill heretofore enacted, by the terms of which a board was set up for the purpose of passing upon the claims and determining those which had merit?

Mr. HATCH. Mr. President, the bill was introduced by me by request, and I prefer to read the report before discussing it.

Mr. KING. Let it go over.

The PRESIDENT pro tempore. The bill will be passed over.

ELECTION PROCEDURE

The bill (S. 2655) to define the election procedure under the act of June 18, 1934, and for other purposes, was announced as next in order.

Mr. ROBINSON. I think there should be an explanation of this bill. It is favorably recommended by the Secretary of the Interior.

Mr. DUFFY. Let it go over.

Mr. ROBINSON. I think it may go over, in the absence of the Senator from Oklahoma [Mr. THOMAS].

The PRESIDENT pro tempore. The bill will be passed over.

MARY SKY NECKLACE

The Senate proceeded to consider the bill (S. 1696) for the relief of Mary Sky Necklace, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "\$351.08" and to insert in lieu thereof "\$314.43", so as to read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the county of Bon Homme, S. Dak., the sum of \$314.43 in full settlement of taxes assessed against lots 10 and 11, block 42, in the city of Springfield, S. Dak., purchased for, and with trust funds of, Mary Sky Necklace, or Mrs. Amos H. Necklace, said property having been purchased with the understanding on her part that the said property would be non-taxable.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

UTE INDIANS

The Senate proceeded to consider the bill (S. 381) for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 7, before the word "for", to insert the words "as to claim for principal sum"; on page 2, line 2, after the word "Confederated", to strike out the words "Bands of Ute Indians, as a trust fund to be added to the trust fund of said Indians created by the act of Congress approved March 4, 1913 (37 Stat. 934), to bear interest at 4 percent per annum from the dates of said Executive orders, respectively, and to be subject to disposal in accordance with existing law; and the Secretary of the Interior shall have jurisdiction to determine, fix, and pay out of the said sum a reasonable amount for attorneys' fees based on a quantum meruit, not to exceed 10 percent of the sum accruing to the credit of the Indians hereunder for services rendered, and all necessary and proper expenses, as provided for in two contracts made by respective bands of said Indians with their attorneys, as approved by the Secretary of the Interior and the Commissioner of Indian Affairs on July 7, 1928, or assignments thereof in whole or in part and approved in accordance with existing law on or about May 28, 1929" and to insert in lieu thereof the words "Bands of Ute Indians in the proportions specified by the act of June 15, 1880 (21 Stat. L. 199), to bear interest at 4 percent per annum and from the date of the passage of this act, but without prejudice to the claim of said Indians for 4 percent interest on said sum from the dates of said Executive orders, respectively"; and on page 3, to insert a new section, as follows:

SEC. 2. The Secretary of the Treasury is hereby authorized to pay, out of said appropriation when made, such fees and expenses as the Secretary of the Interior may deem reasonable, on a quantum meruit basis, for services rendered by attorneys or agents having approved or heretofore approved contracts with said Indians, or approved assignments thereof, not to exceed, however, a total of 10 percent of the amount appropriated hereunder, as follows:

(1) A contract with Southern Ute Band and the Ute Mountain Band approved July 7, 1928, a partial assignment of which was approved on May 28, 1929.

(2) A contract with the Uintah and White River Bands, approved on October 8, 1932, an assignment of which was approved on February 13, 1935.

(3) A contract with the Uncompahgre Band approved October 8, 1932, an assignment of which was approved on February 13, 1935.

So as to make the bill read:

Be it enacted, etc., That the sum of \$161,400 be, and the same is hereby, authorized to be appropriated, out of any money in the Treasury not otherwise appropriated for payment to the Confederated Bands of Ute Indians in full compensation as to claim for principal sum for 64,560 acres of land in western Colorado, taken from the said Indians by the United States and set aside as a naval oil reserve by Executive orders, dated December 6, 1916, and September 27, 1924; said sum to be placed on the books of the Treasury Department to the credit of the Confederated Bands of Ute Indians in the proportions specified by the act of June 15, 1880 (21 Stat. L. 199), to bear interest at 4 percent per annum and from the date of the passage of this act, but without prejudice to the claim of said Indians for 4 percent interest on said sum from the dates of said Executive orders, respectively.

SEC. 2. The Secretary of the Treasury is hereby authorized to pay, out of said appropriation when made, such fees and expenses as the Secretary of the Interior may deem reasonable, on a quantum meruit basis, for services rendered by attorneys or agents having approved or heretofore approved contracts with said Indians, or approved assignments thereof, not to exceed, however, a total of 10 percent of the amount appropriated hereunder, as follows:

(1) A contract with Southern Ute Band and the Ute Mountain Band approved July 7, 1928, a partial assignment of which was approved on May 28, 1929.

(2) A contract with the Uintah and White River Bands approved on October 8, 1932, an assignment of which was approved on February 13, 1935.

(3) A contract with the Uncompahgre Band approved October 8, 1932, an assignment of which was approved on February 13, 1935.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OLD-AGE PENSIONS FOR INDIANS

The bill (S. 1697) providing old-age pensions for Indian citizens of the United States was announced as next in order.

Mr. ROBINSON. This is a bill apparently of very great importance, and I suggest that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

CLAIMS OF CROW INDIANS OF MONTANA

The Senate proceeded to consider the joint resolution, Senate Joint Resolution 96, which had been reported from the Committee on Indian Affairs with an amendment, on page 2, line 9, to strike out "90 days" and to insert in lieu thereof the words "1 year", so as to make the joint resolution read:

Resolved, etc., That the claims of the Crow Tribe of Indians and any band thereof under the said Jurisdictional Act approved July 3, 1926, shall be reviewed on the whole record by the Supreme Court of the United States on appeal from the Court of Claims, anything in the Judicial Code or amendments thereto notwithstanding: *Provided*, That said appeal shall be perfected by either party to the controversy within 1 year from the passage of this act.

The amendment was agreed to.

Mr. ROBINSON. Mr. President, will not the Senator from Montana explain the joint resolution?

Mr. WHEELER. Mr. President, this measure is for the purpose of carrying out what was thought to be the intention of Congress when it passed the Crow Claim Act, which provided that either the Government or the tribe of Crow Indians should have the right to appeal from the Court of Claims to the Supreme Court of the United States.

Subsequently, on February 13, 1925, Congress passed the Judicial Code, governing general reviews by the Supreme Court, and the Supreme Court interpreted that as meaning that an appeal could not be taken from the Court of Claims. However, in the Colgate case, decided on November 4, 1929, the Supreme Court held as follows:

Unless the language of a special act conferring upon the Court of Claims jurisdiction to adjudicate a particular claim, and providing for review of its judgment by the Supreme Court, makes it clear that such review is to be by technical appeal, it will be presumed that review by the ordinary mode of certiorari is intended, though the act itself may speak of an "appeal."

Clearly both sides felt that they had the right to appeal to the Supreme Court of the United States from the decision of the Court of Claims in the Crow case. The pending bill simply provides for giving to the Supreme Court of the United States the right on appeal from the Court of Claims to review that case.

Mr. ROBINSON. The Senator says its purpose is to give the Supreme Court the right to review the case?

Mr. WHEELER. Yes.

Mr. ROBINSON. Very well.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to, as follows:

Whereas by the Special Jurisdictional Act approved July 3, 1926 (44 Stat. L. 807), the claims of the Crow Tribe of Indians of Montana and any band thereof against the United States were referred to the Court of Claims "with right of appeal to the Supreme Court of the United States", it being the intention that both parties should have a right of appeal to the Supreme Court; and

Whereas the Supreme Court has since decided that notwithstanding such a provision there is no right of appeal, in view of the Judicial Code, as amended, unless the Jurisdictional Act specifically provides that the Supreme Court shall review a cause on appeal, anything in the Judicial Code to the contrary notwithstanding.

CONSTRUCTION CHARGES ON INDIAN IRRIGATION PROJECTS

The Senate proceeded to consider the bill (S. 1637) to extend further the operation of an act of Congress approved January 26, 1933 (47 Stat. 776), entitled "An act relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects", which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 5, after the word "calendar", to strike out "years 1934 and 1935" and to insert in lieu thereof "year 1934"; and on the same page, line 8, after the numerals "1933", insert "and the said

Secretary is authorized to extend to such water users on Indian irrigation projects for the calendar year 1935, similar relief to that authorized to be extended to water users on reclamation projects", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to extend to water users on Indian irrigation projects during the calendar year 1934 like relief to that provided in the acts of January 26, 1933 (47 Stat. 776), and March 3, 1933 (47 Stat. 1427), applicable to the calendar years 1931, 1932, and 1933, and the said Secretary is authorized to extend to such water users on Indian irrigation projects for the calendar year 1935, similar relief to that authorized to be extended to water users on reclamation projects.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CLAIMS OF INDIANS RESIDING IN OREGON

The bill (S. 2097) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon, which had been reported from the Committee on Indian Affairs with amendments, was announced as next in order.

Mr. KING. May I ask the junior Senator from Oregon [Mr. STEIWER] whether there is a treaty which creates an obligation which would warrant this matter being referred to the Court of Claims?

Mr. STEIWER. I beg the Senator's pardon. My attention was distracted for the moment and I did not hear his question.

Mr. KING. I was wondering if there is a treaty under the terms of which the Indians are warranted in appealing to the Court of Claims or to the Government for relief.

Mr. STEIWER. Yes; that is my understanding.

Mr. KING. Has there been any controversy growing out of their contention? That is to say, has it been admitted by the Indian Bureau or by the Secretary of the Interior?

Mr. STEIWER. The matter has been under negotiation for some time. I am not thoroughly familiar with the facts in this case, but I think, like all controversies of this kind, the matter is in dispute between the Indians and the Department.

Mr. McNARY. Mr. President, I should like to add a statement voluntarily. The Secretary of the Interior has made a very exhaustive study covering a good many years with regard to controversies existing between these Indians. There is a very voluminous and well-considered opinion favoring the proposed legislation. However, there is an adverse report from the Director of the Budget, who makes reports of this kind, that they do not conform to the economy plans of the Government, but there can be no doubt that the claims rest upon treaty provisions and the controversy has been long and stubbornly considered.

Mr. KING. The statement of its not being in harmony with the economy program does not appeal to me very much in view of the tremendous appropriations which are being made, which are in violation of any proper economy program.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The first amendment of the Committee on Indian Affairs was, in section 2, page 3, line 4, after the word "gratuities", to strike out "if properly chargeable"; on the same page, line 18, after the word "claims", to strike out "and who are"; on page 4, line 3, after the word "within", to strike out "ten" and to insert "five"; and at the end of the section to insert "*Provided further*, That the Siletz and the Grande Ronde Tribes of Indians, if they so prefer, may each employ not more than one attorney or firm of attorneys to represent their respective tribal interests", so as to make the section read:

Sec. 2. That if any claim or claims be submitted to said courts hereunder, they shall settle the rights therein, both legal and equitable, of each and all the parties thereto, notwithstanding the lapse of time or the statutes of limitation; and any payment which may have been made upon any such claim shall not oper-

ate as an estoppel but may be pleaded as a set-off, and the United States shall be allowed to plead and shall receive credit for all sums, including gratuities paid to or expended for the benefit of either of said tribes or bands of Indians. The claim or claims of each tribe or band may be presented separately or jointly by petition, subject, however, to amendment and consolidation in proper cases. Such action shall make the petitioner or petitioner's party plaintiff or plaintiffs and the United States party defendant; and any tribe or band the court may deem necessary to a final determination of such suit or suits may be joined therein by order of the court.

The petition shall set forth all the facts upon which the claims are based and the laws, treaties, agreements, Executive orders under and upon which recovery is sought, and shall be signed and verified by the attorney or attorneys employed to prosecute such claim or claims under contract with said Indians approved in accordance with existing law. A copy of the petition in such suit shall be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice designated by him, shall appear and defend the interests of the United States: *Provided*, That any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition filed as herein provided in the Court of Claims within 5 years from the date of the approval of this act. Official letters, papers, documents, and public records, or certified copies thereof, may be used in evidence, and the departments of the Government shall allow the attorney or attorneys access to such treaties, papers, correspondence, or records as may be proper: *Provided further*, That the Siletz and the Grand Ronde Tribes of Indians, if they so prefer, may each employ not more than one attorney or firm of attorneys to represent their respective tribal interests.

The amendment was agreed to.

The next amendment was, in section 3, page 4, line 19, after the word "Indians", to strike out "; and if not otherwise paid, the same shall be included in the decree and shall be paid", so as to make the section read:

Sec. 3. Upon final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 percent of the recovery, based upon actual services rendered, together with all necessary and proper expenses incurred in the preparation and prosecution of the suit or suits, to be paid to the attorney or attorneys employed by said tribes or bands of Indians out of any sum or sums found to be due said Indians.

The amendment was agreed to.

The next amendment was, in section 4, page 5, line 6, after the word "homes", to insert a comma and the words "and no part of such proceeds shall ever be used for per capita payments", so as to make the section read:

Sec. 4. The proceeds of all amounts, if any, recovered for said Indians, less attorneys' fees and expenses, shall be deposited in the Treasury of the United States to the credit of the Indians decreed by said court to be entitled thereto, and shall draw interest at the rate of 4 percent per annum from the date of the original judgment or decree, and thereafter shall be subject to appropriation by Congress for educational, health, industrial, and other purposes for the benefit of said Indians, including the purchase of lands and building of homes, and no part of such proceeds shall ever be used for per capita payments.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1943) to prescribe the procedure and practice in condemnation proceedings brought by the United States of America, including acquisition of title and the taking of possession under declarations of taking was announced as next in order.

Mr. ROBINSON. Mr. President, this bill proposes to regulate procedure in condemnation proceedings. I should like to have a statement as to the necessity for the legislation and the changes which are proposed to be made by the bill in the existing law.

The PRESIDENT pro tempore. The Senator who introduced the bill does not appear to be in the Chamber at the moment.

Mr. ROBINSON. Let the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

ANNUAL REPORTS OF INTERSTATE COMMERCE COMMISSION

The bill (H. R. 4005) to amend section 21 of the Interstate Commerce Act, as amended, with respect to the time

of making the annual report of the Interstate Commerce Commission was announced as next in order.

Mr. WHEELER. This bill simply provides for changing the time of filing the annual report of the Commission. Under the present law, such reports have to be filed in December. The pending bill provides that the report shall be made on or before the 3d of January of each year.

Mr. ROBINSON. I have no objection.

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first sentence of section 21 of the Interstate Commerce Act, as amended, is amended to read as follows: "The Commission shall, on or before the 3d day of January of each year, make a report which shall be transmitted to Congress and copies of which shall be distributed as are the other reports transmitted to Congress."

DISPOSITION OF PROPERTY OF FEDERAL AVIATION COMMISSION

The Senate proceeded to consider the joint resolution (S. J. Res. 92) making final disposition of records, files, and other property of the Federal Aviation Commission, which had been reported from the Committee on Interstate Commerce with an amendment, on page 2, line 11, after the words "available to", to insert "June 1, 1935, to", so as to make the joint resolution read:

Resolved, etc., That inasmuch as the temporary Federal Aviation Commission authorized by the Seventy-third Congress (S. 3170, Public Document No. 308) "for the purpose of making an immediate study and survey, and to report to Congress not later than February 1, 1935, its recommendations of a broad policy covering all phases of aviation and the relation of the United States thereto. * * *", has completed its studies and made its report to Congress, that the said Federal Aviation Commission is hereby authorized and directed to close its records, files, and accounts at the earliest possible date and not later than June 1, 1935, and to deliver all such records, files, and other property to the Interstate Commerce Commission for the use and benefit of the Interstate Commerce Commission and/or other Government agencies that may be concerned with the Federal control or supervision of aviation and/or other transportation facilities.

Pending the time that final disposition is made of the records and files they shall be open to Members of Congress and personnel will be available to June 1, 1935, to furnish information relative to the records and findings of the Commission and to appear before interested congressional committees.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

INCORPORATION OF AMERICAN NATIONAL THEATER AND ACADEMY

The bill (S. 2642) to incorporate the American National Theater and Academy was announced as next in order.

Mr. KING. Mr. President, it has been the rule for some time in the Committee on the Judiciary not to grant charters for private activities, and, I may add, I see no justification or authority for the Federal Government to grant charters of the character embraced in this bill.

Mr. WAGNER. Mr. President, the purpose of the bill is really a public one. There are a number of citizens interested in the cultural development of our country who are asking to incorporate into a nonprofit corporation, having no capital stock, merely for the purpose, as the bill itself says, of—

The stimulation of public interest in the drama as an art belonging both to the theater and to literature and thereby to be enjoyed both on the stage and in the study.

I think it is one of the most worthy purposes of a semi-public nature that could possibly be presented to us. I request the Senator to withhold his objection. There is a unanimity of opinion throughout the country on the part of all those who are interested in the theater as well as in literature that the proposed incorporation will have a very important place in our cultural development. It is gratifying to have so many people willing to join in the unselfish, worthy purpose to stimulate an interest in the drama.

Mr. KING. Mr. President, no one, of course, could object to the purposes which are sought. If these persons desired, they could obtain a charter under the laws of the State of New York or under the laws of any State of the Union.

Mr. WAGNER. This very same thing has been done before, I may say to the Senator. The American Academy of Arts is incorporated by Congress. There are a number of instances of organizations of this character which are really in the nature of a public institution. They have done a great public service. This is an enterprise similar to others as to which action has been taken by Congress similar to that which is now sought, they having been incorporated by acts of Congress, and Congress, I am sure, never has regretted having done so. I am deeply interested in this proposition, and I hope, unless the Senator has some conscientious objection, that he will not press his objection to the bill.

Mr. KING. Mr. President, I think I am as solicitous for the carrying forward of the purposes of this organization as is the distinguished Senator from New York.

Mr. WAGNER. I am sure of that.

Mr. KING. I think the purposes are entirely worthy. But the Committee on the Judiciary several years ago, in view of the number of applications which were being made for special charters from the Federal Government, took the position that they would not grant any more charters, or, at any rate, that that committee would not report in favor of any such bills which were not purely of a public character affecting organizations which were necessary to carry on the activities of the Government itself. In view of that fact and in view of the further fact that personally I do not think it is constitutional for the Federal Government to grant such charters, and until the Judiciary Committee takes cognizance of this matter—and I shall bring it to their attention at their regular meeting next Monday—I ask the Senator from New York not to press the bill. I ask that the bill be passed over.

Mr. WAGNER. The committee reported on the bill. I might call the Senator's attention to the fact that the bill provides for a report to Congress of all the activities of the Corporation each year. I wish the Senator would read the names of the incorporators. I am sure that it is a worthy cause. It is for a public purpose and will be treated as a public purpose. I think the persons who are enumerated deserve public commendation for the unselfish efforts which they are willing to undertake.

Mr. KING. I join with the Senator in his commendation.

Mr. WAGNER. Does the Senator withdraw his objection?

Mr. KING. No.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (S. 2027) to regulate commerce in petroleum, and for other purposes, was announced as next in order.

Mr. SHEPPARD. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

STATISTICS RELATING TO SPIRITS OF TURPENTINE AND ROSIN

The bill (S. 1811) providing for the publication of statistics relating to spirits of turpentine and rosin was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to collect and to publish annually, in such form and on such date as he shall prescribe, statistics relating to the quantity of spirits of turpentine and rosin produced, held, and used in the United States.

BILLS PASSED OVER

The bill (S. 2652) to authorize the President to attach certain possessions of the United States to internal revenue collection districts for the purpose of collecting processing taxes was announced as next in order.

Mr. McNARY. Mr. President, I observe the chairman of the Committee on Agriculture and Forestry is not in the Chamber. I think a statement should be made with regard to that measure. As the chairman is not present, I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 212) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an

efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve Banking System, and creating a Board of Agriculture to supervise the same was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1476) to provide for unemployment relief through development of mineral resources; to assist the development of privately-owned mineral claims; to provide for the development of emergency and deficiency minerals; and for other purposes, was announced as next in order.

Mr. ROBINSON. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

ANGELO J. GILLOTTI

The bill (H. R. 3721) for the relief of Angelo J. Gillotti was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Angelo J. Gillotti, who was a member of Battery D, Seventy-sixth Regiment United States Field Artillery, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 4th day of November 1924: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

JOHN COSTIGAN

The bill (H. R. 972) for the relief of John Costigan was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of pension laws and laws conferring rights upon honorably discharged soldiers, their widows, and dependent relatives, John Costigan shall hereafter be held and considered to have been in the military service of the United States as a private in Company D, Fifth Regiment United States Cavalry, from March 27, 1878, and to have been honorably discharged May 31, 1881: *Provided*, That no back pay, pension, or other back allowance shall accrue by reason of the passage of this act.

HARRY B. WALMSLEY

The bill (H. R. 2192) for the relief of Harry B. Walmsley was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Harry B. Walmsley, formerly in the Medical Department, First Cavalry, United States Army, shall hereafter be held and considered to have received a full honorable discharge from the military service of the United States on July 9, 1926: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

SALE OF PROPERTY UNDER ORDER OF UNITED STATES COURTS

The Senate proceeded to consider the bill (S. 2688) to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 9, after the word "following", to strike out "or by receivers or conservators of national banking associations" and insert "or by receivers or conservators of banks, appointed by the Comptroller of the Currency", so as to make the bill read:

Be it enacted, etc., That sections 1, 2, and 3 of the act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893 (ch. 225, 27 Stat. 751, as amended; U. S. C., title 28, secs. 847, 848, and 849), be, and they hereby are, amended by inserting before the period at the end of each of said sections 1, 2, and 3 the following: "or by receivers or conservators of banks, appointed by the Comptroller of the Currency."

Mr. ROBINSON. Mr. President, I inquire what is the effect and purpose of this bill?

Mr. KING. Mr. President, a few weeks ago, pursuant to the request of the Department of Justice, a bill was reported which permitted the sale by the Federal courts of property in the hands of receivers. The property could be sold at one sale, though it was in different jurisdictions. It was deemed very important that that should be done. At that

particular time a number of properties in which the Government was interested were in the hands of receivers and sales were ordered, some of them growing out of the so-called "Doheny or petroleum company cases." It was necessary that the legislation be passed at as early a date as possible. In the measure, however, through inadvertence, the Department in drawing the bill included a provision which would interfere with the liquidation of banks which were under the control of the Treasury Department. That Department sent down a measure for the purpose of rectifying that mistake and taking such banks out from under the operation of the former bill.

Mr. ROBINSON. Very well.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 6723) to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding \$50,000; and to authorize said town to accept grants of money to aid it in financing any public works, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 6085) to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers, and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding \$40,000 was announced as next in order.

Mr. KING. I also ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

BRONZE GRAVE MARKERS

The Senate proceeded to consider the bill (S. 1454) to authorize the Secretary of War to furnish bronze markers for certain graves, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert:

That, notwithstanding any provision of existing law, the Secretary of War is authorized to furnish a flat or upright marker for the grave of any deceased person, for which the Secretary of War is authorized to furnish a marker or headstone, of such durable material as authorized by existing law, type, design, dimensions, and cost as conforms to standards to be established by the Secretary of War in compliance with the provisions of this act: *Provided*, That the Secretary of War shall furnish the upright stone marker, authorized by section 4877 of the Revised Statutes, for cemeteries under the jurisdiction of the Secretary of War.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Secretary of War to furnish certain markers for certain graves."

DANIEL W. SEAL

The bill (H. R. 1846) for the relief of Daniel W. Seal was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Daniel W. Seal, who was a member of Company B, Fiftieth Regiment Wisconsin Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 25th day of August 1865: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

EXTENSION OF EMERGENCY RAILROAD TRANSPORTATION ACT

The joint resolution (S. J. Res. 112) extending the effective date of the Emergency Railroad Transportation Act of 1933 was announced as next in order.

Mr. McNARY. Mr. President, in the absence of the senior Senator from Delaware [Mr. HASTINGS] I ask that the joint resolution go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

Mr. WHEELER. Mr. President, I should like to have the joint resolution considered. The railroad companies themselves are opposed to the extension of the office of the coordinator, but this is one of the measures which, I understand, the administration is desirous of having passed at this session of Congress. Likewise the railroad brotherhoods are all anxious to have it passed, and, if I cannot have it taken up under the call of the calendar for unobjected bills, I will move to take it up at a later time.

Mr. McNARY. Mr. President, I will say to the Senator I am not familiar with all the provisions of the bill, but the Senator from Delaware, who is interested in it, is unable to be present at this time and requested me to make the objection.

The PRESIDENT pro tempore. The joint resolution will be passed over.

TERMS OF INTERSTATE COMMERCE COMMISSION MEMBERS

The bill (H. R. 4751) to amend section 24 of the Interstate Commerce Act, as amended with respect to the terms of office of members of the Interstate Commerce Commission was announced as next in order.

Mr. McCARRAN. I ask that that bill go over.

Mr. WHEELER. Mr. President, let me explain to the Senator that this bill merely provides that the members of the Interstate Commerce Commission shall hold office until their successors are appointed and qualified.

Mr. McCARRAN. I withdraw the objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate Commerce with amendments, on page 1, line 3, after the word "That", to strike out "section 24 of"; in line 4, after the word "inserting", to insert "at the end of section 11 and"; in line 5, before the word "section", to strike out "such" and after the word "section" to insert the figures "24"; and in line 8, after the word "successor", to strike out "has qualified; except that he shall not so continue to serve after the end of the next regular session of Congress, or, in the event that his successor is not nominated on or before the fifteenth day of such regular session after such fifteenth day" and insert "is appointed and shall have qualified", so as to make the bill read:

Be it enacted, etc., That the Interstate Commerce Act, as amended, is amended by inserting at the end of section 11 and immediately preceding the last sentence of section 24 a new sentence as follows: "Upon the expiration of his term of office a Commissioner shall continue to serve until his successor is appointed and shall have qualified."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend sections 11 and 24 of the Interstate Commerce Act, as amended, with respect to the terms of office of members of the Interstate Commerce Commission."

BILLS PASSED OVER

The bill (S. 2313) to amend the Agricultural Adjustment Act, as amended, with respect to farm prices, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1874) to provide for the coinage of medals to be presented to Senator A. HARRY MOORE, certain officers of the New Jersey National Guard, Capt. John Bogan, Sr., and the members of the crew of the fishing boat *Paramount* was announced as next in order.

Mr. McNARY. Mr. President, I am requested by the Senator from New Jersey [Mr. BARBOUR], on his behalf, and also on behalf of the Senator from New York [Mr. COPELAND], to ask that that bill go over without prejudice in order that certain changes and amendments may be prepared.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 65) to provide for the establishment of a Coast Guard station on the coast of Virginia, at or near the north end of Hog Island, Northampton County, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 2015) for a Coast Guard station at the eastern entrance to Cape Cod Canal, Mass., was announced as next in order.

Mr. KING. I also ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 3975) to provide for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. GEORGE subsequently said: Mr. President, I ask permission to recur to Calendar No. 622, being the bill (H. R. 3975) to provide for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach. When the bill was reached on the calendar the Senator from Utah [Mr. KING] objected, but has consented to withdraw his objection. Therefore I ask consideration of the bill at this time.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the bill (H. R. 3975) to provide for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized to establish a Coast Guard station on the coast of Georgia, at or near Sea Island Beach, at such point as the Commandant of the Coast Guard may recommend.

STATISTICAL STUDIES BY COMMERCE DEPARTMENT

The bill (H. R. 5444) to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Department of Commerce be, and hereby is, authorized, within the discretion of the Secretary of Commerce, upon the written request of any person, firm, or corporation, to make special statistical studies relating to foreign trade, domestic trade, and other economic matters falling within the province of the Department of Commerce; to prepare from its records special statistical compilations; and to furnish transcripts of its studies, tables, and and other records, upon the payment of the actual cost of such work by the person, firm, or corporation requesting it.

SEC. 2. All moneys hereafter received by the Department of Commerce in payment of the cost of such work shall be deposited in a special account to be administered under the direction of the Secretary of Commerce. These moneys may be used, in the discretion of the Secretary of Commerce, and notwithstanding any other provision of law, for the ordinary expenses incidental to the work and/or to secure in connection therewith the special services of persons who are neither officers nor employees of the United States.

SEC. 3. The Secretary of Commerce shall prescribe rules and regulations for the enforcement of this act; and the Secretary of Commerce shall make a report to Congress, at the beginning of each regular session, giving a detailed statement showing (1) the name of every person, firm, or corporation for whom work has been performed under the authority of this statute; (2) the nature of the services rendered to him; (3) the price charged for these services by the Department of Commerce; and (4) the manner in which the moneys received were deposited or used.

BILL PASSED OVER

The bill (H. R. 7205) to amend the Ship Mortgage Act, 1920, otherwise known as "section 30" of the Merchant Ma-

rine Act, 1920, approved June 5, 1920, to allow the benefits of said act to be enjoyed by owners of certain vessels of the United States of less than 200 gross tons.

Mr. VANDENBERG. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

CONSTRUCTION OF BUILDINGS IN THE PHILIPPINES

The bill (S. 2278) authorizing the construction of buildings for the United States High Commissioner to the Government of the Commonwealth of the Philippine Islands was announced as next in order.

Mr. KING. Mr. President, may I ask the Senator from Maine whether this bill has received the consideration at the hands of the committee and what is the necessity for it?

Mr. WHITE. Mr. President, there was a hearing held on this bill before the Committee on Territories and Insular Affairs. In view of the close relations now existing between this country and the Philippines, and the relations which it is anticipated will exist in the future, the Bureau of Insular Affairs have made this suggestion. The proposal is endorsed by the Secretary of War, it has the approval of the State Department, and the committee was given to understand that the authorization was not in conflict with the President's financial program.

The bill authorizes the acquisition of land and the building of suitable residential and office quarters for such representatives of the United States as may now be in the Philippines and as will be there in the years before us. It is merely an authorization, and not an appropriation.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. VANDENBERG. In view of the vast land values which the United States is presenting to the new government of the Philippine Islands, does the Senator assert that it is necessary for us now to buy land upon which to erect our own buildings in the islands?

Mr. WHITE. That was the statement made to the committee; but beyond that I have no knowledge. There was a break-down of these estimated expenditures presented to the committee, and I may say that the action of the committee in reporting the bill was unanimous.

Mr. VANDENBERG. How much of the break-down is for land?

Mr. WHITE. For the purchase and preparation of land the total is \$185,000.

Mr. VANDENBERG. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes, was announced as next in order.

The PRESIDENT pro tempore. Being the unfinished business, the bill will be passed over.

EXTENSION OF PUBLIC HEALTH SERVICE FACILITIES TO NONENLISTED PERSONNEL

The Senate proceeded to consider the bill (S. 2625) to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishment, which had been reported from the Committee on Commerce with an amendment, on page 2, line 1, after the word "entitled", to insert "Cadets on State school ships shall also be entitled to the same medical relief as is herein granted to seamen", so as to make the bill read:

Be it enacted, etc., That hereafter seamen not enlisted or commissioned in the Military or Naval Establishments, who are not now entitled by virtue of any law to medical relief by the Public Health Service, shall, when employed on vessels of the United States Government of more than 5 tons' burden and on State school ships, be entitled to medical relief by the Public Health Service in the same manner and to the same extent as seamen employed on registered, enrolled, and licensed vessels are entitled. Cadets on State school ships shall also be entitled to the same medical relief as is herein granted to seamen.

Mr. KING. I should like to ask the Senator from Washington for an explanation, and at the same time to assign reasons, because, obviously, there must be reasons for the Federal Government undertaking this activity.

Mr. SCHWELLENBACH. Mr. President, this bill proposes to extend to nonenlisted seamen on boats operated by the Government the same right to medical service at the hands of the Public Health Service as the enlisted personnel now enjoy.

I call the attention of the Senate to the report of the Secretary of the Treasury to the effect that:

The Surgeon General of the Public Health Service informs me that the additional cost of the proposed service would not be great and will not require an increase in the annual appropriation to the Public Health Service.

I view of the fact that the Secretary of the Treasury states that it will not involve any additional cost, and will simply extend to seamen who may be injured or who may become sick while they are employed on certain vessels the same rights so far as medical service is concerned that the enlisted personnel and the commissioned personnel on such boats are entitled to receive, I think the measure should be passed.

Mr. KING. May I inquire upon what Government boats would they be employed?

Mr. SCHWELLENBACH. For example, a Coast Guard boat may have a man working in the boiler room who, if he were enlisted, would be entitled to the services of the Public Health Service, but because he is not enlisted, being simply an employed seaman, he is not entitled to such services. The Bureau of Fisheries, for example, owns many boats and sends several of them to Alaska during various portions of the year. The Coast and Geodetic Survey has boats which it also sends out. All the enlisted personnel on such boats are entitled to the facilities of the Public Health Service, but the employed personnel who are not enlisted are not so entitled.

Mr. KING. May I inquire of the Senator whether he believes that boats which have been leased from the Government or from the Shipping Board would come within the terms of the bill?

Mr. SCHWELLENBACH. I feel satisfied they would not come within its terms.

Mr. KING. It seems to me that the Federal Government is not responsible for employees upon vessels which are operated by private corporations who perhaps have leased them from the Government.

Mr. SCHWELLENBACH. I am sure that they are not included.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LAKE CHAMPLAIN BRIDGE, VERMONT

The bill (S. 2681) to extend the times for commencing and completing the construction of a bridge across Lake Champlain at or near West Swanton, Vt., and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 of the act entitled "An act granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt.", approved June 18, 1934, is amended by striking out the word "twenty-five" and inserting in lieu thereof the word "fifty."

SEC. 2. The times for commencing and completing the construction of such bridge are hereby extended 1 and 3 years, respectively, from June 18, 1935.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

DEFINITION, REGISTRATION, AND REGULATION OF LOBBYISTS

The bill (S. 2512) to define lobbyists, to require registration of lobbyists, and provide regulation therefor was announced as next in order.

Mr. BYRD. Over.

Mr. BLACK. Mr. President, I should like to explain the bill, and I ask the Senator from Virginia to withhold his objection until I may explain it.

Mr. BYRD. Very well.

Mr. BLACK. The bill as originally written has been given consideration by the full Judiciary Committee. It was first given consideration, I may say to the Senator, by a subcommittee. They had hearings on the bill. It was later presented to the full Judiciary Committee. The entire Judiciary Committee met three or four times and considered the bill. As a result of the consideration by the full Judiciary Committee, the bill was amended so as to read as it is now before the Senate.

The change, in effect, was this: The bill as originally written was entitled "A bill to define lobbyists, to require registration of lobbyists, and to provide regulation thereof." The bill has now been amended so as to strike from it that title, and it simply requires those engaged in the business of seeking to influence legislation or to influence the making of Government contracts, where they are seeking to do that for pay or for a consideration, to register either with the Clerk of the House or the Secretary of the Senate, or, in the case of an effort to influence contracts, to register with the Federal Trade Commission.

There is no definition in the bill as it is now written. It is no more and no less, as now written, than a provision of law which would require the registration of those engaged, for pay or other consideration, in the business of seeking to influence legislation or contracts.

Mr. BYRD. Mr. President, I misunderstood the clerk and thought he was reporting another bill. I withdraw my objection.

Mr. BLACK. I thank the Senator, but I desire to complete my explanation in any event.

Mr. GUFFEY. Mr. President, I shall ask that the bill go over.

Mr. BLACK. I desire to complete my explanation so the Senator may understand the bill fully, and it may be he will not then object.

The bill requires at the same time registration occurs a statement as to the salary or compensation to be paid the person engaged in the business of seeking to influence legislation or contracts. So far as I know, there is no objection anywhere to a bill of this type. There was some objection, I may state, to the definition of "lobbyists." There were some who stated that the things defined were of such nature that under the Constitution people who had a right to present their petitions to the Congress might be precluded or deterred, and therefore it was felt by some who did not desire the name of "lobbyist" to be attached to all those who sought to influence legislation or contracts that there should be an amendment so that it should include only those who did such things for pay or consideration.

Mr. HATCH. Mr. President, there were Senators also who felt that the term "lobbyist" might attach some odium to those who were legitimately and lawfully presenting their petitions to Congress. However, those objections have been removed by the amendments of the committee.

Mr. BLACK. The Senator is correct. The word "lobbyists" does not appear in the bill at all. The bill is in line with statutes or laws which have been enacted in several of the States, which require the information to be given at the beginning of the year, and in monthly reports with reference to expenses.

I am sure if the Senator from Pennsylvania would read the bill as it is now drafted he would not see fit to interpose an objection.

Mr. GUFFEY. I shall read the bill and study it, but at this time I ask that it go over.

The PRESIDENT pro tempore. Objection being heard, the bill will be passed over.

BILL PASSED OVER

The bill (S. 2367) to create the Farmers' Home Corporation, to promote more secure occupancy of farms and farm homes, to correct the economic instability resulting from some pres-

ent forms of farm tenancy, to engage in rural rehabilitation, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Over.

The PRESIDENT pro tempore. The bill will be passed over.

W. K. RICHARDSON

The resolution (S. Res. 119) remanding the claim of W. K. Richardson covered by Senate Joint Resolution 35, to the Court of Claims was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of the resolution.

Mr. CAPPER. Mr. President, the resolution has been pending before the Senate for several years. It involves a claim by Mr. Richardson for infringement of a patent which became very useful in the Government service. He feels that he is entitled to compensation for the use of his patent. The Committee on Military Affairs had the bill under consideration for some time and feel that the proper place to arrive at a fair conclusion as to the value of the patent or the use which the Government has had of it would be through the Court of Claims.

Mr. KING. I notice from a very hasty glance at the report that there has been a trial or hearing. It seems to me if there has been an adjudication of the claim and the statute of limitations in the meantime has run, though I do not know that it has, we ought not to reopen the case unless there are very strong reasons for so doing.

Mr. CAPPER. There are good reasons, in the opinion of the committee, why the matter should have another hearing in the Court of Claims. The Senator from Indiana [Mr. MINTON] made the report and is quite familiar with the case.

Mr. MINTON. Mr. President, the resolution received rather careful consideration by a subcommittee of the Committee on Military Affairs and then by the full committee. The committee were of the opinion that, while the gentleman had had a trial before the Court of Claims, there was a very serious question as to whether or not, upon the very technical record, the facts had been correctly found and the conclusions of law upon the facts correctly stated. While there has been a hearing and the findings against him, there seemed to the committee to be some merit in the claim of this gentleman.

On the record, or that portion of it which we had before us, it seemed that the Court of Claims had perhaps been in error in its finding of fact and in its conclusions of law, and that he was entitled to have the court again take up the record as it was originally made in that court, reconsider that record, and determine whether or not a different conclusion might not be reached.

Mr. KING. If the claimant believed an injustice had been done by the Court of Claims—and I might add by way of parenthesis that the Court of Claims is very liberal in the consideration of matters brought before it—why did he not avail himself of an appeal or a motion for reconsideration?

Mr. MINTON. He did those things; in fact, he went further. While he did not take an appeal, I believe he made an effort to take the case to the Supreme Court on certiorari, which was denied by the Supreme Court. As the Senator well knows that does not mean much in point of law. The Supreme Court, as I understand, does not very often consider a case on certiorari from the Court of Claims. The claimant did all those things.

Notwithstanding the steps taken by him the committee still feels that the man rendered a real service to his country; that the Government profited materially by the patent which he had and which the Government used; that the record seemed to indicate that the Court of Claims had very likely reached the wrong conclusion on the facts of record; and that at least the claimant is entitled to have the court take another look at the record which was made in that court, with a view to determining whether or not a different conclusion might not be reached.

Mr. KING. I shall withdraw the objection, but I want to state at this time that I regard this procedure as a very

unfortunate precedent. After claims have been preferred against the Government and the Government has provided ample tribunals and ample opportunity for those tribunals to hear these matters, and after they have investigated and rendered their decisions as courts, if Congress is to review them and send the cases back again we will have numerous appeals made to us to reverse the decisions which the courts have rendered. I am afraid the adoption of the resolution will establish a very dangerous precedent.

The PRESIDENT pro tempore. Is there objection?

There being no objection the resolution was read, considered, and agreed to, as follows:

Resolved, That the case of W. K. Richardson against the United States, No. A-200, be, and hereby is, remanded to the United States Court of Claims, with complete authority, the statute of limitations or rules of procedure to the contrary notwithstanding, to hear and consider questions of law and fact complained of in the motion for a new trial, made January 28, 1931. Said hearing shall be upon the report and finding of facts of the Commissioner and the testimony taken at the former trial of the case, with and under the stipulation that the amount for which suit was originally brought be reduced to 3 percent of the amount claimed in said suit. Such suit shall be advanced on the docket of the Court of Claims and promptly placed on the trial calendar. This reference is made under section 151 of the Judicial Code.

PUBLIC-SCHOOL BUILDING, VALDEZ, ALASKA

Mr. McKELLAR. Mr. President, I should like to recur to Calendar No. 548, Senate bill 2315. This bill is identical with Calendar No. 612, House bill 6723. The Delegate from Alaska came to see me about these bills, and is willing that the amount may be reduced to \$30,000 instead of \$50,000. With that amendment, I am perfectly willing that the proposed legislation shall pass.

I ask unanimous consent for the consideration of the House bill at this time.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 6723) to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding \$50,000; and to authorize said town to accept grants of money to aid it in financing any public works.

Mr. McKELLAR. On page 1, line 6, I move to strike out "\$50,000" and insert "\$30,000."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding \$30,000; and to authorize said town to accept grants of money to aid it in financing any public works."

The PRESIDENT pro tempore. Without objection, Senate bill 2315 will be indefinitely postponed.

MUNICIPAL PUBLIC WORKS, PETERSBURG, ALASKA

Mr. McKELLAR. Now I ask to recur to Calendar No. 550, Senate bill 2316. That is identical with Calendar No. 613, House bill 6085.

These also are Alaskan bills. I told the Delegate from Alaska that an amendment to reduce the amount to \$35,000 would be satisfactory in that case. I ask to have the House bill considered at this time.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 6085) to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers, and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding \$40,000.

Mr. McKELLAR. On page 2, line 3, after the words "sum of", I move to strike out "\$40,000" and insert "\$35,000."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers, and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding \$35,000."

The PRESIDENT pro tempore. Without objection, Senate bill 2316 will be indefinitely postponed.

BONDS OF MUNICIPAL GOVERNMENTS IN PUERTO RICO

Mr. VANDENBERG. Mr. President, in this group of bills is Calendar No. 547, Senate bill 1227, to authorize the issuance and sale to the United States of certain bonds of municipal governments in Puerto Rico, and for other purposes. I objected to the consideration of that bill, and I desire to have the RECORD show why I objected. I shall continue to object until the Secretary of Agriculture responds to the resolution of the Senate, agreed to on April 9, asking for official information as to what the plans are in connection with the sugar development of Puerto Rico.

Mr. LONG. Mr. President, will the Senator yield?

Mr. VANDENBERG. Yes.

Mr. LONG. Does the Senator think the Department have any plans? If they have any plans on that subject, it is the first time. I am surprised at the Senator. I would not hold up legislation for a little thing like that.

Mr. VANDENBERG. I am told unofficially they have plans to spend \$103,000,000, and I should like to know something about them.

Mr. LONG. Of course, if they have plans to spend the money, that is one thing, but does the Senator think they have plans as to what they are going to do with the money? They never have had. If the Senator holds up this bill, he is going to keep all this beneficent work from being done.

Mr. VANDENBERG. The Senator from Louisiana will agree with me that when the Senate asked the Secretary of Agriculture for a report on April 9, we ought to have it by this time in May. I impute no discourtesy to the Secretary. I know he is very busy. He has expeditiously responded to other Senate resolutions for which I have been responsible. I make no point of the long delay in answering this particular resolution. I only state that this particular report should and must come to the Senate before we proceed with basic Puerto Rican legislation.

RELIEF OF DISBURSING OFFICERS OF ARMY AND NAVY

The Senate proceeded to consider the bill (S. 1561) to provide relief for disbursing officers of the Army in certain cases, which had been reported from the Committee on Military Affairs with amendments.

The amendments were, on page 1, line 4, after the word "Army", to insert "or Navy"; in line 6, after the word "funds", to insert "not to exceed an amount equal to one one-hundredth of 1 percent of the total disbursements made by such disbursing officer under any one bond for deficiencies as distinguished from physical losses"; on page 2, line 3, after the word "have", to insert "previously"; in line 4, after the word "without", to strike out "fault or negligence" and insert "fault, negligence, or criminality"; in line 6, after the words "Provided further", to strike out "That the determination by the Secretary of War of the aforesaid questions shall be conclusive upon the General Accounting Office" and insert "That the second paragraph of the title 'Pay, miscellaneous' of the act of July 11, 1919 (41

Stat. 132), is hereby repealed"; and in line 13, after the word "War", to insert "and the Secretary of the Navy", so as to make the bill read:

Be it enacted, etc., That the General Accounting Office shall relieve any disbursing officer of the Army or Navy charged with responsibility on account of loss or deficiency while in the line of his duty, of Government funds, not to exceed an amount equal to one one-hundredth of 1 percent of the total disbursements made by such disbursing officer under any one bond for deficiencies as distinguished from physical losses, vouchers, records, or papers, in his charge, where such loss or deficiency occurred without fault or negligence on the part of said officer: Provided, That the Secretary of War shall have previously determined that the officer was in the line of his duty, and the loss or deficiency occurred without fault, negligence, or criminality on his part: Provided further, That the second paragraph of the title "Pay, miscellaneous" of the act of July 11, 1919 (41 Stat. 132), is hereby repealed: And provided further, That all cases of relief granted under this authority during any fiscal year shall be reported in detail to the Congress by the Secretary of War and the Secretary of the Navy.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide relief for disbursing officers of the Army or Navy in certain cases."

BILL PASSED OVER

The bill (S. 1138) for the relief of Art Metal Construction Co. with respect to the maintenance of suit against the United States for the recovery of any income or profits taxes paid to the United States for the calendar year 1918 in excess of the amount of taxes lawfully due for such period was announced as next in order.

Mr. McKELLAR. May we have an explanation of that bill?

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

KELLY FIELD MILITARY RESERVATION, TEX.

The Senate proceeded to consider the bill (S. 2727) to authorize the acquisition of land for military purposes in Bexar County, Tex., for use as an addition to Kelly Field Military Reservation, and to settle certain claims in connection therewith, which was read, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to acquire, by purchase, condemnation, or otherwise, approximately 5.45 acres of land located in Bexar County, Tex., at and adjoining a portion of the north boundary of the Kelly Field Military Reservation, for use as an addition to Kelly Field, and the sum of \$2,000 is hereby authorized to be appropriated, from any funds in the Treasury not otherwise appropriated, which sum shall remain available until expended: Provided, That the sum hereby authorized to be appropriated shall also be available for settlement of any claims against the United States for occupancy of the lands to be acquired.

Mr. KING. Mr. President, I should like to have an explanation of that bill.

The PRESIDENT pro tempore. The bill was reported by the Senator from Texas [Mr. SHEPPARD], who introduced it.

Mr. KING. In view of the large area which is in Kelly Field, may I ask the Senator from Texas whether there is any necessity for purchasing additional land there?

Mr. SHEPPARD. Mr. President, this is a strip of land about 20 feet wide running along one side of the reservation, on which there is a drainage ditch essential to the protection of the field from impounded water. The land was under lease before we bought the field. When the field was bought, by some oversight this strip of 5.45 acres was not included.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EIGHTH INTERNATIONAL CONGRESS OF MILITARY MEDICINE AND PHARMACY

The joint resolution (S. J. Res. 108) to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935, was announced as next in order.

Mr. McKELLAR. Mr. President, I desire to submit a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McKELLAR. May the presiding officer explain the provisions of a measure? The joint resolution which has just been reached on the calendar was reported by the present presiding officer, the Senator from Nevada [Mr. PITTMAN].

The PRESIDENT pro tempore. The joint resolution was introduced by the Senator from New York [Mr. WAGNER], who is present.

Mr. WAGNER. Mr. President, this joint resolution was recommended by the President and by the Secretary of State. It simply makes an appropriation for the attendance of representatives of the military surgeons of the United States at a conference which is to be held in Brussels this year. It is a very important conference.

Mr. McKELLAR. Mr. President, of course this joint resolution is a mere authorization of money. After that it will be necessary to come before the Appropriations Committee and have an appropriation made. The Appropriations Committee not long ago instructed me to look into these authorization measures before their passage; and I hope the Senator from New York will let the joint resolution go over until the next call of the calendar.

Mr. WAGNER. Mr. President, an identical measure has already passed the House of Representatives. This conference is to be one of unusual importance. It will deal with medical and surgical problems. The President of the United States and the Secretary of State have deemed this particular conference sufficiently important that we should be represented, and both have recommended that this appropriation be made. It is not the ordinary junket trip of which we occasionally read.

Mr. McKELLAR. I notice in the report that the first subject to be considered is:

Principles of organization and functioning of the medical service in mountain warfare (Rumania-Italy).

I am not so sure that we are greatly interested in that. I hope we never shall be interested in that warfare.

The next subject is:

Determination of the aptitude of the land, sea, and air forces for various specialties (Rumania-Italy).

Mr. WAGNER. Where is the Senator reading from?

Mr. McKELLAR. I am reading from page 3 of the report. The next subject is:

Results of abdominal wounds (Rumania-United States).

The next is:

Researches directed toward the standardization of methods of analysis of foods and beverages used for soldiers' subsistence (Rumania-Czechoslovakia).

Front bucco-dental care (Rumania-Lithuania).

Comparative study of the functions of administrative medical services in the various land, sea, and air forces (Rumania-Chile).

Under these circumstances it seems to me we should send officers of a different kind. I believe the joint resolution provides for sending officers of the Treasury Department. I should think those things ought to be considered by our military officers.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from New York yield to the Senator from Nevada?

Mr. WAGNER. Certainly.

Mr. PITTMAN. As asserted by the Senator from New York, a similar measure has passed the House of Representatives, and is now on the calendar. If action is to be taken on the subject the House joint resolution should be acted upon, as it is identical with the other.

I will state, however, that the committee had before it Surgeon General Cumming and several other medical officers. They stated that the committee representing the United States would be made up of a surgeon from the Army, a surgeon from the Navy, a surgeon from the marines, and a surgeon from the Public Health Service, so each of the four departments is to be fairly represented.

If the Senator from Tennessee could have heard the statement of Surgeon General Cumming, who has attended many of these conferences, I think he would be convinced, as was the entire Foreign Relations Committee, that attendance at conferences dealing with the science of surgery, particularly relating to wounds incurred in war, which are so frequent, is really a great aid to the surgical department of each of the participating governments; and the conference is to be participated in, as I say, not only by representatives of the Navy, the Army, and the marines, but also by a representative of the Public Health Service of our Government. As the Senator from Tennessee has read, each one of the governments is assigned a certain scientific surgical operation to explain, and on this occasion our Government has been allocated a very important discussion on one of these subjects. The appropriation, I think, is only \$8,000.

Personally, in listening to General Cumming and the other officers, I was very much impressed, and I think the other members of the committee were impressed. The report was unanimous.

In the first place, I ask unanimous consent that House Joint Resolution 249 be substituted for the Senate joint resolution.

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 249) to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935.

The joint resolution was ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$8,000, or so much thereof as may be necessary, for the expenses of participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in 1935, including personal services in the District of Columbia or elsewhere without reference to the Classification Act of 1923, as amended; stenographic reporting and other services by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books, documents, newspapers, periodicals, and maps; stationery, official cards; printing and binding; entertainment; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified.

Sec. 2. The funds made available under this authorization shall be expended under the supervision of the Secretary of State.

The PRESIDING OFFICER. Without objection, Senate Joint Resolution 108 will be indefinitely postponed.

FACILITIES FOR RECREATIONAL PURPOSES

The bill (S. 738) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof was announced as next in order.

Mr. CAREY. Mr. President, I ask that the bill go over without prejudice. I was on the committee which had hearings on the measure, and I am in sympathy with the purposes of the bill, but I think it should be amended, and I should like to talk with the chairman of the committee about it.

Mr. WAGNER. Very well.

The PRESIDENT pro tempore. The bill will be passed over.

GREEN LAKE FISH CULTURAL STATION, MAINE

The bill (S. 1148) to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to the Acadia National Park was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Commerce be, and he is hereby, authorized and directed to transfer to the control and jurisdiction of the Secretary of the Interior as an addition to the Acadia National Park, established under the act of February 26, 1919 (40 Stat. 1178), and acts supplemental thereto, all that tract of land containing 820 acres, more or less, with improvements thereon if any, comprising the abandoned Green Lake Fish Cultural Station, in Hancock County, Maine, said tract being no

longer needed for fish-cultural purposes: *Provided*, That such action shall be in full recognition of any outstanding lease affecting said land.

DISTRICT COURT OF ALASKA

The bill (H. R. 157) to amend section 5296 of the Revised Statutes of the United States was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 5296 of the United States Revised Statutes (U. S. C., title 18, sec. 641) is amended by adding thereto the following sentence: "The District Court of the Territory of Alaska shall be deemed a court of the United States, and the commissioners appointed by the judges of the said District Court of the Territory of Alaska under the provisions of title I, chapter 1, section 6, of the act of June 6, 1900 (31 Stat. L., 323, 324), shall be deemed commissioners of a United States court, within the intent and meaning of this section."

DISTRICT COURTS FOR ALASKA AND VIRGIN ISLANDS

The Senate proceeded to consider the bill (H. R. 6114) to amend section 128 of the Judicial Code, as amended, which had been reported from the Committee on the Judiciary with an amendment, on page 2, line 1, after the word "proceedings", to strike out the words "and in the district court for the Canal Zone in the cases and mode prescribed in the act approved September 21, 1922, amending prior laws relating to the Canal Zone" and insert the words "and in the district court of the Canal Zone in the cases and modes prescribed in sections 61 and 62, title 7, Canal Zone Code (48 Stat. 1122)", so as to make the bill read:

Be it enacted, etc., That paragraph "Third" of subsection (a) of section 128 of the Judicial Code, as amended (43 Stat. 936; U. S. C., title 28, sec. 225 (a)), be, and it is hereby, amended to read as follows:

"Third. In the district courts for Alaska or any division thereof, and for the Virgin Islands, in all civil cases, wherein the Constitution or a statute or treaty of the United States or any authority exercised thereunder is involved; in all other civil cases wherein the value in controversy, exclusive of interest and costs, exceeds \$1,000; in all criminal cases, and in all habeas corpus proceedings; and in the district court for the Canal Zone in the cases and mode prescribed in the act approved September 21, 1922, amending prior laws relating to the Canal Zone and in the district court of the Canal Zone in the cases and modes prescribed in sections 61 and 62, title 7, Canal Zone Code (48 Stat. 1122)."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (S. 2462) to provide funds for cooperation with the school board at Worley, Idaho, in the construction of a public-school building to be available to Indian children in the town of Worley and county of Kootenai, Idaho, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

WHITE HOUSE POLICE FORCE

The bill (H. R. 6654) to increase the White House Police Force, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

LEASING OF INDIAN LANDS

The Senate proceeded to consider the bill (S. 2638) to amend the law governing the leasing of unallotted Indian lands for mining purposes, which was read, as follows:

Be it enacted, etc., That hereafter unallotted lands within any Indian reservation or lands owned by any tribe, troupe, or band of Indians under Federal jurisdiction may be leased by authority of the tribal council speaking for such Indians for not to exceed 10 years for mining purposes, subject to approval of the Secretary of the Interior and under such rules and regulations as he may prescribe: *Provided*, That such unallotted Indian lands, other than lands of any of the Five Civilized Tribes and the Osage Reservation, subject to lease under the provisions hereof, may be leased at public auction by the Secretary of the Interior with the consent of the tribal council speaking for such Indians, for oil and/or gas mining purposes for a period not to exceed 10 years and as much longer thereafter as oil and/or gas shall be found in paying quantities, under such rules and regulations as the Secretary of the Interior may prescribe: *And provided further*, That the foregoing provisions shall not be construed to

restrict the power of tribes, organized and incorporated under sections 16 and 17 of the act of June 18, 1934 (48 Stat. 984), to lease lands for mining purposes for the terms provided in this act and in accordance with the provisions of any constitution and charter adopted under the act of June 18, 1934.

Sec. 2. That section 26 of the act of June 30, 1919 (41 Stat. 31), as amended by the act of March 3, 1921 (41 Stat. 1231), and December 16, 1926 (44 Stat. 922-923), and any other acts inconsistent herewith, are hereby repealed.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

Mr. THOMAS of Oklahoma. Mr. President, this bill is recommended by the Secretary of the Interior on the theory that the present law as to leasing Indian lands within Indian reservations is not ample.

The bill proposes to authorize the tribal councils in the various Indian reservations to be considered, and to require their consent before the Secretary shall lease the Indian lands for mining purposes.

Mr. McKELLAR. Does it make the leasing of lands more difficult?

Mr. THOMAS of Oklahoma. It gives them the right to lease more lands so that the Indians can have more income. That is the purpose of the proposed legislation.

Mr. McKELLAR. Does it meet with the Senator's approval? Was there any difference in the committee about it?

Mr. THOMAS of Oklahoma. No; there was not.

Mr. KING. Mr. President, for a number of years past there has been some complaint that the Indians have been partly despoiled of their property by reason of improvident leases having been made, that the white people have gone into their lands and obtained leases and exploited the Indians.

Mr. THOMAS of Oklahoma. The purpose of the proposed legislation is to prevent the leasing of lands unless the tribal councils representing the Indian tribes shall be consulted and their consent given. That is one of the regulations required by the proposed legislation. The Department is for the bill, I will say to the Senator from Utah.

Mr. KING. Does the Senator believe it is wise and just to the Indians?

Mr. THOMAS of Oklahoma. There are no Indian reservations in my State, and the Senators present representing the States which contain Indian reservations are for the bill, and taking their recommendation, I have no objection to it. I am not prepared to state as to the effect of the bill, but no objection has been registered with the committee.

Mr. McKELLAR. Will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McKELLAR. Is it not true that the present is a very poor time, to say the least, for leasing lands of this kind? It seems to me that now is a very bad time for anybody to lease his land for a definite period of time.

Mr. THOMAS of Oklahoma. The bill provides for the leasing of lands for oil and gas development. For example, in the Apache Indian Reservation there is a large outcropping of iron ore. Under existing law the Department cannot lease that land for the development of the iron ore. It is estimated that there are 15,000 tons of iron ore under the Indian reservation, and under the regulations and the law the Government can only lease where the iron ore can be seen. Of course it is thought the iron ore extends some distance back under the land, but there is no provision for leasing the land where the ore is not outcropping.

Mr. McKELLAR. Are there any applicants for leases at this time who desire to develop iron ore? During a depression is the worst time for the leasing of land.

Mr. THOMAS of Oklahoma. I have no means of knowing whether there are applications pending or not.

Mr. McKELLAR. Will not the Senator allow this bill to go over and give us time to look into it a little further?

The PRESIDENT pro tempore. The bill will be passed over.

INDIAN IRRIGATION PROJECTS

The bill (S. 2656) to authorize the Secretary of the Interior to grant concessions on reservoir sites and other

lands in connection with Indian irrigation projects, and to lease the lands in such reserves for agricultural grazing, or other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, this would follow the same course taken by the other bill. I ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

REGENTS OF THE UNIVERSITY OF NEW MEXICO

The Senate proceeding to consider the bill (S. 2247) directing the conveyance of certain lands to the regents of the University of New Mexico, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 1, line 4, to strike out "quitclaim deed" and to insert in lieu thereof the word "patent", so as to read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by patent to the regents of the University of New Mexico, for archaeological purposes, that part of the unappropriated lands belonging to the United States located in fractional section 30, township 13 north, range 4 east, New Mexico principal meridian; but if such university fails to use such lands for the purposes herein provided, or attempts to alienate such lands, title thereto shall revert to the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RESERVATIONS OF TIMBER, MINERALS, OR EASEMENTS

The bill (S. 1066) to extend the provisions of section 2 of the act of February 28, 1925, authorizing reservations of timber, minerals, or easements to exchanges of lands in the State of New Mexico under the act of February 14, 1923, and the act of February 7, 1929, was announced as next in order, and was read, as follows:

Be it enacted, etc., That the provisions of section 2 of the act of Congress approved February 28, 1925 (43 Stat. 1090; U. S. C., title 16, sec. 486), authorizing reservations by either party to an exchange under the act of Congress approved March 20, 1922 (42 Stat. 465; U. S. C., title 16, sec. 485), are hereby extended and made applicable to exchanges of lands under the acts of Congress approved February 14, 1923 (42 Stat. 1245), and February 7, 1929 (45 Stat. 1154), which authorize the United States to acquire privately owned lands situated within certain townships in the Lincoln National Forest in the State of New Mexico, by exchanging therefor an equal value of unreserved and unappropriated public lands within said State.

Mr. WHEELER. Let the bill go over.

Mr. HATCH. Mr. President, does the Senator desire to have an explanation?

Mr. WHEELER. Yes.

Mr. HATCH. The bill relates to certain lands which have been sought by the Department of Agriculture for some time to round out its holdings in the Lincoln National Forest in New Mexico. Under the deed which the owner of the land acquired from the State of New Mexico the mineral rights were reserved. The Government could not, under existing law, accept a conveyance of land where there was a reservation of mineral rights. The bill permits the exchange, and corrects that defect in the law.

Mr. WHEELER. I withdraw my objection.

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed.

ROBERT M'FARLAND

The Senate proceeded to consider the bill (S. 165) for the relief of Robert McFarland, which was read, as follows:

Be it enacted, etc., That in the administration of the pension laws, or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army, their widows, children, and dependent relatives, Robert McFarland shall be held and considered to have been honorably discharged as a corporal, Company B, Fifth Regiment Illinois Volunteer Cavalry, on August 7, 1865: *Provided*, That no pension, back pay, nor bounty shall be held to have accrued prior to the passage of this act.

Mr. KING. Let the bill go over.

Mr. AUSTIN. Mr. President, will not the Senator withhold his objection so that I may make a brief statement?

Mr. KING. Yes.

Mr. AUSTIN. This is a worthy case for relief. The claimant is a very old veteran, who served 3½ years in

active service, and was discharged dishonorably on a technical charge.

He seems to have had a first enlistment for 3 years, and then he reenlisted, and on account of his record was immediately made a corporal. Soon afterward he was directed to arrest a certain number of soldiers who were mutinous in their behavior. He undertook, as the record shows, to make the arrest, but, on account of failure to make the arrest and to report that he was unable to do so, he was court-martialed, punished, and dishonorably discharged.

The record contains affidavits of several of his comrades testifying that he was unjustly punished in this regard. It seems to be a suitable case for relief of a man who served his country for a long period of time faithfully and well.

Mr. KING. Mr. President, the report of Maj. Gen. James F. McKinley does not give any extenuating circumstances which would call for the enactment of a measure of this character. It states that the man was charged with being guilty of mutinous conduct prejudicial to good order and military discipline, that he was found guilty and sentenced to be dishonorably discharged from the service, with loss of pay, and so on.

Mr. AUSTIN. The evidence tended to show that the character of this mutinous conduct was failure to obey a command to arrest a number of soldiers who felt that they ought not to be kept in the service for the second period. Of course, if we accept the reports of the War Department in these cases, then there will never be any relief granted.

We do not undertake to review courts martial. We only examine into the question of whether the case is worthy of relief in view of extenuating circumstances, and it is noticeable that in the communication from the Adjutant General the only statement is that it is beyond the power of the War Department to grant this relief, but following that is a significant comment, "This soldier had combat service." That is not customary in these cases. It is placed there doubtless in the nature of such a recommendation as the War Department can make in such a case.

Mr. KING. The Senator knows that in the vast majority of these cases, where applications are made for reinstatement or for pensions, the applications are heard ex parte, there is no testimony, as a rule, other than the testimony of the applicant himself, and the report in this case does not indicate anything with respect to the facts.

I withdraw the objection, in view of the Senator's statement.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHARLES WILSON

The Senate proceeded to consider the bill (S. 245) for the relief of Charles Wilson, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 8, after "1931", to insert the words "as a private, Headquarters Company, First Battalion, Fifty-third Regiment United States Infantry", so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws, or of any laws conferring rights, privileges, or benefits upon honorably discharged soldiers Charles Wilson shall hereafter be held and considered to have been honorably discharged from the military service of the United States on October 27, 1931, as a private, Headquarters Company, First Battalion, Fifty-third Regiment United States Infantry: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to, and the bill was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6021) to provide additional

home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes.

SUSPENSION OF ASSESSMENT WORK ON MINING CLAIMS

The bill (S. 2536) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska was announced as next in order.

Mr. KING. Mr. President, will the Senator from New Mexico [Mr. HATCH] permit an inquiry regarding this bill?

Mr. HATCH. Certainly.

Mr. KING. I have received a number of communications both for and against suspending the annual assessment work. Many of the unemployed insist that measures of this character are solely in the interest of large corporations, which in many instances, as the Senator knows, hold groups of claims.

Personally, I have not been very much in favor of relieving the owners of mining claims of assessment work, because, as the Senator knows, the assessment work of \$100 per claim per annum would afford considerable employment for the unemployed.

Mr. HATCH. I quite appreciate what the Senator from Utah says, and I will say that objections such as he has mentioned have been sent to me from my State. However, the vast majority of the requests which have come to me have asked for the passage of this bill. The bill is identical with one passed last year, and it does protect against the thing the Senator from Utah has in mind. The bill as it was drawn has that protection in it.

Mr. McKELLAR. Does the Department recommend its passage? I see no report indicating that it does.

Mr. HATCH. I do not think the Department has recommended it. I cannot say as to that; but the committee did consider the bill quite carefully, and recommended it.

I call the attention of the Senator from Utah to these provisions in the bill:

That such suspension of assessment work shall not apply to more than 6 lode-mining claims held by the same person, nor to more than 12 lode-mining claims held by the same partnership, association, or corporation: *And provided further*, That such suspension of assessment work shall not apply to more than 6 placer-mining claims not to exceed 120 acres (in all) held by the same person, nor to more than 12 placer-mining claims not to exceed 240 acres (in all) held by the same partnership, association, or corporation.

The bill as drawn, I submit, is so framed as to protect against that which the Senator from Utah has suggested and to give protection to the small operator rather than to the large operator. I beg the Senator from Utah not to object at this time. The time is very short before the present extension of time expires, and we might not have another call of the calendar when we could consider the bill.

Mr. LA FOLLETTE. Mr. President, I understand the bill was not sent to the department. I understand the usual procedure is to submit such measures to the department.

Mr. HATCH. I am not on the committee, and I cannot say whether it was or was not referred to the Department. I do not see any report from the Department.

Mr. LA FOLLETTE. Mr. President, I think the bill had better go over, and I ask that it be passed over.

Mr. HATCH. Does the Senator understand that the present extension of time will expire very soon?

Mr. LA FOLLETTE. I desire to have the bill go over until I can ascertain whether it has been submitted to the Department.

The PRESIDENT pro tempore. The bill will be passed over.

RIGHTFUL HEIRS OF TIWASTEWIN OR ANNA

The bill (S. 2533) for the relief of the rightful heirs Tiwastewin or Anna was announced as next in order.

Mr. McKELLAR. Is the Senator from North Dakota [Mr. FRAZIER] convinced that this is a proper bill?

Mr. FRAZIER. Mr. President, this bill provides for finally settling up an old estate which was undertaken to be settled some 15 or 20 years ago, since which time the Department has discovered that some heirs were left out and some were overpaid.

Mr. McKELLAR. The amount involved is \$559.95. Is the Senator certain the rightful heirs have been located?

Mr. FRAZIER. The Department say they have been. I think the bill is meritorious.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Indian Affairs with amendments, on page 1, line 8, after the words "Lucy Pan or", to strike out "Istasapa" and to insert in lieu thereof "Istaosapa"; on page 2, line 6, after the words "Lucy Pan or", to strike out "Istasapa" and to insert in lieu thereof "Istaosapa"; on the same page, line 8, after the words "sum of", to strike out "\$279.99" and to insert in lieu thereof "\$559.95", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ignatius Court, Simon Court, Anna Jackson, Abraham Heduta, Louisa Heduta, Thomas Pan or Zitkana, George Pan or Heraka, Lucy Pan or Istaosapa and Sarah Pan or Assinna, the rightful heirs of Tiwastewin or Anna, deceased allottee no. 473 of the Sisseton-Wahpeton Tribe, North Dakota, as determined by the Secretary of the Interior pursuant to existing law, the sum of \$93.33 to said Ignatius Court, the sum of \$93.33 to the said Simon Court, the sum of \$93.33 to said Anna Jackson, the sum of \$46.66 to said Abraham Heduta, the sum of \$46.66 to said Louisa Heduta, the sum of \$46.66 to said Thomas Pan or Zitkana, the sum of \$46.66 to said George Pan or Heraka, the sum of \$46.66 to said Lucy Pan or Istaosapa, and the sum of \$46.66 to said Sarah Pan or Assinna, total sum not to exceed the sum of \$559.95: *Provided*, That the Secretary of the Interior may deposit the said sums to the credit of the said heirs and handle in the same manner as other individual Indian moneys: *Provided further*, That not to exceed 5 percent of these amounts shall be paid to any attorney or attorneys for services rendered in this matter: *And provided further*, That should the persons herein named be not living upon the date of the passage of this act the said sum shall be credited to and become a part of his or her estate.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the rightful heirs of Tiwastewin or Anna."

PUBLIC-UTILITY HOLDING COMPANIES

The bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, was announced as next in order.

Mr. KING. I ask that the bill be passed over.

Mr. WHEELER. Mr. President, I am surprised that anyone should object to this bill; but I desire to serve notice now—

Mr. McKELLAR. We have not time to consider the bill in the 7 minutes remaining.

Mr. WHEELER. I think it probably could pass in less time than that; but I desire to give notice now that when the three-A bill, so called, shall have been disposed of I will move to take up Senate bill 2796, the so-called "public-utility holding companies" bill.

Mr. VANDENBERG. Why does the Senator propose to wait until the three-A bill is disposed of?

Mr. WHEELER. If I may answer the Senator, I will say that I should like to take it up before the "three A" bill is disposed of.

Mr. SMITH. Which the Senator cannot do.

Mr. WHEELER. Which the Senator from South Carolina [Mr. SMITH] says he will not permit me to do, and I respect his age. Consequently, I do not urge that it be done.

Mr. McKELLAR. The Senator from Montana really does not want to take up this bill today, of course?

Mr. WHEELER. I should be glad to take it up now and dispose of it.

Mr. McKELLAR. In 7 minutes?

The PRESIDENT pro tempore. The bill will be passed over.

GRAND HAVEN LIGHTHOUSE RESERVATION, MICH.

The bill (H. R. 4239) authorizing the Secretary of Commerce to convey to the city of Grand Haven, Mich., certain portions of the Grand Haven Lighthouse Reservation, Mich., was considered, ordered to a third reading, read the third time, and passed.

INVESTIGATION OF INTERSTATE RAILROADS AND AFFILIATES

The resolution (S. Res. 71) authorizing an investigation of interstate railroads and affiliates with respect to financing, reorganizations, mergers, and certain other matters, was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of the resolution.

Mr. McKELLAR. Is this not a more or less important resolution, Mr. President?

Mr. WHEELER. Yes; it is.

Mr. McKELLAR. I wonder if we have time enough to consider the resolution?

Mr. WHEELER. I do not think there will be any objection. Let me say to the Senator that the Committee on Interstate Commerce held hearings on this resolution, and called before them Chairman Jones of the R. F. C., Coordinator Eastman, and Commissioner Mahaffie of the I. C. C., who stated they were in favor of the resolution.

The resolution was reported by the Committee on Interstate Commerce and subsequently was referred to the Committee to Audit and Control the Contingent Expenses of the Senate, which committee likewise held hearings, and called before it Coordinator Eastman and Chairman Kennedy, of the Securities and Exchange Commission, and finally reported the resolution with some amendments.

Mr. McKELLAR. May we not pass over the resolution for today so that I may have an opportunity to examine it, and the Senator may bring it up out of order later on?

Mr. WHEELER. This resolution has been before both the Committee on Interstate Commerce and the Committee to Audit and Control the Contingent Expenses of the Senate, and I hope the Senator will not urge that it be passed over. Both committees have held hearings on the resolution, and it has been amended by both committees, which finally agreed upon the resolution and reported it favorably.

Mr. KING. Mr. President, I should like to ask the Senator, What is the necessity for the adoption of this resolution? We have the Interstate Commerce Commission, which has accurate knowledge of the condition of the railroads.

Mr. WHEELER. The difficulty is that the Interstate Commerce Commission does not have such information.

Mr. KING. They have spent enough money to obtain it.

Mr. WHEELER. Under the law at the present time, as has been testified by members of the Commission, there is certain information which the Interstate Commerce Commission cannot obtain. I wish to say to the Senator from Utah that we intend to work with the Commission, and the Commission, as a matter of fact, will do practically all this work, but it is necessary to have this resolution adopted in order to reach some of the railroads' affiliates and holding companies. The testimony taken before the committee relative to railroad reorganizations and receiverships shows that there has really been a scandalous situation in the case of two or three of the railroads, particularly the Frisco System, the Van Sweringen System, and some of the others; and it is absolutely necessary that the committee and the Interstate Commerce Commission have this information in order to properly pass upon legislation.

Mr. KING. May I ask the Senator whether or not such an investigation would unduly depreciate the value of holdings of bona fide stockholders and bondholders?

Mr. WHEELER. Not in the slightest. On the other hand, in my judgment, it will have a beneficial effect, because it will show the roads which are doing an honest, clean business, and will only go into the evils of those roads which are notoriously bad at the present time. It cannot hurt their credit either, because, as Coordinator Eastman said, the only credit most roads have at the present time is with the Reconstruction Finance Corporation.

Mr. KING. Were holders of stocks and bonds heard when the matter was under consideration by the committee?

Mr. WHEELER. Several witnesses representing security holders were heard. They favored the investigation. The investors cannot be hurt.

Mr. McKELLAR. Mr. President, why cannot the Interstate Commerce Commission do this work now?

Mr. WHEELER. I just stated that it is impossible for them to get some of the information that is necessary under the provisions of this resolution. We held hearings both before the Interstate Commerce Committee and the Committee to Audit and Control the Contingent Expenses of the Senate, and the resolution was amended by both committees. I hope the Senator will not object.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution submitted by Mr. WHEELER on February 4, 1935, which had been reported from the Committee on Interstate Commerce with an amendment, and from the Committee to Audit and Control the Contingent Expenses of the Senate with additional amendments.

The amendments were, on page 2, line 4, after the word "financing", to strike out "refinancing"; in line 5, after the word "reorganizations", to strike out "and adjustments, consolidation"; in line 6, after the word "dispositions", to strike out "receiverships and bankruptcies" and to insert in lieu thereof "insolvency"; in line 7, after the word "credit", to strike out "arrangements and activities"; in line 8, after the word "activities", to strike out "dividend or other"; in line 9, after the word "policies", to strike out the comma and the words "corporate management and control, voting trusts, trusts under indentures and similar instruments and other agency and depository arrangements, management, service, equipment, and supply contracts and arrangements"; on page 3, line 1, after the word "relationship", to strike out the words "and transactions, and matters and practices related to any of the foregoing or related to the protection of Government funds, investors, or railroad credit"; on the same page, line 5, after the words "affiliates, and", to strike out the word "railroad"; on the same page, after line 12, to insert a new paragraph, as follows:

The Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is authorized and directed to obtain such facts as the Federal Coordinator of Transportation, the Interstate Commerce Commission, and other Government agencies may have, and to secure the assistance of the Federal Coordinator of Transportation, the Interstate Commerce Commission, and other Government agencies in the investigation hereby authorized. The member of the Interstate Commerce Commission, heretofore designated by the President as Federal Coordinator of Transportation under the Emergency Railroad Transportation Act, 1933, is hereby authorized and directed to select the railroads to be included in the investigation.

And on page 4, line 14, after the word "exceed", to strike out "\$10,000" and insert in lieu thereof "\$25,000", so as to make the resolution read:

Resolved, That the Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make, and to report to the Senate the results of, a thorough and complete investigation of the financing, reorganizations, mergers, acquisitions and dispositions, insolvency, credit, securities operations and activities, financial policies, and intercorporate relationships—in respect of interstate railroads, railroad holding companies, railroad affiliates, and subsidiaries—any corporation or person which is or has been affiliated with any of the foregoing, banking, legal, engineering, accounting, and other professional corporations, persons, or groups occupying a fiduciary or contractual position or relation with any of the foregoing, and any member of the family of any such person, and any officer, agent, or director of any such corporation or group.

The Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is authorized and directed to obtain such facts as the Federal Coordinator of Transportation, the Interstate Commerce Commission, and other Government agencies may have, and to secure the assistance of the Federal Coordinator of Transportation, the Interstate Commerce Commission, and other Government agencies in the investigation hereby authorized. The member of the Interstate Commerce Commission, heretofore designated by the President as Federal Coordinator of Transportation under the Emergency Railroad Transportation Act, 1933, is hereby

authorized and directed to select the railroads to be included in the investigation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, either in the District of Columbia or elsewhere, during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fourth Congress, to employ such experts, and clerical, stenographic, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production and impounding of such books, papers, and documents, to administer such oaths, and to take such testimony and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The amendments were agreed to.

The resolution, as amended, was agreed to.

The preamble was rejected.

BILL PASSED OVER

The bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes, was announced as next in order.

Mr. ADAMS. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

LIMIT OF EXPENDITURES FOR REPAIRS TO NAVAL VESSELS

The bill (H. R. 4760) to increase the statutory limit of expenditure for repairs or changes to naval vessels was announced as next in order.

Mr. KING. I ask that the bill be passed over.

Mr. TRAMMELL. Mr. President, before that is done, I should like to make an explanation of this bill.

The present law provides an allowance of not exceeding \$300,000 per annum for ship repair. The present custom is to repair naval vessels about every 18 months. The bill provides for an increase in the limitation, not as to the amount but as to the period within which the repairs may be made. It does not involve any additional money whatever, but it spreads out the limitation so as to cover a period of 18 months, and provides \$450,000 for periods of 18 months instead of \$300,000 for periods of 1 year. The bill does not involve any additional appropriation, but spreads the limitation over a period that is practical under the present plan for repairs.

Mr. KING. May I ask the Senator whether there is any limitation upon the number of vessels which may be repaired; and if not, why not; and if there is no limitation, might not a dozen vessels be repaired at a cost of \$450,000 each?

Mr. TRAMMELL. Mr. President, there is not any limitation at the present time upon the number that may be repaired. This bill deals, though, with those that are repaired and proposes a limitation as to cost. It does not increase the cost allowed, but does increase the period and increase the amount to conform to the period.

We have not by legislation attempted to regulate the question as to how often a ship may be repaired. That, of course, is handled in the administration of the Navy through the Navy Department. This bill does not deal with that question at all. It merely provides a limitation of the amount which may be expended on one vessel. It is an amendment to the present law.

Mr. KING. I ask the Senator again, because I did not quite understand him, is there any limitation anywhere as to the number of vessels which may be repaired? This bill would seem to indicate that all vessels may be repaired at a cost not to exceed \$450,000 for each vessel. Certainly we ought not to give omnibus authority that all vessels may be repaired at the expense indicated.

NAVY DEPARTMENT APPROPRIATIONS

The PRESIDENT pro tempore. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes.

The PRESIDENT pro tempore. The clerk will proceed to state the committee amendments.

The first amendment of the Committee on Appropriations was, under the heading "Naval Establishment—Office of the Secretary—Miscellaneous expenses", on page 3, line 2, after the word "exceed", to strike out "\$4,200" and insert "\$9,000"; in line 7, after the word "exceed", to strike out "\$170,000" and insert "\$183,360", and in line 18, after the words "in all" to strike out "\$1,055,700" and insert "\$1,071,060", so as to read:

For traveling expenses of civilian employees, including not to exceed \$4,000 for the expenses of attendance, at home and abroad, upon meetings of technical, professional, scientific, and other similar organizations when, in the judgment of the Secretary of the Navy, such attendance would be of benefit in the conduct of the work of the Navy Department; not to exceed \$2,000 for the part-time or intermittent employment in the District of Columbia or elsewhere of such experts and at such rates of compensation as may be contracted for by and in the discretion of the Secretary of the Navy; expenses of courts martial, purchase of law and reference books, expenses of prisoners and prisons, courts of inquiry, boards of investigation, examining boards, clerical assistance; witnesses' fees and traveling expenses; not to exceed \$15,000 for promoting accident prevention and safety in shore establishments of the Navy, to be expended in the discretion of the Secretary of the Navy; newspapers and periodicals for the naval service; all advertising of the Navy Department and its bureaus (except advertising for recruits for the Bureau of Navigation); costs of suits; relief of vessels in distress; recovery of valuables from shipwrecks; maintenance of attachés abroad, including office rental and pay of employees, and not to exceed \$9,000 in the aggregate or \$450 for any one person for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U. S. C., Supp. VII, title 5, sec. 118a); the collection and classification of information; not to exceed \$183,360 for telephone, telegraph, and teletype rentals and tolls, telegrams, radiograms, and cablegrams; postage, foreign and domestic and post-office box rentals; necessary expenses for interned persons and prisoners of war under the jurisdiction of the Navy Department, including funeral expenses for such interned persons or prisoners of war as may die while under such jurisdiction; payment of claims for damages as provided in the act making appropriations for the naval service for the fiscal year 1920, approved July 11, 1919 (U. S. C., title 34, sec. 600), and other necessary and incidental expenses; in all, \$1,071,060, of which \$2,500 shall be available immediately.

The amendment was agreed to.

Mr. NYE obtained the floor.

Mr. KING. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator from Utah.

Mr. KING. I know that a number of Senators desire to be present when the naval bill is being considered, and I, therefore, suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Radcliffe
Ashurst	Couzens	Logan	Reynolds
Austin	Dickinson	Loneragan	Robinson
Bachman	Dieterich	Long	Russell
Bailey	Donahay	McAdoo	Schall
Barbour	Duffy	McArran	Schwellenbach
Barkley	Fletcher	McGill	Sheppard
Bilbo	Frazier	McKellar	Shipstead
Black	George	McNary	Smith
Borah	Gerry	Maloney	Stelwer
Brown	Gibson	Metcalf	Thomas, Okla.
Bulow	Glass	Minton	Thomas, Utah
Burke	Gore	Moore	Townsend
Byrd	Guffey	Murphy	Trammell
Byrnes	Hale	Murray	Truman
Capper	Harrison	Neely	Tydings
Caraway	Hastings	Norris	Vandenberg
Carey	Hatch	Nye	Van Nuys
Chavez	Hayden	O'Mahoney	Wagner
Clark	Johnson	Overton	Walsh
Connally	Keyes	Pittman	Wheeler
Coolidge	King	Pope	White

The PRESIDING OFFICER (Mr. ADAMS in the chair). Eighty-eight Senators have answered to their names. A quorum is present.

EXTENSION OF THE N. R. A.

Mr. NYE. Mr. President, there is evidence in my possession which I shall shortly offer for the RECORD of an organized and well-financed drive upon the part of N. R. A. officeholders, code-authority officials, and code-enforcement employees to impose their will upon the Congress in the matter of the extension of the N. R. A.

This movement is designed to reach a climax on Wednesday of this week with a march on Washington, at which time, to use the language of the promoters an "indignant protest" will be made against the Senate's passage of the Clark resolution and a "demand" for 2-year extension of the N. R. A. along lines satisfactory to this group.

The promoters of this scheme have the effrontery to denominate it a spontaneous uprising on the part of business men. Just how spontaneous it is will presently be demonstrated through the material emanating from the sponsors.

I understand a very decided effort has been made during recent weeks to accomplish such a demonstration of opinion on the part of the business men of the country as would prevail upon Congress to see that there should be without fail a 2-year extension granted to N. R. A. I know not who is responsible for it. The retail merchants of my State, and I know of other States, have been solicited, furnished with postal cards upon which there are blanks, affording opportunity for the merchant himself to indicate whether he is in favor of a continuation of N. R. A. or opposed to such continuation.

Approximately 300 such cards have come to me from all sections of my State. I have made a tabulation this morning, and I find that of the 300, 6 have marked themselves as being in favor of the continuation of N. R. A., while the remainder of the 300 have indicated themselves as opposed to its continuation. I understand that what has been done in my State to accomplish this indication of interest in the N. R. A. has also been followed in other States.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. NYE. I am glad to yield to the Senator from Michigan.

Mr. VANDENBERG. I am very much interested in the exhibit which the Senator has just presented. I, myself, have had a large supply of such cards. I have not known who is behind the campaign, although obviously it is an organized campaign, since all of them are alike in typography and all of them are addressed to me. Apparently the retail merchants of Michigan were asked to vote "yes" or "no" on the continuance of the N. R. A.; and I should like to tell the Senator that Michigan's opinion upon this subject in the retail trade appears to be quite similar to that of his own State, because Michigan opinion on the cards which I have received to date is 360 "no" and 4 "yes."

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. NYE. I am glad to yield to the Senator from Iowa.

Mr. DICKINSON. A similar campaign has been put on in the State of Iowa. I have received about 500 cards—482 "no" and 12 "yes." I think the cards are exactly in the form of the cards presented by the Senator from North Dakota.

Mr. NYE. Is the Senator from Iowa prepared to assert whether the 12 who voted for the continuation of the N. R. A. are going to be here with the caravan which is to descend upon Washington day after tomorrow to insist upon a renewal of the N. R. A. for 2 years?

Mr. DICKINSON. They have not so advised me to date.

Mr. NYE. Those who are promoting these schemes to accomplish a large showing in support of N. R. A. are going to demonstrate through the material they will offer how serious is their effort.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator from Arkansas.

Mr. ROBINSON. Does the Senator know whether the cards to which he has referred were originated by those in sympathy with N. R. A. or by those who are against it? Has the Senator any means of knowing the total number of cards that were issued in his State?

Mr. NYE. I have no means of knowing how many cards were issued or who has sponsored the issuance of the cards, but evidently it is some national association. It may be this is the association which has organized the caravan which is to descend upon Washington Wednesday of this week.

Mr. ROBINSON. But the Senator has no information?

Mr. NYE. I have not.

Mr. ROBINSON. The cards were sent direct to the Senator from North Dakota?

Mr. NYE. That is correct, by the markers of the cards.

Mr. VANDENBERG. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from North Dakota yield further to the Senator from Michigan?

Mr. NYE. I am glad to yield.

Mr. VANDENBERG. I want to add the comment, that from an inspection of the postmarks upon the cards which came to me from Michigan it is quite evident there is a thorough coverage of the State, particularly in the smaller communities; so I should say that, for whatever it is worth, it is a rather emphatic protest against any continuation of N. R. A. at all.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. NYE. I am glad to yield.

Mr. ROBINSON. The Senator from Michigan remarks that it is evident the cards cover the entire State. May I ask the Senator how many cards he has received?

Mr. VANDENBERG. I reported the total to be 364.

Mr. ROBINSON. The Senator does not wish to say that 364 cards would cover Michigan, does he? That number would hardly cover a single county of Michigan.

Mr. VANDENBERG. That depends upon who is polled. These cards are apparently from retail dealers. I am simply asserting that they do not come from any one spot. Whoever has distributed them for voting purposes has at least apparently undertaken to cover the entire Commonwealth with them.

Mr. NYE. Surveying the cards from my State which are before me, I find the senders representative of every line of retail business—jewelry, dry-goods merchants, grocers, automobile dealers, every kind of retail merchants.

I started to say that the promoters of the scheme which is behind the caravan coming to Washington day after tomorrow have the effrontery to denominate it as a spontaneous uprising on the part of business men. Just how spontaneous it is will presently be demonstrated through the material emanating from the sponsors. Before examining that, however, I wish to analyze the personnel of the leadership in this movement, which might fittingly be called a "Save Our Racket Crusade."

The organization is called the "Industry and Business Committee for N. R. A. Extension." I have here its letterhead, which gives the headquarters address as 10 East Fortieth Street, fourteenth floor, New York City, and its telephone number as Lexington 2-2820. Perhaps it is a coincidence that this is the address and telephone number of the code authority for the silk-textile industry.

Mr. Ward Cheney is a member of this code authority and, according to the Industry and Business Committee for N. R. A. Extension, is also a representative of the velvet industry. In addition, he is president of Cheney Bros., the well-known silk manufacturers. By a further coincidence, Mr. Cheney is chairman of the Industry and Business Committee for N. R. A. Extension.

Mr. President, no one doubts that the code authority chairmen and the paid representatives of code authorities desire a free and unfettered continuation of N. R. A. Particularly is this true where the codes provide price fixing, as is the case in Mr. Cheney's code.

Nor does anyone doubt that the N. R. A. employees and officials, receiving either money or power as a reward for their services, desire a continuation of the "blue buzzard."

I hold in my hand a file of material issued by this Industry and Business Committee. The opening paragraph of the opening blast of the committee is as follows:

This committee was organized about April 1, 1935, as a result of a spontaneous demand from many sources that industry and business favoring the extension of N. R. A. should unify its efforts under a single committee and represent industrial and business groups with headquarters in New York City.

It does not state who organized the spontaneous movement or whence came the spontaneous demand. It does state that Mr. Ward Cheney is chairman of the committee, and also states:

The committee has operated on a quiet program without ballyhoo to encourage industry and business units throughout the country to express themselves about the N. R. A. direct to the Senators from their States and the Congressmen from their districts.

It adds that more detailed information will be furnished upon request. It contains no date and contains no signature. The complete file I hold in my hand, however, discloses some interesting facts.

Mr. CLARK. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. NYE. I am glad to yield.

Mr. CLARK. I do not wish to interrupt the Senator, but I should like to inquire if the file which the Senator holds contains also the special-rate tickets for bringing these delegates and their wives and families to Washington.

Mr. NYE. It does.

It appears that on April 18, 1935, a dinner was given at the Hotel Astor, in New York City, in honor of Mr. Donald R. Richberg. I have here the guest list, which contains more than 300 names. I also hold in my hand a list of the names of the general committee of the industry and business committee for N. R. A. extension. This contains 32 names. Seventeen members of the general committee appear on the guest list at the testimonial dinner. Mr. Cheney, the chairman of the industry and business committee for N. R. A. extension, presided at the banquet. Whether the banquet gave birth to the committee, or the committee gave birth to the banquet does not appear on the record, but the family connection is perfectly patent.

Before delving further into the personnel of the committee let us be enlightened as to its purposes and methods. I hold here a resolution on the letterhead of the committee. It is addressed to the President of the United States and declares that the committee is a strictly nonpolitical group composed of 61 industrial and business divisions operating under codes of fair competition made up of industrial and business units in every State, totaling over 300,000, employing several million workers and doing an annual gross volume of business exceeding \$10,000,000,000.

This is a formidable statement, if it is intended to mean that the committee is the authorized spokesman of the whole of that volume of business and employment. It would be interesting to see the credentials the committee holds to speak for all of that business.

The resolution goes on to declare that the committee whole-heartedly favors a 2-year extension of an improved and efficiently administered and enforced N. I. R. A., and looks with definite disfavor on the Senate's action as a subtle proposal slowly to destroy the law. It declares that the United States Chamber of Commerce, in speaking for industry and business, did not speak for the members of the committee. It piously condemns cutthroat competitive practices.

So much for the aims of the committee. Let us examine its methods.

I have here a document which, unlike the others, bears a signature and date. The date is May 13, 1935, and the signature is "Ward Cheney, Chairman." I shall read some excerpts from it:

To all code authorities:

The fate of N. R. A. is in the balance! There is one last chance for you to tip the scales in favor of a 2-year extension of an improved, enforceable N. R. A., instead of the emasculated 10-month bill of the Senate Finance Committee.

And, further:

The opposition to N. R. A. has been loudly voiced and thoroughly publicized. This is your opportunity to join with the better element of industry and business which favors a 2-year extension of an enforceable N. I. R. A., well administered. A factual statement concerning our committee is enclosed as well as a copy of a resolution presented last week to President Roosevelt.

The meeting will be held Wednesday, May 22, Washington, D. C.

And further:

All who make the trip to Washington will have an opportunity to participate in a brief, instructive morning session; to call in person upon their Congressmen in the afternoon; returning home by the night train.

I am wondering if the authors of that call were not in error. Instead of saying "instructive morning session" would be held, they might better have said, "there will be a morning devoted to instructions, to be followed by a call upon their Members of Congress in the afternoon."

The statement goes further:

Wire me at the above address today the maximum number we may expect from your group. Then forsake all other duties until you have doubled that number.

Thus is delegated to the code authorities the solemn duty of beating the tom-toms and bringing to Washington every single unit of industry it can persuade or coerce, in order that the Congress may be impressed with the political power of the agency that the Congress has created through the N. R. A.

The committee's energy did not fag. Two days later it sent out another bulletin, dated May 15, 1935. Incidentally, that was the day after the Senate had passed the Clark resolution. This bulletin has stamped upon it in large letters the word "urgent." It reads, in part, as follows:

MEMORANDUM TO ALL CODE AUTHORITIES

MAY 15, 1935.

The unexplainable action of the Senate late yesterday afternoon in passing the Clark resolution has made it more imperative than ever that our meeting in Washington next Wednesday, May 22, be turned into a one of indignant protest.

The immediate effect of the action of the Senate has acted to stir up the red blood of leaders of industry and business to demand a 2-year extension of an improved, enforceable, and efficiently administered N. R. A.

Our committee predicts the attendance will be three times as great since the Senate's action. One large industry has advised that they expect to have a minimum of 500 present. Pledges of attendance are coming fast.

Donald Richberg, Acting Chairman of the National Industrial Recovery Board, has branded the short extension of the act as passed by the Senate with the words "complete folly."

Enclosed is a copy of detailed instructions on the reduced railroad fares for your delegation. Notify the committee immediately of the maximum number representing your group and request railroad forms. It is impossible to properly complete arrangements until we have your definite commitment.

Our committee does not believe those who appreciate the necessity of a 2-year extension of an improved law which can be properly enforced will take this beating, as indicated by the Senate's actions, lying down. The time has come to take our stand in cooperation with others who sympathize with our views. You will have your opportunity at the meeting in Washington next Wednesday.

Additional details will go forward later. A report of a subcommittee on law on the Senate resolution will be ready tomorrow.

Drop all other duties until the largest possible representation from your group has been assured and advise us promptly.

Yours for quick action,

WARD CHENEY, Chairman.

Mr. VANDENBERG. Mr. President—

Mr. NYE. I yield to the Senator from Michigan.

Mr. VANDENBERG. Do I understand that this document is addressed to code authorities?

Mr. NYE. This letter by Mr. Cheney was addressed "to all code authorities." It is headed, "Memorandum to All Code Authorities."

Mr. VANDENBERG. In other words, it is addressed to a \$50,000,000 code authority pay roll in the country and a \$10,000,000 pay roll here in Washington?

Mr. NYE. I understand it is much nearer a \$100,000,000 pay roll than a \$50,000,000 pay roll.

Mr. VANDENBERG. So that in net result the code authority business itself has come to be one of the great industries of America?

Mr. NYE. That is true.

Mr. VANDENBERG. And one of the great burdens upon business in the country.

Mr. NYE. I appreciate the Senator's injecting that thought, because it is highly significant that these exhortations are addressed "to all code authorities." This memorandum begins by speaking of the "unexplainable action of the Senate" and calls for a meeting of "indignant protest." We shall doubtless be called upon on Wednesday to explain our "unexplainable action" and to listen to the "indignant protest."

The next paragraph declares that the red blood of the leaders is stirred and exhorts them to demand what they desire.

An exceptionally able and conscientious committee of the Senate, of which committee I am not a member, painstakingly and patiently listened for 7 weeks to facts and arguments presented by the proponents and opponents of the N. R. A. and reached a deliberate conclusion, which was approved by the almost unanimous action of the Senate. This conclusion was reached on the basis of facts and evidence. We are now to listen to demands. I shall speak in a moment of the sources of the demands.

The next paragraph declares that one large industry has advised that it expects to have a minimum of 500 present. Five hundred round-trip railroad tickets from New York to Washington, even at lobby rates, constitute an expensive proposition; and that, in all probability, is only a small item of the total cost. I understand that the committee has chartered a hall in Washington, and certainly it employs a clerical if not a propaganda staff to prepare and issue its instructions and demands.

Obviously the promoters of this scheme are well financed or have means of causing others to join in by a process known in code authority circles as a "great cooperative effort."

The next paragraph expresses complete approval of the utterance of Donald Richberg in which he branded the Senate's action as "complete folly."

Here is a declaration that "this beating, as indicated by the Senate's actions", will not be taken "lying down."

The concluding paragraph is this:

Drop all other duties until the largest possible representation from your group has been assured, and advise us promptly.

If all code authorities drop all duties other than the expression of this "indignant protest", how will the beneficent activities of the great cooperative effort be carried on in their absence from their posts of duty? From whom did Mr. Cheney receive his mandate giving him the power to order all code authorities to forsake their ordinary duties and dedicate themselves to this movement?

I find here a printed certificate issued by the Industry Committee for Extension of N. R. A., Ward Cheney, chairman, "form C. P. A. Exc." This entitles the holder, upon presentation to the carrier, to procure a reduced-rate round-trip railroad ticket to Washington and return. Appended to this form is a statement over the signature of the committee as follows:

3. Any number you require for your members will be supplied direct from this office only. Telephone or telegraph and they will be forwarded immediately.

So much for the aims and methods. Let us look a little further at the personnel behind this organized lobby, for that is what it is.

Of the general committee, 35 in number, all but 2 have New York addresses. Of these two, one appears to be in Greenfield, Mass., and the other in Providence, R. I.

In addition to the list of the general committee, on which I have commented, identified as "Mailing list A", I have here the other mailing lists of the committee. One of them is mailing list B, identified as "general code list." Mailing list C is the "code news list." Mailing list D is denominated "Supplementary mailing list." These lists contain a total of 176 names. All of them bear New York addresses except 13. Of the 13 exceptions, 10 have Washington addresses. These 10 are as follows: Mr. Donald Richberg, Mr. Sidney Hillman, Mr. Leon Henderson, Mr. Prentiss L. Coonley, Mr. W. Averill Harriman, Kiplinger Washington Agency, Whaley-Eaton Service, Mr. Marshall Coles, Mr. James O'Neill, and Mr. Quincy A. Campbell.

Apparently New York City code officials and employees are unanimously for a general extension of N. R. A., and are receiving some moral support from N. R. A. circles in Washington.

Mr. President, the Senate voted for a 10-months' extension of the life of this bureaucracy. That is plenty long enough. The Congress of the United States 2 years ago created a

Frankenstein monster which threatens our legislative independence. In the short space of 2 years this bureaucracy has grown to truly menacing proportions. The extent of the menace will be measured on Wednesday of this week by the numbers drawn to Washington by the insistence of their demands and threats and by the effect upon our legislative program.

Mr. LONG. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator from Louisiana.

Mr. LONG. Has the Senator accurate information as to how many sets of codes there now are?

Mr. NYE. I have not that information at hand.

Mr. SCHALL. Mr. President, there are 731.

Mr. LONG. I had understood that the number went up to 946.

Mr. SCHALL. No; I am very sure it is 731. One hundred and fifty brand-new crimes have been created.

Mr. LONG. Mr. President, with the Senator's permission, I should like to state that I was told that one of these codes had to be published in several volumes; that there now are some thirty-odd volumes in one of the codes. In other words, it looks as if some of them have to be issued as a series. One of these 731 or 946 codes consists of several volumes. If Congress should take a notion to examine that subject before we get through this debate, it might be a good idea for us to understand the comprehensive matter we are going to have to look into.

Mr. ROBINSON. Mr. President, will the Senator from North Dakota yield?

Mr. NYE. I yield to the Senator from Arkansas.

Mr. ROBINSON. Will the Senator state to which code he refers?

Mr. LONG. I was referring to all of them.

Mr. ROBINSON. The Senator said that there was one code which embraced several volumes.

Mr. LONG. I understand that there are perhaps 30 volumes of rules and regulations and provisions, all codified, in the case of one code.

Mr. ROBINSON. Which code is it?

Mr. LONG. I do not know which it is; but, from what I understand of the rules and the regulations, all of them have to be considered, the same as the book itself. May I inquire of the Senator from North Dakota whether that is so or not?

Mr. NYE. I cannot say.

In the act passed in 1933 there is not a syllable creating a code authority. Some 700 of them have been spawned. Lawfully or unlawfully, they are exercising prodigious powers. They have arrogated to themselves the power to impose taxes and levy tribute upon every industry. Their extorted revenues run into many millions of dollars each year.

Mr. President, I find upon examination of these lists of the industry and business committee that an overwhelming proportion of the names are of code authority officials, and particularly code authority secretaries. In almost all, if not in every case, these secretaries are paid retainers of the code authorities, which in turn represent in nearly every case the dominant element of "big business."

Mr. SCHALL. Mr. President will the Senator yield?

Mr. NYE. I yield.

Mr. SCHALL. I had occasion to figure out the extra cost to consumers in a little less than a year, and found it to be more than \$5,000,000,000.

Mr. NYE. I presume the Senator means the extra cost to consumers occasioned by the code set-ups?

Mr. SCHALL. By the raising of prices through the codes.

Mr. NYE. Coming back to the question of the code-authority officials who are represented in the organization leading the descent to be made upon Washington day after tomorrow, let it be said that the salaries of these individuals as secretaries or executive directors range from \$5,000 and \$10,000 to \$25,000 and more per annum. Does anyone wonder that they want N. R. A. continued? Does anyone doubt their motive in marching on Washington and demanding that the Congress bow to their will?

Mr. Cheney anticipates an attendance in Washington of formidable proportions. We are all aware that N. R. A. alone has some 3,500 or 4,000 employees, and those employees, even on ordinary days, have so little to do that they can drift in on one of Mr. Richberg's informal little talks.

Certainly, then, Mr. Cheney should be able to depend upon a good-sized nucleus for his meeting without importing a single rooter from outside the city.

In addition to the number that may be requisitioned from the Recovery Administration, we have seen Mr. Cheney's exhortation to all code authorities to forsake all other business, round up their storm troops, and march on the Capitol.

Mr. President, I believe no one will question the power of the code authorities to swell their own ranks of paid representatives with hundreds, if not thousands, of unfortunate business men who are in no position to resist the mandates of those groups which hold over their heads the power of economic life and death.

If my memory is correct, I believe the total annual budgets of the code authorities approximate \$100,000,000. Certainly the beneficiaries of that huge sum may be expected to fight to retain their title to this tremendous revenue.

I do not know and I do not charge that any of this money is being appropriated to finance this trip to the Capitol; but I think it would be a timely and relevant inquiry to determine if the representatives of code authorities and their paid employees are coming to Washington at their own expense, or whether their expenses are being defrayed by the moneys which have been collected and in many cases extorted from business men who have no connection with or representation on the code authorities.

Let me say, however, that I feel sure that those individuals who are not representative of or paid by the code authorities, but who are being dragooned to come here by the code leaders, are in all human probability paying their own way.

An examination of the Industry and Business Committee file shows that an overwhelming proportion of the leaders of this movement in the general committee and the subsidiary committees are identified with code authorities or with the N. R. A. In other words, Mr. President, this assault upon the Congress is by, for, and of the N. R. A. and the code authorities.

Its transparent purpose is to maintain code and N. R. A. bureaucrats firmly entrenched in their pay rolls, and to maintain "big business" in the saddle through the vehicle of the code authorities so that price fixing and the other devices of controlling or destroying competition may be perpetuated.

Mr. President, I had prepared a resolution to present, but I find that there are some errors in it which it will take some time to correct. It is a resolution calling upon the National Recovery Administration to submit to the Senate within 3 days information showing whether or not any individual or individuals included in the lists of those sponsoring the call for this meeting in Washington are or have been officials or employees of the National Recovery Administration, or officials or employees of any of the several code authorities, together with the total annual salaries or other compensation paid to these individuals from the United States Treasury or from the funds of the code authorities. I shall have to withhold the resolution until certain corrections can be made.

Mr. FRAZIER. Mr. President, since the subject of the N. R. A. has come up, I desire to add just a few words to what has been said. I had not, however, intended to submit any remarks on the subject at this time.

There have come to my office 333 of the postal cards referred to. Only 10 of the cards were for the continuation of N. R. A.

I have received a few letters from automobile dealers. The majority of the automobile dealers who have written me have been in favor of a continuation of the code, but a few of them are opposed to it. I desire to read just a paragraph from a letter from an automobile dealer:

The National Automobile Dealers' Association has requested us to write you, asking for your help in keeping the automobile code in effect. This would be against our personal wishes, as we are

not in favor of this code, and we believe the majority of the independent dealers feel the same way, as every one of the dealers whom we have approached on this subject have expressed themselves against the code.

That letter came from an automobile dealer located in the southern part of North Dakota. I have another letter from an automobile dealer in the northern part of the State, which would indicate that the two letters evidently had no connection. The automobile dealer located in the northern part of the State writes me as follows:

I am writing you to express my opinion of the automobile code, which I understand will come up before the Senate shortly.

As I see it, the code has not helped the car dealers in any respect, as ruthless competition, price cutting, and overallowances are as prevalent as before the code.

The only difference I see is the hundreds of dollars per year it costs the dealer to keep the code authorities on the pay roll. I was strong for the code at the beginning, but after its being in effect this long and falling worse every day, I think it is time it was knocked out.

Mr. President, I merely desire to offer these as typical of the expression of opinion of those who have written me.

Mr. ROBINSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from North Dakota yield to the Senator from Arkansas?

Mr. FRAZIER. I yield.

Mr. ROBINSON. As I understood the reading of the letter, the complaint of the author is that the code does not permit price fixing. The letter refers to the practice of price cutting among dealers, which means, of course, competition. Some complain of the codes because they are alleged to have permitted price fixing, while others apparently complain because the codes under which they operate do not permit price fixing.

Mr. FRAZIER. This dealer stated that he was in favor of the codes in the beginning, but seems to think they have not had the effect which was intended.

Mr. ROBINSON. He states the particulars, or, at least, one particular, in which he has been disappointed, and that is that competition among dealers still continues.

Mr. FRAZIER. Yes; price cutting.

Mr. ROBINSON. Yes; that is competition within limits.

Mr. FRAZIER. I noticed in another letter which I have from another automobile dealer that he complains that the codes are not being enforced. He indicates that it seems to be impossible to enforce them, judging from the experience they have had. He thinks it is not worth while to keep the codes in existence because they cannot be enforced.

PATRIOTS AND PROFITEERS

Mr. SCHALL. Mr. President, this is the eighth Congress and the sixteenth session since the armistice of 1918, since we first postponed the payment of our acknowledged debt of the petty wage of \$1 a day for service here and \$1.25 a day for service "over there" to the boys who offered their all to "save democracy" in the World War. The only obstacle to the payment of that debt to patriotism appears today to simmer down to the hard-boiled pride of the profiteers.

They seem determined never to acknowledge their debt to the men whose awful sacrifices in war made for these profiteers their billions. Every argument they have advanced has been answered over and over from their own records and by their leading authorities.

They know that the bill which passed the House three times and now has passed the Senate will reduce the public debt by cashing over \$2,000,000,000 of interest-bearing debt long outstanding.

They know that the proposed currency issue will cut down the country's interest burden by a total of over \$1,000,000,000, or at the rate of \$112,000,000 a year until 1945—a boon to taxpayers and a help in balancing the Budget.

They know that the currency circulation of today is less than in 1920, although the population is 20,000,000 greater, and they know that the gold reserve today is more than double that of 1920. And they know that this \$2,200,000,000 of new currency is not only needed but will stimulate every line of business in every hamlet in the land.

They know that our chief financial peril of today is bond inflation and interest on bonded debt, and yet they propose to substitute further bond issues as a substitute for currency in the hope that by further delay they may postpone the inevitable pay day.

During the past sessions of Congress during this administration, bill after bill has been railroaded through Congress advocating and pretending inflation, and 57 bureaus have been created, crops have been plowed under, pigs killed, processing taxes levied to the amount of \$800,000,000, "blue eagles" mounted by the million, and corn-hog and other checks distributed by the billion—all aimed at boosting prices by what they termed "controlled inflation." And now, when a real measure of direct stimulus to all business is voted by Congress, they shout "inflation", when the only inflation peril in sight is the bond inflation of \$12,000,000,000 or more, which they propose to increase.

If the President fears inflation, why did he draft and railroad through Congress something like 15 so-called "inflation acts" in 1933 and 1934—all fizzes, except in aiding the price boosts of monopoly by N. R. A. codes and in levying processing taxes to destroy business by increasing the costs of production? The effect of both of these unconstitutional delegations of legislative power was to depress most of the legitimate business of the country.

The immediate stimulus of the Patman currency bill, passed the other day, began with the very day of passage by the Senate—as shown by 4 successive days of steady and normal price advances, both in commodities and in prices of common stocks on the New York Stock Exchange.

This country will never have the confidence which comes from a clear conscience until it pays the debt for blood sacrifice to the boys in khaki brown—the debt on which it has postponed payment for 17 years. The country will never have certainty of aim or peace of mind until it settles that debt, and settles it right—without piling up further debt to curse the country.

The President tries to drown the memory of his dodging and ducking antics—drown the shame of his ingratitude—by going afishing. He backs and fills, bluffs and threats, then goes afishing to ascertain the sentiment of the people by a trip on the *Nourmahal* to consult Vincent Astor, who as a war profiteer realized a net income of over \$1,000,000 a year for each of the 5 years 1915-19, inclusive. He can listen to Astor 3 weeks at a time but refuses to listen at all to the 3,500,000 who fought to "save democracy."

He has demanded \$5,000,000,000 in one lump sum subject to his own allocation in the campaign period when he is candidate, and he says he will give relief to 3,500,000 workers with that \$5,000,000,000. However, to pay the debt of the Nation and afford a long-delayed relief to the 3,500,000 veterans who fought to "save democracy" at \$1 a day for home service and \$1.25 a day in Europe, and pay that debt in a currency issue involving no taxation, and amounting in all to a total of only \$2,200,000,000, is more, he insists, than the country can stand.

Five billion dollars for the President's own campaign is national recovery, together with one and one-half billion dollars left over from last year's appropriation, and prospect of another \$5,000,000,000 next year. However, a small fraction of that great amount, with which to pay the campaign wage of the veterans, is more than the new deal can stand—unless there is attached to it a bond issue as a bonus to the coupon shearers.

The distinguished Senator from California [Mr. McAdoo], for 6 years Secretary of the Treasury under a former Democratic Administration, tells us that the so-called "inflationary" danger of this currency issue will be about as great as to throw a shovelful of sand into the sea.

Neither the Governor of the Federal Reserve Board, Mr. Eccles, nor the financial head of the R. F. C., Mr. Jones, see any inflationary peril in this currency issue.

The distinguished Senator from Idaho [Mr. BORAH] calls our attention to the sound precedent set by Great Britain during the past 2 years of issuing currency to reduce the public debt.

In short, the one obstacle to the final payment of our veteran debt in currency, as the soldiers request, appears to be as I first stated—the obstinate pride and ingratitude of the profiteers who are determined that no recognition of their debt to the veterans for the billions reaped from war profits shall be registered by the Government of the United States. Thus an old adage of history repeats itself:

Greatness despises its stepping stones.

Those of great wealth, with enormous war profits, depise the men who by sacrifice in war were the stepping stones of 20,000 new millionaires and several score of billionaires. Here is the secret of these 17 years of ingratitude to the 3,500,000 American survivors of the World War.

The attitude of profiteers like Vincent Astor, who reaped an income of a million a year for each of the 5 years, 1915-19, seems to count for more at the White House than the voice of the people as registered in the passage of the Patman bill by overwhelming majorities in three successive sessions in the House, and now in the United States Senate.

When the patrician wealth of Rome, which reaped the fruits of conquest won by its fighting farmers of the rural districts, refused to reward the veterans by yielding to them enough land even to feed a goat or plant a vineyard, the conquering veterans deserted Rome and won their homesteads in the forests of the North and West, even as far as the Baltic and North Sea—and Rome was left without defenders, except a worthless rabble fed on doles by such politicians as Cataline. It was then that Rome fell.

When Nero found the veterans gone, he vented his spite upon the Christians and slew them by hundreds, and then to calm his thoughts went out on a hill to fiddle.

After the Patman bill passed the Senate the other day, the local press tells us the President went to fish in an artificial pond up in the hills of the Blue Ridge, with a distinguished escort of statesmen and secretaries, where he caught in daylight hours some fish planted there by the Government, and then in the evening was solaced by the music of a renowned fiddler, Mr. Vandergoshen, who played Turkey in the Straw. So now let us not be surprised to learn that Turkey in the Straw was the tune which Nero played while Rome burned, whereby history now repeats itself.

One word more. The stock argument which we have heard for 17 years from those who opposed, first, any payment of the veteran debt, and, second, opposed any payment before 1945, is this—that we should not pay for patriotism. I am wondering how many of these patriots stick to their text with regard to their own pay for patriotic service. Would they be satisfied even with the patriotic pay of \$1 a day at home and \$1.25 abroad?

Many of these patriots demand for themselves a salary of \$10,000 to a million a year, besides their war profit. The first statement which these patriots offer should be: "Take my own case. Look at my salary. Look at my war profits. Look at what Uncle Sam does for me in the way of patronage plums—for me, a patriot. Look at my tax-exempt income from shearing interest coupons. Look and weep for me, a patriot!"

And our poor Vincent Astor, rear admiral of the flagship *Nourmahal*! Only a million a year in war profits for 5 years in a row! Look at Vincent, host of the man who writes the White House veto. Then look at that armorial sign of the "new feudalism" behind the veto: "In hoc signo vinces"—"Under this emblem you will conquer."

THE PERIL OF BONDED DEBT

Mr. President, every monarchy, every dictatorship, is built on bonded debt, and is promoted and extended by constant issues of government bonds, or government deficits converted into bond issues—the insignia of bond slavery.

All the wars of modern history, all the spending orgies of ancient dictatorships and empires, were built on bonded debt. Even the World War, into which we were dragged to "save democracy", was not agreed upon until consent was given by the Rothschilds, by Lombard Street, and Wall Street, that they would finance it and accept a bond mortgage debt upon the lives and property of the countries en-

gaged, to the amount of \$100,000,000,000 or more. Bonds bought the World War and all the blood and ashes thereof.

Henry Morgenthau, Sr., father of Henry Morgenthau, Jr., our present "greatest financier since Hamilton", has testified that Wall Street's consent to join Paris, London, and the Rothschilds in financing a world war was known in New York as early as May 1913, or over a year before the war was precipitated by the hiring of an assassin to fire into the cab of the Austrian grand duke on the Serbian border.

The concrete reasons why monarchy, or any other style of imperial autocracy, relies upon bonded debt for maintaining its hold upon a subject people is plain enough, namely:

First. Bonded debt is a mortgage debt, not only upon the living generation, but upon the generations to come. In order to make temporary war and emergency powers permanent, you need only a permanent debt to keep the people in permanent subjection under the sovereign power to tax.

Second. Bonded debt means the unlimited extension of the sovereign power to tax, which, as John Marshall told us in the famous United States Bank case of 1819, is "the power to destroy."

Third. Bonded debt divides a people into classes: A tax-exempt feudal class who control the Government and a tax-bearing industrial class who are subjects of government.

Fourth. The "power to destroy" by seizure of private property, confiscation of the fruits of industry, under power of taxation, represents the supreme power of autocratic government, whether the autocrat be king or dictator, or a permanent dictator called emperor.

Bonds place in subjection the people of the country to the Federal Government and its swarm of patronage hunters, bureaus, and barnacles, "brain trusts", and ballyhoosers, court favorites, and tax collectors.

Bonds are well named. They are chains upon the limbs and weights upon the backs of industry, which pays not only the wages of honest labor and the costs of living, but pays the interest bill to the coupon-shearers and the tax levies to support the Government tools and political agents of the bond coupon-shearing conspiracy.

The peril menacing American liberty and this Republic today is the peril of bonded debt, which, authorized today to the amount of \$40,000,000,000, imperils every industry in the United States except two. These two are:

First. The bond interest coupon-shearing industry, which we make tax-exempt.

Second. The Government manufacture of bureaus and political jobs under a Tammanyized spoils system maintained by taxation of industry under the sovereign "power to destroy."

Mr. President, one of the duties for which the Senate is here assembled is to meet our long-standing debt to the veterans who in 1917 offered their lives, liberty, and pursuit of happiness, as a blood-sacrifice upon the altar of the god Mars, sometimes called "Moloch", through our blundering misconception and misdirection in the War Act of 1917.

In behalf of that war service, and its 350,000 American casualties and a war-disabled and dependent list of 1,200,000, we, in our amazing generosity of 10 years ago, decided that they were entitled to a wage of \$1 a day for service in the United States and \$1.25 a day for service on the French front as the American mercenaries of European war powers and international bondholders and munition makers.

But we did not pay those khaki boys promptly in cash, as we paid the profiteers of war. No! Though the profiteers got theirs in billions, cash down, sometimes in advance, we told the veterans who "saved democracy", that they could have theirs in 1945—by which time most of them might reasonably be expected to be under the sod, as Wall Street hoped.

We gave them adjusted-service certificates payable in 1945, which, while called a "soldier bonus", are in fact simply a bonus to the life insurance companies and the interest-

coupon shearers. And if we now, under the Patman bill, call in and cash these certificates, we commit the capital offense of cutting off the tax-exempt incomes of these coupon shearers—unless we pass the Vinson substitute, providing for another bond issue. That is the question now facing us, under the threat of a White House veto.

Bond issues serve three concrete ends, all filled with peril to American industry and American liberty:

First. They create a preferred class of tax-exempt beneficiaries who, in practical effect and influence, control the Government by controlling the financial foundation and current credit on which Government operation rests.

Second. Bond issues make the coupon-shearing industry, through tax exemption, the leading American industry, because the entire cost of Government is thrown upon legitimate productive industry, which has to support both the Government and the population.

Third. Bond issues afford the opportunity of autocratic government to build itself up by arrogant irresponsibility and appropriation demands to subsidize and corrupt a nation, and not only exhaust the revenue-yielding powers of existing productive industry, but tax the generations to come, and thereby build up an imperial bureaucracy that saps the country's resources and destroys its liberty.

Give any administration the unbounded power to expend billions in bonded debt—which means the power to tax the generations to come to support the present Government machine—and you give it the power to regiment and crack down every productive activity, and destroy government by the people.

There is not a Senator sitting in this Chamber who does not know—as two former Secretaries of the Treasury, the Senator from California [Mr. McAdoo] and the Senator from Virginia [Mr. Glass], have warned us—that the bonded-debt peril, the irresponsible squandering of billions beyond our means to pay, is already the outstanding menace of the United States today.

This menace of irresponsible finance—which has added \$14,000,000,000 to our public debt and accumulated deficits in the short period of 2 years and 2 months of a new deal, in planned emergency—is the basic fiscal cause why industrial production and investment expansion in the United States have declined during the same period in which the industries of Canada and Great Britain have expanded.

Government-bond expansion has taken \$3,000,000,000 of loans from industry since 1932 and transferred these billions to the idleness of that mountain of frozen assets called the "public debt."

We have piled up the public debt already until the interest burden exceeds collections of income taxes. This means that our annual payments to the coupon shearers exceed our tax collections from productive industry. Any private corporation run on such a reckless and irresponsible policy would be thrown into a receivership on petition of the stockholders to the court.

No man in the Senate Chamber needs to be told of the present menace of the bond-inflation insanity. Our inflation danger is not currency inflation but bond inflation. We have contracted our money circulation by withdrawing from circulation \$8,000,000,000 in gold—the greatest monetary contraction in history—and our total currency circulation per capita is far under that of the prosperous year 1919, when our gold reserve was less than half what it is today.

Our inflation danger is bond inflation, already billions above the World War peak, and rising higher every time the White House sends over a mandate for huge sums to be expended subject to the allocation of the Executive.

Through investment fear and uncertainty, under the black shadow of this towering mountain of public debt, investment in the common shares of industrial, railway, and utility stocks in 1934 was 100,000,000 shares less than in 1932—and this is on the New York Stock Exchange alone.

Investors realize that mountainous public debt means mountainous and long-sustained taxes to meet the interest burden. Therefore investors are shunning the industries that pay the taxes, and are either going over to the one tax-

exempt industry—the coupon-shearing industry—or moving themselves and their holdings abroad.

Recently the press announced that two large houses—one of them a Morgan and the other a Vanderbilt—were selling out and going over to England, which today shows a balanced budget and a treasury surplus.

Report from a Washington brokerage house is to the effect that two other fortunate holders of local capital have discovered another method of escape from pending financial irresponsibility; they are building vaults on their country estates and depositing therein platinum, which has not yet come under Government ban. And they are not telling the Government or the underworld where those vaults are located.

The difference between the bond issue favored by the White House and the currency issue voted by the Senate is simply this:

The bond issue has an interest coupon attached to it which calls for yearly increase of taxation upon productive industry, and the further expansion of the coupon-shearing industry, which employs no labor and pays no taxes.

The currency issue has no interest coupon attached to it; no bonus to the coupon shearers; no increase of taxation; no mortgage upon the people; no chain and shackle of bond slavery; but, on the other hand, it will wipe out an outstanding debt of \$2,000,000,000 in interest-bearing adjustment-service certificates. This greenback issue will reach directly every hamlet in the land, wherever there is a veteran or dependent family, pay their bills to stores and shops, pay for clothes for needy homes, school books for the children, doctor and drug bills for the sick, and be a real measure of work relief for the men we sent "over there" to "save democracy."

Have we come to the pass where we cannot even pay our veterans their \$1 a day or \$1.25 a day to fight for their country, unless we put the payment in the form of a bonus to coupon shearers?

Is there only one industry in the United States for which we have governmental concern—and that the coupon industry, to which we grant the special privilege of tax exemption?

What kind of logic is that which in 2 years and 2 months of bold experiment piles up \$14,000,000,000 of debt and deficits and Executive allocations—all calling for bond issues representing the greatest bond inflation in the peacetime history of the world—and then complain at an appropriation of \$2,200,000,000 to meet the blood wage due the veterans unless that wage carries a bonus to the bondholders?

When July 4, 1936, arrives we shall have an interest-bearing debt of \$36,000,000,000, or \$10,000,000,000 above the World War peak, and \$17,000,000,000 above the interest-bearing Federal debt on July 4, 1932.

On that Independence Day, 1936—a day which the present Executive and his brain trust do not honor, except possibly to go fishing on the flagship *Nourmahal*—we shall appear before the people of our respective States and there, under the folds of the Stars and Stripes, and under no insignia of monopoly-beaked Blue Eagles, we shall render the account of our stewardship to the boys who fought for us, to the taxpayers on whom we have foisted a bond-interest burden of \$1,000,000,000 a year, and to the farmers and home makers who eventually will pay in added cost of living and added cost of production all of this interest burden pyramided 25 to 50 percent.

What will we have to show for this orgy of bond inflation? Shall we shout the false claim that we have added to employment in productive industry? Then let us explain this statement of fact by the American Federation of Labor:

In April 1932 the unemployment total of the United States stood at 7,000,000, and on April 1935 it had jumped to 11,500,000.

In other words, we shall tell our home folks on July 4, 1936, if we are truthful and trustworthy representatives of their will: "I forgot my stewardship to you, and I obeyed the mandate of the White House. So I voted to boost your bond burden by 80 percent and your unemployment army by 64 percent while increasing your taxes to meet bond interest by 66 percent."

We may seek an alibi in trying to show what we have built up with that bond mortgage. We may have a tale like this, if we have the time to look over the never-ending catalog of bold experiments: We have produced 57 new bureaus and 13 new commissions and added 200,000 bureaucrats and barnacles, buccaneers and ballyhooers to the Executive patronage—under our 1932 platform pledges to cut down this Federal patronage by at least 25 percent.

We have increased the number of public charges on Government doles from 10,000,000 in 1932 to 22,000,000 in 1935—until one-fifth of the one-time self-reliant and independent people of the United States are singing with the old lady in the poem of Will Carleton:

Over the hill to the poorhouse, the busted, bond-inflated United States Treasury, I'm trudgin' my weary way, while surrendering my homestead to Corn Wallace, of Porktown, in exchange for a corn-hog check.

Somebody read to me the other day the list of war profiteers compiled by the Senate Munitions Committee, the profiteers whose annual incomes exceeded \$1,000,000 a year during the years 1915 to 1920. I still remember some of those names. One thing was plain: This was the list of those patriots, largely having Wall Street offices, who thought that \$1 a day for a soldier at home and \$1.25 a day for a soldier abroad was too much; that payment even in 1945 was too soon; and that if any payment at all was made, it should have a mortgage-string attachment as a bonus to the coupon shearers.

Here are some of the names that stuck in my recollection:

At the top of the list of \$1,000,000-income recipients were three members of that family of feudal barons—the Astor family. There was John Jacob Astor, New York City. There was Waldorf Astor, New York City; and there was Vincent Astor, New York City, the rear admiral of the President's flagship *Nourmahal*.

I thereupon recognized what the President meant when he recently told the press that Washington, D. C., was a poor place in which to listen to the voice of the people. In order to learn the true sentiment of the people of the United States he had to spend 3 weeks talking to Admiral Astor on the deck of the *Nourmahal*.

Running down the list to the letter "D", I caught the names of six members of the du Pont family—all in Wilmington, Del., where the President's Cabinet members and bureau chiefs have incorporated themselves under charters of perpetual existence to give life tenure to their 2-year emergency powers, and then by the one-over-one policy of Fabius Maximus expand these emergency powers to the government-ownership program of the Soviet General Council.

Coming down the list to the letter "M", I caught the name J. P. Morgan, New York, who pays income taxes in Paris and London and charges to his American income the planned losses. Morgan, it seems from press reports, is selling out his American possessions and moving over to London, where the Government has a balanced budget and is reducing its bonded debt and taxes instead of piling them up as a threat to industrial expansion. He is playing safe—taking no chances against that day of financial judgment, the inevitable payday to which all nations, as all men, come sooner or later, when debts must be met in taxes or repudiated by revolution.

Then I come down the list to the letter "R" and here the names of three Rockefellers of New York City, who recently gave \$1,000,000 to build a new office for the League of Nations at Geneva, while protesting that the veterans who built up the Rockefeller fortunes by billions in the World War should wait for their \$1.25 a day till 1945.

Finally I get down to the letter "V", with two Vanderbilts who spend most of their time in Paris and the Riviera, and the letter "W", with two Whitneys, famed for race horses, as the Astors for yachts and fishing.

I look in vain through the "B's" for the name of that great munitions financier and Rothschild liaison man, Barney Baruch, the reason being, I am told, that the records of his incomes during the war period were conveniently de-

stroyed so that no one would be able to question his version of his great, patriotic sacrifice for his country as contact man between Europe and Wall Street and between Wall Street and Washington.

I note that Vincent Astor, who owns the White House magazine *Today* and the President's fishing yacht *Nourmahal*, derived a net income of \$1,000,000 or more a year for the entire period 1915 to 1919, inclusive, or 5 years of the \$1,000,000 a year war income. This is what makes him such a high authority when the President desires to know ex cathedra the voice of the American people with regard to the wisdom of paying the veterans \$1 a day for service at home and \$1.25 for service abroad. If the Senate wants to know the facts regarding the voice of the people, let them follow Roosevelt and go fishing with Admiral Astor.

This \$2,200,000,000 of the greenbacks, such as those which won the Civil War, will bring joy to 3,500,000 American patriots and their home folks. That is all the administration claims for the \$4,000,000,000 in one sum subject to the allocation of the Executive in his emergency of 1936. Which is more American—\$2,200,000,000 for patriotism or \$4,000,000,000 of bonds for politics?

After a reduction of our circulating medium by withdrawal of \$8,000,000,000 of gold and by further contraction of currency all along the line, except a slight expansion of silver, the people of the United States will be glad to see once more those old United States notes—with no mortgage coupons attached either to the notes or to their taxes.

Yes; they are printing-press issues, as are all the money issues of the United States, and all the bonds. But they are honest pay-as-you-go issues and pile up no interest-bearing debt for your industries, your homes, and your children and children's children to pay in the years to come.

They have been due since November 11, 1918. We can spend billions on bold experiments, billions at the suggestion of "brainless trusts", billions to destroy the pigs and corn, the cotton and wheat. Why not pay our debts now, in the year 1935, to these 3,500,000 veteran boys and dependents whose work relief in 1917 was freely given to their country and flag in patriotic service, and why not pay them in the honest-to-God currency of Uncle Sam, without a coupon or a bond chain attachment to curse the memory of this day?

Finally, bear in mind, you who support the bond issues of the "brain trust" and Blue Eagle era, there is not a bond issued by this administration that can hold up its head and say: "I know that my redeemer liveth."

They are redeemable in nothing but the wind of irresponsible ballyhoo. And they are already discredited by the baby bond, which sells at \$18.75 for a \$25 infant—a discount of 25 percent—because of their birthmark of infantile disability.

SHALL WE DISCHARGE OUR DEBT?

Mr. President, shall we discharge our debt to the veterans without an interest-coupon attachment, and save taxpayers over \$100,000,000 a year paid to coupon shearers?

By a currency issue, cashing the veteran certificates now, a part of our mountain of public debt, we shall save the country a compound-interest burden which between now and 1945 will exceed \$1,000,000,000.

Shall we discharge our soldier debt, as we have already discharged our soldiers, and not keep them waiting till 1945 when most of them will lie in Flanders fields scattered throughout the States?

Thomas Jefferson, in a letter to Samuel Smith in 1823, declared that the necessity of adding annually to our debt by new loans was ruinous. Yet that same ruinous necessity is urged upon us as a substitute for the currency plan adopted by an overwhelming majority of both Houses of Congress.

"Discharge of the national debt" was the theme of Jefferson's letter to Elbridge Gerry in 1799, and to accomplish that end Jefferson declared:

I am for a government rigorously frugal and simple.

What would Jefferson think, if he were alive today, and looked upon a debt orgy of billions, adding a new alphabetical bureau every second week since March 4, 1933, pat-

ronage additions by hundreds of thousands, and then, to cap the climax, a President demanding for his own allocation in one campaign year a lump sum greater than the total annual revenues of the Government?

In his first inaugural message in 1801 Jefferson declared for—

Economy in the public expense that labor may be lightly burthened I deem one of the essential principles of our Government and consequently one that ought to shape its administration.

Jefferson's second inaugural address in 1805 discloses how he had rid the Government of tax collectors covering our land with officers. He would have been interested in the new-deal creation of 57 new alphabetical bureaus and the levying of \$800,000,000 of processing taxes by the minions of the A. A. A. Jefferson said:

The suppression of unnecessary offices, of useless establishments and expenses, enabled us to discontinue our internal taxes. These, covering our land with officers and opening our doors to their intrusions, had already begun that process of domiciliary vexation which once entered is scarcely to be restrained from reaching successively every article of property and produce.

If you would take all the unnecessary offices, the useless establishments, and expenses, the swamp of Federal officers opening our doors to their intrusions, as they existed in Jefferson's time, and multiply the total that afflicted the land in 1805 by about 1,000 you would approximate the alphabetical bureau patronage that today cracks down American industry under 730 N. R. A. codes, threatens American liberty with jail and fines under 151 new edict-made crimes, plows under the growing crops, slaughters 6,500,000 pigs and 200,000 breeding sows, levies processing taxes to hamstring every industry that furnishes a home market to the farm, and piles up \$15,000,000,000 of debt and deficits and Executive allocations that threaten as an avalanche not only all productive enterprise today, but the taxpaying income and industry of the generation to come.

The autocrat of the new deal recognizes, as appears in his messages to Congress, only two classes of public service in which to practice economy: First, those who serve the Nation by offering their lives on the battlefield; second, civil-service clerks not appointed by him. For these two classes not created by him, he plays a penny-ante game of drastic economy. For all the rest of the vast executive bureaucracy, the most gigantic patronage army known to government on earth, he plays the game according to the rules of Tammany Hall, with the sky as the limit of debt and deficit and doles and bond-delirious debauchery.

Does the Senate recall the first so-called "economy" proclamation of March 10, 1933, just 6 days after the inauguration? What was the first chapter in that program of new-deal economy? Look at that chapter head. It is expressed in one word, "Veterans."

Roosevelt had discovered that in the fiscal year 1931 there had been a Treasury deficit of about \$400,000,000, or one-tenth of the amount of the yearly deficits now prevailing, and that in the fiscal year 1932 the deficit was something over \$2,000,000,000, which represents the deficit total for only the first 6 months of the present fiscal year. Therefore, he finds:

For 3 long years the Federal Government has been on the road to bankruptcy.

The Treasury deficits under 2 years of the new deal represent an aggregate total three times that of the entire 4 years of the preceding administration. If 3 long years of the depression up to the inauguration of Roosevelt showed the Federal Government on the road to bankruptcy, what shall we say of the \$12,000,000,000 of accumulated deficits produced by new-deal bold experiments with industry and the Constitution?

The Roosevelt method of balancing the Budget by measures of economy, began by cutting down one-half, first, the pensions of disabled veterans, and second, by a cut of 15 percent in the civil-service lists of clerks not appointed by him.

As in March 1933, so in May 1935, Roosevelt still sees red whenever he sees a veteran, and begins to shout economy.

If Congress votes for a true economy by issuing currency to pay off the veteran debt today and save \$1,000,000,000 in accruing compound interest, he comes here with a veto, and demands a further addition to our debt in new bond issues, a practice which Jefferson denounced as ruinous.

"Discharge the national debt", said Jefferson, and following that American precept of wise and true economy, both House and Senate have passed this Patman bill.

The White House prefers the method described by Jefferson as ruinous, the method of adding annually to our debt by new loans.

Declared Thomas Jefferson in a letter to Kercheval, 1816, in summing up the evils of debt and patronage in the Federal system:

We must make our election between economy and liberty or profusion and servitude.

Little did Jefferson dream that the day would come in this Republic when profusion and servitude would be the Fabian policy of the party which claimed him as godfather.

During Jefferson's first term, in 1803, he wrote to M. Pictet concerning the dangers to democracy of arming the Executive with patronage powers and what today are known as "doles." Jefferson wrote as follows, and thereby laid down the principle which may yet be the issue of 1936:

We are endeavoring to reduce the Government to the practice of a rigid economy to avoid burdening the people and arming the magistrate with a patronage of money which might be used to corrupt and undermine the principles of our Government.

Read that and then read the Roosevelt message of January 1935 demanding \$5,000,000,000, or two billion more dollars than the total annual revenue, subject to the allocation of the Executive.

In the Jeffersonian simplicity of the new deal of 1935, to discharge the veteran debt of \$2,200,000,000 is ruinous, while \$5,000,000,000 of Executive allocation to meet the emergency of the 1936 campaign is national recovery.

We are asked to become particeps criminis to this ruinous policy of mounting debt and Executive patronage, of bond issues and interest coupons, and march in goose step under the banners of a million Blue Eagles to sustain a veto, uphold the policy which Jefferson declared ruinous, and by grant of further bond issues accomplish what Jefferson described 130 years ago, as—

* * * burdening the people and arming the magistrate with a patronage of money which might be used to corrupt and undermine the principles of our Government.

Of course those who still stand 100 percent for their pre-election promises:

To discharge the debt by paying it off;

To reduce the cost of Federal Government by not less than 25 percent;

To maintain the national credit by a Federal Budget annually balanced;

To afford the fullest measure of justice and generosity for all war veterans;

To condemn the usurpation of legislative power by executive departments and bureaus;

In short, those Members of Congress who stand for cutting off the coupon strings to Wall Street and the patronage strings to Tammany Hall, to discharge our debt to the veterans once and for all, and restore the Government to the people by a return to Jeffersonian and Abraham Lincoln principles, have no obligation to sustain this new-deal veto.

The constituency which we represent resides neither at the White House nor on Wall Street. Our people reside in their respective States. The sovereignty which we are sworn to uphold is the 48 sovereign States. We are 100 percent for them, not only before election, but after election and now. If 4,000,000 doughboys have the courage to cross the sea and face the cannon of Europe, we shall not shrink from our plain duty to face a veto club.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the

House had passed without amendment the following bills of the Senate:

S. 82. An act to authorize the disposal of surplus personal property, including buildings, of the Emergency Conservation Work;

S. 1222. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

S. 1342. An act to revive and reenact the act entitled "An act granting the consent of Congress to Board of County Commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn.";

S. 1680. An act to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof; and

S. 1987. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.

NAVY DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes.

Mr. NYE. Mr. President, I am about to request a postponement of further consideration of the pending naval appropriation bill; but before moving in such a direction I desire to call certain facts to the attention of the Senate.

A very considerable part of this appropriation is for new-ship construction. In the light of the manner in which the shipbuilders have been plundering us during late years, it seems to me we ought to provide such safeguards as we can against any continuation of the process which has prevailed.

The Committee Investigating the Munitions Industry has studied the shipbuilding matter extensively. It has not yet had time to complete summarizing its findings and formulating its recommendations. A few more days would enable us to report formally to the Senate.

It seems to me there is no great urgency about the passage of the naval appropriation bill, and that the committee might be afforded a chance to submit to the Senate in formal and final order its recommendations, and such suggested amendments to the pending bill as may be called for.

Of the findings of the committee, let me recite but a few which stand out in my mind as being deserving of consideration in connection with the pending appropriation bill.

First, it has been found that there has been no real or reasonable competition in bidding for major naval construction since 1927; and in 1933 and 1934, at a time when over \$183,288,000 of work was awarded to private yards, a sellers' market prevailed entirely, of which the shipbuilding companies took full advantage.

It has also been found that because of this lack of real competition the price of naval ships built in private yards has been altogether too high.

Again, the Navy Department did not use the navy yards as yardsticks to measure the costs or efficiency of the private yards, although they could easily have served this purpose.

It has also been found that the designing of certain types of vessels by certain private yards, or combinations of yards, has made the Navy dependent upon these private yards.

At least one shipbuilding company invoked a war scare to influence Congress—a war scare that they urged through the newspapers of their State—to encourage the enactment of a large spending spree for the Navy for more ships.

It has also been found that the shipbuilding firms are in a position to profit by the failure of disarmament conferences, and by all the agitation for increased armaments, and have so profited. They helped bring about the failure of the Geneva Conference in 1927. Since 1927, naval construction amounting to over \$305,266,000 has been awarded to private shipyards.

The failure of the executive and legislative branches of the Government to define the size of an adequate defensive Navy leaves the way open for financially interested groups

to lobby for their own interests in the name of patriotism, quite regardless of whether or not the result is a costly offensive Navy.

Again, it has been found that the rush of awards in 1933 and 1934 created a situation which resulted in overcrowding of the yards and designing departments, with a consequent delay in construction.

Again, it has been found that the combined shipyards have succeeded in securing from the Navy important changes in the form of their contracts, together with concessions on fines for delays in construction.

The combined yards have carried on a consistent attempt to discredit the navy yards, one company official even preferring no naval construction at all to having it done in the navy yards.

Mr. KING. Mr. President, will the Senator submit to an interruption?

Mr. NYE. I am glad to yield to the Senator from Utah.

Mr. KING. Was any evidence adduced before the Senator's committee showing, first, the capacity of the Government yards for the construction of such vessels as our appropriations call for? Secondly, was any evidence adduced tending to show that construction in Government yards is as cheap as construction under private contracts?

Mr. NYE. As the debate progresses, I think it will be possible to present in very thorough and detailed manner the experience of the Government yards in ship construction. As to the capacity of the navy yards, the committee has not yet completed the study which it intends to make in that direction. However, it should be said that at the moment the navy yards are all choked, and at the present time a showing could be made by the private yards that the 50-50 basis of shipbuilding should not prevail from now on, because the navy yards already have more work than they can handle. Then, too, the reason for this choking can be shown. The navy yards are utterly dependent upon the private yards for the designing. They cannot do any shipbuilding until the private yards are ready to submit to them the final plans and designs; and I know the Senator from Utah is going to find large interest in that subject when it is laid before the Senate. I am appealing at the moment for a delay in the further consideration of the pending appropriation bill for only a matter of a few days until the committee can put its report in final order and place it before the Senate.

Mr. KING. Mr. President, will the Senator permit another question?

The PRESIDING OFFICER. Does the Senator from North Dakota further yield to the Senator from Utah?

Mr. NYE. Yes.

Mr. KING. Has there been any prohibition by law or any regulation upon the part of the Navy Department against the Government yards or men in the Navy providing the plans, so that the Government-owned yards might proceed upon the basis of plans submitted either by their own designers or by those who are in the Navy Department?

Mr. NYE. I should have to refresh my memory on that subject before speaking with any authority at all; but, off-hand, I have been impressed by the testimony of naval officials that they were quite content to leave things just as they are, with the Navy dependent upon the private yards for their designs.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. NYE. I am glad to yield.

Mr. VANDENBERG. If we can rely upon some of the correspondence of the private shipbuilders—and I say "if", because I have grave doubts about some of the things they have pretended to say in their own correspondence—if we can rely upon it, not only is there in evidence a direct disposition on the part of the Navy Department to encourage construction in private yards and the allocation of construction to private yards as against the navy yards, but there is in evidence an actual invitation to the private shipbuilders to get together for the purpose of doing that precise thing.

Mr. NYE. Of course, there is; and I thank the Senator for his interruption.

The findings of the committee reveal that the shipbuilding companies are united with the steel companies, the manufacturers of generators and electrical supplies, the manufacturers of boilers, and other suppliers in their interest in a constantly larger navy and a constantly larger merchant marine. These groups, taken together, have exerted a very considerable political influence.

Again, the revelations show that the rush of business dumped into the yards in 1933 and 1934 resulted in higher bids for no other reason than that there was plenty of work to go around, according to the testimony of company officials.

Again, it is revealed that the experience of the Government with the major private shipyards at the time of a national emergency in the World War showed that the companies secured large profits; that they secured cost-plus contracts and added questionable charges to the costs; that they took profits on these ships after the war taxes had been repealed; that they secured changes in contract dates to avoid war-time taxes; that they did most of the war-time construction after the war was over; that in one case a yard built additions only under threats of being commandeered; and that after the war the yards bought for a song additions to their yards built at Government cost.

Again, the disclosures have been to the effect that the shipbuilding companies spent \$250,000 on a lobby to secure the passage of the Jones-White Merchant Marine Act, which provides Government subsidies to shipowners, and also provides that in a national emergency the private owners may sell the ships to the Government at more than their original cost to the owners.

Another revelation is that one company, the Electric Boat Co., has a practical monopoly of patents on submarine construction. It has been actively engaged in attempts to influence Congress and the departments.

The shipbuilding companies, together with other Navy contractors, have met and endeavored to increase their costs to avoid the effect of the Vinson Act, limiting profits to 11.1 percent of costs. One of these officials stated—and I am now quoting him—"If we stand together, we will be stronger than the Bureau of Internal Revenue."

Another revelation is that no effective provision is in force to check up the costs of private shipbuilding companies under the Vinson Act, limiting profits on naval construction.

A few days' delay would enable the committee to recommend amendments which would certainly strengthen the hand of the Government in dealing with the shipbuilders and in greatly decreasing the cost of our national defense.

Mr. KING. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. KING. It seems to me that the point which the Senator is now making calls for a larger attendance, because it is an appeal for a delay for a few days in order to receive information not immediately available from the Munitions Committee, which appeal I feel ought to be made to a larger attendance.

Mr. NYE. I suggest to the Senator that that may not be necessary. At least before we make that an issue, I think it would be well to wait and see what might be the pleasure of the Senator in charge of the pending appropriation bill with respect to it.

I should like to add, in that connection, that, though the committee is not prepared to do so, I and other members of the committee are prepared now to offer certain amendments, but naturally we would all much prefer to await the time when they could be presented possibly as amendments in which the entire Munitions Investigating Committee could concur. It seems to me it would be better to refer the amendments which are proposed to the committee, and have the bill recommitted to the committee for the consideration which I am sure the committee itself would think they merited.

Mr. KING. If the Senator will pardon me, I only had in mind giving him a larger audience, because the matter is so important. I think we ought to have a quorum present.

Mr. NYE. Before a quorum is called may we hear what is the pleasure of the Senator in charge of the bill in this respect? Is he going to insist upon proceeding with the bill?

Mr. BYRNES. The Senator from South Carolina certainly intends to proceed with the consideration of the bill, so far as he is concerned. I understand that the Senator from North Dakota says he has certain amendments to propose, and whenever the proper place in the bill shall be reached I presume he will offer the amendments, and they will be considered by the Senate. Ample time will be afforded for their consideration. We can discuss them, and the Senate then can express itself on the amendments.

Mr. KING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Radcliffe
Ashurst	Couzens	Logan	Reynolds
Austin	Dickinson	Loneragan	Robinson
Bachman	Dieterich	Long	Russell
Bailey	Donahay	McAdoo	Schall
Barbour	Duffy	McCarran	Schwellenbach
Barkley	Fletcher	McGill	Sheppard
Bilbo	Frazier	McKellar	Shipstead
Black	George	McNary	Smith
Borah	Gerry	Maloney	Steiwer
Brown	Gibson	Metcalf	Thomas, Okla.
Bulow	Glass	Minton	Thomas, Utah
Burke	Gore	Moore	Townsend
Byrd	Guffey	Murphy	Trammell
Byrnes	Hale	Murray	Truman
Capper	Harrison	Neely	Trydings
Caraway	Hastings	Norris	Vandenberg
Carey	Hatch	Nye	Van Nuys
Chavez	Hayden	O'Mahoney	Wagner
Clark	Johnson	Overton	Walsh
Connally	Keyes	Pittman	Wheeler
Coolidge	King	Pope	White

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. NYE. Mr. President, the Senator from Utah [Mr. KING] thought it advisable, in light of the request I was about to make, to suggest the absence of a quorum. I had stated briefly numerous findings by the committee conducting the munitions investigation respecting the subject of shipbuilding, which is so largely involved in the pending naval-appropriations bill, and I had suggested that while the committee was not prepared at this moment and would need a few additional days to be ready to submit a formal report to the Senate on its findings and its recommendations, nevertheless, individual members of the committee were prepared to offer amendments to the pending bill to accomplish the remedies which are so desperately needed.

I was about to suggest and to move that the naval-appropriation bill be recommitted to the Committee on Appropriations, where there would be opportunity to consider the amendments which are to be offered, and I make the motion at this time that the bill be recommitted to the Committee on Appropriations, where consideration may be afforded such amendments as may be offered to the bill.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. STEIWER. Are the amendments which the Senator has in mind legislative in character?

Mr. NYE. I suppose with respect to some of them a question could be raised as to the propriety of tacking them on to the pending appropriation bill; but for the most part I am sure such a question could not be raised. Certainly Congress has a right to determine how the money it is appropriating is to be spent. As respects the matter of alleged collusion among the shipbuilders, surely we should be able and privileged to take such legislative steps in connection with the bill as would prevent a continuation of the game the shipbuilders have been playing.

Mr. STEIWER. As to some of the proposals, they would be in the nature of limitations on an appropriation bill?

Mr. NYE. Yes; they would be. I ask that my motion may be put.

Mr. BYRNES. Mr. President, I merely desire to say that this bill has been pending before the Committee on Appropriations for some time. The Senator who makes the pending motion is a member of the committee. I do not know that the Senator presented his views with reference to these matters to any member of the Appropriations Committee or to the subcommittee having charge of the bill. Certainly I have no idea as to the amendments to which he has referred.

The representatives of the Department and of each of the Bureaus have appeared before the committee. The subcommittee has gone into the matter of the construction of ships which has been referred to by the Senator. The hearings will disclose that the question was discussed by persons outside of the Department; and, having all those matters in mind, this appropriation bill was reported.

If there are any legislative matters in the mind of the Senator when he speaks of amendments, the Senator knows that under the rule the chairman of the subcommittee in charge of the bill would have to make a point of order against them. Such legislative matters should be referred to the proper legislative committee. At least one member of the committee of which the Senator is chairman, the Senator from Missouri [Mr. CLARK], has frequently stated on the floor of the Senate that he is opposed to legislation upon an appropriation bill, and upon every possible occasion he has made the point of order and has objected to legislation upon appropriation bills.

Therefore, I suggest to the Senator from North Dakota that we ought to proceed with the consideration of the bill. The amendments which he has in mind which are limitations upon appropriations, and are in order, can be offered and considered, and if they are meritorious the Senate will adopt them. Then we can go to conference with the amendments and see what the action of the conference will be. However, no purpose would be served by sending the bill back to the committee for consideration of some amendments which the Senator has not suggested to the Appropriations Committee, though he is a member of the committee.

Mr. NYE. Mr. President, I regret exceedingly that the work of our special committee was not in such shape as would enable us, or enable any individual Senator, to lay before the Appropriations Committee its findings or its recommendations. The special committee has not, until a very recent date, been able to deal with the question at all. A delay of another 3 or 4 days would enable the special committee to lay before the Senate and before the Appropriations Committee its complete findings and formal and final report so far as shipbuilding is concerned, and it seems to me would save a world of time.

I desire to say I feel sufficiently deeply on the subject of some of the proposed amendments that I dare say the Senate could not hope to pass this appropriation bill this week, whereas it might go to committee, and these legislative questions and points of order could there be raised, and we could accomplish very early passage when the bill should be reported back to the Senate.

If the Senator from South Carolina will permit me, I shall suggest one amendment which is to be proposed, and then ask him if he thinks a point of order might properly be raised against it. It is an amendment designed to abolish collusion among private yards by setting up a control and examination of papers by the Comptroller General. Would such an amendment be subject to a point of order?

Mr. BYRNES. In my opinion, Mr. President—and I do not profess to be an expert upon the subject—it would depend entirely upon the language in which the amendment was drafted by the Senator. As stated by the Senator, I think it would be subject to a point of order at this time. However, I do not know what the Senator could hope to gain by sending the bill back to the committee, because the Senator knows, as a member of the committee, that under a resolution adopted, not recently, but several years ago, the Appropriations Committee determined not to report a bill containing legislative proposals, and the chairman of the

committee in charge of the bill is instructed to make the point of order against such proposals. Therefore, if the proposal is a legislative one it ought to go to the Naval Affairs Committee, which committee I know is anxious to consider the legislative proposals, and at times is somewhat jealous of the Appropriations Committee undertaking to usurp its authority and its power, and put legislative proposals on a naval-appropriation bill.

Mr. NYE. It seems to me we would expedite matters considerably by threshing out these points, because, as the amendments are offered here, I am sure there is going to be diligent effort on the part of some to accomplish the adoption of the amendments to the pending bill, whatever some may argue as to the point of order.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. COSTIGAN. Will the able Senator from North Dakota indicate the nature of other amendments which, in his judgment, should be considered by the committee? Some of us have not heard the prior discussion.

Mr. NYE. Before answering the Senator from Colorado, I should like to yield to the Senator from Michigan [Mr. VANDENBERG].

Mr. VANDENBERG. Mr. President, in order to give the Senator from Colorado a further idea with respect to the suggested amendments, I may say that I am very anxious to submit an amendment in the nature of a limitation upon the appropriations which will prevent the sale of designs, machinery, or other equipment to foreign governments based upon patents and usages in our own Navy. I think a case can be brought to the attention of the Senate which makes it very essential that such a precaution be written into the pending measure as a limitation upon the appropriation.

May I, in the Senator's time, ask the able Senator from South Carolina [Mr. BYRNES] whether he would consider that sort of an amendment to be subject to a point of order?

Mr. BYRNES. Mr. President, I submit that I would not be the individual to determine that question.

Mr. VANDENBERG. No; but the Senator from South Carolina is the individual clothed with responsibility for making the point of order.

Mr. BYRNES. Yes; if, after consideration of the amendment, I should decide that it would be subject to a point of order, I should make the point of order. However, I am not sure that it would be. If it were a limitation upon an appropriation, it would not be subject to a point of order. I shall be glad to talk with the Senator from Michigan with reference to the matter and consider the question as to whether the amendment proposes a limitation.

Mr. NYE. Mr. President, the Senator from Colorado asked that I indicate to him the nature of other proposed amendments. The Senator from Michigan has named one. As a result of our studies and my own efforts to frame what I should consider recommendations which have grown out of the hearings and the testimony, amendments most assuredly are in order in several directions. As to these recommendations, my opinion is that since the yards are overcrowded, and since the adjusted-price contract system is undesirable, and since it is advisable to have plans fully prepared before awards are made, we can well afford to see to it that no ships of the 1935 program, except aircraft carriers, shall be awarded to the yards unless they can be completed within 30 months. Again, since the size of the Navy is a matter of national foreign policy, it seems to me there should be no more use of funds for naval construction unless specifically authorized by Congress; and yet a tremendous amount of building is being done right now without direct authorization from the Congress.

Mr. BYRNES. Will the Senator indicate where it is being done?

Mr. NYE. Through allocation of the public-works funds.

Mr. BYRNES. Certainly the Public Works Act specifically authorized construction of ships under the treaty.

Mr. NYE. Yes; but there has been no direct appropriation by Congress where the ships have been built under the public-works fund.

Mr. BYRNES. No; but the Congress of the United States in that measure authorized the construction of those ships and in that measure appropriated the money to be used to build them. Under the pending measure, however, departing from the other method, there is a specific appropriation for the ships to be constructed under the head of "Increase of the Navy", just what the Senator favors.

Mr. NYE. When the Public Works Act was before us, if anyone had ventured to suggest that as much would be spent for naval construction as was spent from the public-works funds, there would have been far greater delay than there was in the passage of the Public Works Act.

Mr. BYRNES. Mr. President, the Senator knows that not one dollar was spent which was not authorized by that act.

Mr. NYE. Certainly not.

Mr. BYRNES. It would not be done.

Mr. NYE. Certainly not.

Mr. BYRNES. Therefore, if there was any mistake of judgment, it was the act of the Congress, because the expenditure was authorized by the Congress.

Mr. NYE. The Senator and I are not in disagreement at all on that point; but I repeat that the ships which have been built under the public-works allocations have been built without direct appropriation by Congress.

Mr. BYRNES. Mr. President, I do not agree, because I do not know what the Senator means by "direct appropriation." It was a direct appropriation for the specific purpose of constructing ships. In the appropriation the number of ships was not specified, but the appropriation was made by Congress for no purpose other than to build ships.

Mr. NYE. The Senator will recall there was such widespread displeasure created by the large use of public-works funds for naval construction that the new Public Works Act very specifically provided that no ships were to be built with public-works funds.

Mr. BYRNES. I do not recall that; but so far as I am concerned, I have always believed that funds for the construction of ships should be provided in the naval supply bill. However, the Congress directly authorized the expenditure of funds from the public-works fund under the Public Works Act for this purpose. We cannot complain about the executive department in that respect.

Mr. NYE. For the information of the Senator from Colorado, I hasten to say that, since there has been no real competition among shipbuilders in 1933 and 1934, the navy-yard and private-yard estimates should be prepared before bids are received from private yards, thus giving the Navy a chance to weigh and carefully measure the sort of bidding that is being offered.

Again, examination of navy-yard estimates and private-yard bids by the Comptroller General should be had before contracts are awarded, on the basis of past bids and estimates and changing costs, the Comptroller General to recommend to the Navy whether bids should be readvertised or not; and awards should be made to navy yards on the present basis of 50-50 unless the bid of the navy yard is \$500,000 lower than that of low private bidder on a cruiser, or \$1,000,000 lower on an aircraft carrier, or \$200,000 lower on a destroyer, in which case the navy yard would get the work.

Since the Government at present has assumed most of the risk in naval shipbuilding through adjusted-price contracts, there should be accomplished the elimination of the 10-percent-profit clause on all ships where the Government assumes the risk and substitution of the 5-percent-profit clause in its stead and a careful check by the Comptroller General of accounting methods adopted to circumvent the 10-percent-profit limitation and spot checks by the Comptroller's men of construction costs.

Mr. BYRNES. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from South Carolina?

Mr. NYE. I yield.

Mr. BYRNES. With reference to the question the Senator was discussing a moment ago, I wish to read from the Public

Works Act the authorization for the construction of ships. That act authorized the President to use the funds—

If in the opinion of the President it seems desirable, for the construction of naval vessels within the terms and/or limits established by the London Naval Treaty of 1930, and of aircraft required therefor and the construction of heavier-than-air aircraft and technical construction for the Army Air Corps and such Army housing projects as the President may approve.

Of course, the Senator knows that we have not constructed to the limits of the treaty; but, on the contrary, we are now 78 vessels short of treaty strength. Therefore, there was no expenditure in excess of the sum provided in that act.

Mr. NYE. With Japan having served notice that she is going to ignore the treaty, of course, from now on we are going to have to raise our ante as she raises hers.

A further recommendation is that there should be employment by the Navy of sufficient high-salaried civilian personnel to establish a designing and planning section which will draw all plans and designs for future ships. A complete break-up of our dependence upon private designers and companies is much to be desired. There seems to be real call for the complete prohibition of foreign sale of any designs, patents, or military equipment used by the Navy until 5 years after its actual mounting on United States naval vessels or actual use by the American Navy, as suggested in the amendment which the Senator from Michigan proposes to offer.

Since the naval missions in both Peru and Brazil have placed the United States in the position of teaching those countries methods of attack on their neighbors, there should be no more naval missions and quick recall of the present ones.

There should be a requirement for registration with the Congress of all officials or representatives of contractors or subcontractors contacting the Navy Department or Congress, and semiannual publication of that list with full statements of their salaries and expenses from all sources; also, for reports on all entertainment of Navy officials or employees above the grade of lieutenant commander by Navy contractors or subcontractors or prospective bidders for naval work or their representatives, to be reported by the Navy semiannually and to be published; also, semiannual reports to the Senate by all naval contractors and subcontractors and their associates of all expenses for lobbying for naval or merchant-marine legislation.

A recommendation of merit, it seems to me, would be an amendment to the pending bill allowing the Navy to use any of the funds provided for shipbuilding for enlargement or conditioning of present Government-owned shipbuilding facilities.

In keeping with some of these thoughts I have prepared a series of amendments to be offered to the pending appropriation bill. These amendments may be summarized as follows:

The first amendment plans to abolish collusion among private yards by setting up a control and examination of papers by the Comptroller General.

Another amendment would be to prevent the sale of any designs or machinery or other equipment to foreign governments until after 5 years from the time of its first use by the Navy Department.

A third amendment is designed to make the practice of the Navy uniform with that of all other Government departments and to set up a standard form of contract which will give the Comptroller General the power to impose fines, penalties, and so forth, for nonperformance.

Again, there is room for an amendment to forbid Navy Department officials from making inflammatory statements on foreign affairs without the consent of the State Department.

There is also certainly room for an amendment which would have the effect of having the Secretary of State approve the location of naval maneuvers and war games before they are held.

Another amendment which may be proposed would insure complete registration of all lobbyists on naval matters, and a statement in detail of the income of such lobbyists for

publication by the Senate. This is a stronger proposal than the general lobby bill recently reported for consideration by the Senate.

Then, too, there should be an amendment forbidding the use of any pending funds for the continued support or maintenance of the naval commissions which we are sending to foreign lands.

Another amendment has been prepared which would set up a design department in the Navy, which would make the Navy independent of private companies for its designing.

Roughly, I may say to the Senator from Colorado, these are some of the amendments which individual members of the special committee have in mind. I suppose, if time were allowed for the committee to act as a committee upon them, there would be accomplished some elimination and perhaps some addition. However that may be, I plead once again with the Senator from South Carolina to let the motion to recommit prevail. I can assure him that there will be absolutely no time lost in giving the Appropriations Committee the opportunity it will want and need to weigh these proposals and bring the bill back to the floor of the Senate, and we will accomplish its passage many days quicker than it can be accomplished here if we are going to have to fight this entire matter out on the floor as respects every amendment.

Mr. President, I insist upon my motion being put.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Dakota [Mr. NYE].

Mr. BYRNES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Harrison	Norris
Ashurst	Clark	Hastings	Nye
Austin	Connally	Hatch	O'Mahoney
Bachman	Costigan	Hayden	Pittman
Bailey	Couzens	Johnson	Reynolds
Barbour	Dickinson	Keyes	Robinson
Barkley	Dieterich	King	Russell
Bilbo	Donahay	La Follette	Schwellenbach
Black	Duffy	Logan	Sheppard
Brown	Fletcher	McAdoo	Shipstead
Bulkley	Frazier	McGill	Smith
Bulow	George	McKellar	Steiwer
Burke	Gerry	McNary	Thomas, Utah
Byrd	Gibson	Maloney	Townsend
Byrnes	Glass	Metcalf	Trammell
Capper	Gore	Minton	Truman
Caraway	Guffey	Moore	Vandenberg
Carey	Hale	Neely	White

The PRESIDING OFFICER. Seventy-two Senators having answered to their names, a quorum is present.

The question is on the motion of the Senator from North Dakota [Mr. NYE] to recommit the naval appropriation bill for further consideration.

Mr. BYRNES. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. LOGAN. I have a general pair with the senior Senator from Pennsylvania [Mr. DAVIS], who is absent. Not being advised as to how he would vote, I transfer that pair to the senior Senator from Illinois [Mr. LEWIS], and vote "nay."

Mr. ROBINSON. I desire to announce the unavoidable absence of the Senator from Alabama [Mr. BANKHEAD], the Senator from Washington [Mr. BONE], the senior Senator from Louisiana [Mr. LONG], the Senator from Nevada [Mr. McCARRAN], the Senator from Montana [Mr. MURRAY], the junior Senator from Louisiana [Mr. OVERTON], the Senator from Idaho [Mr. POPE], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Indiana [Mr. VAN NUYS].

I wish further to announce that the Senator from Iowa [Mr. MURPHY] and the Senator from Montana [Mr. WHEELER] are detained on departmental matters.

I also announce that the junior Senator from Massachusetts [Mr. COOLIDGE], the senior Senator from New York [Mr. COPELAND], the Senator from Connecticut [Mr. LONERGAN], the junior Senator from Maryland [Mr. RADCLIFFE], the senior Senator from Maryland [Mr. TYDINGS], the junior Senator from New York [Mr. WAGNER], and the Senator

from Massachusetts [Mr. WALSH] are detained in important committee meetings, but if present would vote "nay."

Mr. DIETERICH. I wish to announce that my colleague [Mr. LEWIS] is unavoidably detained from the Senate.

Mr. AUSTIN. I desire to announce that the Senator from Minnesota [Mr. SCHALL] is unavoidably detained. If present, he would vote "nay."

The result was announced—yeas 14, nays 58, as follows:

YEAS—14

Black	Costigan	La Follette	Shipstead
Bulow	Couzens	Neely	Vandenberg
Capper	Frazier	Norris	
Clark	King	Nye	

NAYS—58

Adams	Chavez	Hastings	Pittman
Ashurst	Connally	Hatch	Reynolds
Austin	Dickinson	Hayden	Robinson
Bachman	Dieterich	Johnson	Russell
Bailey	Donahay	Keyes	Schwellenbach
Barbour	Duffy	Logan	Sheppard
Barkley	Fletcher	McAdoo	Smith
Bilbo	George	McGill	Steiwer
Brown	Gerry	McKellar	Thomas, Utah
Bulkley	Gibson	McNary	Townsend
Burke	Glass	Maloney	Trammell
Byrd	Gore	Metcalf	Truman
Byrnes	Guffey	Minton	White
Caraway	Hale	Moore	
Carey	Harrison	O'Mahoney	

NOT VOTING—23

Bankhead	Lewis	Norbeck	Tydings
Bone	Loneragan	Overton	Van Nuys
Borah	Long	Pope	Wagner
Coolidge	McCarran	Radcliffe	Walsh
Copeland	Murphy	Schall	Wheeler
Davis	Murray	Thomas, Okla.	

So the Senate refused to recommit the bill.

Mr. NYE. Mr. President, evidently the House cut from the original bill a sum in the neighborhood of \$20,000,000, which the Senate committee has restored. Will the Senator from South Carolina indicate for my information just where that restoration has been accomplished in the bill?

Mr. BYRNES. Mr. President, I am sorry, but I did not hear the question.

Mr. NYE. The Senate has restored what was eliminated by the House in an amount of about \$20,000,000. I should like to know where that has been restored in the pending bill.

Mr. BYRNES. I think the Senator is mistaken in the amount. The amount which, I think, he has in mind, is \$11,000,000. He will find it restored on page 49 of the bill.

Mr. NYE. Was the whole amount of \$11,000,000 restored by the Senate committee?

Mr. BYRNES. It was. If the Senator will look at page 49, he will find it. Of course, it is restored by making available unexpended balances in the naval funds.

Mr. NYE. That was all that was restored?

Mr. BYRNES. I understand the Senator is referring to the increase of the Navy.

Mr. NYE. That is correct.

I should like to make the point this evening, before adjournment is taken, that practically all, if not all, the ships which are planned for in the pending bill are not to be completed before late in 1938 or early in 1939. By the end of 1936 the naval treaties will, so to speak, have expired and England and Japan may start with a different type of ship—for example, a 15,000-ton cruiser. If our money is pledged to the present type, we may be building now what we shall not want a year from now or 2 years from now.

I cannot express myself too strongly in voicing protest against the continued wild, mad, unrestricted expenditures of moneys for naval construction, because there appears to be satisfaction in the method on the part of men who have proven themselves wholly unconscionable in looting Uncle Sam when it comes to these mad programs of naval construction. The record which has been made showing the gains of the shipbuilders who plunder the public funds in the name of national defense, and the records showing that some Navy Department officials are alleged by the shipbuilders and their agents to have aided in such gains, dictates that hereafter the Congress should take every possible precaution against repetition of past experiences.

If we are to insist upon keeping up the mad naval competition which is raging in the world today—always in the name of national defense, of course—then let us at least try to make our dollars buy more of national defense. At least we ought to be as solicitous about our naval appropriations as we are about appropriations to other departments of government. Our actions have been quite strange as respects these things. A call for national defense seems to leave us cold to its costs. We seem to say, when that issue is involved, "Who dares to quibble? Who wants to quibble about costs and prices when our national defense is at stake?"

I do not think the Senate can too often be reminded that the last war gave us what every war has given civilization, namely, a break-down of our economic structure, hard times, depression on every hand; and if we are wondering at our difficulty in meeting the challenge of the existing depression, we need only look to the degree of waste the 4 years of the World War wrought. We ought to have anticipated—we ought to have known—that we should have to pay the penalty which has been paid during these days of depression.

One would think after that experience which was ours, which was that of civilization generally as the result of the last war, that one thing we would have been very, very careful about after that war was to see to it that we did not engage in programs which would plunge us into another war. While men may say, "In time of peace, prepare for war", the facts are that history does not record a single instance of wild, competitive races in armament which have led to anything other than more war.

In the years preceding the World War a great mystery man, so called, was at work in Europe arming all Europe with the same identical instruments of warfare. Each nation was buying of his wares in the name of national defense. He is referred to as a man of mystery—Sir Basil Zaharoff. He is a man of fortune, a good salesman, who years ago learned that by selling 1 submarine to Greece today he could sell Turkey 2 submarines tomorrow, and the following day he could sell Greece 2 more submarines, because Greece would never countenance Turkey possessing more submarines than she herself had; and Sir Basil, selling submarines to both countries, discovered how easy it was to create a fine market for himself.

He enlarged upon that practice, carried it into all Europe, gained for himself the right to sell munitions of this, that, and the other order, and then armed all Europe. It led to just what all mad races for armament have led to in the past, and what they will continue to lead to in the future, a test of strength, and a will to see who is best prepared. When the World War was over, it found Sir Basil Zaharoff the richest man in all Europe, because the opportunity had been afforded him, or he had seized the opportunity, to go forth and arm each country against the other, arming Europe against itself.

I think no one man was more responsible for that terrible conflagration of 4 years than Sir Basil Zaharoff, who instigated and created much uncertainty and a great deal of suspicion, simply to bring about a larger source of profit to himself. It is hardly to the credit of civilization that, the World War being over, the year 1919 found the President of the United States and every crowned head in Europe pinning decorations upon the breast of Sir Basil Zaharoff for his services. Those crowned heads, instead of doing that, ought to have been crowning Sir Basil with a club for his responsible part in the terrible visitation which came upon the earth by reason of him and his acts.

However, that is neither here nor there. We ought to have learned something as the result of the war. With the war over, however, we find ourselves with a depression on our hands which we finally conclude can be conquered only through a great national recovery program which calls for a titanic Public Works program to engage in public construction so that men can be afforded employment, and we appropriate millions of dollars—hundreds of millions of dollars—for public works.

The Senate ought to know now, if it did not already know, that the very first allocation of public-works money to accomplish recovery from the depression which war gave us was the allocation of hundreds of millions of dollars to the American Navy with which to build more ships, and, it can be fairly said, with which to build more ships to get ready for more wars, so that we can have another depression to give us another public-works program under which to build more ships!

Of course, all of this is in the name of national defense; and when we Americans are led to believe, as we are almost annually led to believe, that our defense is wholly inadequate, we are just about as irresponsible when it comes to measuring our steps and weighing their cost as people can possibly be.

We are now running through the annual appropriation bills for the various departments. Some weeks ago we had before us the appropriation bill for the State Department, calling for only \$13,000,000 to maintain that Department for the ensuing year. If any one in this Chamber or at the other end of the Capitol had offered an amendment proposing an increase of a million dollars in that \$13,000,000 appropriation to enable the Secretary of State to engage upon the activities of his Department in the cause of peace, the one offering that kind of an amendment would have been laughed off the floor and told, "What is this madness you are thinking? What is this madness you are dreaming? In times like these you would increase the appropriation for the State Department a million dollars, in times when we cannot balance our Budget, in times when we are having such grave difficulty meeting our obligations." Why, such an amendment would not have had the ghost of a chance.

But the very next week saw brought forth into the Senate the annual appropriation bill for the Army, a larger bill than ever had been proposed before in peace time, but not too large for the Senate, which immediately proceeded to make it larger on the basis of an amendment calling for increased personnel of 46,000 men in the Army, which means an increased annual expenditure of not \$1,000,000, but anywhere between \$20,000,000 and \$40,000,000. Whereupon men who otherwise are keenly interested in balancing budgets forget all about the difficulty we were experiencing in balancing ours. Of course, national defense! We cannot quibble about costs there. We must not stop to measure our ability to afford the kind of national defense for which some men are calling.

There is pending before the Commerce Committee at this time a so-called "maritime bill" which is only another name for a ship subsidy, but that bill, too, is clothed under the cloak of national defense. National defense we must have! How many millions under this kind of legislation are we going to pour into the coffers of the shipbuilders without any better check than we have had in the past upon actual cost, without regard to what we are going to get for our money? Are we going to continue paying homage to these men who have looted Uncle Sam at every turn of the road when the chance has been given them?

Now comes the naval appropriation bill. It came to us from the House carrying a larger appropriation for the Navy than has ever been known in peace times, but the Senate is all set and ready, determined, in the name of national defense, to let nothing stand in the way of increasing that appropriation beyond what the House has written.

Of course, we are doing these things to prevent war. We are affording a larger and more adequate national defense because that is the way to prevent war. Every one of us from the time we left the cradle has been taught that the sure way to peace and the sure way to make secure the peace of the world is by adequately preparing for war.

I do not know how many miles of international boundary there may be which have been adequately prepared for war and which have not had war visited upon them. I venture to say that for every such mile of international boundary upon the earth, with a military show upon it, for every such mile that has prevented war there can be brought into exhibition a thousand miles of international boundary without a military show upon it, without a fortress upon it, without

a manned gun, and without a patrolling soldier upon it, but which, too, has never had war.

We have such a boundary in which the United States has a common interest, 3,000 miles of boundary north of us on neither side of which during more than 150 years has there been any show of a military nature. We all know full well how near or how far we have been from war along that boundary because of the absence of that preparation for adequate national defense. It may be that 3,000 miles of border like that are a terrible example to have on this earth. It may be that we ought to do away with it. The women on both sides of that entire boundary today are creating monuments along it—monuments not of bronze commemorating some great battle or some great soldier, but monuments in the form of gardens. "Peace gardens" they are being called. That is a bad thing to have in the world—anything commemorating 150 years of peace without a show of armed strength.

I wonder if fear of monuments of that kind is what has caused our military spokesmen in this country to go before a standing committee of the House of Representatives, as military authorities did go within the last few weeks, and there testify to the need of fortification along the Canadian boundary, there testify to the need of large gigantic plans which would enable us to seize the islands of Great Britain which are close at hand.

We have all read of that experience. The representatives of the Army who told their story, who there testified, it seems thought they would testify in an executive way and that their testimony would not be revealed; but it was revealed, much to the consternation and embarrassment of our country. Immediately it was revealed, quite naturally our neighbors to the north and their mother country, Great Britain, with a start sat up and asked, "What is this all about? What does this indicate?" At once the call was upon someone in the United States to say that the military men who had given that testimony were speaking for themselves and not for the Government. The call was upon the United States to court martial those Army officers, but, instead of chastising the Army officers, the Commander in Chief of the Army and Navy chastised the chairman of the House committee who let that information get out to the public.

We would have the world believe, and if we could divorce ourselves from our American militarists there would be good reason for the world to believe, that the United States is a peace-loving nation of people who are not bent in any degree upon doing anything that would be offensive to another. If our national-defense plans seem to be large, then we want the world to understand that they are large only because we want more adequately to assure ourselves of a national defense. We are not preparing for trouble with anyone. We give the world constantly to understand that our preparation is only for that unseen thing which might arise, we do not know from what direction.

I wonder what Members of this body would do tomorrow noon if the newspapers tomorrow morning should blazon across their front pages headlines announcing that the Japanese Navy was moving eastward across the Pacific, not with any ulterior motives at all, but solely for the purpose of finding a spot some few hundred miles off the coast of California to do its annual maneuvering, its practicing, its summer training. We know what we should do. We should rise up here and want to know what it all meant. We should be asking, "What is the matter? Is not the water around Japan deep enough to enable the Japanese Navy to do its maneuvering there at home?" We know what our attitude would be if Japan should take that sort of a step; and yet, knowing that, at this very hour our own American Navy is moving westward across the Pacific, while we are wondering why the people of Japan are so easily led into believing that they must prepare in a larger and larger way for the war that is coming with Uncle Sam, for the war that Uncle Sam is getting ready to wage against Japan.

I am astonished that so little reaction has come from Japan in answer to this maneuvering of ours.

Under date of May 16 there appeared in a Washington newspaper a dispatch from Tokio as follows:

Secretary Swanson's "line of demarcation" in mid-Pacific is acceptable to Japan, it was indicated in semiofficial circles today, but use of the one hundred and eightieth meridian as a barrier for war games can have no legal international status. An authority close to the marine ministry said:

"Japan has no fear that the American Fleet will venture into Japanese waters."

And then this statement, quoting this Japanese authority:

Japan's maneuvers, planned for July, will be limited. The fleet's action will be close to our shores, and entirely of a defensive nature.

What is it that has convinced us that our practicing, our maneuvering, must be conducted thousands of miles away from the shores which our Navy is presumed to defend? Should we wonder at the suspicion abroad? Should we wonder at the suspicion in Japan? Perhaps we can make them understand, as I have so often declared, that our action in sending the fleet away out there across the Pacific is only reflective of the great American habit of doing things in the biggest possible way and in the most expensive way, and that it costs more to maneuver a long way from home than it costs to maneuver close to our own shores. Or if we have difficulty in prevailing upon them to see that, perhaps we can cause them to understand that we have had 3 or 4 years of very severe drought here in America—a drought which has reduced the water level at the Pacific and Atlantic shore lines to such an extent that we no longer have a sufficient depth of water close to home in which to do our maneuvering. Therefore, we must go thousands of miles away to engage in our maneuvers.

Why all this madness? Why all this thoughtlessness? Perhaps it is not so thoughtless. We in America like to say that the burdens occasioned by our own preparations for another war, for our own national defense, are attributable solely to the part which the rest of the world is playing. We say that the other nations of the world evidently have learned no lesson as a result of the last war. They are going on madly preparing for more war. Therefore, we have to "keep up with the Joneses" and be prepared for the hour when madness may break loose from its moorings over there, and seek to make trouble for us.

It seems to me that when those hours come when we wish to point our finger of responsibility to someone else, it is always well to take a little inventory and a little stock of ourselves.

It is true that every nation on earth is increasing its budget in preparation for more war. Since 1913, the year before the World War came, Russia, Italy, France, and Great Britain have increased their budgets for the maintenance of armies and navies all the way from 30 to 44 percent.

Over the same years Japan has increased her budget for the same purpose 141 percent. That makes one stop and give heed to what is going on. Over the same identical years since 1913, for the same identical purpose—namely, that of maintaining armies and navies, getting ready for more war—the United States of America has increased its budget 197 percent, to a point which finds our country today spending in getting ready for more war more money than is being spent by any other nation on earth; and yet some of us have the audacity to take our places upon occasion and say, "Is it not too bad that the rest of the world does not follow our example?" when, as a matter of fact, were they fully following our example, we can well guess what might be upon the earth today.

This today constitutes the maddest peace-time race in armaments the world has ever witnessed. This very hour finds Japan and the United States engaged in the maddest naval competition that peace time has ever observed. It seems to me it is high time we were seeking to ascertain the reasons for this insanity, or this madness, or this thoughtlessness, or this carelessness, whatever it may be.

In the light of what we have learned during the past year, I think our madness can be explained by the fact that there are some people who find very large profit in these programs of preparing for war; and the wilder the call for prepared-

ness, the larger the profit. The answer is to be found in the fact that there are some people who have learned that there are some things worse than war; that war is not such a bad thing after all, because their profits prove to be larger in time of war than they are in time of peace; and then they are perfectly willing to engage in programs calling upon governments to engage in these mad races, not at all fearful of what the races may lead to, because the worst they can lead to means greater profit to these makers of machinery used in preparing for war.

The World War, 4 years of it, created in America alone 22,000 new millionaires, men and women who could not have had their millions except as men were bleeding, dying, or ready to bleed and die upon fields of battle; men and women who now are saying, "Perhaps what this country needs to get out of this depression is another little war."

In every stratum of American society we hear that thoughtless voice, "Perhaps what we need to get out of this depression is another little war"; and it all contributes so largely to the aid of the cause which is at our doorstep in the Senate at this moment, when we are asked to appropriate more hundreds of millions of dollars with which to build more battleships in the name of national defense—in the name of national defense where, pray tell? If we really mean "national defense", why are we not acting as though we meant what we said?

If we mean an adequate national defense, why are the military authorities in the Army and the Navy laying out the plans in blueprint which are to have us ready for the next war, plans in blueprint which call for battles, not upon our own shores, not upon our own lands or in our own waters, but blueprints which call for the transportation of 3,000,000 men across thousands of miles of water, and that in spite of the fact that the people of the United States, were the decision left to them, would almost unanimously declare that never again should the United States ask its manhood to leave its own shores or go to someone else's land to engage in war. The same percentage of people would be the first to rally to their country's cause and to the cause of their flag if our shores were attacked, or if any foe were so foolish as to attack us in our own waters or upon our own shores. But here we go, a little more this year than last year, a little more next year than this year, to build more ships, with only one industry, with only one set, drawing anything that resembles gain from it, namely, the shipbuilders and their agents who are doing so fine a job of building up a sentiment that seems to tolerate these annual raids upon the Treasury of the United States in the name of national defense.

I should like to ask the Senator in charge of the bill what the plans are for recessing tonight?

Mr. BYRNES. Mr. President, I have understood from the Senator from Arkansas that he wants the Senate to proceed a little while.

Mr. NYE. Very well.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. NORRIS. I suggest the absence of a quorum.

Mr. HATCH. Mr. President, there is a bill which I wish to call up, and I think there will be no controversy about it. The bill might be acted on now, if the Senator from Nebraska will withhold his suggestion for a moment.

Mr. President, the bill to which I refer—

Mr. NORRIS. Mr. President, is my suggestion of the absence of a quorum to be ignored?

The PRESIDING OFFICER. The Senator from New Mexico asked the Senator from Nebraska if he would not yield to permit him to bring up a bill.

Mr. NORRIS. Let us have a quorum here in order to consider the bill.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bailey	Black	Burke
Ashurst	Barbour	Brown	Byrd
Austin	Barkley	Bulkeley	Byrnes
Bachman	Bilbo	Bulow	Capper

Caraway	Glass	McGill	Robinson
Carey	Gore	McKellar	Russell
Chavez	Guffey	McNary	Schwellenbach
Clark	Hale	Maloney	Sheppard
Connally	Harrison	Metcalf	Shipstead
Costigan	Hastings	Minton	Smith
Couzens	Hatch	Moore	Steiger
Dickinson	Hayden	Murphy	Thomas, Okla.
Dieterich	Johnson	Murray	Thomas, Utah
Donahay	Keyes	Neely	Townsend
Duffy	King	Norris	Trammell
Fletcher	La Follette	Nye	Truman
Frazier	Logan	O'Mahoney	Vandenberg
George	Loung	Pittman	Walsh
Gerry	McAdoo	Radcliffe	Wheeler
Gibson	McCarran	Reynolds	White

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

Mr. NYE. Mr. President, before the interruption came—

Mr. CLARK. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. CLARK. I should like to inquire of the Senator from North Dakota whether it is his purpose to finish his discussion of this very important and far-reaching bill this evening. If it is not, I suggest that the proper thing to do would be to take a recess until tomorrow at the usual meeting time. If the Senator from North Dakota has been on the floor as long as he cares to be and is willing to yield to me, I may say to the Senate that I am perfectly fresh and will be able to take up the discussion now and carry it on to a late hour in the evening.

Mr. NYE. The Senator from Missouri suggested that he would take the floor if I had been on the floor as long as I cared to be. I can only say that after I have been on the floor 1 minute I have been on the floor as long as I care to be; but I have only begun the argument which I desire to record in the Senate on this question. I cannot finish this evening within any reasonable time.

Mr. CLARK. If the Senator will yield further, I will say that I have no desire to interrupt the Senator's argument in any sense; but I feel that there is a determination on this side of the aisle to require the Senator from North Dakota to continue his occupation of the floor beyond the time when he probably would like to suspend for the day. I simply wish to make the statement that such determination does not need to embarrass the Senator from North Dakota, because if he will yield the floor I will talk until the Senate is ready to adjourn.

Mr. NYE. I should like to say that if the occasion calls for it, and if there is insistence on driving this bill through in a short time, I am prepared to stay here all night long if the Senate wishes to stay in session that long.

Mr. KING. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. KING. I address myself, with the permission of the Senator from North Dakota, to the Senator in charge of the bill. As I understand, it is desired to have an executive session, which will take several minutes. It is now after 5 o'clock. If we should continue in session as long as 5:30, that should be sufficient.

Mr. BYRNES. I told the Senator from Utah that the Senator from Arkansas [Mr. ROBINSON] desired to have the session continue until 5:30, and that I had no doubt that at 5:30 the Senator from Arkansas would move an executive session.

Mr. KING. If we have an executive session now, it will consume the time until about half-past 5.

Mr. BYRNES. I am sure the Senator from Arkansas will return to the floor in a few minutes.

Mr. HATCH. Mr. President, a while ago I asked unanimous consent for the consideration of a bill, which, however, went over on objection. I now desire again to request its consideration; and I ask if the Senator from North Dakota will yield to me for that purpose?

Mr. NYE. I yield to the Senator from New Mexico if the matter may be handled in such a way as not to interrupt my argument.

SUSPENSION OF ANNUAL ASSESSMENT WORK ON MINING CLAIMS

Mr. HATCH. Mr. President, earlier in the day, during the call of the calendar, Order of Business No. 649, Senate bill

2536, was called, and the senior Senator from Wisconsin [Mr. LA FOLLETTE] objected to the consideration of the bill because there was no report from the Department of the Interior on it. I could not assure the Senator from Wisconsin that there was a report, because I was not a member of the committee. This afternoon I investigated, and found that the Department had made a report on the bill. I submitted the report to the Senator from Wisconsin, and he said he was willing to withdraw his objection, but would like to have the report put in the RECORD.

I send the report to the desk at this time and ask that it be read.

The PRESIDING OFFICER. The report will be read.

The legislative clerk read as follows:

SECRETARY OF THE INTERIOR,
Washington, April 27, 1935.

Hon. M. M. LOGAN,

Chairman Committee on Mines and Mining,
United States Senate.

MY DEAR SENATOR LOGAN: Reference is made to your letter of April 9, submitting for report copy of S. 2536, entitled "A bill providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska."

By section 2324 Revised Statutes (sec. 28, title 30, U. S. C.), \$100 worth of labor must be performed or improvements made upon a mining location each year until patent is issued, and upon failure to comply with this condition, the claim is open to relocation. The bill proposes to suspend this provision for the present year ending July 1, 1935, as to such claimants as are exempt from payment of income taxes for the year 1934, with a limitation on the number of claims and the acreage for which the suspension may be claimed.

Suspension of work for the year ending July 1, 1932, was provided by the acts of June 6, 1932 (47 Stat. 290), and June 30, 1932 (47 Stat. 474), for the year ending July 1, 1933, by the act of May 18, 1933 (48 Stat. 72), and for the year ending July 1, 1934, by the act of May 15, 1934 (48 Stat. 777). While I believe that the conditions generally have improved, especially as to gold and silver mining, I am not advised that there has been such change in the mining localities as to justify denial of the proposed limited relief for the current year. I have, therefore, no objection to the enactment of the measure.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

Mr. HATCH. In view of the report of the Secretary of the Interior and also the report of the committee, I now ask unanimous consent for the consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (S. 2536) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provision of section 2324 of the Revised Statutes of the United States, which requires on each mining claim located, and until a patent has been issued therefor, not less than \$100 worth of labor be performed or improvements aggregating such amount to be made each year, be, and the same is hereby, suspended as to all mining claims in the United States, including Alaska, during the year beginning at 12 o'clock meridian July 1, 1934, and ending at 12 o'clock meridian July 1, 1935: *Provided*, That the provisions of this act shall not apply in the case of any claimant not entitled to the exemption from the payment of a Federal income tax for the taxable year 1934: *Provided further*, That every claimant of any such mining claim, in order to obtain the benefits of this act, shall file, or cause to be filed, in the office where the location notice or certificate is recorded, on or before 12 o'clock meridian July 1, 1935, a notice of his desire to hold said mining claim under this act, which notice shall state that the claimant, or claimants, were entitled to exemption from the payment of a Federal income tax for the taxable year 1934: *Provided further*, That such suspension of assessment work shall not apply to more than 6 lode-mining claims held by the same person, nor to more than 12 lode-mining claims held by the same partnership, association, or corporation: *And provided further*, That such suspension of assessment work shall not apply to more than 6 placer-mining claims not to exceed 120 acres (in all) held by the same person, nor to more than 12 placer-mining claims not to exceed 240 acres (in all) held by the same partnership, association, or corporation.

PARTICIPATION BY UNITED STATES IN INTERPARLIAMENTARY UNION

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2276) to authorize participation by the United States in the Interparliamentary Union.

Mr. BARKLEY. I move that the Senate disagree to the amendment of the House, request a conference with the

House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. PITTMAN, Mr. ROBINSON, and Mr. BORAH conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MOORE in the chair) laid before the Senate messages from the President of the United States, submitting sundry nominations and two treaties and also withdrawing a postmaster nomination, which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of James R. Landy, of Olivia, Minn., to be collector of internal revenue for the district of Minnesota, to fill an existing vacancy.

Mr. SMITH, from the Committee on Agriculture and Forestry, reported favorably the nomination of Milburn L. Wilson, of Montana, to be Assistant Secretary of Agriculture, to which office he was appointed during the last recess of the Senate, vice Rexford Guy Tugwell.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of several officers for appointment, by transfer, in the Regular Army.

Mr. ASHURST, from the Committee on the Judiciary, reported favorably the nomination of Ben J. McKinney, of Arizona, to be United States marshal, district of Arizona, to succeed George A. Mauk, resigned.

Mr. BURKE, from the Committee on the Judiciary, reported favorably the nomination of Frederick V. Follmer, of Pennsylvania, to be United States attorney, middle district of Pennsylvania, vice A. A. Maguire, appointed by the court.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the following treaties and submitted reports thereon:

Executive J (74th Cong., 1st sess.), a supplementary extradition treaty between the United States of America and Poland, signed at Warsaw on April 5, 1935 (Exec. Rept. No. 7); and

Executive K (74th Cong., 1st sess.), a supplementary extradition treaty between the United States of America and the Republic of Czechoslovakia, signed at Washington on April 29, 1935 (Exec. Rept. No. 8).

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the calendar is in order.

THE CALENDAR TREATIES

Mr. PITTMAN. Mr. President, there are several treaties on the calendar which cannot be discussed at this late hour in the afternoon. I ask that they may go over. I hope we may have an opportunity at an early executive session to discuss them and dispose of them.

The PRESIDING OFFICER. The treaties on the Executive Calendar will be passed over.

RURAL ELECTRIFICATION ADMINISTRATION

The legislative clerk read the nomination of Morris L. Cooke, of Pennsylvania, to be Administrator of the Rural Electrification Administration.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTER

The legislative clerk read the nomination of R. Waldo Wettengel to be postmaster at Rush Springs, Okla.

The PRESIDING OFFICER. Without objection, the nomination is confirmed. That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, May 21, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 20 (legislative day of May 13), 1935

DIPLOMATIC AND CONSULAR SERVICE

Norman Armour, of New Jersey, now Envoy Extraordinary and Minister Plenipotentiary to Haiti, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Canada.

MISSISSIPPI RIVER COMMISSION

Albert L. Culbertson, of Illinois, for appointment as a member of the Mississippi River Commission provided for by the act of Congress approved June 28, 1879, entitled "An act to provide for the appointment of a 'Mississippi River Commission' for the improvement of said river from the Head of the Passes near its mouth to its headwaters", vice Lawrence A. Glenn, resigned.

William Gerig, of Arkansas, for appointment as a member of the Mississippi River Commission, provided for by the act of Congress approved June 28, 1879, entitled "An act to provide for the appointment of a 'Mississippi River Commission' for the improvement of said river from the Head of the Passes near its mouth to its headwaters", vice Charles H. West, deceased.

UNITED STATES DISTRICT JUDGE

George H. Moore, of Missouri, to be United States district judge, eastern district of Missouri, to succeed Charles B. Faris, appointed to the circuit court of appeals.

James H. Baldwin, of Montana, to be United States district judge, district of Montana, to succeed George M. Bourquin, retired.

James H. S. Morison, of Tennessee, to be district judge, division no. 2, district of Alaska. Mr. Morison is now serving under a recess appointment.

UNITED STATES MARSHAL

Ben J. McKinney, of Arizona, to be United States marshal, district of Arizona, vice George A. Mauk, resigned.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO ORDNANCE DEPARTMENT

First Lt. James Roy Andersen, Infantry (detailed in Ordnance Department), with rank from November 1, 1931.

PROMOTION IN THE REGULAR ARMY

TO BE CHAPLAIN WITH THE RANK OF CAPTAIN

Chaplain Frederick Herbert Moehlmann (first lieutenant), United States Army, from May 9, 1935.

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

GENERAL OFFICERS

To be brigadier general, Adjutant General's Department, National Guard of the United States

Brig. Gen. William Armistead Gayle, Adjutant General's Department, Alabama National Guard.

To be brigadier general, National Guard of the United States

Brig. Gen. William Remsen Taylor, Wyoming National Guard.

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

TO BE BRIGADIER GENERAL, RESERVE

Brig. Gen. Frank Thomas Hines, Reserves, from September 7, 1935.

PROMOTIONS IN THE NAVY

MARINE CORPS

Maj. William C. James to be a lieutenant colonel in the Marine Corps from the 14th day of May 1935.

Capt. Galen M. Sturgis to be a major in the Marine Corps from the 14th day of May 1935.

First Lt. William W. Davidson to be a captain in the Marine Corps from the 14th day of May 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 20 (legislative day of May 13), 1935

RURAL ELECTRIFICATION ADMINISTRATION

Morris L. Cooke to be Administrator Rural Electrification Administration.

POSTMASTER

OKLAHOMA

R. Waldo Wettengel, Rush Springs.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 20 (legislative day of May 13), 1935

POSTMASTER

NEW YORK

Fannie E. Landt to be postmaster at Valatie, in the State of New York.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 20, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

To Thee, the author of all wisdom and goodness, we lift our supplications, our aspirations, and our gratitude; because Thou livest we shall live also; this is our faith and the sum of our hopes. Heavenly Father, Thou art speaking in countless providences, and we pray Thee to speak through us in service, in influence, and in example which bear upon public thought and action. Let truth of transcendent power be disseminated throughout the Republic. Grant that the drift of government, of churches, and of schools may be to make better men. May we be an inspiration in the accomplishment of the work of self-respect, self-assertion, and self-control. In the whirl and din of complex conditions, commercial strife, and contest may patriotism glow fervently in all hearts. To this end regard our Speaker and all others clothed with authority and assigned to public duty. In the Redeemer's name. Amen.

The Journal of the proceedings of Friday, May 17, was read and approved.

JOINT SESSION OF CONGRESS

The SPEAKER. The Chair has agreed to recognize the gentleman from Colorado [Mr. TAYLOR], but if any Member desires to make a correction of the RECORD, the Chair will recognize him now for that purpose; otherwise the Chair recognizes the gentleman from Colorado.

Mr. TAYLOR of Colorado. Mr. Speaker, my understanding is that the President of the United States desires to deliver a message to a joint assembly of the House and the Senate on next Wednesday. For this purpose I offer the following resolution for immediate consideration:

The Clerk read as follows:

House Concurrent Resolution 22

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, the 22d day of May 1935, at 12:30 o'clock in the afternoon for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The SPEAKER. The question is on the resolution.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I wish to ask a question.

The SPEAKER. The Chair is of the opinion that this is a privileged resolution.

Mr. BLANTON. It is something unprecedented; I have not heard of it since I have been in Congress.

Mr. O'CONNOR. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is that the gentleman from Colorado has the floor.

Mr. TAYLOR of Colorado. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. McFARLANE. Mr. Speaker, I make the point of order that there is no quorum present, and I object to the vote on that ground.

The SPEAKER. The Chair will count.

Mr. McFARLANE. Mr. Speaker, I withdraw my point of no quorum.

The previous question was ordered.

The House concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

A PROGRAM OF SOCIAL SECURITY

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, since the beginning of the administration of President Roosevelt the question of the economic and social security of the people of the United States, the questions of social security and of social justice, have begun to assume the place they deserve in any true democracy. There has never been a time in the history of this Nation when social security has received the attention that it is receiving now.

So strong has the movement for social legislation become that few of its opponents today attempt to oppose it openly. Instead of open and outspoken opposition we now often have attempts to delay the execution of the program, or attempts to weaken the strength and significance of the legislation enacted.

Lip service to social security is not enough. Now that the conscience of the people of the United States has been awakened to the need for a program of real security for the United States we must see to it that the laws that are enacted shall be genuine. We must not, and shall not, be misled by the subterfuges of those who in reality are opposed to the entire program. With this in mind I want to devote this time to a brief discussion of some of the fundamental elements which must be present in any program that deserves the title of social security.

TRUE SOCIAL SECURITY

In our modern society, social security in its true sense means the enactment of laws that will safeguard the fundamentals of life to every human being from the time of birth until the time of death. For in this modern society the individual alone often is helpless. He needs, and is entitled to, aid and assistance of society as a whole, as it is represented by the Government which he has established and supports.

FREE HIGHER EDUCATION

The child-welfare laws and public-health measures which we pass should protect the child from the day of his birth until he reaches maturity. Children who lose those upon whom they depend should be assured maintenance and financial assistance from the Government, State and Federal.

Children should be entitled, as a matter of right, to proper education. Those who distinguish themselves in their studies should be given not only the right to enter a high school but also a university at public expense. A democracy cannot continue to exist without providing, through education, the

means of understanding the issues and problems of the day. It took a long time to assure to each child the right to enter high school. The time has come to open the universities at public expense to those students who do not have the means, but who have proven their ability and shown their desire to extend their education.

HEALTH INSURANCE

Health insurance is another law which must come. It should be established in a form which is acceptable to the physician, because its success will depend upon the cooperation of the medical profession. Under present conditions, it means financial calamity for a laborer or a member of the so-called "middle class" to have serious illness in his family. When a case of serious illness occurs, the expenses of doctors, hospitals, nurses, and medicines are so high that the family is saddled with debts which require months, and often years, to pay off. And just as serious—even more so—are the conditions which result when poor people must neglect a serious illness because they cannot afford to pay for the services of a doctor or of a specialist.

Health insurance is the answer. It will entitle people at time of illness to such medical and hospital services as is required by every sickness.

We have heard much about unemployment insurance. It must be understood that this is not job insurance. Unemployment compensation laws guarantee the unemployed a proportion of the previous income through a limited period on unemployment. It will be well to watch and carefully scrutinize the unemployment compensation laws that will be enacted by the Congress and by the legislatures of various States. The Federal law as it is now contemplated is not sufficient. It does not set up a Federal unemployment insurance system. It gives us no assurance that the States will set up adequate unemployment compensation systems. It would appear from present indications that they will not.

I have said time and again that this law is only a beginning. Those who have been fighting for genuine social security intend to press and demand further forward steps.

THE RIGHT TO WORK

However, even the best and most liberal unemployment-insurance law is not sufficient. Above all is this: A man or woman who is able to work, and who is willing to work, should have the opportunity to do so. The right to a job is God-given. Man was created by God with certain physical and mental powers. If he applies them to the natural resources of the earth he can enjoy the fruits thereof. No man will never have security until the right to a job has been guaranteed him. Education of our children means nothing unless they can go out into the world and use that education. Mankind will never feel secure until it knows that the opportunity to work has been guaranteed.

THE ASSURANCE OF A JOB

Unemployment insurance is merely the insurance of a part of the wage income for a limited period of time. It is a great step forward; but it is not enough. We must find the way to assure to every man and to every woman who is willing to work, a job to which he will be entitled when his unemployment compensation benefits expire. Job insurance will be not only in the interest of the individual but in the interest of society as a whole. It will prevent ever-recurring depressions. It will prevent the reoccurrence of such panics as we are passing through. It simply means that when private industry is unable to give employment, and when unemployment benefits have become exhausted, the Government will step in and provide employment for every able-bodied unemployed either through public works or through a system of aids to industry. But whatever the method, the aim is clear.

OLD-AGE PENSIONS MUST BE LIBERAL

And now, what of old-age pensions and old-age insurance? No social security program is complete without them. When a man becomes older, when he no longer has the strength and virility which is required in our modern plants, he should be permitted to retire with an adequate income.

What I say about insurance compensation is equally true of old-age pensions and old-age insurance. It is not sufficient to have old-age pensions or old-age insurance laws. That in itself does not mean very much. The question is, What do these laws provide? How much benefits do they pay? At what age does the payment of old-age pensions begin?

The payment of old-age insurance should not wait until a man or woman is too old to enjoy the days that remain for him in his earthly life. It should be an old-age pension, not a graveyard pension. We should not wait until a person becomes 65 years of age. That is far too old. We should pay to every person in the United States who is 60 years of age or older an adequate pension, so that he may enjoy the remaining days of his life in the surrounding of his own home, and close to his children. We should pay him a pension sufficient for a comfortable and decent livelihood, and not for a bare existence.

WHAT SOCIAL SECURITY CAN MEAN

Social security legislation is designed to take the fear out of life. It is designed to remove the fear of insecurity arising from old age. It is designed to remove the fear arising from unemployment. It is designed to remove the fear arising from illness.

I visualize for the future social security laws which will accompany the individual from his cradle to his grave; social security laws which will step in and watch over the child when it is born; which will assure an education to every child according to his ability.

True social legislation means the payment of adequate unemployment-insurance benefits during periods of unemployment; it means the assurance of a job when unemployment benefits cease. It does not mean relief. The dole has no place in a picture of social security, and after a man or woman has done his or her part, after they have worked and given their share of their own individual happiness for the welfare of society, they will be permitted to retire on adequate old-age pension payments.

This, Mr. Speaker, is not a dream. It is made possible by the technical advances of a machine age, by our ability to produce in abundance all the goods we need. If we who have made the beginnings continue to keep this goal before us, if we press forward along the road which we have begun to travel, then true social security will become a reality in the United States.

FARM MORTGAGE ACT

Mr. JONES, from the Committee on Agriculture, submitted a conference report (Rept. No. 968) and statement on the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, for printing under the rule.

PERMISSION TO ADDRESS THE HOUSE

Mr. LEHLBACH. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. LEHLBACH. Mr. Speaker, on May 16 the gentleman from New York [Mrs. O'Day] had the floor and yielded to the gentleman from Texas [Mr. BLANTON]. On that occasion Mr. BLANTON said this:

One unlawful alien now here is awfully anxious to go back to his native country. That is Bruno Hauptmann, and we are going to send him back—

Bruno Hauptmann being a native of Germany.

Thereupon he sat down, and the gentleman from New York was yielded 2 additional minutes. Immediately after her time expired I secured 2 minutes in which to ask this question of the gentleman from Texas:

Mr. Chairman, I take this opportunity to ask my colleague, the gentleman from Texas, just when and under what circumstances he or anybody else is going to return Bruno Hauptmann?

He had said we are going to send him back to his native country, Germany.

The State of New Jersey having convicted him of murder in the first degree and having sentenced him to be electrocuted within the State of New Jersey, I asked him when and under what circumstances he was going to send him back to Germany. Whereupon the gentleman from Texas said:

We are going to return him through the electric chair to the place he belongs.

I replied:

The gentleman says, "We are going to do it." The State of New Jersey is trying to do it.

The gentleman from Texas then said:

That is a part of the American system of government.

I replied:

It is a part of Jersey justice.

Mr. BLANTON said:

I admit that, but it was Federal money that convicted him and Federal agents who caught him.

I then said:

No; the Legislature of New Jersey appropriated the money.

Then the gentleman from Texas gets his hands on the stenographer's transcript and this is how the RECORD reads:

Mr. BLANTON. One unlawful alien now here is awfully anxious to get back to his native country. That is Bruno Hauptmann, and law and order—

Not "we"—

are going to send him back to where he belongs by way of the electric chair.

Changing entirely what he said and making my query absolutely meaningless.

Then when I asked under what circumstances and when he is going to return Bruno Hauptmann, he said:

We, the citizens of the United States, are going to return him through the electric chair to the place he belongs.

Making, of course, the comment on my part—

The gentleman says "'we' are going to do it." The State of New Jersey is going to do it.

utterly irresponsible.

I said:

The State of New Jersey is going to do it—

That is, going to execute him.

Mr. BLANTON said:

That is a part of the American system of government.

It now reads:

The State of New Jersey is a part of the American system of government.

My answer—

It is a part of Jersey justice—

of course, becomes the mouthings of a half-wit.

The RECORD now reads:

Mr. BLANTON. I admit that, but it was Federal money largely that worked up the case that convicted him.

Making, of course, my reply foolish—

No; the Legislature of New Jersey appropriated the money.

The Legislature of New Jersey obviously appropriated no money to work up any case that the Federal Government agents were working on.

Now, that is a clear violation of the rules of the House, which says that no man may change his own remarks if they affect the remarks of another. It has been so held. When that is done, it is a question on which a man may claim personal privilege and get up and insist upon having the RECORD changed back to what was originally said on the floor in order not to be the victim of misrepresentations interpolated under the guise of extending or revising remarks.

Mr. Speaker, I would not make much fuss about a little thing like that if it were not for the fact that ever since he

has been a Member of Congress the gentleman from Texas has continually abused his privilege with respect to the CONGRESSIONAL RECORD.

Mr. BLANTON. Will the gentleman yield?

Mr. LEHLBACH. I will not. The gentleman is not going to garble anything I am saying now.

Mr. BLANTON. I will garble it after a while.

Mr. LEHLBACH. Yes; he will. Some years ago the gentleman for a most shameful abuse of the RECORD came within a very few votes of being expelled from this body. It takes a two-thirds majority to expel a Member.

Mr. Speaker, I am not going to ask that this matter be expunged from the RECORD and the RECORD corrected as it should read. I am going to let it stand, as far as I am concerned, as a typical example of the character and the service of the gentleman from Texas.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, if my colleagues will look on page 7707 of the RECORD for last Thursday, May 16, 1935, containing my colloquy with my distinguished colleague from New York [Mrs. O'Day] they will there see that I was duly granted, by unanimous consent, the right to revise and extend my remarks in the RECORD.

Mr. Speaker, the rules of the House permit a Member to revise his own remarks to show exactly what he intends to say.

The gentleman from New Jersey mentions that some years ago a move was made by Frank W. Mondell, his leader, to have me removed from this House. The Republicans at that time had 302 Members. Mondell received only 204 votes to remove me, when there were 435 Members of the House, of whom 302 were Republicans.

Mr. Speaker, there is just a handful of the Members left in this House who voted for Mondell's resolution to remove me. There is just a handful. I can count them almost on the fingers of my two hands. The rest have gone and are forgotten.

The man who offered that resolution, Frank W. Mondell, came up for election to the Senate immediately thereafter. For 26 years he had been the only Congressman from Wyoming. He had been the Republican floor leader in this House for years. His ridiculous excuse was that I had printed an improper report on the Government Printing Office, which he had expunged.

I got a poll-tax list of every man and woman in Wyoming. I sold a farm in Texas and had my report on the Government Printing Office reprinted by a private printery. It cost me a tremendous sum of money, but I did not stop at expense. I sent a copy of that Printing Office report to every man and woman in Wyoming at my own expense. It cost me an enormous lot of time and money. I showed exactly what Frank Mondell had said and done in this House.

Did you know that Wyoming went Republican at that time and elected a Republican Congressman to succeed Frank Mondell in the House, but for the Senate Frank W. Mondell did not carry but one single county in his native State—just one? They turned him down and put him out of public life. He has been a common lobbyist ever since here in Washington. He is gone and forgotten politically. Yet all through these years the people of my district have elected and reelected me by a wonderful majority. The little fellow from New Jersey is the one that gets up here and makes these remarks this morning. His people may punish him for doing that some day.

Mr. Speaker, one of the leading professors on Government in the United States, the great William Starr Myers, of Princeton University, examined that report of mine on the Government Printing Office, and condemned Mondell's action as being malicious and unwarranted. One of the clubs of Harvard University said the same thing about it. Preachers, university professors, and leading officials in Govern-

ment stated there was not a thing in the world wrong in my having printed that report in the RECORD.

Why did not the gentleman from New Jersey, in fairness, state that after Frank W. Mondell had gone and been forgotten this Congress by unanimous consent, Mr. Speaker, permitted me to read into and thus have printed that Government Printing Office report back in the RECORD, and it is in there now, word for word, except a few words omitted from an affidavit by one employee.

I am going to have that report printed again, regardless of cost, and I am going to send it to every voter the gentleman has in his district in New Jersey. Let them see what he gets up here and tries to do in reflecting upon one of his colleagues.

Mr. Speaker, I did not say I was going to send Bruno Hauptmann back to Germany. I said we were going to send him back to where he belonged. Everybody understood me except the gentleman from New Jersey; but when he tried to make out like he did not, I made the RECORD show the facts—that we were going to send him where he belonged. He does not say that the Government had anything to do with convicting Bruno Hauptmann. Why, this Government spent thousands of dollars. It had every single man connected with our Intelligence Department working on that case. New Jersey did not work it up. It was the Government of the United States that secured some of the most important and convincing evidence.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, as I have consent unanimously granted to me by my colleagues in the House to extend my remarks, I want to show the facts relating to my said report on the Government Printing Office.

During the war our Government paid all industrial workers tremendous wages, yet there were 6,000 strikes against the Government. Workers had been exempted from the draft, because they were needed to work. When they continued to strike, President Wilson asked Congress to pass what he called his "work or fight" amendment to the Draft Act, which would take from workers their exemption when they refused to work, and they could be sent to the war zone. I spoke and voted for that amendment and helped to pass it in this House, and thus incurred the enmity of organized labor.

When Congress gave the extra \$240 bonus to our 100,000 Government employees in Washington, I voted that during the war they should work 8 instead of only 7 hours per day. I again incurred the displeasure of organized labor. That was known as the "Borland amendment", which caused a march on the Capitol.

Then I backed the contention that our Government had the right to supervise the work of its employees in its navy yards and arsenals. This stand caused me to be criticized and condemned by organized labor.

From time to time during the war I vigorously protested against labor unions attempting to dominate our Government legislatively. Again I was condemned by organized labor.

I dared to oppose unions in their attempt to force all Government employees to unionize and pay dues against their will. This brought down union wrath upon my head.

I warned President Samuel Gompers that if he would preserve his unions and not lose the many deserved benefits he had worthily helped them to acquire, which meant much to labor, he must repudiate the anarchy and communism pervading unions, and free them of such menaces as William Z. Foster. He and his unions then resented such advice, and proclaimed me as an enemy to organized labor, and caused me to be placed on his blacklist.

In all such acts I was the true friend and not the enemy of labor. And before he died, President Gompers did publicly repudiate William Z. Foster and communism, and his worthy successor, President William Green, has likewise repudiated them.

In the 1920 campaign, there were 64 newspapers published in my district. In all of them I was attacked by paid ad-

vertisements. In some of them President Gompers carried whole page advertisements over his own signature against me, denouncing me as an enemy to organized labor. In such campaign such reputable and reliable newspaper authority as (then) Editor Lloyd B. Thomas asserted in his Times that approximately \$100,000 was spent in my district to defeat me in the primary. The Olden Advance carried whole pages of attacks against me in practically every issue.

By an overwhelming vote I was reelected. Many of the finest citizens of my district are members of labor unions, and for years have been my strong personal friends, and knew that they could depend upon me at all times to give labor a square deal in all of its worthy undertakings, and many would not turn against me. Then a radical union publication asserted that if they could not defeat me at the polls they would find some other way of getting me out of Congress.

During my first 12 years in Congress I spent practically all of my vacations in checking up Government departments, bureaus, and commissions. I wanted to familiarize myself with all the intimate details of their business, and just how they spent the huge sums of money Congress gave them, and where it went.

In 1921, numerous employees, some being helpless women, appealed to me for protection, asserting that while through civil service they could easily obtain Government positions, yet unions would not let them continue long in employment unless they joined and paid the prescribed union dues. Upon their urgent appeal and insistence I investigated such conditions.

In May 1921, certain of the 4,450 employees then in our Government Printing Office appealed to me for protection, asserting that unions controlled the plant and required all employees to join the union, pay its monthly dues and assessments and in addition to pay the required extra 10 percent of their salaries to carry on the Nation-wide strike for the 44-hour week. It being my duty to do so, I investigated this plant. I found conditions there, and in other departments, that I thought should be publicly known. I believed that such conditions were so outrageous and important that my colleagues in both the House and Senate would highly appreciate my bringing such facts before them, for I knew that they had not taken time themselves to ascertain such facts first hand. There was but one way to acquaint the 96 Senators and the other 434 Congressmen with such facts, and that was to print a report of what I had found and the facts I had gathered by affidavits in the CONGRESSIONAL RECORD for their information.

So, before preparing my report, from the floor of the House, on October 4, 1921, I requested the House to grant me permission to print my report in the RECORD as an "Extension of Remarks", and such permission was unanimously granted.

And as soon as I completed my report, I sent it to the Government Printing Office and it was printed in the Appendix of the daily RECORD for October 21, 1921.

In this report, among the various other letters and affidavits I printed, I quoted one affidavit which an employee, Millard French, had filed with the Public Printer, complaining of inhuman treatment accorded him by a foreman, and which embraced some language this foreman had used toward him, which, because being improper, I deleted just as I used to delete court records on appeal to higher courts when I was on the circuit bench for 8 years, and every improper word in same was deleted by using dashes and only the first letter, and in that printed report there was not one improper word except the deleted ones in this one employee's affidavit.

I was not disseminating improper language. I was endeavoring to stop its use by Government employees toward their fellow workers while transacting public business. I was bringing its use to the attention of Congress. There was no other way to apprise the other 434 Members and 96 Senators of it. I believed my colleagues would welcome such information and would commend me for the hard work I had done in making this investigation. I was merely per-

forming my official duty as a Representative of this Government. With such facts before me, I would not have done my duty had I done less.

UNION LEADERS AMBUSHED ME

Unions in Washington realized that there was no answer to the facts established by my said report. They could not afford to have same made public. They were determined to obliterate my report. So they persuaded Frank W. Mondell, who was then a candidate for the Senate, to have it expunged from the RECORD. So when the House met on Monday, October 24, 1921, without giving me any notice whatever of his intention, Frank Mondell moved to expunge my entire report from the RECORD, and moved the previous question on his motion, which cut off all debate. I implored him to withdraw the previous question, and to give me 10 minutes to explain the matter to my colleagues, but he refused.

I then asked that he expunge only the Millard French affidavit, to which he objected, but he refused. He was determined to get my entire report out of the RECORD. And with his great prestige and influence, as Republican majority leader, with 302 Republicans then Members of the House, and by forcing an immediate vote, with unaware Members hurriedly coming into the House from their offices, and knowing nothing of the contents of such report, he caused the entire report to be expunged.

The next day Majority Leader Mondell moved to put me out of Congress. It was an afterthought. Union leaders in Washington had demanded it. He did not refer the matter to a committee, required by an unbroken line of precedents. He did not allow me a hearing. He did not allow me to have counsel, which has been given by Congress to every Member whose seat has been at issue. He did not confront me with any witnesses, or allow me to cross-examine anybody. He did not give me any time to prepare my defense. He pushed his resolution to take my seat from me, based on his mere statement that I had printed improper language in the RECORD, when not one word of my own had been improper, and the few improper words in the quoted affidavit of said employee had been by me deleted exactly as court records are deleted. And he thus caused many persons in the United States to believe that I had used improper language, when my whole desire and purpose had been to stop Government employees from using it in abuse of other employees when about public business.

As above stated, there were 302 Republicans then in the House. He was their leader. He had been their majority leader for some time. He had prestige and influence. He controlled a majority of 170 votes in the House. He spent all of the morning in calling Republicans to his office and demanded as their leader that they put me out of Congress. Yet altogether out of 435 Members he was able to muster only 204 votes to put me out.

BUT IT PLAGUED MONDELL THEREAFTER

Frank W. Mondell had been the only Congressman, for it had only one, from the State of Wyoming for 26 long years. In the following election he made his race for the United States Senate. Dr. Frank Carl, of Sheridan, Wyo., advised me that Mondell was trying to use his attack on me to get the union vote of Wyoming, and he advised that if the people of Wyoming could see my report, as he had read and approved it, they would not support Mondell. So I had my report reprinted in a private printery, and got a poll-tax list of the Wyoming voters, and hired employees, and mailed a copy of such report, and a copy of Mondell's entire action in the House against me, to every man and woman in the State of Wyoming.

WYOMING REPUBLICAN BUT MONDELL DEFEATED

When the votes were counted, Mondell had carried only one county in his entire State. The county of Goshen is the only county in the State of Wyoming that Frank W. Mondell was able to carry for the Senate, although the State elected a Republican to succeed Mondell in the House of Representatives as Congressman at large from Wyoming.

REPORT BACK INTO RECORD

If you will examine the daily RECORD for Wednesday, December 7, 1927, pages 200 to 211, you will see that the House of Representatives allowed me to read my said report on the Government Printing Office, which Mondell had expunged, back into the RECORD, in its entirety, excepting a few words in the said employee's affidavit. Our present Speaker, the distinguished gentleman from Tennessee [Mr. BYRNS], who was then in charge of an appropriation bill on the floor, yielded me the time, and in order for him to have enough time to do it, my old friend the distinguished former colleague of ours from Illinois [Mr. MADDEN] yielded him 30 minutes of it. And if any Member had objected to my reading it, I could not have read it, hence it was read into the RECORD by unanimous consent.

CARRIED BY 19 COUNTIES

And on page 212 of this RECORD for December 7, 1927, I want you new colleagues to read the resolution unanimously passed by my Democratic convention, certifying to the fact that I had carried all 19 of my counties, and had carried all of the 26 voting precincts then in my home county, and had carried all of the 21 voting precincts in the home county of my opponent.

And, I might also mention, that last year, with a prominent legislator and a prominent district judge running against me, I carried all 30 of the present voting precincts in my home county with a majority in each over both opponents, and carried all of the voting precincts in the home county of said legislator.

REPORT A PROPER ONE

If my colleagues will read this report of mine on the Government Printing Office on pages 200 to 211 of the RECORD for Wednesday, December 7, 1927, they will see that it evidences a tremendous lot of work on my part, and that it embraces a lot of most valuable information on what was going on in the departments of this Government. In instances I quoted the verbatim evidence of witnesses from joint congressional hearings of the House and Senate.

ORIGINAL PRINT FORTUNATELY READ

Fortunately for me, the RECORD for October 22, 1921, containing my report on the Government Printing Office, went into every congressional district in the United States before Mondell expunged it from the permanent RECORD, and many people read it. After Mondell expunged it and made his attack on me, I received hundreds of letters from every State in this Union commending my report and denouncing Mondell for his action. I have this voluminous mass of letters retained as one of my most valuable possessions.

I made a speech in this House on March 13, 1922, entitled "From Seattle to Florida", taking as my subject "Truth crushed to earth will rise again", and I want my colleagues to read the cross section of these letters I quoted in said speech, which in fact were from Seattle to Florida, and they will see that your constituents back home in your districts who had read my original report printed in the RECORD on October 22, 1921, approved it in every respect as a proper report for me to make to Congress and commended me for making it, and condemned Mondell for his attack on me.

Read the statement of William Starr Myers, professor of government in Princeton University, situated in Princeton, N. J. You will see that he congratulates me and says that my report was brave and patriotic.

Read the statement from the Ridgely Club, of Harvard University, and you will see that it denominated Mondell's action as an unprincipled attack and said that I was the victim of deplorable persecution.

Read the opinion of Judge Fred Lamb, of the Twelfth Judicial Circuit Court of Missouri, and you will see that he pronounced my report as proper in every respect and called Mondell's action an unjustifiable outrage.

Read the opinion Rev. Harry E. Purinton, of Denver, Colo., wrote denouncing the action as a pusillanimous knuckling to unions.

Read the statement from Secretary C. W. Shaefer, of the Trenton Typothetae, Trenton, N. J., advising that, although

he is a loyal Republican, he would split his ticket to vote for me, and commending my report.

Read the statement from Hon. J. Horace McFarland, of Harrisburg, Pa., who personally read my report in the *RECORD* and approved it, and commended me.

Read the statement from F. H. Ebeling, the big seed man of Syracuse, N. Y., stating that the people of this country were solidly behind me 20 to 1, and predicting that I would be in Congress many years after Mondell was forgotten.

Read the editorial from the Little Rock (Ark.) Daily News approving my report in every detail and stating that I would not have done my duty if I had not published it in the *RECORD* and challenged Mondell or any other Member who voted to put me out to state how any woman or child could have been hurt by the words as I had deleted them.

I want my colleagues in said *RECORD* of March 13, 1922, to read the long editorial by the Kansas Official, of Topeka, Kans., approving every portion of my report, and condemned Mondell for his action, which it said he had carefully constructed, premeditated, and conceived to mislead Members of Congress, and the public, and it said that Mondell did it to curry favor with the American Federation of Labor.

I want you to read the statement from the former great evangelist, Sam W. Small, who was then living over here at Rosslyn, Va.

Read the statement from Director R. D. Bowen, representing agriculture in the Mississippi Valley Association, embracing 26 States.

Read the editorial from the Sunday Times, of Chattanooga, Tenn., and from the Buffalo Commercial, Buffalo, N. Y., the latter saying that I had performed a great public service.

Read the statement from Capt. T. Hall, of Fort Lauderdale, Fla., and from H. D. Masterson, of Seattle, Wash.

Read the long editorial from the Columbus Dispatch, Ohio, calling Mondell's action punitive in the extreme, and stating that a number of Republicans were through with his leadership. Note that it quoted Charles J. Thompson, of the Defiance district, and James T. Begg, of the Sandusky district, as sorry they had followed Mondell and were glad the resolution did not pass; and note also that it quoted General Speaks and Representative Ricketts that they broke away from Mondell's leadership.

Read the statement of W. S. McCarthy, of Salt Lake City, Utah, stating that my report was approved by every person discussing the matter with him, and they gave me a vote of thanks.

Read the statement from Rev. W. W. Pippin, Jr., of Appamattox, Va., stating that my verbatim account of conditions in my report best served the ends of justice, and you will see that he approved it in its entirety.

Read the statement from Francis Ralston Welsh, of Philadelphia, and you will see that he not only approved my report but because of Mondell's unwarranted attack on me he refused to make his usual Republican annual contribution to the national Republican campaign funds.

Some of these days, Mr. Speaker, if I ever get able financially to do so, I am going to publish in a book, for they will make a book, all of the letters I received from all of the 48 States in this Union immediately following Mondell's attempt to put me out of this House, commending my report and denouncing Mondell. Every colleague in this House will find that many are from his State, and some at least are from his district.

ALL OPPONENTS DISCOMFITED

In every primary campaign since Mondell's action, some new opponent urged by my enemies to run against me will deluge my district with copies of Mondell's motion to expel me, and of the attacks made on me, but they have no effect upon my constituents. They know me well. They knew me as a practicing attorney. They knew me as their circuit judge for 8 years, when I cleared congested dockets in five large counties, and enforced the law. They have known me as their Congressman, and they know what I stand for, and what I do here in Washington. I have gone to the trouble of recounting the facts connected with said Mondell's attack,

so that all of my new colleagues might have a proper picture of the matter before them.

Many of my closest friends in Congress are the most loyal friends and supporters of every proposal made by organized labor. They know that I am not with them in some of their fights. But they know that I always fight fairly and squarely on every issue, and that I never straddle the fence, and they always know exactly what to expect of me, and where to find me. And many times, where I think they are right, I am fighting in the front line for demands of organized labor. When I think they are wrong, I fight against them.

PERMISSION TO ADDRESS THE HOUSE

Mr. STACK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes on current legislation.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, may I ask the gentleman if this is on any particular current legislation? If it is on the bonus question, I am going to object.

Mr. STACK. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. O'CONNOR. Mr. Speaker, I object.

COMMITTEE ON MILITARY AFFAIRS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may have permission to sit during the sessions of the House today and tomorrow in order to conclude promptly the hearings on the T. V. A.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMUNISM

Mr. DICKSTEIN. Mr. Speaker, I am very happy to note that the Jewish labor unions of this country, consisting of 450,000 men and women, have gone on record in a resolution condemning communism and advocating its destruction, as well as condemning all of its activities.

I ask unanimous consent to revise and extend my remarks by inserting an article that appears in the Baltimore News and the Baltimore Post on this question.

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, are they the gentleman's own remarks?

Mr. DICKSTEIN. No; the gentleman has made his remarks. The gentleman would like to incorporate an editorial on the question of this organization condemning communism in its ranks.

Mr. MARCANTONIO. I object, Mr. Speaker.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the *RECORD* at this point and insert an appeal from the steering committee for the passage of H. R. 1, presented to the President this morning asking him not to veto the bill for the payment of the adjusted-service certificates, which passed the House by a vote of 318 for to 90 against, and the Senate by a vote of 55 for and 33 against.

Mr. SNELL. Mr. Speaker, I did not understand where the appeal is from.

Mr. PATMAN. From the steering committee of 22 members for the passage of H. R. 1, including myself.

Mr. SNELL. Did I understand the gentleman to state it is the Democratic steering committee?

Mr. PATMAN. The steering committee for the passage of H. R. 1, which is composed of 19 Democrats, 1 Republican, 1 Progressive, and 1 Farmer-Laborite member. It is not the Democratic steering committee.

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman whether these are copies

of letters sent from this steering committee previously to the Membership of the House?

Mr. PATMAN. No; I think the gentleman will find some new information that will be enlightening to him and I hope he will read it carefully, because it is good.

Mr. TAYLOR of Colorado. Mr. Speaker, reserving the right to object, I want to ask the gentleman from Texas whether I understood him to say this comes from the steering committee of the House?

Mr. PATMAN. I think I made it plain, I will state to the gentleman, that it is from the steering committee for the passage of H. R. 1. It is an organization well known in this House. Everybody knows what I am talking about when I say "steering committee for the passage of H. R. 1."

Mr. TAYLOR of Colorado. I do not know whether they do or not.

Mr. PATMAN. They are all Members of Congress.

Mr. TAYLOR of Colorado. In other words, it is the bonus steering committee rather than the official steering committee of the majority party.

Mr. PATMAN. I do not use the word "bonus"—I say it is not a bonus—but this is the steering committee for the passage of H. R. 1, the Patman bill. It is a well-known organization and I doubt if you can find a Member of this body who does not know about it.

Mr. DIES. Composed of the ablest Members of the House, I may say to the gentleman.

Mr. TAYLOR of Colorado. I withdraw my objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

STATEMENT PRESENTED TO THE PRESIDENT OF THE UNITED STATES BY THE HOUSE STEERING COMMITTEE FOR THE PASSAGE OF H. R. 1 ON MAY 20, 1935

We are not entitled to be victorious in our efforts to secure the enactment of the bill that has recently passed Congress to pay 3,500,000 World War veterans \$2,000,000,000 unless we can show the following:

1. That each veteran who holds an adjusted-service certificate is entitled to an amount at this time equivalent to the full face or maturity value of the certificate, although it is payable January 1, 1945.

2. That such payment can be made without detriment to the country and without impairing in any way a sound monetary system.

We believe that the country is convinced, after a thorough understanding of the question among the veterans and nonveterans that this debt is really past due, although payable in the future, and that it can be paid according to our proposal not only without detriment to the country, but in a way that such payment would be a godsend to the country.

The average veteran holds a certificate for \$1,000. The amount was arrived at by allowing him \$1 a day extra for home service and \$1.25 a day extra for service overseas during the World War; such basic credit, which was on the average \$400, was increased 25 percent as compensation for deferred payment from 1925 to 1945, making the credit \$500. This amount at 3½-percent interest, compounded annually, amounts to \$1,000 January 1, 1945. The basic credit, however, was used to arrive at the amount of an adjusted-service certificate, which would be equal to the amount of an endowment insurance policy, based upon the American Experience Table of Mortality at 4 percent. We are not asking to change the \$1 and \$1.25 a day compensation, but we are asking that the debt be paid as of the time the veterans rendered the service. In arriving at the amount due each veteran, 7 years' interest was entirely overlooked. The then Secretary of the Treasury confessed before a congressional committee in 1931 that interest for 7 years was entirely ignored.

INTEREST WILL CONSUME

The Adjusted Compensation Act of 1924, although giving the veterans an average certificate of \$1,000, contained terms and provisions that caused them to pay on limited loans 6, 7, and 8 percent interest compounded annually for their own money, which would result in the veteran having the greater portion of his certificate consumed by the payment of compound interest by the time of its maturity in 1945.

OTHERS RECEIVED ADJUSTMENT IN CASH

Seven thousand war contractors received adjusted pay amounting to billions, directly and indirectly, after the war was over; many of them had invalid and illegal contracts which were validated by Congress. They were paid in cash. The railroad owners received a guaranteed return during the war equal to the average return 3 years prior to America's entrance into the war, which was the most prosperous period of railroading in the United States; in addition, they were given \$3,000,000 a day extra pay for the next 6 months after being released from Government operation. Their

adjustments in pay amounted to between one and two billion dollars; they were paid in cash. There were about 500,000 Federal civilian employees during the war; all of them receiving \$2,500 a year or less had their pay adjusted, and the average received \$1,000 extra pay. It was paid in cash. Many soldiers worked on the public roads in America during the war, side by side with civilians who were receiving \$8 a day; these soldiers received an adjustment of \$7 a day, representing the difference between their soldier pay of \$1 a day and the \$8 a day drawn by the civilians. They were paid in cash after the war. Foreign countries, our allies during the war, were loaned billions of dollars by our Government after the war was over. They used a part of this money to pay their own veterans adjusted compensation and bonuses aggregating as high in some instances as \$7,290 each.

VETERANS ASK FOR SAME INTEREST RATE AS OTHERS

If the veterans are allowed interest from the time the services were rendered instead of from 1925, they will not be receiving special favors from the Government. For instance, when the war was over, applications for tax refunds were filed by individuals and corporations, many of them claiming that they had paid too much income taxes during the war and others claiming that they failed to deduct a sufficient amount for depreciation of their facilities used in war services. These claims were made, although they had made and sworn to the income-tax returns themselves. The Secretary of the Treasury refunded to large income-tax payers more than 3,000 million, or \$3,000,000,000, from the year 1922 to the year 1929, inclusive—an amount more than sufficient to pay the remainder of the adjusted-service certificates in full. Much of this money was refunded or given back to them on the theory that the taxpayers did not charge off a sufficient amount for depreciation in value of their properties during the war from 1917-19. A large part of it was refunded in plain violation of the law. A large number of the beneficiaries of these large gifts were war profiteers and should have been convicted of treason for dissipating and plundering our resources during the war. When each refund was paid the Treasury also paid the one receiving it 6-percent interest from the year it was claimed the deduction should have been made. On one refund to the United States Steel Corporation of \$15,736,595.72, interest amounting to more than \$10,099,765 was paid. Mr. Andrew Mellon while Secretary of the Treasury made large refunds to himself and to his companies, and in each case allowed 6-percent interest from the year he claims the credits should have been given and not from 1925, the date of the adjusted-service certificates, or 7 years later.

One receiving a tax refund in 1925 for an alleged overpayment in 1918 was paid 6-percent interest from 1918 on the amount of the payment. There is no reason why the veterans should not be paid from the time they rendered their services until 1925, the date of the certificates.

PAY RECEIVED IN SERVICE

An enlisted man, private, received \$1 a day, except the overseas service, when he received 10 percent extra, or \$1.10 a day. They were permitted, and in many cases required, to make allotments of a certain amount of their pay monthly to their dependents; the amount varied from \$5 to \$25 a month and was deducted from the amount due them. They also paid for altering and mending their clothing and shoes, barber bills, laundry bills, and other incidental expenses. In addition, the average veteran had deducted from his pay \$6.60 a month for insurance (they paid \$400,000,000 to the Government in this way for which they have received no financial benefit); if he had anything remaining after these deductions were made, he was usually required to subscribe for a Liberty bond on the installment plan, which was sold at a loss at the end of the war. Many drew nothing at the end of the month.

CERTIFICATES SHOULD BE DATED BACK

We are asking in this legislation that the certificates be dated back to the time the services were rendered and the veterans allowed 6 percent interest instead of 3½ or 4 percent. We believe this revision is necessary to carry out the intent of Congress to allow each veteran \$1 a day extra for home service and \$1.25 a day extra for service overseas. It is certainly reasonable, and if such legislation is made, each veteran was entitled to an amount equivalent to the full face or maturity value of his certificate, October 1, 1931.

No veteran who served less than 111 days has an adjusted-service certificate.

METHOD OF PAYMENT

Our bill provides that the veterans will be paid in United States notes, the same kind of money now outstanding. They now hold Government obligations payable in 1945. We are not asking that the Government invoke a new policy or principle for the issuance of money, but to invoke, in the interest of all the people, an established governmental policy now used by the 12 banks, which are owned by private corporations and which are privileged to use that misleading title "Federal Reserve." We propose to give the veterans the right to deposit 1945 obligations and receive new money in return in identically the same manner that banks are entitled to use the Government's credit. Our bill provides for safeguards against even dangers of inflation and will cause all the gold in the Treasury to be used as a backing for the money. The Treasury has in its possession the title to which is in the United States eight and three-quarter billion dollars in gold and almost a billion dollars in silver. The Treasury has \$15 in gold and \$2 in silver to pay every outstanding \$10 bill in America today. If the veterans are paid \$2,000,000,000 remainder due, there will still

be sufficient gold to redeem all outstanding money 100 cents on the dollar and the Treasury have remaining in its vaults idle and unused \$2,000,000,000 in gold and silver.

MORE GOLD BEHIND IT THAN BANKERS' MONEY

The most enthusiastic advocate of the gold standard and the most reactionary banker cannot question the soundness of this money, which will have 60 percent more gold behind it than any Federal Reserve note or other bankers' money ever had.

A NEW AND ALTERNATIVE SUGGESTION

The daily statement of the United States Treasury for May 10, 1935, discloses that the Government has \$852,364,042.27 in gold in the general fund; this gold cannot be paid out under existing laws. We understand the Secretary of the Treasury contemplates retiring national bank currency with a large part of it by delivering gold certificates based upon this gold to the Federal Reserve banks which will issue Federal Reserve notes to take up the national bank currency. This will result in the 12 Federal Reserve banks getting this gold which they can use to issue two and one-half dollars of Federal Reserve notes to every \$1 of gold. Each new dollar so issued may be used by the banks of the country as a basis for lending \$10 to the people. Therefore, each dollar of gold delivered to the Federal Reserve banks will permit the banking system to lend twenty-two and one-half dollars on it to the people and collect interest thereon. We respectfully suggest and urge that this gold not be delivered to the Federal Reserve banks but instead that it remain in the general fund where it will secure United States notes or that it be transferred to the gold reserve against United States notes. This amount alone is sufficient to secure the \$2,000,000,000 to be paid to the veterans on a 40-percent gold basis. No country on earth ever suffered from inflation when it issued money based upon a gold reserve equal to 40 percent. It is not necessary to transfer the gold from the general fund in order for it to secure the issuance of additional United States notes. Our bill causes all gold belonging to the United States to secure the additional money to be issued.

TWO BILLION DOLLARS IDLE GOLD

If this suggestion is carried out, the gold will then be used as follows:

To secure all outstanding paper money at this time not including silver certificates which are secured by silver, approximately.....	\$4,000,000,000.00
To secure the \$346,681,016 in United States notes now outstanding and the \$2,000,000,000 to be issued to pay the veterans.....	1,008,703,849.68
Exchange stabilization fund.....	1,800,000,000.00
Total.....	6,808,703,849.68

The Treasury statement of May 10, 1935, discloses that the Government owns \$8,734,105,462.96 in gold. The amount is increasing daily. If the gold is earmarked as herein indicated, the Treasury will have on hand approximately \$2,000,000,000 in idle and unused gold after the veterans are paid in full in cash with money that is based upon an adequate gold reserve.

SAFEGUARDS AGAINST INFLATION

No country on earth has ever suffered from inflation by reason of the issuance of paper money based upon an adequate reserve. Our bill provides that in the event the commodity price level exceeds the 1921 to 1929 average, or in the event the Secretary of the Treasury believes—the matter is left entirely up to his good judgment—that there is danger of undue expansion of the currency, Federal Reserve notes may be withdrawn to prevent it. Therefore, the push-and-pull provisions of this bill permit the Secretary of the Treasury to retire Federal Reserve notes as United States notes are paid into circulation and our circulating medium may not necessarily be increased by \$1. Such payment, however, will result in a great benefit to the people. Every day \$2,000,000 in Federal Reserve notes is outstanding, someone is paying interest on those notes, although they are based upon Government credit, which is used free of charge by the Federal Reserve banks. But the \$2,000,000,000 in United States notes, which will replace this amount of Federal Reserve notes, will be paid into circulation, and no one will be paying interest upon this money while it is outstanding. On a 3-percent interest basis, this will be a net saving to the people of \$60,000,000 annually. While our bill will not necessarily cause more money to be placed into circulation, it will cause a wide distribution of money, which is very much needed in our administration's recovery program.

SHOULD USE IDLE GOLD

Under our laws gold is money and not a commodity, and it is the duty of the Treasury Department to treat it at all times as money. Even under the gold-standard system, the increase in the amount of gold in the Treasury meant an equal increase in the amount of gold certificates in circulation. The Gold Revaluation Act and the Thomas amendment to the agricultural bill, approved by the President, clearly contemplated a continuance of the fundamental principle that an increase in gold stocks should be accompanied by an equal increase in paper currency in circulation.

But in actual administration the Treasury is ignoring this fundamental principle by treating three billions of gold in the Treasury as a commodity. This policy is more reactionary than the operation of the gold standard. It means that money in actual

circulation will not be increased in accordance with the ancient principles that have governed our monetary policies in the past.

The Patman bill will mean that we will obey the law and treat all the gold as money, the same as it would be treated if we were on a straight gold-standard system.

CURRENCY NO MORE INFLATIONARY THAN BONDS

We cannot subscribe to the argument that our Government should pay tribute in the form of interest to a few bankers and other holders of Government obligations in order to discourage the issuance of more Government credit. If we can stop issuing bonds, we can stop issuing money. No one will contend that Government bonds are not just as inflationary as Government currency. There is a big difference to the people between bonds and currency. We will always need more than \$5,000,000,000 of actual money in circulation—outstanding—and certainly the Government can safely issue that amount without question and save the people the interest on its initial issuance. In other words, pay that much money into circulation and permit it to remain outstanding instead of permitting the banks to lend it into circulation and require the people to carry an interest burden every day it is outstanding.

PEOPLE UNDERSTAND MONEY QUESTION

We respectfully submit that the people of this Nation, veterans and nonveterans, are better informed on the issuance and distribution of money and Government credit than ever before in the history of our country. We believe that our bill has the approval of at least 80 percent of the people who have an understanding of this subject.

TERM "BONUS" A MISNOMER

The term bonus, which is a misnomer, coined by the enemies of the law, has tended to prejudice our cause before the people.

REVISION OF CONTRACT TO DO JUSTICE

We insist that the veterans and the people do understand this issue—they understand that the certificates are not legally payable until 1945. They also understand, however, that in computing the amount due the veterans, interest for 7 years was ignored; that this is an undisputed fact, and if the Government will now revise the terms of the certificates in order to give the veterans the benefit of this ignored 7 years' interest and make a fair adjustment of the interest rate, which will carry out an established governmental policy, the average veteran holder was entitled to an amount equivalent to the full amount of his certificate, October 1, 1931. They understand, further, that if this adjustment of interest rate is made, it will be giving the veterans the same rights and benefits, and no more, as were given to others by the Government on contracts involving property rights growing out of the World War.

TRICKY FIGURES

We hope our great Executive will carefully analyze all information that is given to him for the alleged purpose of showing what it is now costing the Government annually to care for disabled World War veterans and their dependents. We desire to respectfully warn our President that there is a set of tricky figures in existence, which represent fallacious theories, half truths, untruths, and incorrect statements. These tables use the year 1932 as an example and they are padded by more than \$400,000,000.

SEVEN PERCENT OF VETERANS RECEIVING CHECKS MONTHLY

Much has been said about benefits being received by disabled veterans of the World War. The question is not related to the payment of the adjusted-service certificates; however, it is interesting to note that only 7 percent of the men who served our Nation in uniform during the World War are now receiving compensation and disability benefits from the Government. Only a very small percentage of the three and one-half million holders of the adjusted-service certificates have ever received a benefit from the Government except the adjusted-service certificates.

MEASURING A NATION'S GENEROSITY

There is only one fair way of comparing generosity of nations toward their defenders, and that is upon the ability of a nation to be generous, which is determined largely by national wealth and national income. We are not giving this information in support of more generous benefits to veterans but for the purpose of answering fallacious arguments. For every \$1,000 of national wealth in 1932 the United States paid her veterans \$1.39; Great Britain, \$1.93; Canada, \$2.03; Italy, \$2.74; France, \$5.64; and Germany, \$6.22. For every \$1,000 of national income the United States paid her veterans \$6.83; Canada, \$10.15; Great Britain, \$11.01; Italy, \$13.28; Germany, \$19.64; and France, \$42.48. If population for a basis is desired, it will be discovered that the annual expenditure per capita was: Italy, \$1.64; United States, \$3.40; Great Britain, \$3.95; Germany, \$4.80; Canada, \$6.11; and France, \$6.66.

The only fair way of measuring generosity of a nation being based on wealth and income, it will be noticed that the conquered country, Germany, is paying her veterans several times as much as the United States. The tricky figures indicate that the United States expended \$860,635,000 for World War veterans during the year 1932, when, in truth and in fact, the sum that should have been charged up to the veterans was \$425,635,000.

VETERANS NOT PAID FOR PATRIOTISM

When the veterans receive this extra \$1 and \$1.25 a day, they will then have received about 20 percent or 25 percent of what civil employees received during the World War. When they do not

receive any more than the poorest-paid class of laborers in America received during the World War, it cannot be said the Government is paying them for their patriotism.

The veterans have the interest of their country and Government at heart. After a general understanding in regard to the Government's obligation in this matter by veterans and non-veterans, we believe it is the sentiment of 80 percent of the people of this Nation that this debt be paid now in the manner that we propose. Less than 20 percent of the combined membership of the House of Representatives and the United States Senate voted against our proposal. In 1932 when the bill passed the House of Representatives there were 176 votes against it; in 1934 there were 125 votes against it; and in 1935 only 90 against it. This vote reflects the sentiment of the country on this question as Members of the House are elected every 2 years.

VETERANS BORROWED ACCUMULATED INTEREST

If the Government discharges this debt now on the basis of \$1 a day for home service and \$1.25 a day for service overseas as of the time the services were rendered with an allowance of a fair rate of interest, the veterans have borrowed the accumulated interest only, the principal sum remaining intact. This money will not only be a relief to the veterans, but will be a relief to the nonveterans as well. It will go into the channels of trade and business and will help everybody. The privilege given to veterans in employment, which is often charged up against them, is very small help to the large group.

VETERANS NEED THE INSURANCE

It is true that a large percentage of the veterans who die leave no other assets for their dependents but the balance due on their certificates. Between now and 1945 about 300,000 veterans will probably die, using past figures as a basis. Surely we should not cause 3,000,000 veterans to pay the banks and the Government the remaining half of their adjusted-service certificates as compound interest on the first half that was borrowed in order to let dependents of 300,000 collect the small amount they will get instead of letting the veterans themselves collect it now while they are living.

INTEREST CONSUMES HALF OF CERTIFICATES

We do not consider it fair and right for the Government to compel the veterans to pay the banks and the Government a dollar of their certificates every time they get a dollar. We further believe it is against the public interest to require the people to pay \$2,000,000,000 as a rake-off to the bankers on bonds in order to pay the veterans a \$2,000,000,000 debt.

VETERANS TO BE GIVEN SAME RIGHTS AS BANKS

Banks are permitted to receive money in return for 1945 Government obligations. How can we consistently refuse to let the veterans have the same right? No one can claim that the money we propose to issue will not be as good in every way as the money issued to the Government by the banks. The great sin we are accused of committing is refusing to allow a few bankers their usual cut, bonus, or grab for the use of the Government's credit.

PAY NOW, PREVENT UNREASONABLE DEMANDS

An effort is made to scare the people with slogans indicating that the payment of this debt will be followed by an unreasonable demand. If the veterans are paid now and should come in and make an unreasonable demand, the sentiment of the American people will be against them and they will not succeed, whereas if the Government sits idly by and permits the banks and Government to eat up half of each certificate in interest and the veterans get practically nothing in 1945, the sentiment of the American people will doubtless be in favor of the veterans, and even unreasonable demands might be granted.

PAYMENTS TO HOLDERS OF GOVERNMENT BONDS

During and since the World War more money has been paid to holders of Government bonds than the total of all Government expenditures for the benefit of all veterans. Since our Government has been established more money has been paid as interest on Government obligations than has been paid to veterans of all wars and their dependents.

IN AID OF RECOVERY

Some have argued that this debt, if paid, would be spent unwisely. Statistics furnished by the Veterans' Administration, however, reveal that of the loans thus far advanced on the certificates, 65 percent was spent for personal and family needs; 20 percent was invested; 8 percent was used to purchase automobiles; and only 7 percent was utilized in such a way as to provide the veteran with no practical benefits. These figures astound the reader with evidence of the practicability and sound judgment of the veterans as a class. Perhaps no other numerous group in America squanders so small a share of its income.

It is generally agreed that to bring about recovery we must restore purchasing power, but we must distribute purchasing power widely among the masses. Depression means that one class has a monopoly on purchasing power; prosperity means that purchasing power is widely distributed. H. R. 1 affords us the most efficient plan yet proposed for restoring and distributing purchasing power among the masses. The money will be paid to 3,500,000 veterans in every nook and corner of the land. Every one of the 3,072 counties in the country will be immediately and directly benefited; every phase of industry will be "primed" and stimu-

lated by this act. Veterans will buy food and clothes for themselves and families; they will build new homes and renovate old homes; they will buy automobiles; they will invest in business; and some of them will probably pay their debts, thus providing their creditors with purchasing power.

Cash payment of the adjusted-service certificates will not be a dole. It will be the payment of a just obligation; it will be the payment of a debt owed by all classes to one class. It will prove that Americans still regard heroism as a virtue; and that our gratitude does not melt away with the coming of peace.

Respectfully submitted.

House steering committee for passage of H. R. 1; Wright Patman, chairman; Ade Murdock, secretary; Adolph J. Sabath, James G. Scrugham, Arthur H. Greenwood, Wm. L. Colmer, Jennings Randolph, Clarence Cannon, Wm. P. Connery, Jr., Wm. M. Berlin, Frank Hancock, Jed Johnson, James P. Richards, Gerald J. Boileau, Andrew J. May, Fred H. Hildebrandt, Martin F. Smith, Martin Dies, John E. Miller, George A. Dondero, Paul J. Kvale, Roy E. Ayers.

SUMMARY OF STATEMENT PRESENTED TO PRESIDENT BY THE STEERING COMMITTEE FOR THE PASSAGE OF H. R. 1, MAY 20, 1935

1. Each veteran was entitled to the full amount of his certificate in 1931, although his certificate is payable in 1945.
 2. Such payment can be made without a bond issue, increase of taxes, detriment to the country, and without impairing in any way the sound monetary system.
 3. In arriving at the amount due each veteran 7 years' interest was entirely overlooked.
 4. If veterans not paid now, compound interest to the Government and to banks will practically consume the remaining half of the certificates.
 5. The question of whether or not the adjustment should have been made is not material as it was passed upon by Congress in 1924.
 6. The veterans are now asking that the debt be paid as at the time the service was rendered with the same fair rate of interest that others received on war contracts.
 7. We propose to issue \$2,000,000,000 in United States notes, the same kind of money now outstanding. We are going to have more than 100-percent gold reserve to back these notes.
 8. A new and alternative suggestion is made that the \$852,000,000 in gold in the general fund be transferred to the gold-reserve fund for United States notes, which will be ample to secure the \$2,000,000,000 paid to the veterans, on the basis of 40-percent gold reserve. This will provide ample gold to cover all outstanding money and leave the stabilization fund of \$1,800,000,000 untouched and the Treasury \$2,000,000,000 in idle gold.
 9. Proper safeguards are provided against inflation. There will not be a chance of an inflation of the currency.
 10. The idle gold in the Treasury should be used and save the people interest on bonds.
 11. Currency is no more inflationary than bonds.
 12. The people, veterans and nonveterans, understand the money question, and at least 80 percent of the people approve this legislation.
 13. Tricky figures are in existence purporting to show excessive costs to the Government on account of World War veterans and their dependents. The figures are analyzed in the statement. Only 7 percent of veterans are receiving monthly checks.
 14. The payment now will make improbable unreasonable demands of the veterans, whereas, if payment is not made now and the remaining half of the certificates is consumed by compound interest paid to the banks and the Government as interest on a loan of the first half, the people will sympathize with the veterans to the extent of favoring the most generous benefits proposed.
- If this bill, H. R. 1, which now bears the number H. R. 3896, is enacted into law, it will result in the following:
1. It will save the Government more than a billion dollars, which otherwise would have to be appropriated between now and 1945 to the adjusted-service certificate fund.
 2. It will save the Government more than \$10,000,000 in administration expenses of the act between now and 1945.
 3. It will place into circulation \$2,000,000,000 of Government money that is paid into circulation and not loaned into circulation, thereby saving the people an enormous sum annually on interest charges.
 4. It will pay a debt heretofore confessed by the Government to the veterans for services rendered.
 5. It will be granting to the veterans the right to deposit Government obligations and receive in return therefor new currency, the same right that is now enjoyed by the privately owned Federal Reserve banks.
 6. It will prevent the veterans from losing a valuable equity by releasing them from the payment of compound interest on their loans.
 7. Such payment will require no bond issue, no increase in taxes, and no additional interest payments by the Government. The debt must be paid sometime—everybody will be helped if it is paid now.
 8. It is the best plan that has been proposed to be used as a vehicle to convey additional money into the hands of those who buy goods.
 9. The veterans will get about \$2,000,000,000. It will cost the Government about two and a quarter billion dollars, the difference being caused by the failure of Congress to make sufficient appropriations for the adjusted-service certificate retirement fund.

AMERICAN JEWISH VETERAN HEROES OF THE PAST

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a radio address which I delivered yesterday.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following remarks, and an address delivered by me before the Jewish War Veterans, at their memorial service held in Temple Emanuel, Sunday, May 19:

ANNOUNCER. The National Broadcasting Co. is pleased to cooperate with the Jewish War Veterans of the United States in bringing to you their fortieth annual national memorial service, which is being held at Temple Emanu-El in New York City. There has been an elaborate parade, in which many veteran groups participated. The colors have been massed and the service is now in progress.

Dr. Solomon A. Fineberg, national chaplain in chief of the Jewish War Veterans of the United States, is in charge of the service. Capt. William Berman, commander in chief of the Jewish War Veterans of the United States, will present the principal speaker, the Honorable EMANUEL CELLER.

Captain BERMAN. The season has arrived when Americans of all races, colors, and creeds assemble in their houses of worship to honor the memory of those who died as a sacrifice to our country's honor and preservation.

It is in reverent thought and memory of those countless American patriots who have served our Nation on land and on sea and in the air that the Jewish War Veterans of the United States are here assembled in New York to pay their tribute.

To our comrades and friends assembled here and to those who are listening in I am happy to present a man who has always been a spokesman for, and an advocate of, those ideals dear to American veterans, the Honorable EMANUEL CELLER, Member of Congress from the State of New York.

Mr. CELLER. Obviously patriotism may be shown in peace as well as in war, but the record of service of the American Jew will stand the test of either peace or war.

"From the day of the founding of the Republic," said Theodore Roosevelt, "we have had no struggle, military or civil, in which there have not been citizens of Jewish faith who played an eminent part for the honor and credit of the Nation."

General Washington in the revolution welcomed their cooperation.

General Jackson was a warm upholder of their fidelity.

General Pershing witnessed and praised their loyalty in arms.

President Cleveland in a public address said: "When with true American enthusiasm and pride we recall the story of the war for our independence, and rejoice in the indomitable courage and fortitude of our revolutionary heroes, we should not fail to remember how well the Jews of America performed their part in the struggle and how in every way they usefully and patriotically supported the interests of their newly-found home. Nor can we overlook, if we are decently just, the valuable aid cheerfully contributed by our Jewish fellow-countryman in every national emergency that has since overtaken us."

Mark Twain writes: "I find that he (the Jew) furnished soldiers and high officers in the Revolution, the War of 1812, and the Mexican War. In the Civil War he was represented in the armies and navies of both the North and the South by 10 percent of his numerical strength—the same percentage that was furnished by the Christian population of the two sections."

LET US BRIEFLY VIEW THE RECORD

Years before the Revolution, Jews united with their fellow Colonials for independence. For example, the Nonimportation Resolutions in 1765, the first organized movement in the agitation for separation from the mother country; a document still preserved in Carpenter's Hall, Philadelphia, contains many Jewish names like Benjamin Levy, Samson Levy, Joseph Jacobs, Hayman Levy, Jr., David Franks, Mathias Bush, Michael Gratz, Bernard Gratz, and Moses Mordecai.

In 1779, a corps of volunteer infantry composed chiefly of Hebrews under the command of Captain Lushington, was raised in Charleston, S. C. These soldiers fought afterward with great bravery under General Moultrie at Beaufort.

In the clouds that beset that great group of patriots of the Revolution, the true courage and unselfish patriotism of Haym Salomon shines forth. Haym Salomon, of Philadelphia, was a man of large private fortune, engaged in commercial pursuits, of great financial resources and ability, and of the highest personal integrity. He espoused the cause of the Colonies with great ardor, and supplied the Government from his own means with a large amount of money, even to the extent of \$650,000, a huge sum in those days, at the most critical periods of the struggle.

Cyrus Adler has called attention to the following interesting incident: At the outbreak of the Revolutionary War, one Mr. Gomez, of New York, proposed to a member of the Continental Congress that he form a company of soldiers for service. The Member of Congress remonstrated with Mr. Gomez on the score of age, he then being 68. To this, Mr. Gomez replied that he "could stop a bullet as well as a younger man."

Among the patriots of the South, none worked more unselfishly and patriotically than Mordecai Sheftall. After active hostilities were begun in the South, he was appointed commissary general to the troops of Georgia in July 1777, and soon thereafter was also appointed commissary to the Continental troops. When the British attacked Savannah in December 1778, Sheftall's name appears not only foremost among the patriot defenders of that city and as one who advanced considerable money to the cause, but also as one who was placed on board the prison ship because of his refusal to flock to the royal standard.

Col. Isaac Franks became aide-de-camp to Washington, held the rank of colonel on his staff, and served with distinction throughout the war. Maj. Benjamin Nones, a native of Bordeaux, France, who came to America in 1777, served on the staffs of both Lafayette and Washington. He entered service under Pulaski as a private, and, as he writes, "fought in almost every action which took place in Carolina, and in the disastrous affair of Savannah shared the hardships of that sanguinary day." He became major of a legion of 400 men attached to Baron de Kalb's command and composed in part of Hebrews.

Col. David S. Franks, of Montreal, openly sympathized with and aided the Americans under Generals Montgomery and Arnold during their invasion of Canada. When the American forces abandoned that country in 1776, he was forced to flee from Canada. He later became aide-de-camp to Benedict Arnold. Because of Arnold's treason, suspicions were aroused against Franks. However, after a searching inquiry was made into his conduct, he was not only acquitted but was sent to Europe with important despatches to our Ministers, Jay and Franklin.

Philip Moses Russell in the spring of 1775 enlisted as a surgeon's mate under command of General Lee. After the British occupation of Philadelphia in September 1777, he became a surgeon's mate to Surgeon Norman, of the Second Virginia Regiment. Russell went into winter quarters with the army at Valley Forge, 1777-78. Sickness forced him to resign in August 1780. He received a letter of commendation from General Washington "for his assiduous and faithful attentions to the sick and wounded."

Solomon Bush, Col. Jacob de la Motta, Jason Sampson, Nathaniel Levy, David Hays and his son Jacob, Jacob I. Cohen, Maj. Lewis Bush, Joseph Bloomfield, Isaac Israel, and Benjamin Moses are the names of but a few of the other Jewish men who distinguished themselves upon the battlefields of the Revolution.

When the War of 1812 broke out there were about 3,000 Jews in the United States. Of this group many were found in the Army and in the Navy. Most of these brave warriors were sons of Revolutionary patriots. There was Aaron Levy, son of Hayman Levy and son-in-law of Isaac Moses, ardent Revolutionary patriot. Another familiar name is that of Haym M. Salomon, son of the patriot and financier. The Phillips family, which included Jonas Phillips, a soldier in the War of the Revolution, listed his son Joseph in the War of 1812, as well as two other members of the family. Many another prominent Jewish family was represented—officers and men who carried on the tradition established by their Revolutionary forefathers. Their ranks were augmented by a number of foreign-born Jews who took up residence in the United States after the Revolution. As ever with alien-born Jews, they espoused and fought unto death for the cause of their adopted country. Thus it is interesting to note that the Jew coming from other climes always became deeply rooted, deeply imbued with our traditions, and willingly made the supreme sacrifice for America, his newly adopted country. In all our wars there have always been these "lost battalions" composed of Jewish immigrants.

An interesting name of a Jewish soldier during the War of 1812 is that of Bernard Hart, division quartermaster during the war. His grandson, a non-Jew, was the novelist Bret Harte.

Southern Jews threw themselves into the patriotic cause with characteristic enthusiasm. Among them were Meyer Moses, a militia captain; Jacob de la Motta, a surgeon in the Army; Abraham A. Massias, first a captain, later a major; Chapman Levy, a captain of militia—to name but a few.

There were some Jewish men whose contribution to the war lifted them out of the rank and file. Such a man was Herman Hendricks, a New York merchant, who subscribed \$40,000, one of the largest individual subscriptions, for bonds to finance the war.

Joseph B. Nones, a midshipman in the Navy, was secretary to Henry Clay when the latter, as one of a commission of three, was sent to Ghent to the peace conference. Joseph was the son of Major Nones of Revolutionary War fame.

Nor could we omit the name of Mordecai Myers, captain in the war. At Sackett's Harbor he distinguished himself by rescuing some 150 shipwrecked sailors. Captain Myers saw active service in the Canadian campaign. At the battle of Chrysler's farm, near Williamsburg, while leading a charge against the British, he was severely wounded. Invalided for 4 months, he nevertheless returned to service and carried on until the end of the war.

At the time of the Mexican War, in 1846, the Jewish population was approximately 15,000. Yet Jews volunteered freely and in numbers greatly in excess of their comparative quotas. General David de Leon twice took the place of commanding officers who had been killed or disabled by wounds, and twice received the thanks of the United States Congress for his gallantry and ability. Surg. Gen. Moses Albert Levy; Col. Leon Dyer, Quartermaster General under Gen. Winfield Scott; Lt. Henry Seeligson, who was sent for by General Taylor and by him complimented for his conspicuous bravery at Monterey, are but a few of the sons of

Israel who left valuable evidences of their patriotism in the Mexican War.

In the Civil War the part that the Jewish men took is so conspicuous that it is difficult to pick out the most prominent men in the conflict. Mayer Asch, Nathan D. Menken, and Louis H. Mayer served on the staff of General Pope, Mayer serving also with Generals Rosecrans and Grant. Dr. Morris J. Asch served on the staff of General Sheridan. Major Lully, who during the Hungarian Revolution served on Kossuth's staff, rendered valuable service under the direction of the Secretary of War. Captain Dessauer, killed at Chancellorsville, and Newman Borchard served on the staff of General Howard. Max Cornheim and M. Szelegly served on the staff of General Sigel.

Jewish staff officers in the Confederate Army and Navy are equally conspicuous, showing the spirit of Hebrew loyalty to the South. In the writings of Hon. Simon Wolf we note that North Carolina sent 6 Cohen brothers, South Carolina sent 5 Moses brothers, Georgia sent Raphael Moses and his 3 sons, while yet another Moses brother came from Alabama, Arkansas furnished 3 Cohen brothers, Virginia sent out 3 Levy brothers, Louisiana's muster rolls also contain 3 brothers of the same name; while still another trio of Goldsmiths went forth from the South, 2 from Georgia and 1 from South Carolina. Mississippi provided 5 Jonas brothers; Edward Jonas fought in the Fiftieth Illinois Regiment against his 4 Confederate brothers, 1 of whom was Benjamin F. Jonas, former United States Senator from Louisiana.

On the Union side, New York alone furnished 1,996 soldiers, among them the 5 Wenk brothers; Col. Simon Levy and his 3 sons—Capt. Benjamin C., Lt. Alfred, and Capt. Ferdinand, former register of New York City. The Feder brothers also came from New York. From Ohio, which furnished the next largest quota, 1,004, in the War for the Union, we have the 3 Koch brothers, while Pennsylvania, which sent 527 Hebrews, also sent 3 Jewish brothers of the name Emanuel. Thus 14 Jewish families sent 53 men to both armies; and, according to available statistics, 7,884 Jewish soldiers served in the Union and Confederate Armies during the Civil War, although there were only 150,000 Jews in the country at that time.

Time does not permit me to mention more than a few of the Hebrew officers in the Union Army who achieved high distinction. Frederick Knefler, a native of Hungary, attained the highest rank reached by any Hebrew during the Civil War. He enlisted as a private and fought his way up to the colonelcy of his regiment, soon rising to the rank of brigadier general, and was then brevetted major general for meritorious services at the Battle of Chickamauga.

Col. Edward S. Solomon, of Illinois, fought throughout all the campaigns in the Southwest, and was brevetted brigadier general. He was Governor of Washington Territory for 4 years by the appointment of President Grant.

Leopold Blumenberg, a Baltimore merchant, abandoned his business when Fort Sumter was fired upon and helped to organize the Fifth Regiment Maryland Infantry, of which he was appointed major. His regiment was engaged in the battle of Antietam under him as colonel. He was brevetted brigadier general, and died in 1876, the result of the wounds that he had received at Antietam.

These are but a few of the Jews who distinguished themselves upon the battlefields of the war for the Union.

Maj. Gen. O. O. Howard, after speaking of one of his Jewish staff officers as being "of the bravest and best", and of another killed at Chancellorsville as being "a true friend and a brave officer", and highly praising two Jewish brigadier generals, said: "Intrinsically there are no more patriotic men to be found in the country than those who claim to be of Hebrew descent and who served with me in parallel command or directly under my instructions."

The Jewish Yearbook for 1901 publishes the names of over 4,000 Jewish soldiers who served in the American Armies during the War with Spain. The first man to volunteer was a Jew and the first American to be killed in battle was a Jew. So eager were the Jews to prove their loyalty to the United States that 5,000 Jews of New York offered their services to the Governor.

"When war was declared," Capt. A. W. Murray writes, "the Jewish press throughout the country reminded their people of the wanton persecution of the Hebrews by Spain, covering many years. . . . The young Hebrew men did not require urging. Their love for America alone was enough, and they flocked to the standard of liberty, the Stars and Stripes."

Theodore Roosevelt, the intrepid leader of the Rough Riders, declared that in that brave regiment, which has challenged the admiration of the world, the most astonishing courage was displayed by the seven Jewish Rough Riders, one of whom became a lieutenant.

The Astor Battery numbered 10 Jews among their 99 men. Fifteen Jewish men went down to death in the *Maine*, which was destroyed in the harbor of Habana, and there was not an engagement during the War with Spain in which Hebrews did not take part. Many Jewish names appear on the list of killed and wounded.

Many, many cases could be cited where Americans of Hebrew extraction performed gallant and meritorious service under the flag in Puerto Rico, Cuba, and in the Philippines—fighting as bravely as did their fathers before them at Lepsic and Waterloo, under Kossuth and Garibaldi, before Sadowa and Sedan.

Time does not permit my citing the Jewish heroes of the World War. They are legion. Many are here this morning.

We now readily see the important and impressive part taken by valiant Jews—Jews emancipated but a few decades from Old World tyranny—in the building up of our own glorious America! In passing, is not this imposing record a complete answer to the unthinking and unjust slanders upon our race?

When an impartial historian shall write in words of praise the wonderful achievements of the heroes who made this possible, Jewish names will be found on every page!

ANNOUNCER. You have listened to a memorial service at Temple Emanu-El, under the auspices of the Jewish War Veterans of the United States. The present occasion marks the fortieth annual observance of memorial service by this organization, which, founded in 1896 by surviving Jewish veterans of the War between the States, now includes surviving veterans of the Jewish faith of all wars, campaigns, and military expeditions participated in by the United States.

Dr. Solomon A. Fineberg, national chaplain in chief of the Jewish War Veterans, was in charge of the service; Samuel Rose, national radio officer, arranged and directed the program. The principal speaker was the Honorable EMANUEL CELLER, a Member of Congress from New York, who was introduced by Capt. William Berman, commander in chief of the Jewish War Veterans of the United States.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. STACK. Mr. Speaker, I renew my unanimous-consent request to address the House for 3 minutes, as I understand the gentleman from New York [Mr. O'CONNOR] is willing to withdraw his objection.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to address the House for 3 minutes on current legislation. Is there objection?

Mr. O'CONNOR. Mr. Speaker, I withdraw the objection, because I understand the gentleman is going to speak just about his State.

Mr. STACK. Yes.

The SPEAKER. Is there objection?

There was no objection.

Mr. STACK. Mr. Speaker, I have a philosophy of government in which I believe you and I, the Representatives of the 435 districts of the United States, are just the errand boys, glorified, if you will, of the people of the United States. I come from the Sixth Congressional District of Pennsylvania and represent approximately one-half million people. I am a constituent of the junior Senator from Pennsylvania, JOSEPH F. GUFFEY, for whom I voted on the 6th of last November. As a constituent of his I am asking him to pay attention to this editorial:

SENATOR GUFFEY'S BONUS VOTE

Senator GUFFEY's vote against the Patman bonus bill was doubtless the result of a difficult decision.

It may be assumed that the Senator, as an astute political leader, sensed the popularity of the Patman bill and that as a liberal he would be inclined to support it.

On the other hand, Senator GUFFEY was explicitly pledged to support President Roosevelt. That was his campaign promise to the people of Pennsylvania. At the time he made it, Senator GUFFEY had no reason to believe that the President would soon be on the wrong and unpopular side of a major issue.

Senator GUFFEY stood by that promise under circumstances that do credit to his courage. Senator WAGNER, of New York, outstanding liberal, followed the same course and for the same reason.

But their action raises an interesting question in political ethics: Should a United States Senator so bind himself by a pledge of loyalty to any President or party that he must vote contrary to his own convictions and the convictions of his constituents?

Obviously a Senator who carries his loyalty to an extreme becomes a mere automaton—and if the voters of Pennsylvania had desired an automaton they would not have elected a man of GUFFEY's outspoken and independent personality.

Within the bounds of loyalty there must be room to exercise the personal convictions of any man occupying a position as important as a Senator of the United States.

In Senator GUFFEY's case on the Patman bill there would have been a particularly valid argument for a broad interpretation of his campaign pledge to support the President.

What does "support of President Roosevelt" mean? It means that Senator GUFFEY agreed with the Roosevelt philosophy, endorsed the Roosevelt policies, and pledged himself to further them.

The major Roosevelt policies are:

To restore the 1926 price level.

To increase purchasing power.

To help the "forgotten man" obtain social justice.

The Patman bill tends toward all three objectives. By issuing new currency it should decrease the swollen value of the dollar and aid in restoring an equitable balance between debtor and creditor.

The payment of \$2,000,000,000 to veterans would stimulate business in the only way it can be stimulated—by giving business customers.

The war veteran certainly is not the only "forgotten man." But the great majority of veterans have not received fair compensation, either for their war service or for their subsequent labor in the industry and agriculture of America.

The Patman bill is a new-deal bill. It is of the warp and woof of liberalism.

If Senator GUFFEY reverses his position and votes to override the President's veto he will be more faithful to "Roosevelt policies" than the President himself.

I was elected on a platform in which I said I would support "Roosevelt policies." I intend to support Roosevelt, but I also believe in majority rule. The big majority of the people in my district and State are for the Patman bill, and, therefore, I cannot do anything but vote to override the President's veto. I am a veteran and feel that the veteran has not been treated as he should be. I want my buddy—the "forgotten man"—to be treated fairly and to be paid his bonus and have it paid now. [Applause.]

CALENDAR WEDNESDAY

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday next be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

EXTENSION OF REMARKS

Mr. DICKSTEIN. Mr. Speaker, in addressing the House a few minutes ago on communism, I understood the gentleman from New York [Mr. MARCANTONIO] objected to the editorial referred to. Do I understand that the gentleman also objected to my revising and extending my remarks along these lines?

The SPEAKER. The Chair is not able to inform the gentleman of what the gentleman from New York had in mind or upon what ground he objected.

Mr. DICKSTEIN. Then I again ask unanimous consent to extend my remarks—

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. DICKSTEIN. By inserting the editorials of these newspapers.

Mr. MARCANTONIO. I object.

Mr. DICKSTEIN. The gentleman objects to the newspaper articles?

Mr. MARCANTONIO. I object to the gentleman including extraneous material.

The SPEAKER. Objection is heard.

RULES COMMITTEE—LEAVE TO FILE REPORT

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tomorrow night to file a privileged report from that committee.

The SPEAKER. Is there objection?

Mr. SNELL. I think the gentleman ought to have until Saturday night.

Mr. O'CONNOR. The reason for that is because we could not file it tomorrow very well.

Mr. SNELL. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

SHALL WE CHANGE OUR FORM OF GOVERNMENT?

Mr. HESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a speech delivered over the radio by my colleague, Mr. BOLTON.

The SPEAKER. Is there objection?

There was no objection.

Mr. HESS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by Hon. CHESTER C. BOLTON, of Ohio, over the Columbia Broadcasting System on Sunday, May 19, 1935:

The American people have been amazingly patient with the new deal—its experimentations, its borrowing and spending program, under its planned economy—hoping against hope, as its bureaus have grown and its bureaucrats have multiplied, that somehow, somehow, it would bring about relief, recovery, and reform. They have been patient with this new deal until its plans have become so contradictory and confused that the question has arisen in many minds, What is the plan of the national planners?

For months this question has been voiced, in one form or another, by speakers and writers of national distinction, including some of the most outstanding Democrats in the country. So it cannot be said, with any degree of fairness, that it is only a partisan inquiry. It grows in volume and insistence with each new-deal experiment. This is obvious to the most casual observer.

President Roosevelt himself took cognizance of this doubting, questioning state of the public mind in his recent "fireside chat", when he discussed plans for carrying out the latest new-deal experiment—the spending of the additional billions intrusted to his care, at his urgent request, to bring about relief and recovery. He assured his fellow countrymen that "the administration and the Congress are not proceeding in any haphazard fashion"—that each of the steps taken "has a definite relationship to every other step." Then he likened the job of creating a program for the Nation's welfare to the building of a great sea-going ship.

"When one of these ships is under construction", said the President, whom I quote, "and the steel frames have been set in the keel, it is difficult for a person who does not know ships to tell how it will finally look when it is sailing the high seas. It may seem confused to some, but out of the multitude of detailed parts that go into the making of the structure the creation of a useful instrument for man, ultimately comes. It is that way with the making of a national policy."

But in the minds of the many who are still confused, the President's parallel does not seem so reassuring. A great ship is built according to exact plans and specifications, which experience has shown will make it safe to sail the high seas. There is no guesswork about the process. It is known in advance that the multitude of detailed parts will fit together. The shipbuilder knows exactly how to put them together.

A great ship is not built experimentally—through a process of trial and error—like the new-deal ship. The builder does not announce he is building a new ship, in accordance with a new and untried theory of shipbuilding. That it may prove serviceable, and it may not, though he hopes and has faith that it will. That if it doesn't prove serviceable he will build another ship, along another line of experimentation, because he thinks we need a new ship, and anyway something has to be done about it. No. To say the least, this wouldn't be considered a very practical venture in shipbuilding. No level-headed investor would want to back such a rash enterprise—even with borrowed money, if he expected to have to repay it.

To many of us it appears plain that the "new dealers" conceive themselves in fact to be building a ship—a new ship of State. They have given us sufficient reason by their public utterances to believe they look upon the one in which we have sailed through so many perilous seas as outmoded, unseaworthy, and generally fit only for the historical junk heap.

On the other hand, many of us believe the ship of Washington and Jefferson, and the other master builders, is still the best ship afloat. We agree the superstructure should be remodeled to meet the needs of changed conditions. But in the absence of specific and understandable plans for the building of a better ship, we prefer to stay aboard the one we have, because we believe its keel and hull are safe and sound.

The "new dealers" are building something, undoubtedly. But a growing number of us cannot tell what the complicated mass now presenting itself to our astonished gaze is going to look like when completed, if ever, or what it is going to be. We fear the monster will not turn out to be a new and more trustworthy ship of state, or anything else beneficent, but that if it is not speedily disintegrated into the ill-assorted parts from which it is being assembled, it will prove to be a Frankenstein that will destroy our system of government.

Good government building, like good shipbuilding, is the result of years of experience. Certain basic principles must be adhered to in order to meet the demands of time and trial. Stress and strain, pressure and load, checks and balances, are all to be reckoned with in government as in shipbuilding.

A ship is dependent on its keel and hull for its stability. A government on its constitution, from which it derives its character and purpose. The success of either ship or government depends on the confidence it instills in the minds of those it serves, by reason of the soundness of its construction, the fitness of its machinery, and the efficiency with which it is operated. Does the new-deal ship measure up to these standards?

President Roosevelt said also in his "fireside chat":

"It is time to provide a smashing answer for those cynical men who say that a democracy cannot be honest and efficient."

To what does the President refer? To our established system of government or the new-deal system, which is manifestly a departure from it? Is democracy on trial or bureaucracy? These are questions in the minds of a rapidly growing number of the American people, who believe, in a broader sense, that the only test of democracy involved is whether it can survive the new-deal experiments.

Let me quote a paragraph from an article on Constitutional Government, written 15 years ago for the North American Review, by the late Dr. David Jayne Hill, historian and student of governments, which seems strikingly descriptive of the theory of the new-deal type of Government. Discussing the distinction between true and false democracy, Dr. Hill said:

"There is, as every student of political history knows, another quite different conception of government which delights to call itself democratic. . . . The fundamental fallacy of this type of democracy is the belief that the human will can change the

laws of human nature, that division can take the place of production, and that the forces which have produced our national prosperity will continue to operate when the incentives to enterprise and thrift that have produced it are withdrawn by public action."

The false type of democratic government the American people now have—the bureaucratic type—was created to take care of an emergency. It was created and has been expanded to its enormous size on the theory that our institutions, under the established American system of Government, could not cope with the emergency. In the opinion of many Americans it is indeed time—high time—that it should demonstrate its worth.

These citizens regard a bureaucratic system of government as essentially wasteful and inherently destructive. They are anxious to get rid of the bureaucracy we now have with the least possible delay, for they do not regard it even as a necessary evil in the absence of proof that its existence is justified by the results obtained.

The facts go to show they no longer are seriously questioned except by outstanding "new dealers"—certainly not by many outstanding Democrats—that the measures and means provided for relief and recovery are now in the hands and under the control of the most gigantic, most meddlesome, and most expensive aggregation of bureaucrats of all time.

President Cleveland once remarked, "A condition confronts us, not a theory." But everything is a little different under President Roosevelt's new deal. We are now confronted by both a condition and a theory. The condition is that this bureaucracy is here. The theory is that it is operating in the spirit of and in conformity with the accepted principles of the American system of government—that it is an adjunct and an aid to democracy and not a menace. But the condition and the theory do not conform. Democracy and bureaucracy have nothing in common. They are wholly incompatible and cannot operate in harmony together.

"American democracy", again quoting Dr. Hill, because he has so concisely and comprehensively stated the basic principles of our democracy, "rests upon three fundamental postulates which may be regarded as the standards of judgment by which the distinction between true and false democracy is to be determined—that all rightful governmental authority is derived from the people by definite delegation to certain specified officers of government; that government is rightly ordained and controlled by representatives of the whole people, and not by a particular group; and that the inherent rights and liberties of every citizen are under the guaranteed judicial protection of just and equal laws."

Can we measure the new deal by these standards? They were the generally accepted standards by which we measured our American democracy until 2 years ago. Does the fiat of a bureau chief, taking the place of law, conform to the rule "that all rightful governmental authority is derived from the people by definite delegation to certain specified officers of the Government?"

It has been estimated that between 3,000 and 4,000 separate orders, each carrying the effect of law, have been issued by the new-deal alphabetical agencies, and that some 60 different administrative tribunals are making decisions affecting private rights. Is it true that under this system "the inherent rights and liberties of every citizen have been guaranteed judicial protection of just and equal laws?"

What of the new-deal bureaucracy, which, like a giant octopus, reaches in all directions and enters into the life and activity of every town and hamlet in the country, meddling with the private affairs of citizens? Does it conform to the standards of American democracy? At Gettysburg, in 1863, Abraham Lincoln defined our democracy to be, "Government of the people, by the people, for the people." Bureaucracy, on the other hand, is defined by the dictionary as a government of bureaus.

Does the farmer who has seen his wheat and cotton plowed under, his young pigs slaughtered, believe these things were done in the spirit of democracy or under the arbitrary rule of bureaucracy? There was the case of the small manufacturer in Pennsylvania who was fined and imprisoned for not paying higher wages to satisfied employees; the case of the woman in Brooklyn who was denied permission by the N. R. A. to make artificial flowers in her home to support herself and her children; of the jeweler in Utica, N. Y., who was indicted for an alleged violation of the gold-hoarding act because he displayed a few gold pieces in his window; the little tailor in New Jersey who was thrown into jail for charging 5 cents under the code price for pressing a pair of pants. Do these cases tend to justify the substitution of bureaucracy for democracy? They are only a few of the cases that may be cited to illustrate bureaucratic ruthlessness and tyranny. It may be urged that no ruthlessness and no tyranny were intended, but all history shows that bureaucracy is a blind monster that cannot be controlled.

Bureaucracy can also be absurd: There was, for instance, order 318, which appeared in the weekly organ of the N. R. A., the Blue Eagle. This order granted permission to a Minnesota firm to extend the lunch hour of one of its women employees one-half hour, until such time as physical disabilities complained of had been alleviated. This order, at least, was not ruthless but beneficent, although it is not made clear how long the employee suffered before relief could be obtained from the headquarters of bureaucracy.

How are we going to get rid of this monster, bureaucracy, which grows by what it feeds upon? The fable runs that the Arab's camel, having been allowed to thrust his head under the tent, kept encroaching until there was no room inside for the Arab.

That is the way bureaucracy works and always has worked. The "new dealers" tell us the huge bureaucratic machine they have created has been created only for the emergency. That it will be dismantled when the emergency is over. But will the bureaucrats want to dismantle the machine in which they have ridden to power when the emergency is over—assuming the country can stand the terrific strain of supporting it until that time—and will they be able to dismantle it if they should want to do so? It will be outside the range of all previous human experience if either of these things should come to pass. Democracy or bureaucracy—or worse, if anything could be worse than a bureaucratic form of government—this is the big, underlying issue now confronting the American people. They must choose, and choose speedily, or they will have no choice, which form of government they prefer.

The new deal substituted for accepted American principles the principle sought to be justified by the emergency that "the end justifies the means." We who dissent from this doctrine, holding it to be inherently vicious, whatever the intent, when our constitutional Government is the subject of the experiment and the rights and liberties of our citizens are involved, demand an orderly procedure if our form of government is to be changed and another form adopted, with other basic principles. Let it be done by the orderly procedure prescribed by the Constitution. Let it be done by direction, and not by tendency and indirection, and, above all, let us be sure we want it done. Let those of us who prefer our form of government reiterate it again and again. We are for a government of laws and not of men. That has been the accepted American principle. Let us have an end of government by experiment, government by trial and error, government by guess.

CRIME IN THE UNITED STATES

Mr. DUNN of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. DUNN of Pennsylvania. Mr. Speaker, yesterday I heard over the radio that it cost the United States Government about \$16,000,000,000 because of the crime which was committed last year. It seems to me that if we want to reduce crime we should expend at least \$10,000,000,000 to wipe out the slum districts in our country. If we would do this, we would not have to spend such a tremendous sum of money on account of crime. I believe that a great deal of crime is bred in the slum districts. When men, women, and children are unable to obtain sufficient food and proper shelter, naturally they cannot be mentally and physically fit to be law-abiding citizens. Therefore I maintain the United States Government is responsible for much of the crime being committed today, because of its failure to eradicate the slum districts. [Applause.]

ADDITIONAL HOME MORTGAGE RELIEF

Mr. STEAGALL. Mr. Speaker, I call up the conference report upon the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Alabama calls up a conference report upon the bill (H. R. 6021), and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

Mr. TABER. Mr. Speaker, I reserve the right to object. If a point of order is to be made to the conference report, should it be made now before the statement is read, or, would the reading of the statement waive the point of order?

The SPEAKER. If consent is granted for the reading of the statement, it waives the point of order.

Mr. TABER. Then, Mr. Speaker, I reserve the right to object. In section 9 of the proposed bill, which is in the conference report, there is a permanent appropriation to defray the expenses of the Board. It does not seem to me that that ought to be done in that way. I do not like to make the point of order because of the importance of the bill.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. BLANTON. This home owners' loan bill means the saving of thousands of homes in every section of the United States now being foreclosed. We have been waiting for the Senate to pass this important bill for a long time.

There are some things in the conference report that I do not like, but it is highly important that this bill should become law without further delay.

I know the item referred to by the gentleman from New York is subject to the point of order, but if the gentleman insists upon his point of order, it will knock out the entire conference report and send the bill back to conference, for another interminable delay, and God only knows when it will come out again.

In view of the fact that so many people now have their homes in jeopardy, with foreclosures advertised, and that this bill is the only chance we have to stop those sheriffs' sales and save these homes, will not the gentleman from New York waive this infinitesimal matter, because we can control it in the Committee on Appropriations, of which he is a member.

It is such a small item compared with the good that will come to the people of the United States through the adoption of this conference report in not having their homes sacrificed, that I hope he will not press his point of order.

Mr. STEAGALL. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. STEAGALL. This appropriation was included to effectuate an agreement entered into by the officials of the Corporation and the Treasury Department and the Budget Bureau. My information is that it is the best practical arrangement that could be made to meet the differing views on this point.

Mr. TABER. Mr. Speaker, the trouble is that it can never be corrected except by another permanent appropriation bill, which would wipe out that sort of thing. It will place this Board entirely out of the control of Congress. There is no check-up on it. I am not going to insist on the point of order at this time, although I frankly believe this part of the conference report is a bad piece of legislation. I withdraw my reservation of objection.

The SPEAKER. Without objection, the Clerk will read the statement.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the amendment of the Senate, insert the following:

"That subdivision (6) of section 2 of the Federal Home Loan Bank Act, as amended, is amended by striking out the word 'three' and inserting in lieu thereof the word 'four'."

"Sec. 2. Subsection (k) of section 6 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(k) All stock of any Federal Home Loan bank shall share in dividend distributions without preference."

"Sec. 3. (a) Subsections (a), (b), and (c) of section 7 of the Federal Home Loan Bank Act, as amended, are amended, effective January 1, 1936, to comprise four subsections to read as follows:

"(a) The management of each Federal Home Loan bank shall be vested in a board of twelve directors, all of whom shall be citizens of the United States and bona fide residents of the district in which such bank is located.

"(b) Four of such directors shall be appointed by the Board and shall hold office for terms of four years; except that the terms of office of the two such directors heretofore appointed shall expire at the end of the calendar years 1936 and 1937, respectively, and the terms of office of the first two such directors hereafter appointed shall expire at the end of the calendar years 1938 and 1939, respectively.

"(c) Six of such directors, two of whom shall be known as class A directors, two of whom shall be known as class B directors, and two of whom shall be known as class C directors, shall be elected as provided in subsection (e), and shall hold office for terms of two years; except that the terms of office of the directors heretofore elected or appointed shall expire at the end of the terms for which they were elected or appointed.

"(d) Two of such directors shall be elected by the members of the Federal Home Loan bank without regard to classes under rules and regulations to be prescribed by the Board, and shall hold office for terms of two years; except that the term of office

of one of the directors first elected under this subsection shall expire at the end of the calendar year 1936."

"(b) Section 7 of the Federal Home Loan Bank Act, as amended, is further amended, effective January 1, 1936, by relettering subsections (d), (e), (f), (g), (h), and (i) as (e), (f), (g), (h), (i), and (j), respectively.

"Sec. 4. The Federal Home Loan Bank Act, as amended, is amended by adding after section 8 a new section to read as follows:

"FEDERAL SAVINGS AND LOAN ADVISORY COUNCIL

"Sec. 8a. There is hereby created a Federal Savings and Loan Advisory Council, which shall consist of one member of each Federal Home Loan bank district to be elected annually by the board of directors of the Federal Home Loan bank in such district and six members to be appointed annually by the Board. Each such elected member shall be a resident of the district for which he is elected. All members of the Council shall serve without compensation, but shall be entitled to reimbursement from the board for traveling expenses incurred in attendance at meetings of such Council. The Council shall meet at Washington, District of Columbia, at least twice a year and oftener if requested by the board. The Council may select its chairman, vice chairman, and secretary, and adopt methods of procedure, and shall have power—

"(1) To confer with the Board and board of trustees of the Federal Savings and Loan Insurance Corporation on general business conditions, and on special conditions affecting the Federal Home Loan Banks and their members and such Corporation.

"(2) To request information, and to make recommendations, with respect to matters within the jurisdiction of the Board and the board of trustees of such Corporation."

"Sec. 5. Subsection (a) of section 10 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(a) Each Federal Home Loan bank is authorized to make advances to its members upon the security of home mortgages, or obligations of the United States, or obligations fully guaranteed by the United States, subject to such regulations, restrictions, and limitations as the Board may prescribe. Any such advance shall be subject to the following limitations as to amount:

"(1) If secured by a mortgage insured under the provisions of title II of the National Housing Act, the advance may be for an amount not in excess of 90 per centum of the unpaid principal of the mortgage loan.

"(2) If secured by a home mortgage given in respect of an amortized home mortgage loan which was for an original term of six years or more, or in cases where shares of stock, which are pledged as security for such loan, mature in a period of six years or more, the advance may be for an amount not in excess of 65 per centum of the unpaid principal of the home mortgage loan; but in no case shall the amount of the advance exceed 60 per centum of the value of the real estate securing the home mortgage loan.

"(3) If secured by a home mortgage given in respect of any other home mortgage loan, the advance shall not be for an amount in excess of 50 per centum of the unpaid principal of the home mortgage loan; but in no case shall the amount of such advance exceed 40 per centum of the value of the real estate securing the home mortgage loan.

"(4) If secured by obligations of the United States, or obligations fully guaranteed by the United States, the advance shall not be for an amount in excess of the face value of such obligations."

"Sec. 6. Clauses numbered (1) and (2) of subsection (b) of section 10 of the Federal Home Loan Bank Act, as amended, are amended to read as follows: '(1) the home mortgage loan secured by it has more than twenty years to run to maturity, or (2) the home mortgage exceeds \$20,000, or'."

"Sec. 7. The Federal Home Loan Bank Act, as amended, is amended by adding, after section 10a, the following new section:

"Sec. 10b. Each Federal Home Loan bank is authorized to make advances to nonmember mortgagees approved under title II of the National Housing Act. Such mortgagees must be chartered institutions having succession and subject to the inspection and supervision of some governmental agency, and whose principal activity in the mortgage field must consist of lending their own funds. Such advances shall not be subject to the other provisions and restrictions of this act, but shall be made upon the security of insured mortgages, insured under title II of the National Housing Act. Advances made under the terms of this section shall be at such rates of interest and upon such terms and conditions as shall be determined by the Federal Home Loan Bank Board, but no advance may be for an amount in excess of 90 per centum of the unpaid principal of the mortgage loan given as security."

"Sec. 8. The first sentence of section 13 of the Federal Home Loan Bank Act, as amended, is amended to read as follows: 'Any and all notes, debentures, bonds, and other such obligations issued by any bank, and consolidated Federal Home Loan Bank bonds and debentures, shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority.'

"Sec. 9. Section 19 of the Federal Home Loan Bank Act, as amended, is amended by adding at the end thereof the following new sentence: 'The receipts of the Board derived from assessments upon the Federal Home Loan Banks and from other sources (except receipts from the sale of consolidated Federal Home Loan bank bonds and debentures issued under section 11) shall be de-

posited in the Treasury of the United States, and may be from time to time withdrawn therefrom to defray the expenses of the Board, and the salaries of its members and employees, whose employment, compensation, leave, and expenses shall be governed solely by the provisions of this act, specific amendments thereof, and rules and regulations of the Board not inconsistent therewith.

"SEC. 10. Sections 2 (a) and 4 (d) of the Home Owners' Loan Act of 1933, as amended, are amended by striking out 'upon which there is located a dwelling for not more than four families, used by the owner as a home or held by him as his homestead, and having a value not exceeding \$20,000' and inserting in lieu thereof 'upon which there is located a dwelling or dwellings for not more than four families, which is used in whole or in part by the owner as a home or held by him as his homestead, and which has a value of not to exceed \$20,000.'

"SEC. 11. The first sentence of subsection (c) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(c) In order to provide for applications heretofore filed, for applications filed within thirty days after this amendment takes effect, and for carrying out the other purposes of this section, the Corporation is authorized to issue bonds in an aggregate amount not to exceed \$4,750,000,000, which may be exchanged as herein-after provided, or which may be sold by the Corporation to obtain funds for carrying out the purposes of this section or for the redemption of any of its outstanding bonds; and the Corporation is further authorized to increase its total bond issue for the purpose of retiring its outstanding bonds by an amount equal to the amount of the bonds to be so retired (except bonds retired from payments of principal on loans), such retirement to be at maturity or by call or purchase or exchange or any method prescribed by the Board with the approval of the Secretary of the Treasury: *Provided*, That no bonds issued under this subsection, as amended, shall have a maturity date later than 1952.'

"SEC. 12. Subsection (d) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by adding at the end thereof the following new paragraph:

"For the purpose of this act, levies of assessments upon real property, made by any special district organized in any State for public improvements, shall be treated as general-tax levies are treated. The Board shall determine the reasonableness of the total annual burden of taxes and assessments of all kinds upon any property offered as security for the payment of a loan made by the Corporation and the effect of the total levies upon the loanable value of such property, but no deduction shall be made from the loanable value of any property for levies not due at the time of making such loan in any instance where the total annual taxes and assessments borne by the said property for all purposes does not exceed a sum which, in the discretion of the Board, is a reasonable annual tax burden for such property.'

"SEC. 13. Subsection (j) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended, effective 90 days after the date of enactment of this Act, by adding at the end thereof the following new sentence: 'No person shall be appointed or retained as an officer, employee, agent, or attorney, at a fixed salary, in any regional or State office of the Corporation who is an officer or director of any firm, corporation, or association engaged in lending money on real estate; nor shall any person be appointed or retained as an officer, employee, agent, or attorney in any State or district office of the Corporation, who has not been a bona fide resident of the State served by such office for a period of at least one year immediately preceding the date of his appointment.'

"SEC. 14. Subsection (l) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the last comma therein and the following: 'or in any case in which the home mortgage or other obligation or lien is held by an institution which is in liquidation'.

"SEC. 15. Subsection (h) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided, That no person shall be allowed to act as appraiser if he is in the employ of any company holding a loan on the property, or if he is interested in the subject matter of the loan.'

"SEC. 16. Subsection (m) of section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out '\$300,000,000' and inserting in lieu thereof '\$400,000,000'.

"SEC. 17. (a) Section 4 of the Home Owners' Loan Act of 1933, as amended, is amended by adding at the end thereof a new subsection to read as follows:

"(n) The corporation is authorized to purchase Federal Home Loan bank bonds, debentures, or notes, or consolidated Federal Home Loan bank bonds or debentures. The Corporation is also authorized to purchase full-paid-income shares of Federal savings and loan associations after the funds made available to the Secretary of the Treasury for the purchase of such shares have been exhausted. Such purchases of shares shall be on the same terms and conditions as have been heretofore authorized by law for the purchase of such shares by the Secretary of the Treasury: *Provided*, That the total amount of such shares in any one association held by the Secretary of the Treasury and the Corporation shall not exceed the total amount of such shares heretofore authorized to be held by the Secretary of the Treasury in any one association. The Corporation is also authorized to purchase shares in any institution which is (1) a member of a Federal Home Loan bank, or (2) whose accounts are insured under title IV of the National Housing Act, if the institution is eligible for insurance under such title; and to make deposits and purchase certificates

of deposit and investment certificates in any such institution. Of the total authorized bond issue of the Corporation \$300,000,000 shall be available for the purposes of this subsection, without discrimination in favor of Federally chartered associations, and bonds of the Corporation not exceeding such amount may be sold for the purposes of this subsection.'

"(b) Section 9 of the act entitled 'An act to guarantee the bonds of the Home Owners' Loan Corporation, to amend the Home Owners' Loan Act of 1933, and for other purposes', approved April 27, 1934, is hereby repealed.

"SEC. 18. Subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'And provided further, That any such association which is converted from a State-chartered institution may continue to make loans in the territory in which it made loans while operating under State charter.'

"SEC. 19. Section 6 of the Home Owners' Loan Act of 1933, as amended, is amended (1) by striking out '\$500,000' and inserting in lieu thereof '\$700,000', and (2) by adding at the end of the section the following new sentence: 'The sums appropriated and made available pursuant to this section shall be used impartially in the promotion and development of local thrift and home-financing institutions, whether State or Federally chartered.'

"SEC. 20. Subsection (d) of section 8 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(d) The provisions of sections 29, 30, 32, 35, 37, 39, 112, 113, and 117 of the Criminal Code of the United States (U. S. C., title 18, secs. 73, 74, 76, 82, 83, 88, 91, 202, 203, and 207), insofar as applicable, are extended to apply to the Home Owners' Loan Corporation, its contracts or agreements, and an association under this act which, for the purposes herein shall be held to include advances, loans, discounts, and purchase or repurchase agreements; extensions and renewals thereof; and acceptances, releases, and substitutions of security thereof.'

"SEC. 21. Subsection (e) of section 8 of the Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(e) No person, partnership, association, or corporation shall, directly or indirectly, solicit, contract for, charge, or receive, or attempt to solicit, contract for, charge, or receive, from any person applying to the Corporation for a loan, (1) any fee, charge, or other consideration, whether bond or cash, except ordinary fees authorized and required by the Corporation for services actually rendered for examination and perfection of title, appraisal, and like necessary services, or (2) any moneys, check, note, or other form of obligation, representing payment of any difference which may exist between the market value and the par value of the bonds of the Home Owners' Loan Corporation. Any person, partnership, association, or corporation violating the provisions of this subsection shall, upon conviction thereof, be fined not more than \$5,000, or imprisoned not more than 2 years, or both.'

"SEC. 22. Paragraph (5) of subsection (c) of section 402 of the National Housing Act is amended by adding the following sentence at the end thereof: 'The Corporation shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government, and shall determine its necessary expenditures under this act and the manner in which the same shall be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds.'

"SEC. 23. Subsection (b) of section 403 of the National Housing Act is amended (1) by striking out the words 'ten years' and inserting in lieu thereof the words 'twenty years', and (2) by striking out the period at the end of the subsection and inserting in lieu thereof a colon and the following: 'Provided, That for any year dividends may be declared and paid when losses are chargeable to such reserves if the declaration of such dividends in such case is approved by the Corporation.'

"SEC. 24. Subsection (d) of section 403 of the National Housing Act is amended to read as follows:

"(d) Any applicant which applies for insurance under this title after the first year of the operation of the Corporation shall pay an admission fee based upon the reserve fund of the Corporation, which, in the judgment of the Corporation, is an equitable contribution.'

"SEC. 25. (a) Subsections (a) and (b) of section 404 of the National Housing Act are amended by striking out 'one-fourth' and inserting in lieu thereof 'one-eighth'.

"(b) Section 404 of the National Housing Act is further amended by adding at the end thereof the following new subsection:

"(c) Each insured institution which has paid a premium charge in excess of one-eighth of 1 per centum of the total amount of the accounts of its insured members and its creditor obligations shall be credited on its future premiums with an amount equal to the total amount of such excess.'

"SEC. 26. The last sentence of section 406 (b) of the National Housing Act is amended to read as follows: 'The surrender and transfer to the Corporation of an insured account in any such association which is in default shall subrogate the Corporation with respect to such insured account, but shall not affect any right which the insured member may have in the uninsured portion of his account or any right which he may have to participate in the distribution of the net proceeds remaining from the disposition of the assets of such association.'

"SEC. 27. Section 406 of the National Housing Act is further amended by adding at the end thereof a new subsection to read as follows:

"(f) In order to prevent a default in an insured institution or in order to restore an insured institution in default to normal opera-

tion as an insured institution, the Corporation is authorized, in its discretion, to make loans to, purchase the assets of, or make a contribution to, an insured institution or an insured institution in default; but no contribution shall be made to any such institution in an amount in excess of that which the Corporation finds to be reasonably necessary to save the expense of liquidating such institution.

"SEC. 28. (a) The first sentence of section 2 of the National Housing Act is amended (1) by striking out 'January' and inserting in lieu thereof 'April', and (2) by inserting before the period at the end thereof a comma and the following: 'including the installation of equipment and machinery.'

"(b) The last sentence of section 2 of the National Housing Act is amended to read as follows: 'No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it (1) unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions, as the Administrator shall prescribe; and (2) unless the amount of such loan, advance of credit, or purchase is not in excess of \$2,000, except that in the case of any such loan, advance of credit, or purchase made for the purpose of such financing with respect to real property improved by or to be converted into apartment or multiple family houses, hotels, office, business or other commercial buildings, hospitals, orphanages, colleges, schools, or manufacturing or industrial plants, such insurance may be granted if the amount of the loan, advance of credit, or purchase is not in excess of \$50,000.'

"SEC. 29. (a) Subsection (c) of section 203 of the National Housing Act is amended by adding at the end thereof the following new sentence: 'In the event that the principal obligation of any mortgage accepted for insurance under this section is paid in full prior to the maturity date specified in the mortgage, the Administrator is further authorized in his discretion to require the payment by the mortgagor of a premium charge in such amount as the Administrator determines to be equitable, but not in excess of the aggregate amount of the premium charges that the mortgagor would otherwise have been required to pay if the mortgage had continued to be insured under this section until such maturity date.'

"(b) The first sentence of subsection (f) of section 205 of the National Housing Act is amended by striking out the words 'premium charge' and inserting in lieu thereof the words 'annual premium charge'.

"(c) The last sentence of subsection (a) of section 204 of the National Housing Act is amended to read as follows: 'For the purposes of this subsection, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Administrator, by adding to the amount of the principal of the mortgage which is unpaid on the date of such delivery, (1) interest on such unpaid principal from the date foreclosure proceedings were instituted or the property was otherwise acquired as provided in this subsection to the date of such delivery at the rate provided for in the debentures issued to the mortgagee, less any amount received on account of interest accruing on such unpaid principal between such dates, and (2) the amount of all payments which have been made by the mortgagee for taxes and insurance on the property mortgaged.'

"SEC. 30. Subsection (d) of section 301 of the National Housing Act is amended to read as follows:

"(d) No association shall transact any business except such as is incidental to its organization until it has been authorized to do so by the Administrator. Each such association shall have a capital stock of a par value of not less than \$2,000,000, and no authorization to commence business shall be granted by the Administrator to any such association until he is satisfied that such capital stock has been subscribed for at not less than par and paid in full in cash or Government securities at their par value.'

"SEC. 31. Section 302 of the National Housing Act is amended to read as follows:

"SEC. 302. Each national mortgage association is authorized to issue and have outstanding at any time notes, bonds, debentures, or other such obligations in an aggregate amount not to exceed (1) twelve times the aggregate par value of its outstanding capital stock, and in no event to exceed (2) the current face value of mortgages held by it and insured under the provisions of title II of this act, plus the amount of its cash on hand and on deposit and the amount of its investments in bonds or obligations of, or guaranteed as to principal and interest by, the United States. No national mortgage association shall borrow money except through the issuance of such notes, bonds, debentures, or other obligations, except with the approval of the Administrator and under such rules and regulations as he shall prescribe.'

"SEC. 32. Section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., title 12, sec. 1016), is further amended by inserting after the second sentence thereof the following new sentence: 'For the purposes of this section, farm property may be valued at an amount representing a prudent investment, consistent with community standards and rentals, if (1) the person occupying the property is not entirely dependent upon farm income for his livelihood but receives a part of his income from other dependable sources, and (2) the farm income from the property, together with earnings from other dependable sources ordinarily available in the community to a person operating such property, would be sufficient to support his family, to pay operat-

ing expenses and fixed charges, and to discharge the interest and amortization payments on the loan.'

And the Senate agree to the same.

HENRY B. STEAGALL,
ALAN T. GOLDSBOROUGH,
M. K. REILLY,
JOHN B. HOLLISTER,
JESSE P. WOLCOTT,

Managers on the part of the House.

ROBERT J. BULKLEY,
ROBERT F. WAGNER,
ALBEN W. BARKLEY,
W. G. MCADOO,
JOHN G. TOWNSEND, JR.,
FREDERICK STEIWER,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

Sections 1, 2, 4, 6, 7, 12, 13, 15, 18, 22, 23, 24, and 27 of the House bill are the same in substance as sections 1, 2, 5, 7, 8, 14, 15, 16, 20, 24, 25, 26, and 30, respectively, of the Senate amendment. Certain clarifying changes were made in some of these sections in the Senate amendment and the conference agreement retains these sections as clarified.

Section 3 of the Senate amendment provided for reducing from 11 to 9 the number of directors of each Federal Home Loan bank, effective January 1, 1936. After that date, there would be 3 directors appointed by the Federal Home Loan Bank Board, instead of 2 as at present, and there would be 6 directors elected by the institutions which are members of the bank, instead of 9 as at present. There was no corresponding provision in the House bill. The conference agreement provides for increasing the membership of the board of directors of each Federal Home Loan bank to 12 members, of whom 4 are to be appointed for 4-year terms by the Federal Home Loan Bank Board, and 8 are to be elected for 2-year terms (2 of them as directors at large) by the institutions which are members of the bank.

Section 3 of the House bill provided for creating a Federal savings and loan advisory council of 12 members to be elected annually by boards of directors of the Federal Home Loan banks. The council was authorized to confer with the Board and the trustees of the Federal Savings and Loan Insurance Corporation and to make recommendations with respect to matters within their respective jurisdictions. Section 4 of the Senate amendment provided for a council with similar functions but composed of 12 members elected annually by the banks and 12 members appointed annually by the Federal Home Loan Bank Board. The conference agreement provides for a council of 18 members, of whom 12 are to be elected annually by the banks and 6 are to be appointed annually by the Board.

Section 5 of the House bill extended the limitation of existing law with respect to the maturity of mortgages which may be accepted as collateral for advances by Federal home-loan banks from 15 to 20 years, and made all home mortgages up to \$20,000 in amount—instead of those on properties valued up to \$20,000—eligible as such collateral. Section 6 of the Senate amendment removed, with respect to mortgages insured under title II of the National Housing Act, the limitations of existing law that prevent mortgages having maturities in excess of 15 years, and those on properties valued at more than \$20,000, being eligible as collateral for Federal Home Loan bank loans. The conference agreement retains the provisions of the House bill.

Section 8 of the House bill required all receipts of the Federal Home Loan Bank Board to be deposited in the Treasury subject to an annual appropriation after July 1, 1935. Section 9 of the Senate amendment provided that the receipts of the Federal Home Loan Bank Board derived from assessments on the banks and from other sources (except receipts from the sale of consolidated bonds and debentures) should be deposited in the Treasury subject to withdrawal by the Board for administrative expenses, and that such receipts should not be construed to be Government funds or appropriated moneys. The conference agreement retains the provisions of section 9 of the Senate amendment with the exception of the last clause which stated that the receipts of the Board should not be construed to be Government funds or appropriated moneys.

Section 10 of the Senate amendment liberalized the provisions of the Home Owners' Loan Act of 1933 so that home mortgages on real property upon which there is located a dwelling or dwellings for not more than four families and which is used in whole or in part by the owner as a home or held by him as a homestead may be eligible as collateral. Under existing law there was some question as to whether mortgages on property improved by not to exceed four small dwellings (the so-called "bungalow courts") instead of by a single dwelling for not more than four families would be eligible, and there was also some doubt as to the status of mortgages on property used in part for business purposes. Section 9 of the House bill covered only the latter aspect of the prob-

lem. The conference agreement retains the provisions of section 10 of the Senate amendment.

Section 10 of the House bill provided for increasing the borrowing power of the Home Owners' Loan Corporation from \$3,000,000,000 to \$4,750,000,000 to provide for applications heretofore filed, and for applicants who in good faith sought relief prior to the date the bill becomes law and who file their applications within 60 days thereafter. Section 11 of the Senate amendment made certain clarifying changes and provided that the additional funds might be used to provide for applications heretofore filed and for those filed within 60 days after the amendment takes effect, thus removing the limitation of the House provision that the applicants must have sought relief prior to the time the bill becomes law. The conference agreement retains the provisions of the Senate amendment with one exception, namely, that new applications must be filed within 30 days after the amendment takes effect instead of within 60 days.

Section 12 of the Senate amendment provided that for the purposes of the Home Owners' Loan Act of 1933 assessments levied upon real property by special districts organized in any State for public improvements should be treated as general tax levies; and that liens created by such improvement districts on real property to secure the payment of such levies should be considered as attaching at the time fixed for payment of the levies and not before. It was further provided that the reasonableness of the total annual burden of taxes and assessments of all kinds upon property offered as security for a loan by the Home Owners' Loan Corporation and their effect upon the loanable value of the property are matters for the Home Owners' Loan Corporation Board to determine; that no deduction should be made from the loanable value of any property for improvement-district assessments or levies not due at the time of making the loan where the total annual taxes and assessments on the property did not exceed a sum which, in the discretion of the Board, is a reasonable annual tax burden for the property; and that in arriving at the loanable value of the property no deductions should be made on account of such improvement-district liens, taxes, and/or assessments not due at the time of making the loan where the aggregate amount of annual taxes, levies and assessments of all kinds did not exceed 5 percent of the value of the property fixed by the Corporation's appraisement. There was no corresponding provision in the House bill. The conference agreement clarifies the language of the Senate amendment, leaves it to the Board to determine the reasonableness of the annual tax burden on property securing loans by the Corporation, and removes the prohibition against making a deduction from the loanable value of the property where the aggregate amount of annual taxes, levies, and assessments does not exceed 5 percent of the value of the property as determined by the appraisal.

Section 11 of the House bill prohibited the Corporation from appointing, or retaining for more than 90 days, any officer, employee, attorney, or agent "in any regional or State office or congressional district of the Corporation who was, at the date of the establishment of such office, not a resident of the region or State or congressional district, respectively, served by such office, or who is an officer or director of any firm, corporation, or association engaged in lending money on real estate." Section 13 of the Senate amendment provided that no person should be appointed or retained as an officer, employee, agent, or attorney, at a fixed salary, in any regional or State office of the Corporation who is an officer or director of any firm, corporation, or association engaged in lending money on real estate. The conference agreement retains the provisions of section 13 of the Senate amendment and adds a provision that no person shall be appointed or retained as an officer, employee, agent, or attorney in any State or district office of the Corporation who has not been a bona fide resident of the State served by such office for a period of at least 1 year immediately preceding the date of his appointment.

Section 14 of the House bill authorized the payment of obligations due the Home Owners' Loan Corporation to be made at any branch agency of the Corporation or at any post office or substation. This provision was eliminated by the Senate amendment. The conference agreement also eliminates this provision of the House bill.

Section 17 (a) of the Senate amendment authorized the Home Owners' Loan Corporation to purchase (1) Federal home-loan bank bonds, debentures, or notes (including consolidated bonds or debentures), (2) full-paid income shares of Federal savings and loan associations on the same terms and conditions and within the same limitations as in the case of purchases of such shares by the Secretary of the Treasury after the funds made available to the Secretary have been exhausted, and (3) shares in any institution which is a member of a Federal home-loan bank and whose accounts are insured under title IV of the National Housing Act, if the institution is eligible for such insurance. The Corporation was also authorized to make deposits and purchase certificates of deposit and investment certificates in institutions of the latter class. The total amount to be available to the Corporation under this section was fixed at \$300,000,000, to be used without discrimination in favor of federally chartered associations. Section 17 (b) of the Senate amendment repealed a section of the act of April 27, 1934, which was inconsistent with the foregoing provisions as to the total amount to be made available to the Corporation. Section 16 of the House bill contained a provision similar to section 17 (a) of the Senate amendment with a maximum limit of \$250,000,000 upon the amount available for such purposes to the Corporation, but it did not require the building and loan associations, and others whose

shares might be purchased by the Corporation, to be members of a Federal home-loan bank and to have their accounts insured under title IV of the National Housing Act. There was no provision in the House bill corresponding to section 17 (b) of the Senate amendment. The conference agreement retains the provisions of the Senate amendment with one exception, namely, that institutions whose shares may be purchased by the Corporation must be either members of a Federal Home Loan bank or have their accounts insured under title IV of the National Housing Act if the institutions are eligible for such insurance.

Section 18 of the Senate amendment added a new provision not contained in the House bill which would permit State-chartered institutions which are converted into Federal savings and loan associations to continue to make loans in the territory in which they made loans while operating under a State charter. The conference agreement retains this provision.

Section 19 of the Senate amendment, like section 17 of the House bill, increased by \$200,000 the amounts made available to the Federal Home Loan Bank Board for the purpose of encouraging the promotion, organization, and development of Federal savings and loan associations, but the provision of section 17 of the House bill that such funds should be used impartially in the promotion and development of local thrift and home-financing institutions, whether State-chartered or Federal, was omitted. The conference agreement retains the provision of the House bill which was omitted by the Senate amendment.

Section 21 of the Senate amendment extended the penalties of section 8 (e) of the Home Owners' Loan Act of 1933 to cases where a charge is made against persons applying to the Corporation for a loan for the difference between the par value and the market value of the bonds issued by the Corporation. A similar provision with a smaller penalty was contained in section 19 of the House bill. The conference agreement retains the provision of the Senate amendment with the smaller penalty contained in section 19 of the House bill.

Section 22 of the Senate amendment authorized the Federal Savings and Loan Insurance Corporation to use the franking privilege for its official business and provided that the Corporation should determine its necessary expenditures and the manner in which they should be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds. The provision with respect to free use of the mails was contained in section 20 of the House bill. The conference agreement retains the provisions of the Senate amendment.

Section 23 of the Senate amendment liberalized the reserve provisions applicable to associations whose accounts are insured by the Federal Savings and Loan Insurance Corporation by extending the period within which the 5-percent reserve must be built up from 10 years to 20 years. A similar provision was contained in section 21 of the House bill. There was also a provision in section 23 of the Senate amendment allowing such associations to declare dividends for any year when losses are chargeable to such reserves if such declaration of dividends is approved by the Corporation. The House bill removed the restriction prohibiting the payment of any dividends if any losses were chargeable to such reserves. The conference agreement retains the provisions of the Senate amendment with a clarifying change.

Section 27 of the Senate amendment authorized the Corporation in its discretion to make loans to, purchase the assets of, or make a contribution to, an insured institution in order to prevent a default or in order to restore an insured institution to normal operation, but the amount of any such contribution was not to exceed that which the Corporation finds to be reasonably necessary to save the expense of liquidating the institution. Section 25 of the House bill contained a similar provision except that the Corporation was authorized to make advances to any such institution instead of a contribution, and there was no limitation expressed as to amount. The conference agreement retains the provisions of section 27 of the Senate amendment.

Section 28 of the Senate amendment extended the time from January 1, 1936, to April 1, 1936, within which loans must be made in order to be eligible for insurance under section 2 of the National Housing Act. This part of the section is the same in substance as section 29 of the House bill. The section also provided that loans up to \$50,000 would be eligible for such insurance if they are made for the purpose of financing alterations, repairs, and improvements with respect to real property "improved by or to be converted into apartment or multiple family houses, or improved by hotels, office, business, or other commercial buildings, hospitals, orphanages, colleges, schools, churches, or manufacturing, or industrial plants." A similar liberalization of existing law was contained in section 26 of the House bill. The existing law was also clarified by the Senate amendment by providing that the installation of new equipment and machinery might be considered to be "alterations, repairs, and improvements." The conference agreement retains the provisions of the Senate amendment with minor changes.

Section 29 of the Senate amendment authorized the Federal Housing Administrator in his discretion to require a mortgagor whose mortgage is insured under title II of the National Housing Act to pay a premium charge in such amount as the Administrator determines to be equitable in the event that the principal obligation of the mortgage is paid in full prior to maturity, but the amount of such charge is not to exceed the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured until the maturity date. The section also contained an amendment clarifying existing law. There was no provision in the

House bill relating to such payment of a premium charge by a mortgagor. The conference agreement retains the provisions of the Senate amendment and also amends the National Housing Act so as to provide that interest on the unpaid principal of an insured mortgage may be included in determining the amount of debentures to be issued to a mortgagee who has delivered the property to the Administrator, but such interest is to cover only the period from the date foreclosure proceedings were instituted or the property was otherwise acquired by the mortgagee with the consent of the Administrator to the date of such delivery, less any amount received on account of interest accruing between such dates. The rate of interest in any such case is to be the same as that provided for in the debentures.

Section 28 of the House bill authorizing a national mortgage association to issue notes, bonds, debentures, or other such obligations in an aggregate amount not to exceed 15 times the aggregate par value of its outstanding capital stock, instead of 10 times such aggregate par value under existing law, was eliminated by the Senate amendment. The conference agreement authorizes the issue of notes, bonds, debentures, and other such obligations by a national mortgage association up to 12 times the aggregate par value of its outstanding stock.

Section 31 of the Senate amendment provided that in case of loans by the Land Bank Commissioner under section 32 of the Emergency Farm Mortgage Act of 1933 farm property may be valued at an amount representing a prudent investment consistent with community standards and rentals, if the person occupying the property is not entirely dependent upon farm income for his livelihood and if the farm income from the property, together with earnings from other dependable sources ordinarily available in the community to a person operating the property, would be sufficient to support his family, to pay operating expenses and fixed charges, and to discharge the interest and amortization payments on the loan. There was no corresponding provision in the House bill. The conference agreement retains the provisions of the Senate amendment.

HENRY B. STEAGALL,
ALAN T. GOLDSBOROUGH,
M. K. REILLY,
JOHN B. HOLLISTER,
JESSE P. WOLCOTT,

Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider the vote by which the conference report was agreed to was laid on the table.

POWER OF FEDERAL COURTS

Mr. KNUTE HILL. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I reserve the right to object. The Consent Calendar is in order today. It is a very important calendar. I shall not object to the 5 minutes asked by the gentleman from Washington, but I shall to any other request. It is not right to compel all these people who are here expecting their bills to be called up to wait on somebody making a speech.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. KNUTE HILL. Mr. Speaker, during the last three sessions I have heard a great deal of complaint about our delegating authority to the Executive. The complaint has usually been made by a rather conservative group. For decades, we have delegated our express constitutional authority to coin money and regulate the value thereof to a small group of bankers, and yet this conservative group to which I refer has not complained of that.

For over a hundred years the Federal courts of this country have usurped the legislative power of the Congress and no complaint has come from anyone. By these decisions labor legislation has been hampered and often prevented. By the decision with reference to the income tax we find that the burden of taxation was placed for years upon those least able to bear it.

Now, Mr. Speaker, we have a decision in the railroad case which jeopardizes absolutely all of our social legislation.

I am introducing today a constitutional amendment to take this power away from the Federal courts. A few days ago the gentleman from Texas called this communistic. Communistic? Listen, you Democrats, to your patron saint, Thomas Jefferson:

It has long been my opinion, and I have never shrunk from its expression, that the germ of dissolution of our Federal Government is the judiciary, an irresponsible body working like gravity, by day and night, gaining a little today and gaining a little tomorrow, and advancing its noiseless step like a thief over the field of jurisprudence, until all shall be usurped.

Prophetic words!

Listen, you Republicans, to your patron saint, Abraham Lincoln:

The candid must confess that if the policy of the Government, upon vital questions affecting the whole people, is to be irrevocably fixed by decisions of the Supreme Court, the people will have ceased to be their own rulers, having to that extent practically resigned their government into the hands of that tribunal.

Listen, all of you who will agree with me that we honor and love the greatest jurist of all times, Justice Oliver Wendell Holmes. I quote from him:

I do not think the United States would come to an end if we (the Supreme Court) lost our power to declare an act of Congress void.

Now, I have too high a regard for my position and for our Government to suggest anything subversive. Some people will call names, but calling names gets us nowhere. Let us leave that to the past masters in that art, the Hugh Johnsons, the Huey Longs, and the Percy Gassaways. [Laughter.]

I want to respectfully submit seven questions to the opponents of this amendment:

First. Is it not a fact that at four distinct times the constitutional convention definitely refused this power to the judiciary?

Second. Is not our Federal Government one of express powers and where in the Constitution is such power given the courts?

Third. Is there any other important democratic government in the world which permits such power to its courts?

Fourth. In a democracy should the power of legislation repose in the direct representatives of the people, responsible to them at stated intervals, or should it be lodged in a small group of appointed men responsible to no one and holding office for life?

Fifth. Is it possible that all knowledge of the Constitution reposes in the members of the bench and none in the lawyers of the legislative halls?

Sixth. In a divided decision (and most of the important ones are such) which of the two groups is infallible?

Seventh. When Justice Shiras, in the income-tax decision, changed his mind within the month, at which time was he infallible? And when Justice Sutherland differs with Senator Sutherland on railroad pensions, when is he infallible?

Some people and some newspapers, no doubt, have a great deal of contempt for Congress. I suggest that Congress take back unto itself this function of legislating, independent of both the Executive and the judiciary, and we will not only regain our own self-respect, but we will also have the respect of the people throughout the country and restore confidence in representative Government. [Applause.]

The SPEAKER. The time of the gentleman from Washington [Mr. KNUTE HILL] has expired.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to speak for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

NUISANCE TAXES

Mr. TRUAX. Mr. Speaker, I want to call attention to the anniversary of a great American institution. I refer to the fifty-second anniversary of the coming of the greatest show on earth, Ringling Bros. and Barnum & Bailey show, that is now in this city. [Applause and laughter.]

I want you to know that this organization paid last year \$500,000 to the United States Government in amusement taxes. This \$500,000 did not come from the circus but it came from the nickels and dimes of the kiddies who saved those nickels and dimes throughout the entire year to go to this greatest of American amusement institutions. I say,

that this tax is vicious and iniquitous and ought to be repealed. All amusement taxes ought to be repealed. I have introduced a bill for that purpose.

Mr. Speaker, I ask unanimous consent to extend my remarks and to insert a copy of my bill therein. I hope that this Congress will take recognition of this intolerable situation, not only with regard to circuses but with motion-picture theaters, where the dimes and nickels of the kiddies are collected to go to the United States Government. We should repeal every amusement tax and replace it with a tax on wealth and swollen incomes. [Applause.]

You may ask what is my interest in the American circus. While serving as director of agriculture for the State of Ohio in 1923-29 one of my several jobs was to manage and direct the Ohio State fair. In addition to a splendid racing program daily, the grandstand exhibitions were featured by outstanding circus and vaudeville acts, not only because of the drawing power of such attractions but also because they were always clean, moral, and wholesome. One year the immortal John Philip Sousa and his band delighted Ohio State fair patrons with their programs. Another year witnessed the greatest and largest rodeo and stampepe ever staged in the East. A little later the Hagenbeck-Wallace circus was the feature attraction at the grandstand. Through these associations, through experience and observation, I have come to regard these institutions as worthy of the support of all those interested.

And so, if you ask me again what is my interest, my reply will be none other than that mentioned and the desire to insure the perpetuity of an institution that for more than 50 years has visited annually the American people in all of its tinsel and bespangled glory; an institution that for more than 50 years has presented its annual wares to the amusement-loving public without ever requiring a censor of any of its acts or performances; an institution that might well be termed the tented city of not only amusement and entertainment but a tented city of wholesome knowledge and learning, representing and depicting as it does not only the most finished acts and specimens of the outdoor amusement world but likewise the animal exhibits of all countries gathered together and assembled here from the far-flung corners of the earth.

This allusion refers not alone to the great circus which I refer to today but to others who have survived and who still carry on despite the most costly and depressing panic in our country's history. Today there are only four large traveling railroad circuses. Many others travel by motor caravan. To all of them, of course, the Federal amusement tax is a nuisance to their patrons—the farmers, the workingmen, small business men—this tax is a heavy burden. So why not repeal this tax now? Surely the revenue that might be lost by such action would not bankrupt the Nation. It could easily be replaced by a proper tax on wealth and income. I direct the attention of every Member of the House of Representatives, every Member of the United States Senate, and the particular attention of the Ways and Means Committee to the bill which I am introducing today and which will effectively cure this evil.

A bill to preserve and encourage a declining national institution which is of great educational and recreational benefit to the people of the Nation, particularly farmers, wageworkers, and small producers, popularly known as the "circus"; to enable our people, particularly farmers, wageworkers, and small producers and their children to receive the benefits herein mentioned without being taxed by the Government; to accomplish this end by removing the tax on admissions thereto as provided by section 500 of the Revenue Act of 1926, as amended

Be it enacted, etc., That section 500 (b) of the Revenue Act of 1926, as amended, be, and is hereby, amended by striking out the period at the end thereof and substituting therefor a semicolon and adding the following: "or (3) any admissions to any performance of a traveling company exhibiting miscellaneous shows, performances, and entertainment consisting of menageries, acrobats, horsemen, etc., performing in 'rings' or 'sideshows'; in other words, that class of educational and recreational amusement known as the 'circus'."

The SPEAKER. The time of the gentleman from Ohio has expired.

Is there objection to the request of the gentleman from Ohio [Mr. TRUAX]?

There was no objection.

CONSENT CALENDAR

The SPEAKER. The Clerk will call the first bill on the Consent Calendar.

REPATRIATING NATIVE-BORN WOMEN

The Clerk called the first bill on the Consent Calendar, H. R. 4354, to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. Reserving the right to object, and I shall object for this reason: This bill is not necessary. We have an abundance of statutory law controlling this situation at the present time.

I do not want to take much of the time of the House to go into this in detail. The departments of the Government are not in unison with reference to it. It has no recommendation from the State Department. The Labor Department is laying great stress on the fact that it is trying to compose a law that will coordinate the many immigration bills, and for that reason I object.

Mr. GEARHART. Mr. Speaker, will the gentleman withhold his objection that I may discuss the bill for a moment?

Mr. JENKINS of Ohio. Mr. Speaker, I withhold my objection to permit the gentleman to make an explanation.

Mr. GEARHART. Mr. Speaker, the purpose of this bill is to bring relief to American-born women who have lost their American citizenship through the operation of a legal technicality. It is not a bill which has for its purpose the giving of citizenship to any person who has not heretofore enjoyed American citizenship.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. GEARHART. I yield.

Mr. BLANTON. Does the gentleman intend to offer his amendment to the bill?

Mr. GEARHART. I do.

Mr. Speaker, under the ancient law of nations when a woman marries an alien she loses her citizenship and becomes a citizen of the nation of which her husband is a citizen. Prior to 1922 all American women who married foreigners lost their citizenship; but in 1922, on September 22 of that year, Congress enacted a law to the effect that all women married after that date would be deemed to retain their American citizenship. Since that time there has been no objection whatsoever to the retention of citizenship by those women.

It is hoped to accomplish by the pending bill an extension of the same privilege to those American-born women who married foreigners prior to 1922, the same privilege which already has been accorded to those women who married foreigners after 1922.

There is a defect in the bill as it now stands and I have drawn a perfecting amendment which, I am informed, the committee is willing to accept; and at the proper time in the consideration of the bill I will offer the amendment.

Mr. JENKINS of Ohio. Mr. Speaker, under my reservation of objection, I wish to state that the gentleman's statement is correct in part only. The present law is entirely adequate to take care of women who lost their citizenship prior to the passage of the Cable Act in 1922; the law is amply sufficient to permit them becoming American citizens and there is absolutely no necessity for the proposed bill. It applies to a certain group only. For instance, it does not include every woman who lost her citizenship before 1922. I do not know whether the gentleman's amendment cures this defect or not. This is a very complicated piece of legislation. I feel that the office of the Secretary of State is not in favor of this bill as it now reads. As I say, I have not had time to pass upon the gentleman's amendment. I think it contains one good provision—the proposed bill applies only to women who have been back here 3 years. This amend-

ment applies to all women. Now, if we are going to clarify this situation why not clarify it entirely? why not do it in a way that it will do what is intended that it should do?

Is not the author of the bill willing to have it passed over without prejudice until I can study this amendment and confer with those who are interested in the subject? This is a complicated piece of legislation, and for a Member to rise on the floor and insert an amendment into a complicated piece of legislation is just like tinkering with a complicated piece of machinery.

Mr. Speaker, in order that we may have a chance to study the bill further and the effect of this amendment, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CITIZENSHIP

The Clerk called the next bill, H. R. 3023, to provide for citizenship to persons born in the United States, who have not acquired any other nationality by personal affirmative act, but who have heretofore lost their United States citizenship through the naturalization of a parent under the laws of a foreign country, and for other purposes.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. JENKINS of Ohio, Mr. McLEAN, and Mr. WOLCOTT objected.

PRELIMINARY EXAMINATION OF CERTAIN WESTERN RIVERS FOR FLOOD CONTROL

The Clerk called the next bill, H. R. 4077, authorizing a preliminary examination of the Nehalem, Miami, Kilchis, Wilson, Trask, and Tillamook Rivers, in Tillamook County, Oreg., with a view to the controlling of floods.

Mr. LESINSKI. Mr. Speaker, I object.

Mr. MOTT. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. LESINSKI. Mr. Speaker, I withhold my objection to permit the gentleman to make an explanation.

Mr. MOTT. Mr. Speaker, the gentleman from Ohio [Mr. TRUAX] on the last consent calendar day asked that these bills, providing for a preliminary examination with a view to flood control of certain rivers in western Oregon, be passed over without prejudice until he could have an opportunity to give them a little closer study. He has now given study to those bills and is not objecting to them today.

May I say now to the gentleman from Michigan [Mr. LESINSKI], who has been so kind as to withhold his objection, that these bills are the usual authorization bills, not for a flood-control survey at all but merely for a preliminary examination. Now, a preliminary examination is not the same thing as a survey. A preliminary examination merely authorizes the district engineer resident in the district where these streams are located to make a report to the Chief of Engineers at Washington and to forward to him the data that he has in regard to the flood situation on the streams in question. It costs no additional money to do this and many times it is not even necessary for the district engineer to do more than to compile the data which he already has in his office, because a part of the business of district engineers is to collect and to keep data in regard to flood conditions of all the streams in their districts.

This is a necessary authorization, without which no future legislation in regard to flood control can be considered, and it is one which does not cost the people anything at all. It will merely result in the submission of information which will officially show what can or what ought to be done in the future in the way of flood control on the streams named in the bills. As the gentleman knows, a part of the money in the public-works bill will be used for flood-control work upon such streams as P. W. A. may find to be in need of flood-control work.

Before the Public Works Administration takes any action whatever in regard to flood control on any stream, they request the Army Engineers for a report. The Army Engi-

neers are not authorized, under the law, to make such a report unless they have had authorization by Congress to make a preliminary examination. That is all these bills provide for. This does not cost the Government of the United States any additional money whatever, and cannot possibly do harm or injury to anyone.

Mr. LESINSKI. Mr. Speaker, this type of bill should go to the Rivers and Harbors Committee, and I still object.

Mr. MOTT. That matter has been definitely settled. The Rivers and Harbors Committee has no jurisdiction whatever over a bill of this kind. The matter is in the exclusive jurisdiction of the Flood Control Committee, to which it has been referred by the Speaker and from which this bill has been favorably reported to the House.

Mr. SCHULTE demanded the regular order.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LESINSKI. Mr. Speaker, I object.

PRELIMINARY EXAMINATION OF THE UMPQUA RIVER, OREG.

The Clerk called the next bill, H. R. 5651, authorizing a preliminary examination of the Umpqua River, Oreg.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LESINSKI. Mr. Speaker, I object. This is the type of bill that should go to the Rivers and Harbors Committee, and I am going to object to every one of these bills.

PRELIMINARY EXAMINATION OF THE COQUILLE RIVER, OREG.

The Clerk called the next bill, H. R. 5773, to authorize a preliminary examination of Coquille River and its tributaries, in the State of Oregon, with a view to the control of its floods.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CARTER. Mr. Speaker, reserving the right to object, may I say to the gentleman who has objected to the preceding two bills that he is laboring under a misapprehension. I am a member of the Rivers and Harbors Committee. What the gentleman states is absolutely correct so far as preliminary surveys for navigation are concerned, but with reference to flood control our committee has never raised a jurisdictional question and the gentleman will find that under the rules of the House the Flood Control Committee is the proper committee to have jurisdiction over bills of this character.

Mr. WILSON of Louisiana. Will the gentleman yield?

Mr. CARTER. I yield to the gentleman from Louisiana.

Mr. WILSON of Louisiana. Mr. Speaker, the act creating the Committee on Flood Control provides especially for these preliminary surveys and the members of the Rivers and Harbors Committee, like the gentleman from California, know, and the Chairman of the Rivers and Harbors Committee on the floor of the House concedes, that these bills should be referred to the Flood Control Committee where the preliminary examination is for the purpose of flood-control projects.

Mr. LESINSKI. Has this matter been taken up with the engineering department?

Mr. WILSON of Louisiana. Every one of them, and there is a favorable report.

Mr. LESINSKI. Where is that report?

Mr. WILSON of Louisiana. This matter has gone through the Corps of Engineers with reference to flood control on these various streams. Many emergencies exist. Last year one of these preliminary surveys was made in the State of Vermont and the money was allotted to go in and undertake this as an emergency project. There is no other committee that can handle this particular phase because the navigation on those streams is not at all involved. Every member of the Committee on Rivers and Harbors favors this matter.

Mr. SCHULTE demanded the regular order.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LESINSKI. I object.

PRELIMINARY EXAMINATION OF ROGUE RIVER, OREG.

The Clerk called the next bill, H. R. 5774, to authorize a preliminary examination of Rogue River and its tributaries, in the State of Oregon, with a view to the control of its floods.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I may say this same question rose last year with respect to the jurisdiction of the Rivers and Harbors Committee and the Flood Control Committee. I followed the same course at that time that the gentleman is following now with respect to this matter, thinking I was safeguarding the jurisdiction of the Rivers and Harbors Committee. I went into the matter very fully and deeply with both committees, and I found that there were innumerable cases where there was no overlapping of jurisdiction. I have gone over these bills very carefully, and I find the bills now on the calendar involve no question concerning jurisdiction. I have in mind several bills on the calendar, which have to do with inland rivers, concerning which there is no question of jurisdiction so far as harbor development is concerned. For this reason I have raised no objection to these bills, and I hope the gentleman from Michigan will see them in the same light.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I notice all of these bills contain a provision that the cost thereof shall be paid from appropriations heretofore or hereafter made for examination, surveys, and contingencies of rivers and harbors.

Mr. WOLCOTT. That is right.

Mr. McFARLANE. That being true, if the engineers feel that a preliminary survey should be made and could be made without additional expense, as the gentleman from Oregon indicated a while ago, none of these bills would be necessary; but the fact that these authorization bills are now before us for consideration is a very clear indication to me that each of these bills will require thousands of dollars of additional expense to be paid by the Government. Therefore, Mr. Speaker, I object.

Mr. SCHULTE demanded the regular order.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McFARLANE. I object.

PRELIMINARY EXAMINATION OF THE SIUSLAW RIVER, OREG.

The Clerk called the next bill, H. R. 5775, to authorize a preliminary examination of Siuslaw River and its tributaries, in the State of Oregon, with a view to the control of its floods.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MOTT. Mr. Speaker, reserving the right to object, may I say to the gentleman from Texas, in answer to the question he asked a moment ago, that if this bill is passed authorizing a preliminary survey, all the district engineer will do will be to submit his report recommending whether or not in his opinion a flood-control survey should be made. If he recommends against a survey, that settles it. If he recommends that a survey be made, then it would take another bill and another authorization from the Congress to make the survey. This bill calls for nothing but a report from the district engineer. It is technically called a preliminary examination. I repeat, it does not cost the Government any additional money to do this, because making these examinations and reports is a part of the regular work and business of the district engineer's office.

Mr. BLANTON. This has the usual provision that is put in all of these bills?

Mr. MOTT. Certainly. All of them are identical. It is the same thing we have been doing ever since the Flood Control Committee was organized. These bills are jurisdictional, for, without authorization for a preliminary examination, no subsequent flood-control legislation can even be considered.

I do hope the gentleman, in view of the explanation that has now been given and which certainly cannot be open to question, may see fit to withdraw his objection to the consideration of these bills which surely cannot harm him

or his people, but which are vitally necessary to the welfare of the people of the districts where these rivers are located.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. LESINSKI. Mr. Speaker, I object.

EXTENSION OF REMARKS

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

CONSENT CALENDAR

PRELIMINARY EXAMINATION OF YAQUINA RIVER AND ITS TRIBUTARIES

The Clerk called the next bill, H. R. 5776, to authorize a preliminary examination of Yaquina River and its tributaries, in the State of Oregon, with a view to the control of its floods.

Mr. LESINSKI. Mr. Speaker, I object.

PRELIMINARY EXAMINATION OF SILETZ RIVER AND ITS TRIBUTARIES

The Clerk called the next bill, H. R. 5777, to authorize a preliminary examination of Siletz River and its tributaries, in the State of Oregon, with a view to the control of its floods.

Mr. LESINSKI. I object, Mr. Speaker.

EMERGENCY CONSERVATION WORK

The Clerk called the next bill, H. R. 60, to authorize the disposal of surplus personal property, including buildings, of the Emergency Conservation Work.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. TARVER. Mr. Speaker, there is an identical Senate bill on the Speaker's desk, and I ask unanimous consent that the Senate bill (S. 82) may be substituted for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Director of Procurement, United States Treasury Department, be, and he is hereby, authorized and directed to transfer to Federal agencies, either permanent or emergency, personal property which is no longer required for use by the Emergency Conservation Work, including equipment, tools, materials, and buildings, when so declared surplus by the Director of the Emergency Conservation Work: *Provided,* That upon the recommendation of the Department under which the technical work of the camp was organized and supervised any such surplus property that is not desired by any Federal agency may be transferred without cost, except for expenses incident to transfer, to the forestry, park, conservation, or educational departments of the States, or to counties or municipalities, or to organizations engaged in the promotion of education, recreation, and/or health.

Sec. 2. Surplus property of the Emergency Conservation Work not required to serve any of the above purposes will be disposed of by the Director of Procurement through sale or in any other manner he may direct.

Mr. McCORMACK. Mr. Speaker, I move to strike out the last word, and ask unanimous consent to speak for 10 minutes out of order.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, there appeared in yesterday's papers a news item relating to the transfer of certain Mexican consuls, two in particular, Hermolao E. Torres, who was consul at San Bernardino, Calif., and who was transferred to Denver, Colo., and another, Alexandro V. Martinez, consul at Los Angeles, Calif., who was transferred to another city of the United States, which, I believe, is Tucson, Ariz.

The item in the newspapers said in part:

Torres, who was charged . . . with trying to prevent the holding of a religious procession in San Bernardino—

Last December—

was transferred to Denver. He was assigned there on a special mission to attempt a solution . . . of Mexican labor troubles in that State. New posts to which other consuls have been assigned were not known here.

The news item further stated:

The Mexican Embassy officials said the shake-up was routine as a result of the change of administration in Mexico, and that the changes were being made over a period of time.

The activities of these two men came to the attention of the Special Committee Investigating Un-American Activities, of which I was chairman, and in our report we incorporated the fact that certain actions violating international law, if established, or if the information were correct, had been committed by both of these Mexican consuls in the United States.

The information was called to the committee's attention the latter part of December, the committee expiring, so far as its investigatorial powers were concerned, on January 3 of this year, too late for the committee to make an investigation.

The committee called this evidence to the attention of the State Department and requested the State Department to make an investigation. I have followed the matter very closely and the State Department has been making such an investigation. Whether or not the investigation has disclosed that the information called to the attention of the committee is correct, I am unable to state at the present time, although it is my understanding there has been substantiation.

In any event, there was called to the attention of the committee, of which I was chairman, evidence which seemed to show indisputably that sometime last December the Mexican consul, Mr. Torres, in San Bernardino, made a statement which was published in a newspaper in that city, and which he requested to have published, calling upon the people of that city, who were of Mexican blood whether citizens or not, not to participate in a religious procession that was being held in connection with the celebration of the patron saint of Mexico.

In addition to this, the information showed he made a radio speech along the same lines, and in addition he went to the mayor and the chief of police of the city of San Bernardino for the purpose of trying to stop the religious procession. This happened in the United States, not in Mexico. If any of these charges are substantiated, demand for the recall of such consul should be made immediately by the State Department.

I have a telegram from the mayor of San Bernardino stating that he was approached by the Mexican consul, and which is a reply to a communication I sent him for information, and which reads as follows: "Both the chief and myself were contacted. Have a copy of the protest", signed "Mayor Secombe."

The Mexican consul, Mr. Martinez, in Los Angeles, issued a statement in a newspaper, which statement was published at his request, calling upon the Mexican people resident in the United States, whether they were permanently residing here as Mexican people expecting to become citizens, or Americans of Mexican blood and descent, not to participate in a religious procession that was taking place in that city in connection with the same celebration.

I have been following this matter and I would not have spoken on this occasion, although I intended to later, if it were not for the fact that there appeared in yesterday's papers reference to the activities of the special committee, and also the fact that these two Mexican consuls have been transferred to other cities of the United States to perform routine business. I called up the State Department this morning and was informed that these two men at the present time have no official status in the United States; that they have no official status in this country as consular officers, or otherwise.

The State Department further informed me that "it has no official information as to whether they are traveling, or what they expect to do in this country." The State Department also said "it had been notified by the Mexican Embassy that their services had terminated at San Bernardino and Los Angeles, and that recognition of any transfer has not been given by the State Department; and that their appointments in San Bernardino and Los Angeles

have been canceled by this Government. Any change has not been recognized by this Government", which is essential. The exequatur must be approved by the State Department, and the Government of the United States. Whenever the appointment of a consul has been canceled by the government he represents, any transfer of that consul to another place in the country to which he was originally accredited—and in the case of these two Mexican consuls, the United States—must receive the approval of our Government.

If what has been conveyed to the special committee is correct, both of these consuls have violated international law. Those violations of international law occurred in the United States. I do not expect that consuls accredited to this country are going to inject themselves into the internal affairs of this country, whether of religious processions of any creed or processions not pertaining to religious ceremonies or in any other improper manner. In the United States we guarantee the constitutional right of freedom of religious conscience, and we do not expect consuls accredited to this Government to interfere with the free exercise thereof, either by any citizen of the United States or by any person living within the confines of our country. We want good will to exist among all nations. It is impossible for a nation to possess the good will of the people of other nations when it engages in persecutions of its people because of religion or race. Only a few days ago President Roosevelt in a message of good will to the world declared:

It must be the honest endeavor of all peoples to arrive at a sympathetic understanding of others' problems.

He further said:

The progress of the human race from barbarity to civilization has been slow and painful.

That is true. That statement could be added upon. The progress of the human race from civilization to universal tolerance, understanding, and appreciation has been and is still slow and painful. While the progress from barbarity to civilization has been slow and painful, the progress of eliminating some of the curses of civilization, one of the most prominent of which has been and is misunderstanding and intolerance, with resultant persecution, has been slow and painful.

It is the American viewpoint that persecution because of religion or race is contrary to the law of nations. Such a viewpoint is entertained by all broad-minded persons. The right of freedom of religious conscience is a guaranty, a right that we all enjoy under the Constitution of the United States. It has attracted to our shores millions of persons who sought relief from persecution. It has been repeatedly stated, and I am in agreement, that the right of a free religious conscience, and the right of free expression thereof, has been the main factor in our great progress as a nation. When all the nations of the civilized world guarantee to their people this right, together with protecting the power of exercise of religious conscience, the main step in the removal of misunderstanding, and the establishment of good will, will have been taken throughout the civilized world. While it is technically true that one nation cannot concern itself with what are strictly the internal affairs of another nation, there is plenty of precedent for our Government extending its good offices, where an acute and dangerous situation, the result of persecution, exists elsewhere. Furthermore, the denial of the right of religious freedom, and the free exercise thereof, does not extend to the citizens of another nation, particularly a friendly one. Persecution, wherever it exists, arouses a feeling of repugnance and resentment in the minds of all decent thinking, broad-minded persons. Whether in Mexico, some of the States of which have passed persecutory laws against religion, as such—not one creed, but all creeds—or in Germany, where groups are subjected to persecution because of both religion and race, or in any other country where similar conditions might exist in the future, broad-minded persons of all nations, otherwise friendly, or disposed to be friendly, are bound to have their friendly state of mind obscured or subordinated to their repugnance of persecution, and their contempt for those in control of Government, who

are trying to destroy what is generally recognized, and which we of the United States recognize, as an inalienable right.

A tolerant person is intolerant only in one respect. He or she is intolerant against intolerance. Rulers of nations or those in control of government engaging in such practices, policies, and attacks against groups of their people cannot complain against an opposed tolerant and enlightened world opinion. Such an opinion has many effective ways of making itself felt and in a proper manner.

The people of the United States want to be friendly with the Government of Mexico. The most effective way to accomplish that would be for the Mexican Government to extend to religion its proper rights, within its proper sphere, within its jurisdiction. Under no conditions will the people of the United States tolerate Mexican consuls, accredited to the United States, attempting to or interfering with the religious freedom guaranteed to every person resident in the United States, whether citizen or not. The Mexican Government, or any other government engaged in persecution of its people, cannot expect the friendly state of mind of all the people of the United States unless and until such policies cease.

For either one or both of these consuls to attempt to interfere with a religious celebration conducted in the United States was not only a violation of international law but a violation of one of the fundamental guaranties of the Constitution of the United States, and which is recognized as the cornerstone of our liberties. Such men, with the facts established, should not be permitted by our Government to continue their offices in the United States. If a request is made to approve their exequaturs, assigning them to another city of the United States, that approval should be denied. Our Government should go further. With the facts established, our State Department should demand their recall, conveying to the Mexican Government, in emphatic terms, that religious freedom and the free exercise thereof is an inalienable right guaranteed by the Constitution of the United States to all persons, citizens or aliens, subject to our jurisdiction. If the facts are established that either one of these consuls did any of the things complained of, the State Department should act immediately and in no uncertain manner. [Applause.]

The SPEAKER. The time of the gentleman from Massachusetts has expired.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ADDITIONAL JUDGE, NINTH JUDICIAL CIRCUIT

The Clerk called the bill (H. R. 5917) to appoint an additional circuit judge for the ninth judicial circuit.

The SPEAKER. Is there objection?

Mr. McFARLANE. Mr. Speaker, I object.

Mr. DUFFEY of Ohio. Mr. Speaker, will the gentleman reserve his objection?

Mr. McFARLANE. Yes.

Mr. DUFFEY of Ohio. This matter has been very carefully investigated by the judicial conference, by the Department of Justice, and it has been unanimously recommended by the Committee on the Judiciary because of the great need for this additional judge. The need is very great. There has been no objection from any source which has made an investigation, and I do hope the gentleman from Texas will withdraw his objection.

Mr. TRUAX. Will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. TRUAX. The gentleman from Ohio [Mr. DUFFEY] is a colleague of mine and a member of the Committee on the Judiciary. I should like to ask the gentleman if his committee did not consider impeachment charges that were filed against three Federal judges, James H. Wilkerson, Walter D. Lindley, and Charles A. Woodward. Is that true?

Mr. DUFFEY of Ohio. The subcommittee of the Committee on the Judiciary has thoroughly investigated that matter and made a report to the full committee, which was accepted and approved. Near the end of this session the full

Committee on the Judiciary expects to make a report back to the House of Representatives.

Mr. TRUAX. I should like to remind the gentleman that my colleague at large, Mr. Young, made the following charges, that these three Federal judges were guilty of offenses involving moral turpitude, and have shown themselves utterly unfit to occupy the high judicial positions to which they were intrusted.

Mr. McLEAN. Mr. Speaker, the regular order.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McFARLANE. Mr. Speaker, I object.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF SETTLEMENT OF NORTHWEST TERRITORY

The Clerk called the next business, House Joint Resolution 208, to provide for the observance and celebration of the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I want to say that I have discussed this bill with the author of the resolution, my colleague from Ohio, Mr. SECREST, and I have discussed with him certain amendments which, in my judgment, should be made a part of the bill if it is enacted into law. The gentleman from Ohio [Mr. SECREST] indicates that he does not wish to consider those at this moment. He has indicated that he has an amendment of his own to offer which will reduce the amount of the authorization from \$100,000 to \$75,000. I am opposed to this amendment. I do not object to the amount of the authorization, but I object as to the manner in which it is proposed to spend the money. I would say to the gentleman, and he knows it, that I want to offer an amendment that will authorize \$25,000 of that appropriation of \$100,000 to be used at the 1937 Ohio State fair in fitting commemoration of this event. I am unwilling to authorize an expenditure of \$100,000 to be directed by former Governor George White. Those of us who are familiar with this bill and its background know perfectly well that this is true. We know that the active manager of this celebration has already been selected by White and that they propose to spend at least \$25,000 in salaries and expenses for this manager and his staff. We know that they propose to make this a 3-year job, when it could be efficiently promoted, staged, and produced in less than 1 year. They propose to spend from \$30,000 to \$40,000 for the purchase and distribution of maps in the six States that will be affected by this bill. As usual, these tax spenders, running true to form, want no restrictions or limitations placed on their spending proclivities.

During his 4-year term as Governor of Ohio, Mr. White displayed every characteristic that now crops out in this bill. He had absolutely no regard, mercy, or sympathy for the overburdened taxpayers of his own State, but was always solicitous for the welfare of big business, the racketeering bankers, and the 36-percent loan sharks. Instead of adequately taxing these public enemies, he forced upon our citizens by repeated sessions of the legislature a thoroughly iniquitous, vicious, and obnoxious sales tax.

Enact this bill into law, and it will be only a repetition of the dreary Ohio exhibit at the Chicago Exposition.

I propose another amendment that will limit the amount to be used for salaries and expenses of directors and their assistants to not more than 15 percent of the authorization of \$100,000. I also wish to amend the bill by stipulating that no officials, managers, and directors shall serve for more than 1 year, as that is ample time to promote, produce, and complete the celebration. I am unalterably opposed to \$25,000 or more of this appropriation to be used solely for the purpose of providing a 3-year job for those interested. My amendment to spend \$25,000 of this sum at the 1937 Ohio State fair will be welcomed by all those who recognize this fair as the world's greatest agricultural and livestock exposition, who will know that if a portion of this project is held in cooperation with the management of this magnificent exposition, the Ohio State fair, that its success will be assured; that, instead of using Government funds and tax-

payers' money for jobs, publicity, and personal aggrandizement of a selfish few, this money will be used for the benefit of the six States affected, the entire State of Ohio, and the citizenship of each and every one of the 88 counties of Ohio.

Mr. ZIONCHECK. Mr. Speaker, regular order.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice until the gentleman from Ohio and I can further discuss the matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. TRUAX]?

Mr. SECREST. Mr. Speaker, I must object to that.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. TRUAX. Then I object to the present consideration of the resolution, Mr. Speaker.

GOVERNMENT PUBLICATIONS FOR NATIONAL ARCHIVES

The Clerk called the next bill, H. R. 6836, to provide for the printing and distribution of Government publications to the National Archives Establishment.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Reserving the right to object, may I ask the gentleman from Illinois [Mr. KELLER] to explain the necessity for this, and whether there is any duplication of effort on the part of the commission that is obtaining this money?

Mr. KELLER. There is not. I have an amendment to cut out the word "Establishment", which does not belong in the bill. The gentleman from Ohio [Mr. JENKINS] objected to it on that ground the last time.

Mr. JENKINS of Ohio. Reserving the right to object, let us see what the amendment is.

Mr. TRUAX. Mr. Speaker, I reserve the right to object.

Mr. KELLER. The amendment is simply to strike out the word "Establishment."

Mr. JENKINS of Ohio. What word does the gentleman propose to put in place of it?

Mr. KELLER. None at all. Just strike it out.

Mr. TRUAX. Reserving the right to object, Mr. Speaker, the last session at which this bill was considered I asked the gentleman from Illinois [Mr. KELLER] to ascertain if this work could not be handled without an additional appropriation. I will now ask the gentleman if he has obtained any information along that line?

Mr. KELLER. I have. I have a letter from the Public Printer to this effect:

MAY 20, 1935.

HON. KENT E. KELLER,
House of Representatives, United States,
Washington, D. C.

MY DEAR MR. KELLER: In reply to your letter of May 16, asking for information in reference to H. R. 6836, a bill to provide for the printing and distribution of Government publications to the National Archives Establishment, I am pleased to advise that the passage of this bill will not require any extra help in the Government Printing Office.

The extra expense involved will be that for paper, presswork, binding, and folding, and it is believed that the \$4,000 estimate furnished by this Office is ample to cover this additional expense.

As stated in your letter, it would be impossible to figure the exact expense involved, and that any attempt to do so would cost more than the amount involved. As stated, it is believed that the \$4,000 is sufficiently high to reimburse the Government Printing Office for the additional burden that will be imposed by the passage of the act. If it proves to be too high, any surplus will, of course, revert to the general fund of the Treasury.

Respectfully,

A. E. GIEGENGACK,
Public Printer.

Mr. TRUAX. Mr. Speaker, I think the gentleman has done a good job in getting this information, and I withdraw my reservation of objection.

Mr. DOCKWEILER. Reserving the right to object, will the gentleman explain to me what type of publications will go into the Archives?

Mr. KELLER. Of course, the first object of the Archives is to use, as far as possible, originals every time, but very

often originals are not obtainable. Where they are not obtainable we always get a printed copy, and where there is likelihood of their being lost we always get a duplicate, so that we will always have permanently, for all time, these publications, either originals or copies of them, for consideration and study.

Mr. DOCKWEILER. Will these publications be the same as the publications that are sent automatically to the Congressional Library?

Mr. KELLER. Yes; surely.

Mr. DOCKWEILER. Will there not be duplication?

Mr. KELLER. There will not. There will be no extra expense except the presswork.

Mr. DOCKWEILER. Why keep these publications in the Archives and also in the Congressional Library?

Mr. KELLER. For this reason: The Archives is for the purpose not of general work; the Library is the place for that. Therefore the copies that go to the Library are for the general use of everybody who wants to study them. In the Archives they are kept under lock and key in such a way that if you go there to study them you must show that you have that right. They remain there so as to be sure that there will be a copy of everything that is obtained, and they will not be destroyed.

Mr. DOCKWEILER. Will a copy of every publication go to the Archives?

Mr. KELLER. Every one of them.

Mr. DOCKWEILER. Where will we find enough room to put them?

Mr. KELLER. It is of immense importance to be able to trace the steps by which a bill becomes a law; and each step, step by step, should be shown. Over in the Library there are many years that are missing entirely. This situation ought never to exist in the Archives.

Mr. DOCKWEILER. I merely wanted an explanation of it. As a member of the Committee on Appropriations for the Legislative Establishment, I know that we are spending a lot of money to preserve every report of every committee and everything that is published. We are filling up rooms in the old House Office Building. For this purpose, an increase in the appropriation was asked this year. If this is going to continue, we will fill up 10 buildings in Washington.

Mr. KELLER. No; there is a limit. The purpose is to have the originals always available. They are not in the Library of Congress.

Mr. DOCKWEILER. How many copies will be filed in the Archives?

Mr. KELLER. I think two.

Mr. DOCKWEILER. The Congressional Library gets three copies.

Mr. KELLER. But those are used and broken to pieces in using them. The copies in the Archives will be protected against such use.

The SPEAKER pro tempore (Mr. PATMAN). Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That title 44 of the Code of Laws of the United States be, and is hereby, amended by adding a new section as follows:

"SEC. —. That there shall be printed and delivered by the Public Printer to the National Archives Establishment for official use, which shall be chargeable to Congress, two copies each of the following publications:

"House documents and public reports, bound; Senate documents and public reports, bound; Senate and House journals, bound; United States Code and Supplements, bound; Statutes at Large, bound; Official Register of the United States, bound; Decisions of the Supreme Court of the United States, bound; and all other documents bearing a congressional number, and all documents not bearing a congressional number printed upon order of any committee in either House of Congress, or by order of any department, bureau, independent office or establishment, commission, or officer of the Government except confidential matter, blank forms, and circular letters not of a public character; and one copy each of all public bills and resolutions in Congress in each parliamentary stage.

"The Superintendent of Documents shall furnish without cost copies of such publications as may be available for free distribution."

With the following committee amendment:

Page 2, lines 10 and 11, strike out the words "one copy" and insert in lieu thereof the words "two copies."

The committee amendment was agreed to.

Mr. KELLER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KELLER: Page 1, lines 6 and 7, after the word "Archives" in line 6, strike out the word "Establishment."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WHITE SWAN SCHOOL DISTRICT, YAKIMA COUNTY, WASH.

The Clerk called the next bill, H. R. 4297, to provide funds for cooperation with White Swan School District No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, these bills from Calendar No. 74 to Calendar No. 87, inclusive, with the exception of Calendars Nos. 84 and 92, and Calendar No. 113, were called on the last Consent Calendar day. At that time I asked that these bills be passed over without prejudice for the reason that I felt they should be put into an omnibus bill. I have had the matter up with the committee since then and they seem to think it is not desirable to bring them up in an omnibus bill. As I said at that time, I have no objection to the merits of the bills, but I objected only to the manner in which they were being brought in. For this reason I withdraw my reservation of objection.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I am not inclined to object to this group of bills, and I hope they can be disposed of in the same way so as to save time. I do want to ask a few questions and will appreciate the gentleman's answer. I should like to know if this will not result in a difference in the treatment of schools in different parts of the country? These bills, in the matter of providing for the education of Indian children, are different from any bills that have been called up since I have been paying attention to these matters. Heretofore, as I understand it, the Indians were provided with their own Indian schools. Now, for some reason or other, it is decided to send the Indians to public schools. The Indian land is free of taxation. This being the case you are going to allow the Indians to go to school with the white people, or the American people, whatever you want to term them; the Indian lands are not subject to taxation; the Indians make no contribution whatever. Are not the people in these sections bound to raise objection on the ground that they are having to educate these children without the Indians participating in the expense? How can you Members from the Indian country explain this to your constituents?

Mr. AYERS. Mr. Speaker, the idea is that the Government pretty generally, through its administration of the Wheeler-Howard bill and, as a matter of fact, starting some 2 or 3 years previous to the passage of that bill, adopted a policy of sending the Indian children to State schools supported by taxation there; and until they became overcrowded, the State schools made no objection, and they got along fine; there never was and there never has occurred any race turmoil or race prejudice whatever. Now these schools are becoming overcrowded, and additions must be built to the present buildings in order to continue to accommodate both the Indian and white patrons. If the additions to the buildings are provided the schools are willing to supply the equipment, although the Indian population and the Indian patrons of the schools are free from tax burden. The only requirement is that the buildings be extended.

Mr. JENKINS of Ohio. Will not this result in this group of schools receiving aid from the Government to the exclusion of other schools throughout the country? Is not the result going to be that these schools for the white and Indian children will be built by the Government? In no

other section of the country does this obtain. Everywhere else the people pay for their own school buildings.

How much is it expected this will ultimately cost? Is it not somewhere between \$700,000 and \$800,000?

Mr. AYERS. The entire cost for all these 15 schools is figured at \$751,000.

Mr. JENKINS of Ohio. Seven hundred and fifty-one thousand dollars is going to be given for the purpose of building schools in certain sections of the United States upon different terms than in other sections of the country.

This proposition ought to come before the subcommittee of the Committee on Appropriations dealing with the Department of the Interior. I do not want, of course, simply to thrust my own views upon the House, but what I have said is what appears to me is going to happen—that the children in these sections of the country are going to be furnished with educational facilities, school buildings, paraphernalia, and equipment paid for by the Government—a condition which does not exist anywhere else.

Mr. TABER. Mr. Speaker, reserving the right to object, is it not a fact that this bill is similar to a bill which was considered a year ago, rather a group of bills, providing schoolhouses for the Indians where there formerly had been adequate schoolhouses which had been given up; is not this one of those bills?

Mr. AYERS. It is one of the same bills which was up on Consent Calendar at the last session of Congress and objected to; yes.

Mr. TABER. And was not that the situation?

Mr. AYERS. Yes; the gentleman is correct as far as he has stated the situation; and let me add that the situation came about in this way: Previous to the enactment of the Wheeler-Howard bill there had been, since 1931, a general policy of the Indian Department for the placing of Indian children in white schools and to have them associate with and educated with white children. Since the adoption of that policy many—I cannot say many; but a large number of the Indian schools on the reservations had been abandoned and the Indian children were sent to white schools. This policy has now been pretty generally adopted, and in all instances the white schools have given their full cooperation. No complaint nor request for help occurred until the schools became overcrowded.

Bear in mind that none of these State schools were under any obligation to take these Indian children. Their parents were not taxpayers as Indian property is exempt from taxation, and then these Indian children were wards of the Government, but for the benefit of such children the State schools accepted them. Now the schools are overcrowded and the Indian schools have been abandoned so there is nothing the Government can do to educate its wards except cooperate with the State schools.

In each of these instances the bill involves a State school now sadly overcrowded.

Mr. TABER. In other words where we formerly had an adequate building, and I do not know but what that exists now, we are going ahead and for the same identical purpose appropriate money to build another building for the same purpose?

Mr. AYERS. No; the purpose is not to build another building. It is simply to enlarge the present State schools. They are overcrowded and the Indian children will be crowded out and they will get no educational benefits unless this legislation is passed. They cannot go back to Indian schools for those buildings have been salvaged.

Mr. SCHULTE demanded the regular order.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. AYERS. Mr. Speaker, in view of the fact that this bill has been passed over until the next call of the Unanimous Consent Calendar, I ask unanimous consent that all of the school bills may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WOLCOTT. Mr. Speaker, I understand that under the unanimous consent request the bills on the Consent Calendar numbered 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 85, 86, 87, 92, and 113 are passed over without prejudice?

The SPEAKER pro tempore. The gentleman is correct.

PROCTORS AND MARSHALS' FEES

The Clerk called the next bill, H. R. 29, to amend the laws relating to proctors and marshals' fees and bonds and stipulations in suits in admiralty.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 824 of the Revised Statutes (U. S. C., title 28, sec. 572) is amended by adding after the first paragraph of such section the following new paragraph:

"On appeals in admiralty, where the amount involved is not over \$1,000 a proctor's docket fee of \$20; where the amount involved is from \$1,000 to \$5,000 a proctor's docket fee of \$50; where the amount involved is over \$5,000 a proctor's docket fee of \$100. On such appeals cost of brief of successful party to be taxed, where amount involved is not over \$1,000 at not exceeding \$25; where amount involved is between \$1,000 and \$5,000 at not exceeding \$50; where amount involved is over \$5,000 at not exceeding \$75."

Sec. 2. Section 829 of the Revised Statutes, as amended (U. S. C., title 28, sec. 574; Supp. VII, title 28, sec. 574), is amended by striking out of such section the paragraph which reads as follows:

"When the debt or claim in admiralty is settled by the parties without a sale of the property, the marshal shall be entitled to a commission of 1 percent on the first \$500 of the claim or decree, and one-half of 1 percent on the excess of any sum thereof over \$500: *Provided*, That when the value of the property is less than the claim such commission shall be allowed only on the appraised value thereof."

Sec. 3. Section 941 of the Revised Statutes, as amended (U. S. C., title 28, sec. 754), is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided*, That the parties may stipulate the amount of the bond or stipulation for the release of a vessel or other property on libel in admiralty to be not more than the amount claimed in the libel, with interest, plus an allowance for libellant's costs: *Provided further*, That in the event of the inability or refusal of the parties to so stipulate the amount of the bond, the court shall fix the amount thereof, but if not so fixed then a bond shall be required in the amount hereinbefore prescribed in this section."

With the following committee amendment:

On page 2, after line 16, insert the following: "and inserting in lieu thereof the following: 'In all cases in which the vessel or other property is sold by a public auctioneer or by some party other than the marshal or his deputy, the fee herein authorized to be paid to the marshal shall be reduced by the amount paid to said auctioneer or other party.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STOCKBRIDGE AND MUNSEE TRIBE OF INDIANS (WISCONSIN)

The Clerk called the next bill, H. R. 5229, directing the Secretary of the Interior to investigate, hear, and determine claims of the individual members of the Stockbridge and Munsee Tribe of Indians of the State of Wisconsin.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, and I do this to ask a question, I do not remember of ever having a bill like this come before this body in my time where the Secretary of the Interior is given power to consider Indian claims. One of his chief duties is to deal with the Indians. That was in ordinary times, and before he got so many other things to do in connection with the recovery program. In this report I notice he says that he would like to handle these claims and recommends that the bill be passed. May I have some explanation?

Mr. BOILEAU. There is a precedent for this in that a similar bill was passed in the Seventieth Congress authorizing

the Secretary of the Interior to investigate and report on the claims of individual members of the Sioux Tribe of Indians. This bill is distinguishable from the next bill only in that this one deals with the claims of the individual members of the Stockbridge and Munsee Tribe of Indians in Wisconsin, and H. R. 5230, the next bill, provides that the tribal claims go to the Court of Claims. I call the gentleman's attention to the fact that a bill was introduced in the Seventy-third Congress giving the Court of Claims jurisdiction not only over the claims of the individual Indians but also of the tribe. In the report on that bill the Secretary of the Interior stated:

These additional claims have not been specifically formulated, and hence report cannot be made on their merits at this time. However, they appear to be matters for administrative examination and appropriate recommendation to Congress at a later date for a direct appropriation should the claims prove to be meritorious. Also it is not customary to refer individual Indian claims to the Court of Claims for adjudication.

The purpose of this bill is to do exactly what the Secretary of the Interior at that time suggested should be done; in other words, that the Secretary of the Interior be authorized and empowered to examine and investigate these claims, because at that time the Secretary of the Interior said that there was not sufficient information available, without administrative investigation, to determine whether or not the claims should be approved.

Mr. JENKINS of Ohio. And the Secretary of the Interior has now changed his mind?

Mr. BOILEAU. In the report he sent to the committee he stated he knew of no claim, and that was the only reason he objected, although I think there must have been some misunderstanding, because before the committee Mr. Collier, Commissioner of Indian Affairs, recommended that the committee report the bill favorably. In the report made during the Seventy-third Congress it was stated that "it is understood these Indians have other tribal claims involving timber receipts" and that various members of the tribe have individual claims growing out of timber sales, the allotting of land, and so forth. Those are the identical claims we want him to examine. If he does not find them meritorious, the claims should not be paid. If he does find them meritorious, the claims may be incorporated in a bill and reported back to the Congress.

Mr. LESINSKI demanded the regular order.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to investigate, hear, and determine the claims of the individual members of the Stockbridge and Munsee Tribe of Indians of the State of Wisconsin: *Provided*, That the Secretary of the Interior is authorized to make all rules and regulations necessary to carry out the provisions of this act: *Provided further*, That the claims which shall be investigated under this act shall be individual claims for allotments of land and for loss of personal property, timber or logs, or improvements on allotments belonging to any such Indian. In the event the original claimant is dead, such claim or claims may be presented by his or her heirs. If any such claims shall be considered meritorious, the Secretary of the Interior shall adjust and pay the same where there is existing law therefor, and such other meritorious claims he shall report to Congress with his recommendations.

Mr. TREADWAY. Mr. Speaker, I move to strike out the last word.

I wish to bring to the attention of the House the reference to the Stockbridge Indians that appears in this bill. It so happens that my home town in western Massachusetts is the original home of the Stockbridge Tribe of Indians.

About 1723 we find the first record of any whites occupying western Massachusetts, but it was not until 1735, 200 years ago, that we find any definite record of the relations between the Indians then living in that territory and the whites. John Sargent, then a student in Yale College, was ordained as the first missionary to the Stockbridge or Housatonic Indians and remained with them until his death in 1749. He was succeeded by Jonathan Edwards, who had preached such strong doctrine to the whites of Northampton

that the missionary authorities thought he would be of more use among the Indians further west. While in Stockbridge he wrote his celebrated treatise on the Freedom of the Will. He died soon after becoming president of Princeton University.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I shall be pleased to yield to the gentleman.

Mr. KENNEY. I simply wanted to make this observation, which I have no doubt the gentleman recalls: One of the greatest friends of the Stockbridge Indians was Ephraim Williams, who later founded Williams College, in the Berkshires.

Mr. TREADWAY. There is no question about the accuracy of the gentleman's statement and, as a graduate of Williams College, the gentleman has a right to be proud of Ephraim Williams, as I am also equally proud of Mark Hopkins, who was born and brought up in Stockbridge and later became president of Williams College.

The relations between the Stockbridge Indians and their white neighbors were very cordial, although there were early efforts to secure land from them. The section known as "Southern Berkshire" passed into the hands of a white committee in 1724 for the sum of £450, 3 barrels of cider, and 30 quarts of rum. The chief of the tribe was Konkapot, who in 1734 was commissioned a captain by Governor Belcher.

In 1749 the Indian population of Stockbridge consisted of 53 families and over 200 individuals. If time permitted, it would be of great interest locally to trace the movements of the Stockbridge Indians from that time up to the present. Let me, however, make very brief reference to it.

Following the Revolutionary War there was more or less interchange of visits between the Indians in western Massachusetts and those in central New York. Between 1783 and 1788 the Stockbridge Indians joined the Oneidas in Madison County, N. Y., and settled a town called "New Stockbridge." In 1818 they removed to Ohio, but remained there only temporarily. Some moved to Green Bay, Wis., in 1821, and by 1829 all the members of the tribe joined them. In 1831 we are told that two townships were set up on the east side of Lake Winnebago for the use of the Stockbridge and Munsee Tribes.

I wish, however, to recall a few reminiscences of the period during which the Indians resided in Stockbridge, Mass., my birthplace. All historical references agree that they were well treated by our ancestors, were called a comparatively peaceful tribe, and were amenable to the religious influences of the missionaries and the prominent whites. It is interesting to note that our colonial legislature, known as the "general court", passed considerable legislation to prevent any unfair disposition of their land.

On March 9, 1784, John Bacon, Jahleel Woodbridge, and John Sargent by statute were appointed commissioners to examine such sales and only to approve them when the Indians' rights were properly cared for. It so happens that I possess a deed covering a transaction of this nature, approved by the board of commissioners. I also have in my possession a very remarkable warrant authorizing a deputy sheriff under the authority of the selectmen to notify all Indians competent to vote for representative in general court to cast their ballots on a certain date. I hope some day to be able to trace the execution of that valuable document and to find out how many Indians actually voted at town meeting.

The burial place of the Stockbridge Indians in Stockbridge is marked by a natural boulder and bears an inscription.

Possibly nothing more typical of the development of this country can be found than the life and migration of the Stockbridge Indians, inhabiting as they did the beautiful hills and valleys of western Massachusetts, wandering freely over its rugged mountains in quest of game for their subsistence. Civilization has gradually crowded them further and further away from their original haunts. Nature itself alone has remained in that region as they occupied it. But today we find it a hive of industry and its natural attractions

appreciated by visitors in search of recreation during the summer months. [Applause.]

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLAIMS OF THE STOCKBRIDGE AND MUNSEE TRIBE OF INDIANS

The Clerk called the next bill, H. R. 5230, to confer jurisdiction upon the Court of Claims to hear claims of the Stockbridge and Munsee Tribe of Indians.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I wish to ask a question of the author of this bill. It seems to me this legislation is very far-reaching. At the outset it waives the statute of limitations and gives the Department here all legal and equitable rights to settle these old claims, when at this time, no doubt in many cases, the files have been stripped and perhaps the evidence on the Government side of the case is practically all gone.

If we make an exception in a case like this I see no reason why we should not be asked in the future to make a lot of other exceptions which, in effect, would indirectly, perhaps, nullify the work of the Court of Claims.

Why should not these Indian claims take the same course as all other claims and be filed in the Court of Claims under existing law?

Mr. BOILEAU. Mr. Speaker, I may state to the gentleman this is the ordinary jurisdictional bill and practically the identical language used with respect to all these Indian tribes that have come to the Congress and asked for such jurisdictional bills. The language is identical with many we have passed in the Congress during the last several sessions I have been here. There is nothing unusual about it, and so far as the language being in broad terms is concerned, it is understood that in giving the Court of Claims jurisdiction we realize that it is necessary to give the tribes some unusual rights so far as jurisdiction is concerned.

Mr. McFARLANE. What is the reason they have not filed their claims within the statutory requirement?

Mr. BOILEAU. I may state to the gentleman that practically all of these Indian tribes have had the same difficulty. They have been more or less at the mercy of Government officials. They have legitimate claims, but we find that over a period of years their business matters have been neglected and practically every tribe in the country at one time or another has come in and asked for a similar bill so that their rights may be adjudicated.

We ask that these claims be decided upon their merits and that the Government, who is the guardian of the Indians, waive the statute of limitations. Certainly, it does not seem to be reasonable that a guardian should be permitted to plead the statute of limitations as a defense to any action brought on the part of his ward. Had the Indians been considered legally competent to manage their own business affairs, the Government would not have found it necessary to become the guardian of the Indians.

Mr. McFARLANE. And this deals only with guardianship?

Mr. BOILEAU. This bill authorizes the Indians to bring suit against the United States Government for acts on the part of the United States Government as the guardian of the Indians and demand an accounting. The bill gives the tribe an opportunity to be heard upon the merits of its claims, and unless we waive the statute of limitations, the Indians would not be able to demand settlement of a just claim against the guardian.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction be, and it is hereby, conferred upon the Court of Claims, notwithstanding the lapse of time or statutes of limitations, to hear, examine, and adjudicate and render judgment in any and all legal and equitable claims arising under or growing out of any treaty or agreement between the United States and the Stockbridge and Munsee Tribe of Indians, or arising under or growing out of any act of Congress or Executive order in relation to Indian affairs or for the misappropriation of any of the funds, lands, or property of said tribe, or for the

failure of the United States to pay said tribe any money or other property due, which said Stockbridge and Munsee Tribe of Indians may have against the United States, which claims have not heretofore been determined or adjudicated on their merits by the Court of Claims and the Supreme Court of the United States: *Provided*, That claims asserted in actions brought under the act of June 7, 1924 (43 Stat. 644), may be filed under this act and shall be tried on their merits.

Sec. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit or suits be instituted or petitions be filed as herein provided in the Court of Claims within 5 years from the date of the approval of this act, and such suit or suits shall make the Stockbridge and Munsee Tribe of Indians party plaintiff and the United States party defendant. The petitions shall be verified by the attorney employed by said Stockbridge and Munsee Tribe of Indians to prosecute such claim or claims under contract with said tribe of Indians, made and approved in accordance with existing law.

Sec. 3. Official letters, papers, documents, and records, or certified copies thereof, may be used in evidence, and the departments of the Government shall give access to the attorney of said Stockbridge and Munsee Tribe of Indians to such treaties, papers, correspondence, and records as may be needed by the attorney in the prosecution of any suits under this act.

Sec. 4. In said suit or suits the court shall hear, examine, and adjudicate any claims which the United States may have against said Stockbridge and Munsee Tribe of Indians, and any payment which the United States may have made to or for the benefit of said Stockbridge and Munsee Tribe of Indians prior to the date of adjudication shall not operate as an estoppel but may be pleaded as an offset in said suit.

Sec. 5. The Court of Claims shall have full authority by proper orders and process to bring in and make parties to any such suit any other tribe or band of Indians deemed by it necessary or proper to the final determination of the matters in controversy.

Sec. 6. That upon the final determination of any suit instituted under this act, the Court of Claims shall decree such amount or amounts as it may find reasonable to be paid the attorney so employed by said Stockbridge and Munsee Tribe of Indians for the services and expenses of said attorney rendered or incurred subsequent to the date of approval of this act: *Provided*, That in no case shall the aggregate amounts decreed by the said Court of Claims for services be in excess of the amount or amounts stipulated in the contract of employment, or in excess of a sum equal to 10 percent of the amount of recovery against the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

RELIEF OF OFFICERS AND SOLDIERS, SPANISH-AMERICAN WAR

The Clerk called the bill (H. R. 2024) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain, and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object. I think this bill should be passed over without prejudice until we can obtain some specific information. I have asked the question of several Members as to the amount of money required to finance this bill if it is enacted into law. I have received only one answer, and that comes from the gentlewoman from Arizona [Mrs. GREENWAY], that possibly it might cost \$5,000,000. At the present time the Committee on Pensions, of which I am a member, is holding hearing on the Smith bill, which seeks to restore the pensions of the Spanish War veterans to their status prior to the enactment of the Economy Act. If that bill is reported out favorably by the committee, it will require funds of about \$50,000,000 per year. It will be necessary before that bill can be enacted into law to have the approval of the President and General Hines. We are now attempting to determine the exact cost of that bill to the Treasury. I think it would be most unwise and unsound to pass this bill now, which will call for an authorization of at least \$5,000,000 and thereby prejudice this pension legislation now being considered by the committee.

Therefore, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

Mr. WEARIN. Mr. Speaker, will the gentleman withhold that temporarily?

Mr. TRUAX. Yes.

Mr. WEARIN. The gentleman agrees, I take it, that it is of paramount importance that Congress carry out the origi-

nal agreement with the Spanish-American War veterans with respect to this matter, does he not?

Mr. TRUAX. I might say to the gentleman that many of us think that the Government should fulfill its obligation and contract with the World War veterans by the enactment into law of the Patman bonus bill.

Mr. WEARIN. That is beside the point.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection?

Mr. GUYER. Mr. Speaker, I reserve the right to object.

Mr. SCHULTE. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. The regular order is called for. Is there objection?

There was no objection.

THE JUDICIAL CODE

The Clerk called the bill (H. R. 7050) to amend the Judicial Code.

There being no objection to the bill, the Clerk read the bill, as follows:

Be it enacted, etc., That that part of the Judicial Code, as amended (46 Stat. 820, sec. 184), which reads as follows:

"Terms of the United States District Court for the Eastern District of Pennsylvania shall be held at Easton, Pa., on the first Tuesdays in June and November of each year: *Provided, however*, That all writs, precepts, and processes shall be returnable to the terms at Philadelphia and all court papers shall be kept in the clerk's office at Philadelphia unless otherwise specially ordered by the court, and the terms at Philadelphia shall not be terminated or affected by the terms herein provided for at Easton: *Provided further*, That this authority shall continue only during such time as suitable accommodations for holding court at Easton are furnished free of expense to the United States."

With the following committee amendment:

Page 1, line 3, strike out all of page 1 down to and including line 6, on page 2, and insert in lieu thereof the following: "That the act of June 27, 1930, entitled 'An act to provide for terms of the United States District Court for the Eastern District of Pennsylvania' (ch. 634, 46 Stat. 820) is amended to read as follows:

"Terms of the United States District Court for the Eastern District of Pennsylvania shall be held at Easton, Pa., on the first Tuesdays in June and November of each year: *Provided, however*, That all writs, precepts, and processes shall be returnable to the terms at Philadelphia and all court papers shall be kept in the clerk's office at Philadelphia unless otherwise specially ordered by the court, and the terms at Philadelphia shall not be terminated or affected by the terms herein provided for at Easton."

The amendment was agreed to and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The title was amended to read: "A bill to amend the act of June 27, 1930 (ch. 634, 46 Stat. 820)."

ADDITIONAL DISTRICT JUDGE, EASTERN DISTRICT OF VIRGINIA

The Clerk called the bill (H. R. 1414) to provide for the appointment of an additional district judge for the eastern district of Virginia.

The SPEAKER. Is there objection?

Mr. McFARLANE. Mr. Speaker, I reserve the right to object. This is a bill creating an additional district judge for the eastern district of Virginia. It seems to me that a careful survey should be made of the Federal judiciary to the end that we may have a proper redistributing of the Nation so as to redistribute the work and stop the creation of these additional judgeships.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. BLANTON. This is the bill of our distinguished colleague, Governor MONTAGUE, of Virginia. For several years they have been trying to get a new Federal judge at Richmond, Va. Business there has been so congested that litigants who have business in the Federal court have refrained from bringing that business in the Federal court. Our colleague has been trying for a long time to get this judge. I hope my colleague will let this particular bill go by.

Mr. McFARLANE. Mr. Speaker, for the reasons I have just stated, I feel it my duty to object. (In all suits brought

in State courts the litigants are better off, they may thus get them decided in their lifetime—and in the Federal courts it is doubtful, in many cases, whether this can be done.

Mr. CELLER. Will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. CELLER. The Supreme Court of the United States has made a careful survey of the entire situation. There is a report of the Judicial Conference dated September 1934, which goes into all the facts and circumstances in the most minute detail. The report recommends the passage of this bill and several other bills which are on the calendar. If the gentleman thinks there should be some duplication of the efforts of the Supreme Court Justices and the senior circuit court judges all over the United States and the circuit court of appeals, well and good, but I do not think that is essential.

Mr. LESINSKI. Mr. Speaker, the regular order.

Mr. McFARLANE. Mr. Speaker, I have read this report of our committee, and I still object.

ADDITIONAL DISTRICT JUDGES FOR THE SOUTHERN AND EASTERN DISTRICTS OF NEW YORK

The Clerk called the next bill, H. R. 7057, to provide for the appointment of 2 additional judges for the southern district of New York and 1 additional judge for the eastern district of New York.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. SCHULTE. Mr. Speaker, I object.

Mr. YOUNG. Mr. Speaker, I object.

Mr. TRUAX. Reserving the right to object—

Mr. KELLER. Mr. Speaker, regular order.

The SPEAKER pro tempore. Is there objection?

Mr. YOUNG. Mr. Speaker, I object.

CHIPPEWA INDIANS OF MINNESOTA

The Clerk called the next bill, H. R. 2049, to amend an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims", approved May 14, 1926 (44 Stat. L. 555).

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. McFARLANE. Reserving the right to object, I would like to have this bill explained as to why these broad powers are given. I will reserve the objection until the bill is explained.

Mr. KNUTSON. Mr. Speaker, this bill was introduced at the request of the Chippewa Indians of Minnesota. It has the approval of the Department of the Interior as well as the Indian Bureau. It simply extends the time for filing certain papers in a suit pending in the Court of Claims.

Mr. McFARLANE. What is the reason those papers were not filed in the proper time?

Mr. KNUTSON. This simply extends the time. I hope the gentleman will not object.

Mr. McFARLANE. Mr. Speaker, I withdraw my reservation of objection.

Mr. LESINSKI. Mr. Speaker, I object.

COMPENSATION FOR CHIPPEWA INDIANS OF MINNESOTA FOR LANDS

The Clerk called the next bill, H. R. 2046, to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act.

The SPEAKER pro tempore (Mr. PATMAN). Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, reserving the right to object, this bill calls for the authorization of \$223,000.

Mr. McFARLANE. Then I object.

Mr. PITTINGER. Will the gentleman reserve his objection?

Mr. McFARLANE. I will withhold it, but I shall object.

Mr. KNUTSON. Well, why does the gentleman object? The Government admits that they owe this sum to the Indians. Land that was ceded by the Indians to the Fed-

eral Government should have been sold and the Indians should have been reimbursed at the rate of \$1.25 an acre.

Mr. LESINSKI. Mr. Speaker, the regular order.

Mr. TRUAX. Would the gentleman favor the issuance of tax-exempt bonds to pay this?

The SPEAKER pro tempore. Is there objection to the present consideration of the bill? The Chair hears none.

The Clerk read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury of the United States not otherwise appropriated, the sum of \$223,162.62, said amount to be credited to the trust fund of the Chippewa Indians of Minnesota arising under the provisions of section 7 of the act of January 14, 1889, in full payment for 178,530.10 acres of land embraced within reservations established by the treaties of March 11, 1863 (12 Stat. 1249), May 7, 1864 (13 Stat. 693), and March 19, 1867 (16 Stat. 719), for the future homes of said Indians, and later patented to the State of Minnesota under the provisions of the amendatory Swamp Land Act of March 12, 1860, without compensation to said Indians.

Mr. LESINSKI. Mr. Speaker, this bill has been objected to.

Mr. TRUAX. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. TRUAX. Was Calendar No. 103 objected to?

The SPEAKER pro tempore. That bill was not objected to.

Mr. TRUAX. Mr. Speaker, I objected to that bill.

Mr. McFARLANE. I objected to that bill and then I withdrew my objection, and the gentleman from Michigan [Mr. LESINSKI] renewed his objection to the bill.

Mr. PITTINGER. Mr. Speaker, a point of order; the objection comes too late.

The SPEAKER pro tempore. The Clerk will continue reading the bill.

Mr. TRUAX. Mr. Speaker, I make a point of order. This bill was objected to. I object to the bill.

The SPEAKER pro tempore. The gentleman did not object at the proper time.

Mr. TRUAX. I did not have an opportunity.

The SPEAKER pro tempore. The Chair put the question, "Is there objection?" and there was no objection heard. The Clerk will continue reading the bill.

Mr. TRUAX. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The Chair will count.

Mr. TRUAX. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. TRUAX. Is a motion to recommit this bill to the committee in order?

The SPEAKER pro tempore. It will be at the proper time, when the bill is read.

Mr. TRUAX. Mr. Speaker, I withdraw my point of order of no quorum, temporarily.

The SPEAKER pro tempore. The gentleman from Ohio withdraws the point of order. The Clerk will continue reading the bill.

The Clerk read as follows:

Sec. 2. That the Secretary of the Interior be, and he hereby is, authorized to determine just and proper compensation to the respective attorneys representing the Chippewa Indians of Minnesota in the prosecution of their claims against the United States for the services rendered in the prosecution of said claim, said compensation to be based upon the nature, extent, character, and value of said services, and to pay such amounts, if any, as he may find said attorneys to be entitled to receive out of the trust funds standing to the credit of the Chippewa Indians of Minnesota.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. TRUAX. Mr. Speaker, I offer a motion to recommit the bill to the committee.

Mr. WOLCOTT. Mr. Speaker, I make the point of order that the motion to recommit is not in writing.

Mr. BLANTON. Mr. Speaker, that objection is perfunctory.

The SPEAKER pro tempore. The Clerk will report the motion of the gentleman from Ohio.

The Clerk read as follows:

Mr. TRUAX moves to recommit the bill H. R. 2046 to the Committee on Indian Affairs.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. TRUAX) there were—ayes 30, noes 52.

Mr. TRUAX. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER pro tempore. The Chair will count.

Mr. TRUAX. A point of order, Mr. Speaker; the last division showed there was not a quorum present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 105, nays 234, answered "present" 1, not voting 91, as follows:

[Roll No. 79]

YEAS—105

Arnold	Delaney	Kniffin	Quinn
Ashbrook	Dickstein	Kocalkowski	Rabaut
Beam	Dobbins	Lambeth	Ramsay
Beiter	Doxey	Larrabee	Rankin
Blanton	Drewry	Lesinski	Rudd
Bloom	Driscoll	Lewis, Colo.	Russell
Boland	Duffey, Ohio	Ludlow	Sadowski
Brunner	Edmiston	McFarlane	Sanders, Tex.
Buchanan	Eicher	McGrath	Schulte
Buck	Farley	McKeough	Scott
Bulwinkle	Fernandez	McMillan	Shanley
Caldwell	Flesinger	McReynolds	Sirovich
Cannon, Wis.	Fletcher	Maloney	South
Carpenter	Ford, Calif.	Massingale	Sullivan
Citron	Ford, Miss.	Mead	Sutphin
Coffee	Fulmer	Merritt, N. Y.	Sweeney
Colden	Gray, Ind.	Miller	Taylor, Colo.
Cole, Md.	Green	Moritz	Taylor, S. C.
Colmer	Greever	O'Connor	Terry
Cooper, Tenn.	Griswold	O'Day	Tony
Costello	Hart	O'Leary	Truax
Cox	Higgins, Mass.	Owen	Whelchel
Crosby	Imhoff	Parks	Whittington
Cross, Tex.	Jones	Patterson	Zioncheck
Crowe	Keller	Pearson	
Cullen	Kelly	Pettengill	
Cummings	Kloeb	Polk	

NAYS—234

Adair	Dingell	Hoeppel	Michener
Allen	Dirksen	Hoffman	Millard
Andresen	Disney	Hollister	Mitchell, Ill.
Andrew, Mass.	Ditter	Holmes	Mitchell, Tenn.
Andrews, N. Y.	Dondero	Hook	Montague
Ayers	Doughton	Hope	Montet
Bacharach	Driver	Houston	Moran
Bacon	Duffy, N. Y.	Huddleston	Mott
Bell	Duncan	Hull	Murdock
Biermann	Dunn, Pa.	Jacobsen	Nelson
Binderup	Eaton	Jenckes, Ind.	Nichols
Blackney	Eckert	Jenkins, Ohio	O'Brien
Bland	Ellenbogen	Johnson, Tex.	O'Connell
Boehne	Engel	Kahn	Palmisano
Boileau	Englebright	Kee	Parsons
Bolton	Faddis	Kenney	Patman
Brewster	Fenerty	Kerr	Patton
Brooks	Ferguson	Kimball	Peterson, Fla.
Brown, Ga.	Flah	Kinzer	Peterson, Ga.
Brown, Mich.	Fitzpatrick	Knutson	Pierce
Buckbee	Focht	Kopplemann	Pittenger
Buckler, Minn.	Fuller	Kramer	Powers
Burdick	Gearhart	Lambertson	Ramspeck
Burnham	Gehrmann	Lanham	Randolph
Cannon, Mo.	Gifford	Lea, Calif.	Reed, Ill.
Carlson	Gilchrist	Lehlbach	Reed, N. Y.
Carter	Glida	Lemke	Reilly
Cary	Gingery	Lloyd	Rich
Cavichia	Goodwin	Luckey	Richards
Celler	Granfield	McAndrews	Richardson
Chandler	Greenway	McClellan	Robertson
Chapman	Greenwood	McCormack	Robinson, Utah
Christianson	Gregory	McGehee	Robson, Ky.
Church	Guyer	McGroarty	Rogers, Mass.
Claiborne	Haines	McLaughlin	Rogers, Okla.
Clark, N. C.	Halleck	McLeod	Romjue
Cole, N. Y.	Hamlin	Maas	Ryan
Cooley	Hancock, N. Y.	Mahon	Sanders, La.
Crawford	Hancock, N. C.	Mansfield	Sandlin
Culkin	Harlan	Mapes	Sauthoff
Daly	Healey	Marcantonio	Schneider
Darden	Hess	Marshall	Schuetz
Darrow	Higgins, Conn.	Martin, Colo.	Scrugham
Deen	Hill, Knute	Martin, Mass.	Sears
Dempsey	Hill, Samuel B.	Mason	Secrest
Dietrich	Hobbs	Merritt, Conn.	Seger

Sisson
Smith, Va.
Smith, Wash.
Smith, W. Va.
Snell
Somers, N. Y.
Spence
Stack
Starnes
Stefan
Stewart
Stubbs
Summers, Tex.

Taber
Tarver
Thomason
Thompson
Thurston
Tinkham
Tobey
Tolan
Treadway
Turpin
Umstead
Utterback
Vinson, Ga.

Vinson, Ky.
Wadsworth
Wallgren
Walter
Warren
Wearin
Weaver
Welch
Werner
West
White
Wigglesworth
Wilcox

Williams
Wilson, La.
Wilson, Pa.
Wolcott
Wolfenden
Wolverton
Wood
Woodruff
Woodrum
Young
Zimmerman

ANSWERED "PRESENT"—1

Lewis, Md.

NOT VOTING—91

Amle	Dear	Hildebrandt	O'Neal
Arends	DeRouen	Hill, Ala.	Perkins
Bankhead	Dies	Igoe	Peyser
Barden	Dockweiler	Johnson, Okla.	Pfeiffer
Berlin	Dorsey	Johnson, W. Va.	Plumley
Boylan	Doutrich	Kennedy, Md.	Ransley
Brennan	Dunn, Miss.	Kennedy, N. Y.	Rayburn
Buckley, N. Y.	Eagle	Kleberg	Reece
Burch	Ekwall	Kvale	Rogers, N. H.
Carden	Evans	Lamneck	Sabath
Carmichael	Flannagan	Lee, Okla.	Schaefer
Cartwright	Frey	Lord	Shannon
Casey	Gambrill	Lucas	Short
Castellow	Gasque	Lundeen	Smith, Conn.
Clark, Idaho	Gassaway	McLean	Snyder
Cochran	Gavagan	McSwain	Steagall
Collins	Gillette	Maverick	Taylor, Tenn.
Connery	Goldsborough	May	Thom
Cooper, Ohio	Gray, Pa.	Meeks	Thomas
Corning	Gwynne	Monaghan	Turner
Cravens	Harter	Norton	Underwood
Crosser, Ohio	Hartley	Oliver	Withrow
Crowther	Hennings	O'Malley	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. Cochran with Mr. Thomas.
Mr. Thom with Mr. Lord.
Mr. Kleberg with Mr. Doutrich.
Mr. Flannagan with Mr. Arends.
Mr. Eagle with Mr. Cooper of Ohio.
Mr. Dies with Mr. Perkins.
Mr. Crosser of Ohio with Mr. Short.
Mr. Oliver with Mr. Withrow.
Mrs. Norton with Mr. Taylor of Tennessee.
Mr. Bankhead with Mr. Ransley.
Mr. McSwain with Mr. Ekwall.
Mr. May with Mr. Plumley.
Mr. Rayburn with Mr. Reece.
Mr. Sabath with Mr. Amle.
Mr. Steagall with Mr. McLean.
Mr. Hill of Alabama with Mr. Crowther.
Mr. Dear with Mr. Gwynne.
Mr. Cravens with Mr. Collins.
Mr. Boylan with Mr. Hartley.
Mr. Lucas with Mr. Kvale.
Mr. Hennings with Mr. Lundeen.
Mr. Gasque with Mr. Gray of Pennsylvania.
Mr. Turner with Mr. Igoe.
Mr. Kennedy of New York with Mr. Kennedy of Maryland.
Mr. Underwood with Mr. Johnson of West Virginia.
Mr. Gillette with Mr. Snyder.
Mr. Johnson of Oklahoma with Mr. Casey.
Mr. Smith of Connecticut with Mr. Frey.
Mr. Gavagan with Mr. Gassaway.
Mr. Schaefer with Mr. Evans.
Mr. Gambrill with Mr. Pfeiffer.
Mr. DeRouen with Mr. O'Malley.
Mr. Dorsey with Mr. Dockweiler.
Mr. Monaghan with Mr. Corning.
Mr. Clark of Idaho with Mr. Dunn of Mississippi.
Mr. Barden with Mr. Massingale.
Mr. Lamneck with Mr. Berlin.
Mr. Cartwright with Mr. Brennan.
Mr. Connery with Mr. Carden.
Mr. Burch with Mr. Buckley of New York.
Mr. Castellow with Mr. Peyser.

Mr. WOLCOTT and Mr. GREENWOOD changed their vote from "yea" to "nay."

Mr. DELANEY changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded. The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

The doors were opened.

Mr. TAYLOR of Colorado. Mr. Speaker, I desire to announce that the members of the Committee on Military Affairs are absent because the committee is in session. The members of the committee asked that this fact be noted.

BATTLE OF ACKIA, MISSISSIPPI

The Clerk called the next bill, H. R. 3003, to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Miss., and the establishment of the Ackia Battleground National Monument, and for other purposes.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I wish to verify a conversation I had with the author of the bill to the effect that the amount of the bill is to be reduced from \$25,000 to \$15,000 and that an amendment accomplishing this result will be offered.

Mr. RANKIN. Yes.

Mr. JENKINS of Ohio. Mr. Speaker, I withdraw my reservation of objection.

Mr. YOUNG. Mr. Speaker, I object.

Mr. RANKIN. Mr. Speaker, has the gentleman read the bill?

Mr. YOUNG. Yes, Mr. Speaker; I have read the bill and I have also read the report wherein it says Ackia has been referred to as one of the decisive battles of the world.

Instead of appropriating \$15,000 for the commemoration of this battle by making it a national monument, I think it would be more appropriate to use the \$15,000 for the compensation of those who had the temerity to write a report so characterizing a little battle where approximately 500 men fought the Chickasaw Indians.

Mr. RANKIN. Mr. Speaker, will the gentleman withhold his objection?

Mr. YOUNG. Yes; I will withhold it and permit the gentleman to make an explanation, but I shall press my objection eventually.

Mr. RANKIN. I understand that.

Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I hope the gentleman from Ohio will not object. This is an important measure, and it has the approval of the departments and of the Bureau of the Budget.

In 1736, just before the French-Indian War, the French Crown conceived the idea of uniting the French colonies in Canada, Indiana, and Louisiana and taking possession of the entire western half of this continent. In order to do this they had either to placate or subdue all the intervening Indian tribes.

They succeeded with all except the Chickasaws. The Chickasaws had fought De Soto at practically this very point almost 200 years before. They had become the friends of the English-speaking white men, and to this day no Chickasaw Indian has ever shed the blood of an English-speaking white man, except when they were fighting on our side against Great Britain in the War of 1812.

Bienville, then Governor of the Louisiana Territory, gathered his army together and moved up the Tombigbee River to what is now Cotton Gin Port. He had another expedition come down under D'Artaguet, accompanied by Vincennes, after whom the town of Vincennes, Ind., was named. The Chickasaws met D'Artaguet and his expedition on May 20, 1736, a few days before Bienville arrived, engaged them in battle, and destroyed the expedition, killing both D'Artaguet and Vincennes.

On the 26th day of May 1736 Bienville engaged the Chickasaws in the Battle of Ackia. The French have claimed that there was an English flag inside that fort. Be that as it may, the Indians defeated the French, drove them back, and broke up forever and eternally the French attempt to consolidate their colonies and take possession of the western half of this country.

Mr. YOUNG. Mr. Speaker, will the gentleman yield for a question?

Mr. RANKIN. Yes.

Mr. YOUNG. May I ask my friend and colleague from Mississippi whether the State of Mississippi has ever appropriated any money to commemorate this decisive battle?

Mr. RANKIN. No; the State of Mississippi has not. This battle was fought nearly 100 years before Mississippi became a State. For the gentleman from Ohio to get up here and refer to this battle, which I submit settled the destiny of more territory than probably any other battle ever fought on American soil, with the possible exception of Gettysburg and probably Bunker Hill, certainly manifests a lack of information on this proposition. Read the histories of the world, the histories written by men who have studied this question, and the gentleman will find that this is regarded as one of the outstanding achievements of the world, so far as settling the destiny of territory is concerned.

Mr. YOUNG. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I certainly will.

Mr. YOUNG. Does the gentleman from Mississippi seriously state today that the Battle of Ackia is one of the decisive battles of the world?

Mr. RANKIN. Why, certainly. The Battle of Ackia probably decided the destiny of more territory than any other battle ever fought on American soil, with the probable exception of the battles of Gettysburg and Bunker Hill.

We are asking for this small measure of recognition of the Chickasaw Indians, who fought our battles in those far-off years and who have proved themselves to be the best friends the white people of this country have ever had.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to insert the committee report at this point.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

In order that the Congress and the country may understand just what is involved, I insert here the following report of the Committee on Public Lands, which includes a report made by the War Department a few years ago:

REPORT

The Committee on the Public Lands, to whom was referred the bill (H. R. 3003) to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Miss., and the establishment of the Ackia Battleground National Monument, after careful consideration of same, report favorably thereon with the recommendation that the bill do pass the House without amendment.

A similar bill (H. R. 8718) was reported from this committee during the second session of the Seventy-third Congress.

H. R. 8718, second session, Seventy-third Congress, was approved by the Department of the Interior and also by the Director of the Budget. The original bill asked for \$100,000, but at the request of the Bureau of the Budget it was reduced to \$25,000, and the present bill (H. R. 3003), on which this report is made, appropriates \$25,000.

History of this legislation, H. R. 3003, is as follows:

The War Department, in 1930, also recommended the passage of a bill to erect a monument on this battlefield, and it was included in a bill reported from the Committee on Military Affairs but which never came to a vote for passage. Later these battlefield parks and monuments were placed under the jurisdiction of the Department of the Interior. This measure was carefully investigated, and the bill was reported and recommended for passage in its amended form. The bill provides for the commemoration in May 1936 of the two hundredth anniversary of the Battle of Ackia.

Ackia has been referred to as one of the decisive battles of the world. It is certainly one of the most important ever fought on American soil prior to American independence. Early in the second quarter of the eighteenth century, about 1730, the French Crown conceived the idea of connecting her colonies in Canada, Indiana, and Louisiana and taking possession of all the land on this continent west of the connecting line. In order to do so it was necessary to either pacify or subdue all the Indian tribes between those settlements.

They succeeded in pacifying all the Indian tribes except the Chickasaws, who occupied the territory now comprising northern Mississippi, northwest Alabama, and southern Tennessee. The Chickasaws were perhaps the most enlightened of all the American tribes. They had progressed in government, morals, and in influence to an amazing degree. They occupied a fertile area, and their abundant crops of Indian corn were known for hundreds of miles around even as early as the expeditions of De Soto, who spent the winters of 1540 and 1541 in their territory.

Trouble had arisen between the French in southern Mississippi and Louisiana and the Natchez Indians, which resulted in the Natchez Tribe leaving their territory and making their homes with the Chickasaws. The French gave as one of their reasons for invading the Chickasaws' territory that of punishing the Natchez Indians for former depredations.

Having succeeded in pacifying all the Indian tribes between their various colonies except the Chickasaws, an expedition from Fort Vincennes, now in the State of Indiana, was sent out under the leadership of D'Artaguet, Lieutenant Governor of the Mississippi Territory, accompanied by Vincennes, to descend the Mississippi River and debark at a point opposite the Chickasaws' territory and proceed overland to Ackia, Chickasaws' capital, and there join the forces of Bienville for the attack on the Chickasaws.

Bienville, the Governor of the Mississippi Territory, with a large expedition ascended the Tombigbee River to what was later known as "Cotton Gin Port", where he debarked and marched against Ackia. The Chickasaws met D'Artaguet and his expedition a few days before Bienville arrived, engaged them in battle and overcame and destroyed the expedition, killing both D'Artaguet and Vincennes.

On the 26th of May 1736, Bienville engaged the Chickasaws in the Battle of Ackia. The battle raged all day long and finally resulted in a victory for the Chickasaws. Bienville retreated and abandoned the expedition. This ended the attempt of the French to connect their colonies and take possession of the western half of this continent.

Bienville, in his report on the battle, said there was an English flag inside the fort and strictly intimates, if he does not say, that the English were aiding the Indians in the fight. Whether that is true or not, we do know that the Chickasaws never shed the blood of English-speaking white men. They remained true and loyal to the Americans after the Revolution. In 1815 they opened up their territory for the passage of Jackson's army to New Orleans and many of their brave men joined the American colors and followed Jackson until the close of the war. When the time came for the United States to take over their territory they submitted to the will of the "Great White Father" in Washington, relinquished their territory, and moved away to their new home in the West.

Bienville, probably the greatest colonizer ever sent from the Old World to the New, remained Governor of the Louisiana-Mississippi Territory until his struggling colony was well established and on its way toward prosperity and independence.

It is proposed to make this marker a monument to the valor of both the Chickasaws and the French, as was done in honoring Wolfe and Montcalm in the erection of a monument to them on the Plains of Abraham.

When this matter was brought before the Military Affairs Committee, the War Department sent Lt. Col. H. L. Landers to investigate the history of this battlefield and make a report. He did so, and we insert at this point that part of his report which relates to the Battle of Ackia.

"HISTORY OF THE CAMPAIGN OF THE FRENCH AGAINST THE CHICKASAWS IN 1736"

"The progress of civilization in the valley of the Mississippi blossomed into a magnificent growth during the first half of the eighteenth century, under the leadership of two notable sons of Charles Le Moyne, one of the grand seigniors of La Nouvelle France, that vast domain which encompassed all the lands that drain into the St. Lawrence. The names of Pierre Le Moyne, Sieur de Iberville, and Jean Baptiste Le Moyne, Sieur de Bienville, bring to mind an empire in the Mississippi Valley of such grandeur that its superiority in magnitude and wealth stands unchallenged in our country. To follow the footsteps of these versatile adventures, explorers, legislators, and administrators from their home in Montreal through New France and later into the basin of the great river is to engage in a venture fraught with the heroic lust of conquest and the patriotic desire to promote the political and commercial interests of one's own government. For more than 40 years did one member of this family fight, conquer, govern, and build; and no name in the early history of our country is more widely and everlastingly wrought into its soil than is that of Bienville. From Fort Toulouse to Fort Tombecbe in Alabama, thence down to the settlements established at Mobile, Biloxi, New Orleans, Natchez, and Natchitoches, the fame of this soldier of fortune and crusader for France warms the heart with pride that it was such men as he who created this Nation.

"The prize of empire in America was eagerly sought by three great countries of Europe, and their many wars at home were reflected and reenacted in the new America. There was almost perpetual strife and conflict in some portions of the wide and deep savannas and broad forests stretching from the Floridas to Texas, for it was in this region that the overseas possessions of England, France, and Spain met or overlapped. Warfare made up in bitterness and sanguinarity what it lacked in numbers of white troops engaged. Alliances, more frequently unholy than holy, were made with the aboriginal occupants of the soil, for without the accretion of such allies an army of inferior strength would suffer defeat. Slaves were armed, and these black warriors occasionally gave feeble aid in the contest. They did learn the lust of slaughter, which sometimes was directed in wild outbreaks against their masters.

"The prosperity of the transplanted colonists depended upon food and trade. Those nearest the frontiers of the red man found their existence interwoven with his. Close trade relations were followed by close alliances for war. Additional strength in war was sought from the red man, later to be dispossessed of his heritage by his white ally. Indeed, this dependence upon the Indians reached a most unfortunate climax during the second war with Great Britain, when Tecumseh and the Prophet were used by that nation to build a barrier of carnage against the United States from the Lakes to the Gulf.

"Nature endowed the Indian with many noble qualities. In their own environments, before the coming of the whites, the human equation of races and individuals made some Indians better, some worse. With the coming of pale-faced peoples from Europe, the simple minds of these forest-and-stream people were subjected to strains, the results of which were evident in their increased savagery, while the causations remained obscure. Difficult enough the problem would have been had but one nation of whites imposed its civilization, business ethics, morality, and religion upon the red nations, but these difficulties were intensified many times when three European nations sought to dominate the same, or contiguous, nations of aborigines.

"The simple mind of the red man was observant of more than it could understand. He learned the artifices of diplomacy, suspicion, broken promises, and treachery. His mind could not cleave a way through the maze set up by conflicting demands of nations of whites, each bidding, in deadly rivalry with the others, for his temporary friendship and alliance. He had not the mental faculty to judge which group of whites offered the most favorable proposition, nor the capacity to choose it had he known. He could not understand, and soon his lack of comprehension led him to distrust, to become vengeful; then his latent qualities for violence led him into orgies of slaughter to sicken the world. The Indian, in war, was actuated by emotional violence to commit deeds of barbarity that were repugnant to the civilized mind. It is true that the whites, in retaliation, sometimes committed equally diabolical acts, with the result that the history of Indian warfare in our country is a motley picture of heroism and savagery, wanton cruelty with but rare compassion for the wounded, a lust to kill that not only exterminates life, but horribly mutilates the body from which the soul has fled.

"FRENCH SETTLEMENTS IN AMERICA"

"The discoveries made by Columbus in the New World became known throughout Europe during the last years of the fifteenth century, and within a brief period thereafter the eastern coast line of the new continent, from far north down to the Equator, was explored by the hardy adventurers of England and Spain. The participation of the French Government in the partition of this new empire was belated, restricting its activities, when it did seek some of this territory, to the far north, where its settlements along the St. Lawrence River and in Acadia, in the seventeenth century, were given the name La Nouvelle France. New France acquired a population of 25,000 inhabitants before La Louisiana, the name applied to the vast empire drained by the Mississippi, had begun to outgrow the tribulations attendant upon the establishment of new settlements. In 1539 the Spaniard, De Soto, began a tour of exploration that lasted 3 years, which for venturesome hardihood stands unrivaled in the history of America. Landing at Tampa Bay at the head of a large army, he wintered in 1539-40 at Apalachen. In the spring he started on his great voyage of discovery, passing from Florida to the Carolinas by way of the Savannah River, thence back to the Mobile River where he ruthlessly killed thousands of the aboriginal inhabitants at Mauvilia, and from there across the Mississippi into Arkansas and Oklahoma, thence back to the Mississippi where in 1542 he died. For more than a century following the explorations of De Soto no serious attempt was made to investigate the middle and upper portions of the Mississippi Valley until Frontenac, Governor of New France, in 1673 sent the trader Joliet and the missionary Marquette westward to the headwaters of the Mississippi to explore its course and outlet. These voyagers descended this stream to the mouth of the Arkansas, but feared to continue further lest they fall into the hands of the Spaniards. Nine years later, in 1682, La Salle crossed from the St. Lawrence to the Mississippi and descended that river to its mouth. In 1687 he lost his life in an attempt to plant a French colony on its borders.

"During the war of the Palatinate, Louis XIV showed little desire to develop La Salle's scheme to plant a colony near the mouth of the Mississippi, but after the treaty of Ryswick was signed in 1697, the French Government determined to send an expedition to the Gulf of Mexico to forestall the English, who were reported about to take possession of the mouth of that river. The command of this expedition was entrusted to Iberville, who had already established his fame as a military leader of great energy. In January of 1699, Iberville's fleet appeared before the harbor of Pensacola, which had been fortified by Spain a few months previous, and demanded admission. The request was refused and the expedition proceeded to what is now Dauphin Island, at the mouth of Mobile Bay, where it tarried a short time. From thence the voyagers continued their way westward, exploring the outlets and main body of the Mississippi, and finally turning back to a bay on the eastern extremity of which a settlement was established and named Biloxi, from the Indians dwelling nearby.

"THE BEGINNING OF THE PROVINCE OF LOUISIANA"

"It was the intention of Iberville to fix the principal establishment of the colony at this point, and a fort with four bastions was completed in May of the same year. The armament of the fort, when the census of 1704 was taken, consisted of 16 iron cannon of 12 and 8 pounds caliber. With the completion of the fort, Iberville returned to France, leaving Sauvole and Bienville, the latter 19 years of age, in charge of the colony.

"Upon Iberville's return to the Province in January 1700 he brought a commission appointing Sauvole governor of the colony. Early that year Iberville ascended the Mississippi as far as the Natchez settlement, and there decided upon a location which he viewed as most suitable for the capital of the new Province. He selected a site for a town, to which he gave the name of La Ville

de Rosalie aux Natchez, and then returned to the fort at Biloxi. Iberville once more returned to France, toward the last of May 1700, leaving Sauvole to govern the Province, assisted by Bienville. Sauvole fell a victim to an epidemic of fever on August 21, 1701, and Bienville took control of the colony as acting governor, removing from a fort in the Mississippi which he had occupied to the capital at Biloxi. Parties of the Choctaw and Mobile Indians came to visit him a few days after his arrival, their object being to solicit his aid against the Chickasaws. Bienville considered his colony too weak to become embroiled in the quarrels of the Indian tribes nearby and declined to form an alliance, but instead sent an officer and a few Canadians to afford the Choctaws his good offices as mediator.

"In December of 1701 Iberville arrived with supplies and reinforcements of troops and, in pursuance of the king's instructions, moved the headquarters of the colony to the western bank of the Mobile River the following year, making settlements near the present city of Mobile and on Dauphin Island. Later, in the same year, Iberville again returned to France with the fleet, leaving Bienville in control of the Province as governor.

"The situation which arose in Europe following the death, in 1700, of Charles II of Spain, without issue, resulted in another period of prolonged hostilities, which became known as the "War of the Spanish Succession" (1703-13). The war areas in America were much more extensive than were those in Europe, despite the fact that most of the European nations were embroiled. In the southern part of America, the West Indies, the frontiers of the Carolinas, Florida, and Louisiana, and in the northern part the New England border, Acadia, Newfoundland, and Hudson Bay were the scenes of conflict. The English in the Carolinas sent emissaries to prevail upon the Chickasaws to send war chiefs among the Indians in the vicinity of the French settlements on the Gulf, to induce them to form an alliance with England. The English commandant of the fort at Albany prevailed upon the Iroquois to attack the frontier settlers in Canada. The historian Martin says, referring to one of the phases of the prolonged Indian warfare which ensued, "The Choctaws had scarcely returned home when their country was invaded by 2,000 Cherokees, commanded by an English officer from Carolina. Several of their villages were destroyed and 300 of their women and children led away into slavery."

"The success of the settlement attempted in Louisiana not having answered the hopes of the court of France, it was determined to make a considerable change in the government of the colony. Iberville fell a victim to yellow fever and died at Habana July 9, 1706, and De Muys, an officer who had served with distinction in Canada, was appointed Governor of Louisiana. The death of this official occurred during the passage to his new station. About this time Diron D'Artaguet was sent to the Province as commissary general, with instructions to inquire into the conduct of the former administrators of the colony, and to make such changes as he deemed advisable. As the settlement near the fort on the Mobile suffered from the overflow of that river, he ordered this place to be abandoned and a new fort built.

"LOUISIANA TURNED OVER TO ANTOINE CROZAT

"D'Artaguet returned to France in 1711, convinced that the slow progress of the colony could not be accelerated by Bienville with the feeble means at his command. Food supplies failed to mature, especially wheat, the raising of which was attempted a number of years. Women to make homes in this pioneer country were few in number. Many of the French soldiers and of the voyagers from Canada allied themselves with the Indian women and lost much of their natural ambition. Year after year famine stalked the colony and disease took toll of its numbers, until finally the King decided to rid himself of the tax on his purse of maintaining this puny offspring of the state. Accordingly, the Crown granted a charter dated September 14, 1712, to Antoine Crozat, a merchant, giving him the exclusive right to engage in commerce in the Province for a term of 15 years. At this period there were, in Louisiana, 2 companies of infantry of 50 men each, and 75 Canadian volunteers in the King's pay. The rest of the population consisted of 28 families and 20 Negroes. These, with the King's officers and clergy, made an aggregate of about 380 persons. This small number of individuals was dispersed throughout a vast extent of territory, divided by the sea, by lakes, and by wide rivers. Five forts had been erected for their protection—at Mobile, Dauphine Island, Biloxi, Ship Island, and in the Mississippi. The population of La Nouvelle France and Acadia reached 25,000 at this time.

"The ship carrying Crozat and Duclos, the new commissary general, arrived at Habana, in May 1713, and on the 5th of the following month anchored at Port Dauphine. A third person of importance was aboard, Antoine de la Mothe Cadillac, who had been notified several years previous of his appointment as Governor of this Province, and only now succeeded in joining. This latter officer had served with distinction in Canada, having established the post of Detroit in 1701, which he commanded for 3 years. His arrival, in company with the owner of the concessions and his chief business investigator, was at an unfortunate time. In the previous year the harvest of corn and other grains failed throughout the Province, and Bienville had been obliged to send the entire garrison into the woods 30 leagues to seek a living among the Indians by hunting.

"After surveying conditions in the colony for 4 months, Duclos wrote from Fort Louis on October 9 to Pontchartrain, Minister of Marine and Colonies, declaring 'that the country is not now sufficiently populated or considerable enough, since there are now not more than 35, both at Fort Louis and on Dauphine Island, to

need a governor.' 'So I think,' he continued, 'that a commandant would be sufficient here. M. Bienville, the King's lieutenant, who has been commandant here for a long time, has all the qualities and all the knowledge necessary for him to be continued in this post. He possesses more than any other person in the world the art of governing the Indians and doing what he wishes with them by means of the long acquaintance that he has with them, and because of the fact that he understands and speaks their language perfectly.' This tribute to Bienville was deserved at the time, and as additional decades passed his value to the province increased to an immeasurable degree. His method of handling the Indians was practical and efficient. He first applied himself to becoming acquainted with the most powerful Indian nations and the ones that could be the most useful, or do the greatest harm to the colony. He took care to send young men to them to learn their language and to inform him of every happening. He endeavored to satisfy their warlike cravings by encouraging embroilments between his nearby allies and the more distant hostile tribes. His payments for services rendered by his allies were in keeping with his promises.

"When peace was concluded in 1713 by the treaty of Utrecht, the British in Carolina became energetic in extending their trade among the Indian nations on their frontiers. The Choctaws, whose towns were near Mobile, were generally favorably disposed to their neighbors, the French. North of the Choctaws were the Chickasaws, whose towns were on the ridges dividing the waters of the Tombigbee from those of the Tallahatchie. This tribe was closely allied with the Cherokees, and both came under the influence of British traders from the Carolinas, who passed through the lands of the Alibamons to reach the Chickasaws. These traders erected storehouses as far as the Natchez and Yazous. The Chickasaws from time to time made treaties with the French, but none of any endurance. They seemed better satisfied with the terms which they made with the English settlers.

"In execution of the King's order Bienville, in 1714, assumed command of all the establishments on the Mississippi and the rivers flowing into it. As yet there was but one small fort on the Mississippi, located not far from the sea. He was instructed to erect two others, one among the Natchez and the other on the Wabash. The connection of Louisiana with Canada was a favorite project at court, and it had been very strongly recommended to both colonial governments. In execution of this purpose Bienville ascended the Mississippi to confer with the Natchez Indians, and in June 1714 a fort was built on the spot which Iberville had chosen for a town, and named Fort Rosalie. In the same year Fort Toulouse was built in the country of the upper Creeks, near the confluence of the Coosa and Tallapoosa Rivers, and a depot established where furs were bought from the Indians and floated down the Alabama River to Mobile.

"De L'Epinay was appointed Governor of the Province on March 3, 1716, to succeed Cadillac, and served for a period of about 11 months. He arrived in Mobile Bay on March 9, 1717, accompanied by M. Hubert, the new commissary general. De L'Epinay soon became engaged in dissensions with Bienville, just as Cadillac had done before him, both being jealous of the superior position held by Bienville in the affections of the settlers and Indians. After about 5 years of operation Crozat, disappointed in the expectations he had entertained, surrendered his charter to the King on the 23d day of August 1717. In referring to this period in the life of the struggling settlements, Martin says that neither the commerce nor agriculture of the colony was increased. The troops sent out by the King and the colonists who came from France did not swell its population to more than 700 persons.

"THE WESTERN CO. ACQUIRES CONTROL OF LOUISIANA

"A few days after the Crown accepted the surrender of Crozat's charter a new corporation, styled the "Western Co.", controlled largely by John Law, succeeded to its privileges. This company was granted the exclusive commerce of Louisiana for 25 years. On February 9, 1718, three vessels of the Western Co. arrived at Dauphine Island, bringing orders for the recall of De L'Epinay and the appointment of Bienville to succeed him. It was with heartfelt satisfaction that the troops and settlers saw the chief command of Louisiana once more restored to their well-beloved chief, who, after almost 20 years spent in the colony, knew more of its wants and resources than did any other individual. In 1718 Bienville visited the banks of the Mississippi to select a spot for the principal settlement of the Province, and the site on which New Orleans now stands was designated. He continued as Governor for 8 years, when in 1726 he was again replaced, this time by Perier, sent over from France by the company.

"The Western Co. was no more successful in developing the colony as a speculative enterprise than Crozat had been. Heavy financial losses were suffered, and the scandals and hardships which followed upon the failure of Law's bank brought the enterprise to a ruinous termination. Added to the financial burdens was the constant menace of hostile Indians and the terrible inroads they made upon the population. One of their most diabolical orgies of slaughter occurred on the 28th of November 1729, when the Natchez Indians, under pretext of trade and friendly greetings with the settlers who had established a town in their midst, drew their knives and guns upon an unsuspecting populace and massacred 138 men, 35 women, and 56 children. A large number of women, children, and blacks were carried off into slavery. In retaliation for this barbarous act French troops drove the Natchez from their country. Some found shelter west of the Mississippi, while others sought refuge with the Chickasaws. The charter of the trading company was returned to the King in 1732.

Its further prolongation seemed to offer no hope for success in consummating the company's plans. Perier proved a feeble administrator in dealing with the Choctaw and Natchez Indians, and they were constantly breaking promises and engaging in hostile acts. During the 14 years that the Western Co. controlled the Province of Louisiana the white population increased from 700 to upward of 6,000, and the blacks from 20 to 2,000.

"THE KING AND BIENVILLE AGAIN IN CONTROL

"The sadly harassed settlers and garrisons welcomed once more their tried and able leader when again, in 1733, the governorship was restored to his hands. He found so much hostility on the part of some of the Indians that drastic action was necessary. The Chickasaws belonged entirely to the English and the Choctaws were fast drifting the same way. The Natchez, who had found refuge among the Chickasaws, now resumed their predatory warfare on the distant settlements of the colony, and together with the Chickasaws greatly obstructed communication by the Mississippi to the Illinois, the Wabash, and to Canada. As the Province could enjoy no tranquillity as long as these outrages went unchallenged, Bienville sent an officer to the principal village of the Chickasaws to demand the surrender of the domiciled Natchez to the French Government. This emissary was informed that the Natchez could not be given up, as they had been received by the Chickasaws and now formed a part of that nation. When Bienville learned of the attitude of the Chickasaw Nation, he decided that it was time to punish the Natchez and to make the Chickasaws understand that they could no longer obstruct the free passage of the French from the mouth of the Mississippi to the Great Lakes.

"To insure the success of any campaign conducted against the Chickasaws, it was necessary to have the Choctaws as allies, as the total strength of the French troops in the Province was only 13 companies of from 35 to 40 men each. Of these, 3 companies were at the Illinois, 1 at Natchez, 1 at Natchitoches, 4 at New Orleans, 1 at the mouth of the Mississippi, and 3 at Mobile, from which was sent a detachment of 30 men to the Alibamons at Fort Toulouse. Only recently four English traders had been introduced into the nation by two chiefs of prominence, Red Shoe and Alibamon Mingo, either of whom would sell his warriors to English or French, dependent upon which paid last. The great chief of the Choctaws did not countenance these dishonorable practices on the part of his underlings, but both Red Shoe and Alibamon Mingo had too strong a following for the great chief to attempt forceful measures in dealing with them. In writing to the ministry on February 10, 1736, Bienville said that all his letters to the Government about the Choctaw Nation for 2 years "appear so full of contradictions that when one compares the different plans that I have set forth in them either to terminate the war with the Chickasaws or to frustrate the measures that the English are taking to win over our nations, one might with some appearance of reason charge me with instability or with irresolution." The difficulty was far less attributable to Bienville than to the wily cunning and treachery of many of the chiefs of the Choctaws.

"All these circumstances made Bienville apprehensive lest the Choctaws would in the end succumb to the enticing propositions coming from the English, particularly those under the aggressive leader Oglethorpe of Georgia, and he resolved to march against the Chickasaws as soon as the Tombigbee River, which led to their country, could be navigated. By this route the expedition would arrive within 20 leagues of the Chickasaws without being very much fatigued. In the latter part of 1735 Bienville went to Mobile to perfect his plans and establish his base at that port. He laid his plans before the Choctaw chiefs who came to see him in Mobile, and when they promised to support him in this expedition he dispatched a pirogue in the month of December to Pierre D'Artaguet at Fort Chartres, directing him to assemble all the forces of the Illinois and lead them against the Chickasaws at the end of the following March. D'Artaguet was ordered to reach the Prud'homme Bluffs on the 10th or 15th of March. At the same time it was determined to proceed with the establishment of an intermediate base in the land of the Tuscaloosas, a project which Bienville had given thought to for some time, and Captain De Lusser was sent with men and supplies to organize this depot.

"Bienville returned to New Orleans the early part of 1736 to carry forward preparations for the campaign. Before leaving Mobile he had decided that it would be necessary to postpone navigation of the Mobile and Tombigbee Rivers from February to April, before which date there would not be sufficient high water to insure navigation of the streams. Immediately on his return to New Orleans, therefore, he dispatched a second courier to D'Artaguet to order him to delay his departure from the Illinois until the end of April. The only information Bienville possessed of the situation of the enemy which he proposed to attack was that the Chickasaws were located in a rather large plain, divided into seven villages, of which five had a stockade fort and all had several fortified cabins. The Natchez lived in two small villages, of which the smaller had no fort and was in the middle of the plain, and the other, which had a good fort, was at one extremity of the eastern side.

"Preparations went on apace both at Mobile and New Orleans to make ready the boats, wagons, provisions, and guns necessary for a campaign covering so much ground; and Bienville found the days slipping by far too rapidly, for, should additional delay occur in the execution of his plans, the upper reaches of the Tombigbee would not be navigable. Under the most favorable circumstances the scheme of operations was a bold one, involving the passage of

D'Artaguet's force over 450 miles of river and land and Bienville's over 540 miles, with no intercommunication between the two parties.

"Bienville withdrew from the garrisons of the Natchez, Natchitoches, and the Balise all the officers and soldiers that could be spared without stripping these posts too much. He formed a company of volunteers of young men and voyagers who were then at New Orleans and another company of militia from the citizens who were not married and had them set out for Mobile. He likewise made the troops leave for the same destination as fast as the boats were ready, and finally, on the 4th day of March, he himself left New Orleans for Mobile, leaving behind four French companies which he ordered De Noyan to lead to Mobile as soon as the rest of the boats were ready. These troops met adverse winds, and it was not until the 22d of the month that they reached Mobile. A large force of bakers was dispatched through the Choctaw country to the new fort named Tombecbee, which De Lusser was then engaged in building on the west bank of the Tombigbee River, about a half mile north of the present village of Epes. This was not the site originally proposed by Bienville for the establishment of an advanced depot, but was 15 leagues farther upstream. The new position lay between the two roads which the English took to go to the Choctaw villages, at a distance of 1 day's journey from the easternmost villages.

"The army which accompanied Bienville on this campaign consisted of a company of grenadiers made up of 45 French and Swiss, 8 companies of French troops, each having a strength of 30 or 31 men, a Swiss company of 130, a company of militia from New Orleans 45 strong, and another of 40 men from Mobile, and a company of 42 volunteers and voyagers, the total being 544 men exclusive of officers. They left Mobile on the 1st of April, covering the 300 miles of winding rivers and arriving at Fort Tombecbee on the 23d of the month. Delay had been occasioned by the unexpected current in the rivers and continual rains. While waiting for the Choctaw chiefs who were to join him at Tombecbee, Bienville selected a garrison to be left at the post, organized a company of grenadiers, and formed a company of 45 armed Negroes to which he assigned free Negroes as officers. On the evening of the 26th of April the first Choctaw chiefs arrived, Alibamon Mingo being one of the number. When Bienville received these chiefs the following morning they all began their speeches with great protestations of attachment to the French and finished by asking for the ammunition, vermilion, and provisions which they claimed to have been promised them. Bienville replied that powder, bullets, and vermilion would be supplied, but that he had warned them, when first he spoke of going to war, that they would have to bring their own provisions, as he could carry only sufficient for the French.

"On the 28th of April the great chief of the Choctaws appeared with several others, among whom was Red Shoe, and the former spoke in the same terms of affection as had those who preceded him. Bienville knew, however, that after his departure from New Orleans, Red Shoe had burned, under the cannon of the fort, the cabins of the Offogoulas who were refugees there, but he preferred to ignore this incident, not judging the time appropriate for reproaching him. At the end of his speech the great chief spoke of the rumor that had circulated in the Choctaw Nation of a pretended French plot to betray them to the Chickasaws. Color was lent to this rumor by the report of scouts who had seen, in the direction of the north, a great French path. Bienville told him of the orders sent to D'Artaguet to descend the Mississippi with the nations of the north and join him in a combined attack on the Chickasaws, and that it was his party which had made this great path. It was apparent that D'Artaguet had not received the second messenger sent to delay his march. The great chief seemed reassured by this explanation, and when he asked for provisions Bienville gave him the same reply that he had made to other chiefs the preceding day.

"On the 30th of April Bienville assembled a council of war which condemned to death a sergeant and a soldier of Lusser's company who were guilty of conspiring against the lives of the officers of the post and plotting desertion. The Swiss company also held a council and condemned two of their soldiers who were accomplices of the sergeant. By the 1st of May all the Choctaw chiefs had arrived, and it was agreed that 14 days hence they were to lead their warriors to the Octibia, a little river that formed the frontier between the Choctaw and Chickasaw Nations 40 leagues above Fort Tombecbee. That night nearly all the chiefs set out for their villages. The next day was spent in completing the unloading of the boats, the distribution of provisions, and arranging the many details necessary for the departure.

"On the 3d of May, Bienville left Fort Tombigbee, and making progress more rapidly than he had expected, reached the Octibia on the 14th. Here 2 days were spent drying provisions, and on the 17th word was received that the Choctaws were on their way. In the course of the next few days parties of warriors made their appearance, all of whom had been retarded almost to the point of discouragement by the rains that had fallen for 9 consecutive days. On the 19th Bienville continued his ascent of the Tombigbee, leaving word for all incoming warriors that they were to join the French at the old portage, farther upstream. On the 22d the new portage was reached, beyond which the boats could not pass, and here Bienville disembarked his command and effected a junction with his Indian allies, 9 leagues from the Chickasaw villages.

"On the 23d at daybreak Bienville had a number of posts cut and outlined a small fort which was erected at once for the defense of the boats. A detachment of 20 men was selected from the

several companies to remain as a garrison, together with the guard of the storehouse, the captains of the boats and some who were sick. Here Bienville had time to notice, as he looked at all the Choctaws assembled together, that they had not come in such great numbers as they had said and that there were scarcely more than 600 warriors.

"On the 24th of May the allied forces set out from the portage in afternoon, carrying in the column of troops 12 days' provisions for the French. Two leagues were made before camp was pitched. On the 25th, in a distance of 5 short leagues, the army passed through three deep ravines where there was water waist deep. That night camp was made on the edge of a prairie at 2 leagues from the nearest Chickasaw villages, in a country that Bienville speaks of as the 'most beautiful in the world.'

"Early on the morning of the 26th Bienville set out, and at the first halt the great chief came to ask what village would be attacked first. Bienville replied that he had orders from the king to go first against the Natchez, as they were the authors of the war. The great chief was very desirous of attacking Chukafalaya, as that village would be encountered first on the route of march, and it was the nearest to the Choctaws. It made more trouble than did all the others, and it was there he had lost his son and his uncle. The most important reason of all, however, was that a large supply of provisions would be found there, without which the Choctaws would no longer be able to continue the campaign, having consumed all the food which they brought with them. In spite of the eagerness of other chiefs to support this proposal, Bienville persisted in his determination to go against the Natchez first, and gave his promise that the Natchez once defeated, he would return to attack the town of Chukafalaya. Apparently the Choctaws agreed to this plan, but they deliberately failed to execute it. Their guides conducted the army by a circuitous path through the forest as if to lead it to the great prairie where the main part of the Chickasaw and Natchez villages was, and finally led it to a prairie of approximately a league in circumference, in the middle of which were seen three small villages situated in a triangle on the crest of a hill, at the foot of which ran an almost dry stream. This small prairie was about a league distant from the large one and separated from it by a wood.

"A halt was made at noon during which the chiefs conferred. The Choctaws were determined to attack these villages first; they would not pass them by, and many of the French officers joined with the Choctaws in this demand. Finally Bienville gave a reluctant consent, demanding from the chiefs in return a promise that they would follow him against the Natchez after taking these three villages. At 2 o'clock in the afternoon he gave the command to the assaulting party, under Chevalier de Noyan, to attack. De Noyan's party comprised the company of grenadiers of 50 men, a detachment of 15 men from each of the 8 French companies, 60 Swiss, and 45 men of the volunteers and militia, a total of 275 whites.

"During the halt, which was made at a distance of a good rifle shot from the villages, the Choctaws warned Bienville that aid from the villages of the great prairie had appeared and that there were many warriors. It was seen that some English were present in the three Chickasaw villages, and upon the arrival of the French an English flag had been raised in one of these villages. Bienville directed De Noyan to avoid firing on this village and to give the English therein an opportunity to retire if they wished. He then ordered the first attack to be made on the village opposite to that which showed the English flag.

"When these arrangements had been made, toward 3 o'clock in the afternoon Chevalier de Noyan's command set out with drums beating and flags flying, and reached the hill under the protection of several mantlets, which, unfortunately, were not in use long, because the Negroes who were to carry them to a certain place, having had one of their men killed and another wounded, threw them down and ran away. On entering the village called Ackia, the head of the column and the grenadiers were exposed to the enemy fire and were very badly handled. Chevalier de Contrecoeur and a number of soldiers were killed at this time and many others wounded. However, De Noyan captured and burned the first three fortified cabins and several small ones that defended them, but when the time came to cross from that village to the others, he perceived that he had almost no one with him except the officers of the units at the head of the column, a few grenadiers, and about a dozen volunteers.

"The death of Monsieur de Lusser, as well as the loss of a sergeant of grenadiers and a small part of his men while attempting to cross to another village, caused the troops to become terrified. The soldiers crowded behind the cabins that had been captured and their officers were unable to draw them away. This resulted in the handful of men in the advance being unsupported, and the officers at their head were almost all disabled. The Chevalier de Noyan, M. D'Auville, captain of the grenadiers, the Sieurs de Ville, de Grondel, and de Montbrun were wounded. It was in vain that Chevalier de Noyan, wishing to maintain his ground, sent Sieur de St. Juzan, his adjutant, to rally the panicky soldiers. This officer was killed near them and only succeeded by his death in increasing their terror.

"Finally the wound of De Noyan obliged him to retire behind a cabin. He sent a messenger to Bienville, telling him of the grievous state in which he found himself, and gave warning that if aid were not sent at once or a retreat sounded, the rest of the officers of his detachment would soon meet the fate of those who headed the column. Already 60 or 70 men had been killed or wounded. On receipt of this information, and being able to see to some extent what was going on, Bienville sent M. de Beauchamps with

80 men to cover the retreat and carry away the dead and wounded. When this supporting force arrived at the place of attack scarcely any soldiers were found. The officers, abandoned by their men, still held together at the cabin nearest the fort. De Beauchamps made them retire and the entire party returned to camp in good order, the Chickasaws and English not venturing to come out of the fort to attack. The Choctaws, who up to this time had remained under cover of the slope of the hill, awaiting developments in the fight, now arose and fired some shots. Their losses were 27 men killed or wounded, and this eventually contributed no little to disgust them.

"Bienville, in his report to the King, gave a description of the fortifications prepared by the Chickasaws, under the direction of the English. After having surrounded their cabins with several rows of large piles, they dug out the earth within in order to sink down up to their shoulders, and fire through loopholes which were made almost on a level with the ground. But they had a still greater advantage from the natural situation of their cabins, which were separated from each other and permitted a cross fire on any attacking force. The covering of these cabins was a mortar of earth and wood, proof against fire-arrows and grenades, and of such construction that only a bomb could injure them. As the French had neither cannon nor mortars, and had already suffered material losses, Bienville decided to abandon further operations and withdraw.

"The next morning, May 27, litters were made to carry the wounded, and an hour after noon the French and their allies marched away in two columns, as they had come. The soldiers, fatigued and burdened with their baggage, had great difficulty in carrying the wounded, and when a halt was made at night only a league and a half had been covered. This slow march displeased the Choctaws, and Red Shoe and other chiefs did all in their power to induce their people to abandon the French. Bienville put forth every exertion to break up this plot and persuade the Indians to have some regard for their promises. He urged them not to abandon the people who were their friends and had done so much for them. The reply of the great chief was that the wounded retarded the march too much, upon which Bienville proposed that the wounded be carried by his warriors. After much objection this was agreed to and the column made better progress.

"On the 29th of May the upper portage was reached, from which Bienville had set forth 5 days before. The French reembarked the same day and found the river so low that it was only with the greatest difficulty they were able to proceed downstream. Fort Tombecbee was reached on the 2d of June. Monsieur de Berthet, in command of a garrison of 30 French and 20 Swiss, was left there, with provisions to last a year, and some merchandise to establish a trading post. Bienville left with him plans for a fort, with orders to expedite its construction. On the 3d he departed from Fort Tombecbee, arriving at the Tomes on the 7th, where he learned from an Indian the first news of the disaster which had happened to D'Artaguet. This news was confirmed upon his arrival at Mobile the following day.

"Bienville closed his report with the following comments: 'Monseigneur will have seen by this recital of a campaign the most difficult in the world that in the plan, in the execution, and in the retreat I used all the means imaginable, and he will also have noticed that after having suffered delay in the preparations that I could not have anticipated I could still less foresee the cowardice of the troops that I had under my command. It is true that when one considers the pitiful recruits of blackguards that are sent here one ought never to flatter himself that he can make soldiers of them. The unfortunate thing is to be obliged with such troops to compromise the glory of the nation and to expose officers to the necessity of getting themselves killed or of dishonoring themselves. The recruits who came by the *Gironde* are even worse than the ones preceding them. There are only one or two men more than 5 feet in height. The rest are under 4 feet 10 inches. As to their ideals I can add that of their number of 52 more than half have already passed through the courts for theft. In brief, they are useless mouths living on the provisions of the colony which will derive no service from them. The retreat which I have had carried out without any loss is the only thing with which I am content, since I brought back a good number of honest men who are to be saved for another occasion.'

"D'ARTAGUETTE LEADS AN ARMY FROM THE ILLINOIS TO THE CHICKASAW TOWNS

"The orders sent to D'Artaguet by Bienville to join him in the campaign against the Chickasaws directed the former to take what troops he could from his garrison, and gather together the Illinois Indians and the inhabitants of the district. These forces were assembled at Fort Chartres, from which post the expedition departed on the 22d of February. D'Artaguet's command comprised 8 officers and 27 soldiers, 110 militia, 38 Iroquois, 28 Arkansas, 100 Illinois, and 160 Miami, making a total of 145 French and 326 Indians. The officer left in command at the Illinois during D'Artaguet's absence was given orders to assemble a group of 180 Illinois Indians and lead them to Ecors a Prud'homme, where D'Artaguet would wait for them. This place was reached on the 28th of February and a small palisade fort built. A small detachment was left here as guard upon the departure of the army for the Chickasaw country the 5th of the following month.

"When D'Artaguet was about 18 leagues from the Chickasaw village, he sent a reconnoitering group of Indians to learn the position of their forts, the number of their cabins, and whether or not Bienville was in the neighborhood. These scouts reported that they had seen about 15 cabins on a little hill, 5 or 6 on

another, a small fort about 40 feet long by 30 wide, and that they believed there might be 30 to 35 cabins more in that village. There was no indication that the expedition from the south had yet reached the vicinity. A council of war was held with the Indian chiefs, and the Iroquois, who were recognized by the other tribes as the most skillful in the art of war, answered D'Artaquette for all the tribes. 'Since you wish', said the Iroquois chief, 'to know what we think, we will tell it to you. The march which we have just made, having been longer than we expected, has used up our provisions. We have no more of them; and if we intend to wait for M. de Bienville, who perhaps will not come for 10 or 11 days, we run the risk of dying from hunger. To prevent this danger, it is necessary to attack the Chickasaw village which we found. When we have taken it, we will find there means of subsistence, and we can entrench ourselves in the fort that we have captured while waiting for M. de Bienville.' This very sensible plan was adopted and the march resumed. At 9 o'clock on the evening of March 24 the column arrived at a league's distance from the fort of the Chickasaw town of Ogoula Tchetoka and halted. Four Iroquois were sent to reconnoiter, and during their absence several gunshots were heard from the direction of the village, which made D'Artaquette think that perhaps Bienville had come up on the other side of the settlement.

"The Iroquois spies, upon their return at 3 o'clock in the morning, reported everything quiet, and the little army began marching again and came within an eighth of a league of the fort, where a halt was made and the horses which carried the baggage and extra ammunition unloaded. A small guard was left over this property, and between 6 and 7 o'clock on Palm Sunday morning, March 25, formation for attack was made. The center of the army was composed of a force of 26 officers and soldiers from the companies and 73 militia. The Arkansas, followed by the Illinois, constituted the right wing, and in the left wing were the Iroquois, followed by the Miamis. The little army marched in this order against the fort at Ogoula Tchetoka. When it drew close to the fort a chief of the Chickasaws came out with three calumets, but the Illinois and Miamis fired on him without listening to his harangue and killed him. Four or five cabins were taken possession of and the fort attacked. Immediately the Chickasaws sought cover of their defenses and continued their fire through the loopholes prepared for this purpose. At the end of a quarter of an hour's fighting there appeared on the hills four or five hundred Chickasaws who came to the rescue of their people, and these so frightened the Illinois and Miamis that they fled from the battlefield. D'Artaquette, seeing himself abandoned at one stroke by more than 250 Indians, was obliged to call a retreat to the place where the baggage and munitions had been left. While falling back he had three fingers of his right hand cut off by a bullet.

"The Chickasaws, encouraged by the flight of the Illinois and Miamis, pursued this small force under D'Artaquette with great fury and surrounded it. D'Artaquette received a second bullet wound, this time in his thigh, which obliged him to lean against a tree, and there he bravely strove by his words to animate his troops. Many of those who were near him advised him to save himself. His servant led his horse to him and, with some of the militia, tried to induce him to mount, but he insisted on staying where he could encourage his handful of men to stand firm. While he was exhorting them he received a third gunshot wound in the abdomen and his apparently lifeless body fell to the ground.

"After the disaster to their leader, M. de St. Ange and other officers exerted all their efforts to repulse the Chickasaws, but finally succumbed to the force of numbers, and most of them were killed near where D'Artaquette lay. The greater part of the militia officers perished here also. The small number of soldiers who remained, seeing themselves without officers, saved themselves by flight. The Chickasaws pursued them for nearly 4 leagues, but rain, which had fallen in great quantity since 10 o'clock, prevented them being overtaken.

"This fight lasted from between 6 and 7 in the morning until 9 a. m. The Iroquois and the Arkansas behaved in a praiseworthy manner and, owing to their valor during the retreat, more than 20 wounded, who would otherwise have been killed or made prisoners, were carried in safety to Ecors a Prud'homme, where the remnant of the army arrived, part on the 29th of March and the rest the following day.

"One of the militia officers captured by the Chickasaws was Drouet de Richardville, who lost 3 brothers in the fight, and himself suffered 3 wounds before he was taken. Richardville was one of two French prisoners kept alive by the Chickasaws for the purpose of exchanging them for one of their warriors whom the French had taken prisoner some time before. After 18 months' detention among the Indians, Richardville and the other Frenchman escaped, and after many hardships the former finally reached Montreal on the 10th of June 1739. It was from his reports that the many rumors as to what had occurred to the French prisoners were cleared up. Of the 22 French who were captured, all but Richardville and one other were burned to death. From 3 in the afternoon until midnight of the day of the fight D'Artaquette, Father Senat, Vincennes, St. Ange, and others, to the number of 20, were thrown alive into the two fires which the Indian women had prepared. An Indian girl, who had been a slave among the Chickasaws and who later was rescued from them by the Alibamons, was brought to Bienville where she related the story of this barbarity. She said that during the preparation for this tragedy the French sang in the same manner as do the Indians, 'who judge the valor of a warrior only by the strength or weakness of his voice at the time when they are about to put him to death.'

The Sieur de Courselas, who had been left to guard the ammunition and baggage, wandered into a Chickasaw village without knowing where he was going and, being taken prisoner, was burned to death 3 days later.

"Sieur de Richardville reported that from Ecors a Prud'homme to the 9 Chickasaw villages was about 60 leagues, much of the path leading over low ground overgrown with ash. These 9 villages were located on a plain cut by several small ridges, and at a distance of 2, 3, and 4 arpents on from the other. The grant village was a half league from these, beyond a village of the Natchez. There was a total of about 600 warriors in all the villages. Each of the 9 villages had a fort around which cabins were constructed. The forts were square and without bastions, 50 or 60 feet on a side. The enclosure was made of posts extending 7 or 8 feet above the ground, and braced at the back by forked stakes. These posts were set 2½ feet in the ground in double rows, and were pierced with loopholes. The cabins were built of oak posts with but one small opening, set up in circular form. The roof was made of mud shaped into a dome, and was covered over with straw. There were no streams in any of the villages but springs which were made into wells supplied them with water. Forage was to be found everywhere, horses were plentiful, and all the warriors had guns, powder, and bullets which English traders furnished in exchange for furs."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. YOUNG. Mr. Speaker, I object.

Mr. KELLER. Mr. Speaker, I am compelled to be at a meeting of the Building Commission at 3 o'clock. I ask unanimous consent to call up the bills in which I am interested when I return to the floor after that meeting.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, we have two gentlemen who have studied these bills called to committee meetings. Some of the bills that the gentleman from Illinois is interested in may be beyond the point we expected to go today. I do not care to object to the gentleman's bills, but I do object to taking them up out of order.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I will make the request as to the individual bills of the gentleman from Illinois, and then permit the Members to object or not object at that time. I object to the gentleman's request, however.

The SPEAKER. Objection is heard.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, in connection with my extension of remarks I ask unanimous consent to show the fact that this bill in reference to the Ackia battlefield was approved by the War Department, the Interior Department, and the Bureau of the Budget.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

SIoux INDIANS

The Clerk called the next bill, H. R. 6771, to authorize an appropriation to carry out the provisions of the act of May 3, 1928 (45 Stat. L. 484).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I understand that the Secretary of the Interior has already conducted hearings and has awarded this amount to the Sioux Indians.

Mr. WERNER. Yes.

Mr. WOLCOTT. And this is under a previous authorization made by this Congress?

Mr. WERNER. Yes.

Mr. WOLCOTT. Mr. Speaker, I withdraw my reservation of objection.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. WERNER. Mr. Speaker, reserving the right to object, why does the gentleman from Ohio desire this bill to be passed over without prejudice when there is not one iota of opposition to the bill?

Mr. TRUAX. There was no objection to a previous bill which we passed authorizing some \$223,000 when it is dia-

metrically opposed to the President's policy. The Comptroller General has stated that he is opposed to the bill and it is not in accord with the President's fiscal policy.

Mr. WERNER. Is that in connection with this bill?

Mr. TRUAX. No; the previous bill. This bill is along the same lines.

Mr. WERNER. We are not talking about the previous bill. This simply carries out an authorization of a previous Congress. The work has been done, and the committee has come back here giving the facts upon which the payment should be made.

Mr. McFARLANE. Will the gentleman yield?

Mr. TRUAX. I yield to the gentleman from Texas.

Mr. McFARLANE. This bill provides for an appropriation of \$79,002.19. This would mean that we would have to borrow that amount of money from the bankers and it will cost more than that to pay the interest, and so forth. I think we better get on a better fiscal basis before we pass such bills.

Mr. WERNER. But we owe the money. Why do we not pay it?

Mr. McFARLANE. What are we going to use for money? The regular order was demanded.

Mr. ROGERS of Oklahoma. May I say that a letter we have from the Secretary of the Interior endorses this bill and it has already passed the Senate.

Mr. TRUAX. That makes no difference. They will pass anything over there in the Senate.

Mr. GREENWOOD. There has been an audit made showing the exact amount to be paid in connection with this matter.

Mr. TRUAX. Where are we going to get the money?

Mr. GREENWOOD. We can always get the money.

Mr. TRUAX. Where are we going to get the money? We are broke now.

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Ohio that the bill be passed over without prejudice?

There was no objection.

FORGING OR COUNTERFEITING POSTMARKING STAMP

The Clerk called the next bill, H. R. 5049, providing punishment for forging or counterfeiting any postmarking stamp.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That whoever shall forge or counterfeit any postmarking stamp, or shall make or knowingly use or sell, or have in possession with intent to use or sell, any such forged or counterfeited postmarking stamp, die, plate, or engraving, shall be fined not more than \$1,000 or imprisoned not more than 5 years, or both.

With the following committee amendments:

On page 1, line 4, after the word "stamp", insert the following: "or impression thereof with intent to make it appear that such impression is a genuine postmark"; on page 1, line 7, strike out the word "such", and on page 1, in line 8, after the word "engraving", insert the words "or such impression thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OBTAINING MAIL BY FRAUD OR DECEPTION

The Clerk called the next bill, H. R. 5162, providing for punishment for attempts to obtain mail by fraud or by deception.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McFARLANE. Mr. Speaker, reserving the right to object, may I ask the author of the bill the necessity for such additional penal legislation at this time? The first-class mail is the only mail of that Department that is paying expenses. All other departments are being carried at a tremendous loss; yet here is legislation subjecting everybody that handles the mail to some sort of crime. I think the

crime is that we let these departments go on running at a tremendous deficit amounting to millions of dollars without doing our duty and readjusting rates on the different postal rates. We should balance the Budget on second-, third-, and fourth-class mail of the Department rather than to try to penalize some little Government employee.

I think Congress ought to penalize itself for not doing its duty by amending the law and putting the Post Office Department on a sound fiscal basis with respect to the chain stores, mail-order houses, and the newspapers of the country as well as all others.

Mr. TRUAX. If they did that they could reduce the first-class postage rates from 3 cents to 2 cents and do some good for all the people of the country.

Mr. McFARLANE. Yes, sir; and this Congress should do this before adjourning.

Mr. TRUAX. Why do they not recommend some legislation of that kind?

Mr. McFARLANE. They seem to be putting in all of their time on matters of this sort.

The regular order was demanded.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

Mr. DOBBINS. Mr. Speaker, will the gentleman withhold his request for a moment?

Mr. MEAD. May I ask the gentleman to withhold his request for a moment so that the gentleman from Illinois [Mr. DOBBINS] may explain the bill?

Mr. TRUAX. I withhold it, Mr. Speaker.

Mr. DOBBINS. Mr. Speaker, I have asked the gentleman to withhold his request so that we may explain the purpose of the bill.

This is a very simple and inoffensive bill so far as law-abiding people are concerned. It is designed to get at a racket that is growing up in the country—

Mr. McFARLANE. Which one?

Mr. DOBBINS. Of attempting to obtain mail by fraud and deception. For instance, a great many pension checks and the retirement pay checks of retired Government officers and employees are involved; and instead of going to the post office to which the letters are addressed and attempting to get them there by fraud, miscreants will file forged forwarding orders in the names of the addressees and have the letters containing the checks sent to another post office where the offender is not known. They then come to that post office and it is easy to obtain the mail not intended for them. If they succeed in obtaining the mail, they have committed an offense under present laws, but if they are detected in the act beforehand and they give up in the attempt, there is nothing for which they can be prosecuted.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield for a question?

Mr. DOBBINS. Yes.

Mr. McFARLANE. I have just learned that some of our bankers are taking checks out of the mail and endorsing them and cashing them even though they are not addressed to them. I think if this bill will stop that practice, it is a good bill.

Mr. DOBBINS. Maybe this bill will stop it—I hope it will.

Mr. MEAD. I may say to the gentleman who spoke briefly about the first-class mail adding to the revenues of the Department, this bill is for the avowed purpose of protecting that class of mail and the patrons who are providing the revenues for the operation of this Department.

Mr. McFARLANE. Mr. Speaker, will the Chairman of the Post Office Committee yield for a question?

Mr. MEAD. Yes.

Mr. McFARLANE. When is the gentleman going to bring in a bill to reduce the first-class postage rate from 3 cents to 2 cents?

Mr. MEAD. I may say to the gentleman that our committee has never gone on record increasing the first-class postage rate from 2 cents to 3 cents. Our committee opposed the increase as a committee.

Mr. McFARLANE. Why does not the gentleman bring in a bill and let us reduce it?

Mr. MEAD. The matter is now before the Ways and Means Committee, and the increase was applied by way of a tax by that committee rather than by our committee as an increased postal charge. It is a tax, as I understand, for the duration of the emergency.

Mr. McFARLANE. Why does not the gentleman's committee bring in a bill to reduce the rate and let us get the matter before the Congress? Your committee has jurisdiction of such legislation. I am sure we can pass a measure amending the law by reducing first-class postage rates from 3 cents to 2 cents.

Mr. MEAD. So far as our committee is concerned, first-class postage is 2 cents. The matter is entirely up to the Ways and Means Committee where the third cent is applied as a tax.

Mr. McFARLANE. I believe that is the committee that has come in with this 2-cent check nuisance tax and a lot of other nuisance taxes like that.

Mr. TRUAX. Mr. Speaker, I withdraw my request that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first clause of section 194 of the act of March 4, 1909 (35 Stat. 1125), as amended (18 U. S. C. 317), be amended to read as follows: "Whoever shall steal, take, or abstract, or by fraud or deception obtain or attempt so to obtain from or out of any mail, post office or station thereof, or other authorized depository for mail matter, or from a letter or mail carrier, any letter, postal card, package, bag, or mail, or shall abstract or remove from any such letter, package, bag, or mail, any article or thing contained therein, or shall secrete, embezzle, or destroy any such letter, postal card, package, bag, or mail, or any article or thing contained therein;"

With the following committee amendment:

Page 2, line 1, after the word "mail", insert a comma.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CUSTODIANS OF GOVERNMENT MONEYS AND PROPERTY

The clerk called the next bill, H. R. 5360, providing for punishment for the crime of robbing or attempting to rob custodians of Government moneys or property.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, in reading this bill I have come to the very definite conclusion it is about the worst-drafted bill I have ever read.

The committee amendment makes the bill somewhat ambiguous and uncertain concerning its operation. I want to call the committee's attention to the fact that in line 6 they have crossed out "matter, money" and in line 7 have written in "matter or of any money", and in line 10 they have left the wording as it was. It would seem to me that to be consistent an amendment should be offered to insert in line 10, after the word "mail", the words "or of any", so that the bill would read the same as it does in line 7.

I might say also that in line 6, on page 2, which has to do with the penalty, it provides for a penalty of 25 years, no more and no less. I have drafted an amendment which would make the punishment not more than 25 years, to make it consistent with the laws of every State and of the United States that I have ever read concerning punishments for crime. If the committee will accept these two amendments, one to insert, after the word "mail", in line 10 on page 1, the words "or of any", and in line 6 on page 2, the words "not more than", I shall have no objection to the bill. I am not doing this because I have any objection to the merits of the bill, but I think it is a badly drafted bill.

Mr. DOBBINS. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. DOBBINS. Both the matters which the gentleman has discussed were considered in committee. I call the attention of the gentleman from Michigan to the fact that after the nature of the mail and other matter has been defined in lines 6 and 7 on page 1, the use of the word "such" in line 10 has the effect of adopting that same

definition. That is the reason the words were not repeated, but I see no harm in repeating them and will offer no objection to doing it.

Mr. WOLCOTT. I think the language of the bill before it was amended is better.

Mr. DOBBINS. The trouble with the language as originally written "custody of any mail matter, money, or other property of the United States" is that it might limit the offense to mail matter of the United States, whereas it is designed to include within the protection of the section all mail matter, whether it belongs to the United States or is mail belonging to a private citizen and is temporarily in the custody of the United States while being in the United States mails. The criticism in respect to the severity of the punishment appeals strongly to the committee, and the only reason we did not change it was because that is the existing law and has been the law for many years.

Mr. WOLCOTT. I understand that to be the case. I have no objection to the severity of the punishment; in fact, I would prefer to see it not less than 25 years or more than 50, but I think there should be some discretion left in the court in cases where there are mitigating circumstances.

Mr. DOBBINS. I do not have any objection to either one of the amendments suggested by the able gentleman from Michigan and the chairman of our committee agrees with me in that statement.

Mr. BULWINKLE. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. BULWINKLE. I really think that the whole bill should be redrafted. Let me read it to the House:

Whoever shall assault any person having lawful charge, control, or custody of any mail matter, money, or other property of the United States with intent to rob, steal, or purloin—

And so forth. That is not so good.

Mr. LUCKEY. Mr. Speaker, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. LUCKEY. This bill was presented to the committee by the Post Office Department.

Mr. BULWINKLE. I cannot help who sent it to the committee.

Mr. WOLCOTT. And the next worse bill that I have ever read was sent down here in the Seventy-third Congress by the Department of Justice. That does not excuse the matter.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object.

Mr. WERNER. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection?

There was no objection.

TLINGIT AND HAIDA INDIANS

The Clerk called the bill (H. R. 2756) authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims, and conferring jurisdiction upon said court to hear, examine, adjudicate, and enter judgment upon any and all claims which said Indians may have, or claim to have, against the United States, and for other purposes.

The SPEAKER. Is there objection?

Mr. LESINSKI. Mr. Speaker, I object.

STATUARY KNOWN AS "INDIAN BUFFALO HUNT"

The Clerk called the bill (H. R. 5263) to purchase and erect in the city of Washington the group of statuary known as the "Indian Buffalo Hunt."

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice, and that the right to call up the bill later be granted to the gentleman from Illinois [Mr. KELLER] upon his return to the House.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object to that request. This bill is well known and has been in this House for years.

Mr. WERNER. Mr. Speaker, I demand the regular order.

Mr. TRUAX. Mr. Speaker, I object to the gentleman's request and ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. The gentleman from Ohio asks unanimous consent that the bill be passed over without prejudice. Is there objection?

There was no objection.

DISTRICT JUDGE FOR MASSACHUSETTS

The Clerk called the bill (H. R. 4665) to authorize the appointment of a district judge to fill the vacancy in the district of Massachusetts occasioned by the death of Hon. James A. Lowell.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object. I have no particular objection to the merits of the bill, but I wish we could clear up the situation which exists with reference to several of these courts which I do not understand and I do not think many Members understand. We seem to have a practice in some jurisdictions whereby we establish a certain judgeship, and when there is a vacancy through death or otherwise the President is authorized to make an appointment.

Then we have other judgeships, and a judge is named to that judgeship and upon his death there is no vacancy because the judgeship dies with the judge. Then we have a third classification where a temporary judge is authorized, wherein the temporary judgeship does not die with the judge. I think probably the President would have authority without any action of Congress to appoint a successor. I wish the gentleman would clear up that feature in my mind.

Mr. HEALEY. I should be very glad to do that. Judge Lowell was appointed in 1922 to a judgeship which did not survive him. He was appointed for life, and at his death that judgeship terminated. There were a number of judges appointed at that particular time throughout the country—I think probably some 15 or 20. They were merely temporary judges, and upon their death the judgeships terminated. This is that type of judgeship. Judge Lowell died in November 1933, and since that time the court in Massachusetts has only had two Federal judges, although we have a population of approximately 4,300,000. There is not any State in the Union with that population or even approximately that population that has less Federal judges. There are 19 States with less population that have as many judges, and 10 States with less population that have more judges.

Mr. WOLCOTT. I may say that I have studied the bill carefully, and I think there is need for this judgeship in Massachusetts, because the three judges divided their work into a criminal branch, a civil jury branch, and the civil nonjury branch. I think there is need for it, but because that need will be continuing from year to year, I was wondering whether it would not be better legislation to create the position permanently rather than to do it in this way?

Mr. HEALEY. I think this bill will take care of that situation. That will create a permanent judgeship.

Mr. McFARLANE. Reserving the right to object, this, in effect, is creating a permanent Federal district judgeship in Massachusetts, and I would like to ask the gentleman the number of cases that are being disposed of by the two judges in Massachusetts at this time, and, if he can, to tell us how that compares with the other judgeships over the Nation. I have this in mind, that we ought to make a careful survey of the Federal district judgeships over the Nation and redistribute the work and stop creating these district judgeships. I think we have enough judgeships now if the work was fairly and equitably distributed over the Nation, and we could stop creating these judgeships and save this additional expense.

Mr. HEALEY. May I say to the gentleman that because of the tremendous amount of work before the court the dockets are terribly congested. It has been impossible to hold a session of the criminal court this year. In answer to the gentleman's question, in the year 1931-32 there were 1,937 cases, excluding bankruptcy, filed; in the year 1932-33 there were 1,825 cases, excluding bankruptcy proceedings,

filed. In 1932-33, 1,693 cases were terminated, and at the end of the fiscal year 1932 there were pending 1,810 cases. At the end of the fiscal year 1933 there were 1,942 cases pending. In addition to these the court handles a large amount of naturalization petitions and bankruptcy matters.

Mr. McFARLANE. How much work were those judges turning off? How many jury cases were they disposing of?

Mr. HEALEY. Oh, they are trying all the jury cases that it is humanly possible for two judges to try.

Mr. McFARLANE. How many?

Mr. HEALEY. I think the report indicates the number. For instance, during the year 1934 there were 1,033 cases exclusive of bankruptcy proceedings, terminated by the court. During that same year there were over 2,000 bankruptcy cases commenced, and some 1,924 were terminated. I believe that will indicate to the gentleman that the court is trying its utmost to keep the work current.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. SUMNERS of Texas. I think it has been explained that this is not the creation of a new judgeship, and it is not the continuation of a judgeship with regard to which any member of the committee has any question of necessity, so far as I know. The gentleman is advised that one of the two judges sitting there died, and by reason of his being a temporary appointment—

Mr. McFARLANE. The court died with him?

Mr. HEALEY. Yes. The judgeship died with him.

Mr. SUMNERS of Texas. We must have this legislation to permit the President to fill the position that was occupied by this judge who died.

Mr. McFARLANE. Why can we not make a careful survey and study of these different judicial districts over the Nation and reapportion or redistribute the work among the different Federal district judges and save the creation of additional judgeships. That is what I am interested in.

Mr. SUMNERS of Texas. The gentleman is right about that; but in this particular situation I think every member of the committee and everybody who has studied it agrees that three judges are necessary to do the work in this State. I do not think there is any doubt in the mind of any member of the committee that that is true. We made an exception of this particular bill because of that situation. There are 13 or 14 judges included in the omnibus bill. Because of the pressing necessity in that State, this bill was cut out from the omnibus bill and placed so that it could be put through without being involved in these other cases.

Now, we are not making any new judgeship and we have not in this bill any judgeship that anybody who has examined the figures has any doubt about. That is the situation.

Mr. McFARLANE. Mr. Speaker, I withdraw my objection.

Mr. TRUAX. Reserving the right to object, why cannot this bill be passed over without prejudice, along with several other bills now on the calendar?

Mr. SUMNERS of Texas. There is objection to some other bills. There is objection by some Members to the general policy of the committee directed to what is called "the omnibus bill." There is objection to that bill in New York, California, and from other States.

Mr. TRUAX. What about the one in Oregon?

Mr. SUMNERS of Texas. I am not informed as to that at the moment. This bill, as said by my friend, was cut loose from the general group of bills that were similarly involved in order that the people affected might have the proper number of judges to take care of the business of the courts.

Mr. WERNER. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is: Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized, by and with the advice and consent of the Senate, to appoint a district judge to fill the vacancy in the district of Massachusetts occasioned by the death of Hon. James A. Lowell.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DESCHUTES NATIONAL FOREST

The Clerk called the next bill, H. R. 4459, to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof.

There being no objection, a similar Senate bill (S. 1680) was substituted for the House bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the act entitled "An act authorizing the adjustment of the boundaries of the Deschutes National Forest, in the State of Oregon, and for other purposes", approved February 2, 1922, is amended by adding at the end thereof the following new section:

"Sec. 2. Such lands in public ownership within 6 miles of the exterior boundaries of the Deschutes National Forest, in the State of Oregon, as may be found by the Secretaries of Agriculture and of the Interior to be chiefly valuable for national-forest purposes, may be added to the Deschutes National Forest by proclamation of the President, subject to any valid existing claims in such lands."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 4459) was laid on the table.

PRELIMINARY EXAMINATION OF CERTAIN RIVERS IN THE STATE OF NEW YORK

The Clerk called the next bill, H. R. 3285, authorizing a preliminary examination and survey of the Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination to be made of the Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates and Ontario Counties, N. Y., with a view to the control of floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

With the following committee amendment:

Page 2, at the end of line 7, add a new paragraph to read as follows:

"Amend the title so as to read: 'A bill authorizing a preliminary examination of the Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title of the bill was amended.

Mr. MOTT. Mr. Speaker, I ask unanimous consent to return to the bills, Calendar Nos. 49 to 55, inclusive, for the reason that the bill we have just passed is of exactly the same type, providing for preliminary flood-control examinations. The fact that no objection was made to this bill shows that those who objected to the previous bills do not now object to the principle involved, and I take it have reconsidered their action.

Mr. ZIONCHECK. Mr. Speaker, I dislike very much to object to the request of the gentleman from Oregon, understanding, as I do, the reason for the request; but if we grant a request to return to reconsider a bill for one Member we shall have to do it for all, and in the interest of orderly procedure I am constrained to object at this time.

INTERSTATE REFERENCE BUREAU

The Clerk called the joint resolution (H. J. Res. 156) to make available to Congress the services and data of the Interstate Reference Bureau.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this joint resolution may be passed over without prejudice.

Mr. McFARLANE. Mr. Speaker, I object.

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The SPEAKER. Is there objection to the consideration of the joint resolution?

Mr. TRUAX. Mr. Speaker, I object.

BRIDGE ACROSS MISSISSIPPI RIVER, COHASSET, MINN.

The Clerk called the next bill, S. 1342, to revive and reenact the act entitled "An act granting the consent of Congress to Board of County Commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn."

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of Congress approved May 1, 1923, authorizing the Board of County Commissioners of Itasca County, Minn., to construct a bridge across the Mississippi River at or near the north line of section 35, township 144 north, range 25 west, on the road between the villages of Cohasset and Deer River, Minn., be and the same is hereby revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS MISSISSIPPI RIVER, ST. LOUIS, MO.

The Clerk called the next bill, S. 1855, to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved February 13, 1931.

Mr. ZIONCHECK. Mr. Speaker, I object on account of this being a toll bridge. The Department of Agriculture enters an objection.

Mr. CLAIBORNE. Mr. Speaker, will the gentleman withhold his objection.

Mr. ZIONCHECK. Yes.

Mr. CLAIBORNE. Mr. Speaker, this bill has passed the Senate. On February 13, 1931, it passed both branches of Congress. The bridge would have been erected had it not been for the depression.

Allowing this act to become a law will provide employment at a time when employment is needed most, and I am confident money to build the bridge will be raised and that the bridge will be built.

Mr. ZIONCHECK. Mr. Speaker, the Department of Agriculture takes the position that an additional bridge across the Mississippi River at this point is not needed and that a publicly owned bridge could be constructed and financed from tolls and be free in a shorter time. For these reasons I object to the bill, Mr. Speaker.

Mr. CLAIBORNE. Is the gentleman not also aware of the fact that the Secretary of War, who is in charge of navigable rivers, is in a better position to know the need for bridges than the Department of Agriculture.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. CLAIBORNE. I yield.

Mr. TRUAX. Does the gentleman favor the retention of toll bridges?

Mr. CLAIBORNE. In this instance; yes. I have never objected to any bill.

Mr. ZIONCHECK. Mr. Speaker, I demand the regular order so I can object and put a stop to this discussion.

The SPEAKER. The regular order is demanded. Is there objection to the consideration of the bill?

Mr. ZIONCHECK. Mr. Speaker, I object.

BRIDGE ACROSS RAINY RIVER AT BAUDETTE, MINN.

The Clerk called the next bill, H. R. 6834, to revive and reenact the act entitled "An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representa-

tives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn."

Mr. ZIONCHECK. Mr. Speaker, I object.

Mr. BUCKLER of Minnesota. Mr. Speaker, will the gentleman withhold his objection?

Mr. ZIONCHECK. Mr. Speaker, I withhold my objection to permit the gentleman to make a statement.

Mr. BUCKLER of Minnesota. This bill was once passed by Congress, and Mr. O'Connor started to build a bridge across the Rainy River at Baudette, going so far as to build the piers and abutments to the bridge. Canada had agreed to have this bridge built, and they had built their road down to the bridge. The time limit expired. We are asking that the time be extended within which the bridge may be completed.

Mr. ZIONCHECK. According to the report, the Mayor of Baudette advises that the Ontario Government is ready to assume one-half the cost of constructing a free bridge if the other half of the cost is provided on this side of the boundary. If there is any possibility of building a free bridge there, I should object to any extension of time for the construction of a toll bridge.

Mr. BUCKLER of Minnesota. I would rather have a free bridge myself, but where are we going to get the other half of the money? If Congress will give us the other half of the money we will throw up our hands. I would ask that we hold up this until we can see if we can get a free bridge.

Mr. CHAPMAN. The Department of Agriculture, the Department of State, and the War Department have all given their approval to this bill.

Mr. TRUAX. The Department of Agriculture says they are opposed to this bill.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. ZIONCHECK. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I may say to the gentleman that the Department of Agriculture for years has been opposed to a great many of these bridge bills. If we are going to be compelled to have a favorable report from them before we pass any bills, or pass only those bridge bills to which the Department of Agriculture does not object, there would not be many bridge bills passed. Just as the gentleman from Missouri indicated, the controlling factor in connection with the passage of a bridge bill is, what does the War Department say about obstruction to navigation? The plan of the Department of Agriculture is a plan to link up their various roads. They do not press their objection and are not insistent. They make the objection because it is not consistent with their road policy, and we on this side have not objected because the Department of Agriculture has objected. We maintain that there are other factors more important.

Mr. TRUAX. Does the gentleman favor toll bridges?

Mr. JENKINS of Ohio. I am in favor of toll bridges if they are owned by municipalities, or by counties, or States, or public agencies, but not by individuals, unless it can be shown that these individuals are acting in the public interest. I have always been against granting franchises to individuals to be peddled around to the one who would give them the greatest profit.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. BUCKLER of Minnesota. If we do that you might just as well kill it, because we will not get to it again.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

AMERICAN AND PHILIPPINE LABOR

The Clerk called the next bill, H. R. 7348, to protect American and Philippine labor and to preserve an essential industry, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ZIONCHECK. Mr. Speaker, at the request of the Chairman of the Committee on Insular Affairs, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

BRIDGE ACROSS MISSOURI RIVER AT GARRISON, N. DAK.

The Clerk called the next bill, S. 1222, to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak., authorized to be built by the State of North Dakota by an act of Congress approved February 10, 1932, heretofore extended by acts of Congress approved February 14, 1933, and June 12, 1934, are hereby further extended 1 and 3 years, respectively, from June 12, 1935.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS MISSOURI RIVER AT OMAHA, NEBR.

The Clerk called the next bill, S. 1987, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr., authorized to be built by the Omaha-Council Bluffs Missouri River Bridge Board of Trustees by an act of Congress approved June 10, 1930, heretofore extended by acts of Congress approved February 20, 1931, June 9, 1932, February 24, 1933, and March 5, 1934, are hereby further extended 1 and 3 years, respectively, from June 10, 1935.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS MISSISSIPPI RIVER AT NEW ORLEANS, LA.

The Clerk called the next bill, H. R. 4528, to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La., authorized to be built by George A. Hero and Allen S. Hackett, their successors and assigns, by act of Congress approved March 2, 1927, heretofore extended by acts of Congress approved March 6, 1928, February 19, 1929, June 10, 1930, March 1, 1933, and March 5, 1934, are hereby extending 1 and 3 years, respectively, from March 2, 1935.

With the following committee amendments:

On page 1, line 7, after the word "by", insert "an."

On page 2, line 1, strike out the word "extending" and insert in lieu thereof the words "further extended."

On page 2, lines 3 and 4, insert the following new section: "Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS DES MOINES RIVER AT ST. FRANCISVILLE, MO.

The Clerk called the next bill, H. R. 5547, to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McFARLANE. Mr. Speaker, reserving the right to object, may I ask the author of the bill whether or not this is a toll bridge?

Mr. CHAPMAN. It will become a toll bridge.

Mr. McFARLANE. When it is opened it is to be a free bridge?

Mr. ROMJUE. I may say to the gentleman from Texas that the money has been raised by bond issue in the State of Iowa, but has been declared illegal. The people since that time have constructed a road practically up to the river. The State of Missouri is working on its road and the State highway commission has provided about three-quarters of the money.

Mr. McFARLANE. How much money has to be paid off before it is a free bridge?

Mr. ROMJUE. They have all but something like \$8,000. They have nearly all of it raised. They had about seven-eighths of the money raised when the bonds in Lee County, Iowa, were declared unconstitutional.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the time for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo., authorized to be built by Roy H. Campbell, Charles H. Brown, G. H. Wilsey, and Dr. H. O. Strosnider, by an act of Congress approved February 14, 1933, heretofore extended by an act of Congress approved February 24, 1934, are hereby extended 1 and 3 years, respectively, from February 24, 1935.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

On page 2, line 2, strike out the figure "24" and insert in lieu thereof the figure "14."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS THE RIO GRANDE AT RIO GRANDE CITY, TEX.

The Clerk called the next bill, H. R. 6630, to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ZIONCHECK. Mr. Speaker, I object.

Mr. WEST. Why does the gentleman object?

Mr. ZIONCHECK. Because the Department of Agriculture objected some 6 years ago. Since that time nothing has been done in the way of construction. Now, if they cannot do anything in the way of construction in 6 years, it is time they allowed somebody else to do something.

Mr. WEST. The Government now maintains a conveyance back and forth there. They use a little hand boat.

Mr. ZIONCHECK. This is to be a toll bridge?

Mr. WEST. Yes.

Mr. ZIONCHECK. To be constructed by a private company and operated by a private company, and there is no provision for amortization.

Mr. WEST. The gentleman will find that this is a bridge between two countries, namely, the United States and Mexico.

Mr. ZIONCHECK. Does this private company want to take all of the profits?

Mr. WEST. Yes; absolutely. Of course.

Mr. ZIONCHECK. Mr. Speaker, I object. I think the Mexican Government ought to be given a break.

BRIDGE ACROSS ST. LAWRENCE RIVER NEAR OGDENSBURG

The Clerk called the next bill, H. R. 6780, to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I should like to hear an explanation of this bill with respect to whether or not it is to be a toll bridge.

Mr. SNELL. What information would the gentleman like to have?

Mr. McFARLANE. What can you give me? [Laughter.]

Mr. SNELL. Well, I can give the gentleman a good deal of information, if it is necessary. To start with, the location of this bridge was decided by a commission appointed by the then Governor of the State of New York, Mr. Franklin D. Roosevelt, and is the only one between Niagara Falls and Montreal. The bridge is to be built by the Bridge Commission of New York State.

Mr. McFARLANE. Why do they not build the bridge?

Mr. SNELL. This is to be a public bridge; and takes time to straighten out the international features.

Mr. McFARLANE. Why all the delay—why have they not built it?

Mr. SNELL. Well, there you are asking quite a serious question. We had an allocation of \$2,750,000 from the P. W. A. to build this bridge. We thought we were going to start it last year, but there were some complications in connection with the Canadian Government. There were some people in Canada who wanted one at Ogdensburg and some who wanted one at Thousand Islands and one up at Kingston, and all these objections had to be considered. There is need for one bridge, and nearly everyone agrees to that. This is the location that the commission set up by the Governor of the State of New York decided upon and they were unanimous in their decision, and as far as I know there is no opposition to the building of it.

Mr. McFARLANE. Is it to be a toll bridge when completed?

Mr. SNELL. It is to be a public, toll bridge; yes.

Mr. McFARLANE. What is it going to cost?

Mr. SNELL. About \$3,000,000.

Mr. McFARLANE. How much of it will the Canadian Government pay?

Mr. SNELL. I cannot tell the gentleman that because it has not been decided.

Mr. McFARLANE. Which probably means very little.

Mr. SNELL. Comparatively little. We have the money promised from the P. W. A.

Mr. McFARLANE. You did not get any P. W. A. money from Canada, did you?

Mr. SNELL. Not from Canada; no.

Mr. McFARLANE. How much will Canada pay?

Mr. SNELL. I told the gentleman they had not made any arrangements in regard to that, but the bridge will be paid for out of tolls. There is not a bridge across the St. Lawrence River from Niagara to Montreal.

Mr. McFARLANE. Since you have not been able to get any action during all this time I do not see why we ought to fool along with them any further. Maybe we can get a contract and get somebody else to work on it.

Mr. SNELL. I think the gentleman ought to give a little more reason than that for objecting.

Mr. McFARLANE. I am going to ask that the bill be passed over without prejudice.

Mr. SNELL. There is no prejudice about it, the gentleman can either object to it or not.

Mr. McFARLANE. I object, Mr. Speaker.

BRIDGE ACROSS MISSOURI RIVER NEAR BROWNVILLE, NEBR.

The Clerk called the next bill, H. R. 7981, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. ANDREWS of New York. Mr. Speaker, I object to the consideration of the bill.

BRIDGE ACROSS WABASH RIVER NEAR MEROM, SULLIVAN COUNTY, IND.

The Clerk called the next bill, H. R. 7083, to extend the times for commencing and completing the construction of a

bridge across the Wabash River at or near Merom, Sullivan County, Ind.

Mr. ANDREWS of New York. Mr. Speaker, I object.

Mr. GREENWOOD. Mr. Speaker, will the gentleman withhold his objection?

Mr. ANDREWS of New York. No; I object.

BRIDGE ACROSS THE RIO GRANDE NEAR BOCA CHICA, TEX.

The Clerk called the next bill, H. R. 7291, to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Boca Chica, Tex.

Mr. WOLCOTT. Mr. Speaker, I object.

Mr. LESINSKI. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The Chair will state that there are a number of suspensions pending.

The question was taken; and the motion to adjourn was rejected.

REQUIRING THE NAMING OF SUBCONTRACTORS

The Clerk called the bill (H. R. 97) to require contractors on public-buildings projects to name their subcontractors, material men, and supply men, and for other purposes.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

GEOLOGICAL SURVEY WORK IN PUERTO RICO

The Clerk called the joint resolution (H. J. Res. 27) providing for extension of cooperative work of the Geological Survey to Puerto Rico.

The SPEAKER. Is there objection?

Mr. McFARLANE. Mr. Speaker, I object.

BRIDGE ACROSS ST. JOHN RIVER

The Clerk called the bill (H. R. 4505) granting the consent of Congress to the State of Maine and the Dominion of Canada to maintain a bridge already constructed across the St. John River between Madawaska, Maine, and Edmundston, Canada.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Maine and the Dominion of Canada, their successors and assigns, to maintain and operate, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, a bridge and approaches thereto already constructed across the St. John River between Madawaska, Maine, and Edmundston, Canada, which bridge is hereby declared to be a lawful structure to the same extent and in the same manner as if it had been constructed in accordance with the provisions of said act of March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 2, line 1, after the word "Edmundston" insert "New Brunswick."

The committee amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read: "A bill granting the consent of Congress to the State of Maine and the Dominion of Canada to maintain a bridge already constructed across the St. John River between Madawaska, Maine, and Edmundston, New Brunswick, Canada."

A motion to reconsider the vote by which the bill was passed was laid on the table.

BRIDGE ACROSS WACCAMAW RIVER, N. C.

The Clerk called the bill (H. R. 6859) granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River, at or near Old Pireway Ferry Crossing, N. C.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge and ap-

proaches thereto across Waccamaw River, at a point suitable to the interests of navigation, about 2 miles east of the Old Pireway Ferry Crossing, in the counties of Columbus and Brunswick, State of North Carolina, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

BRIDGE ACROSS SABINE RIVER, LOUISIANA

The Clerk called the bill (H. R. 6987) authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87.

The SPEAKER. Is there objection?

Mr. ANDREWS of New York. Mr. Speaker, I object.

Mr. CHAPMAN. Mr. Speaker, will the gentleman withhold his objection?

Mr. ANDREWS of New York. I shall withhold my objection if the gentleman will allow me to call up Calendar 126, H. R. 6780, and I shall also withdraw my objection to three other bills.

Mr. MOTT. Mr. Speaker, I reserve the right to object. If we are going to return to any previous numbers on the calendar I shall object unless I am allowed to return to Calendar No. 49.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ANDREWS of New York. Mr. Speaker, I object.

BRIDGE ACROSS MISSISSIPPI RIVER, MO.

The Clerk called the bill (H. R. 6997) authorizing the State of Illinois and the State of Missouri to construct, maintain, and operate a free highway bridge across the Mississippi River between Kaskaskia Island, Ill., and St. Marys, Mo.

The SPEAKER. Is there objection?

Mr. ANDREWS of New York. Mr. Speaker, I object.

Mr. CHAPMAN. Mr. Speaker, will the gentleman withhold his objection? This is another bridge to be constructed between two States. [Cries of "Regular order!"]

The SPEAKER. Is there objection? [After a pause.] The Chair hears none and the Clerk will report the bill.

Mr. ANDREWS of New York (from his seat). I object.

The SPEAKER. The gentleman from New York cannot object while sitting in his seat. The Clerk will report the bill.

The Clerk read the bill as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the State of Illinois and the State of Missouri be, and are hereby, authorized to construct, maintain, and operate a free highway bridge and approaches thereto across the Mississippi River, at a point suitable to the interests of navigation, between Kaskaskia Island, Ill., and St. Marys, Mo., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. There is hereby conferred upon the State of Illinois and the State of Missouri all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. ANDREWS of New York. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from New York makes the point that there is no quorum present. Evidently there is not a quorum.

Mr. BULWINKLE. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 80]

Amlie	Dirksen	Kennedy, Md.	Peyser
Arends	Dorsey	Kennedy, N. Y.	Pfeifer
Bankhead	Doutrich	Kerr	Ransley
Barden	Doxey	Kleberg	Reece
Boehne	Duncan	Knutson	Relly
Brennan	Evans	Kvale	Richards
Brooks	Farley	Lambertson	Rogers, N. H.
Buckley, N. Y.	Ferguson	Lamneck	Russell
Burch	Flannagan	Lee, Okla.	Sabath
Carden	Focht	Lewis, Md.	Sanders, La.
Carmichael	Frey	Lord	Schaefer
Cartwright	Fulmer	Lucas	Shannon
Casey	Gambrill	Lundeen	Short
Celler	Gasque	McLean	Smith, Conn.
Chandler	Gassaway	McSwain	Smith, Va.
Claiborne	Gifford	Marshall	Smith, Wash.
Clark, Idaho	Gillette	Maverick	Snyder
Clark, N. C.	Goldsborough	May	Thomas
Cochran	Guyer	Mead	Thompson
Connery	Gwynne	Meeks	Tolan
Cooper, Ohio	Hancock, N. C.	Miller	Treadway
Corning	Harter	Monaghan	Turner
Crosser, Ohio	Hartley	Montague	Underwood
Crowther	Healey	Montet	Vinson, Ky.
Culkin	Hennings	Nichols	Warren
Cummings	Higgins, Conn.	Norton	Wilcox
Dear	Hill, Ala.	Oliver	Williams
DeRouen	Hill, Samuel B.	O'Malley	Withrow
Dietrich	Igoe	Parks	Wood
Dingell	Johnson, W. Va.	Peterson, Fla.	

The SPEAKER. Three hundred and twelve Members have answered to their names. A quorum is present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. TAYLOR of Colorado. Mr. Speaker, I wish to announce that the members of both the Ways and Means Committee and the Military Affairs Committee are in session and have been excused from attending the session of the House, and could not answer to the roll call.

The SPEAKER. The Clerk will call the next bill on the Consent Calendar.

GREEN LAKE FISH CULTURAL STATION

The Clerk called the next bill, H. R. 6954, to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to Acadia National Park.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of Commerce be, and he is hereby, authorized and directed to transfer to the control and jurisdiction of the Secretary of the Interior as an addition to the Acadia National Park, established under the act of February 26, 1919 (40 Stat. 1178), and acts supplemental thereto, all that tract of land containing 820 acres, more or less, with improvements thereon, if any, comprising the abandoned Green Lake Fish Cultural Station, in Hancock County, Maine, said tract being no longer needed for fish-cultural purposes: *Provided,* That such action shall be in full recognition of any outstanding lease affecting said land.

With the following committee amendment:

On page 2, line 5, after the word "lease", insert "license, or permit."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUERTO RICAN HURRICANE RELIEF COMMISSION

The Clerk called the next business, Senate Joint Resolution 88, to abolish the Puerto Rican Hurricane Relief Commission and transfer its functions to the Secretary of the Interior.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that this resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

BUILDINGS FOR UNITED STATES HIGH COMMISSIONER TO THE PHILIPPINE ISLANDS

The Clerk called the next bill, H. R. 6800, authorizing the construction of buildings for the United States High Commissioner to the Government of the Commonwealth of the Philippine Islands.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ADVANCEMENT BY SELECTION IN THE STAFF CORPS OF THE NAVY

The Clerk called the next bill, H. R. 5382, to provide for advancement by selection in the staff corps of the Navy to the ranks of lieutenant commander and lieutenant; to amend the act entitled "An act to provide for the equalization of promotion of officers of the staff corps of the Navy with officers of the line" (44 Stat. 717; U. S. C., Supp. VII, title 34, secs. 348 to 348t), and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Reserving the right to object, personally I have not had time to study this bill. The gentleman from Georgia [Mr. Vinson] wished to take it up. I wish, because of that, that the gentleman from Georgia would make a brief explanation of the bill.

Mr. VINSON of Georgia. Mr. Speaker, under the gentleman's reservation of objection, I will be glad to do so. I will state to the House that this is a departmental measure, unanimously reported to the House by the Naval Affairs Committee. It merely applies to the staff corps. It extends selection down in the staff corps to the lower grades, the grade of lieutenant and lieutenant, junior grade, and makes it uniform with reference to that of the line and that of the Marine Corps. It also seeks to equalize some injustice that was done in what is known as the "equalization bill." This is a departmental measure and it brings about an annual saving of about \$1,400 a year.

The gentleman from Pennsylvania [Mr. Darrow] is thoroughly conversant with the facts. The entire committee has gone into the matter carefully, and it is highly important that this bill be passed as early as possible, so that the selection in the staff can be carried out this year in accordance with the provisions of this bill.

Under the law today in the rank of lieutenant and lieutenant, junior grade, if this bill does not become effective, it is possible for an officer to hold that rank until he is 64 years of age. This would eliminate him if he is not qualified professionally in this particularly technical work.

Mr. ANDREWS of New York. Reserving the right to object, a few moments ago I objected to five or six bills purely as a retaliatory action against an unwarranted objection that was made to a bill on the calendar, no. 126, and I would like to say a word or two about it.

Mr. VINSON of Georgia. I do not have the floor.

Mr. ANDREWS of New York. This bill simply extends the time to build a very important bridge in northern New York and Canada where thousands of tourists from all over the country go each year and are oppressed by very high ferry rates in order to get from the United States into Canada. The result was that a New York State act was proposed originally by your President on the Democratic side, Mr. Roosevelt, with a Democratic commission. It is a public bridge, and I cannot understand why anybody in the House would object to extending the time for the construction of such a bridge, which is obviously for the public good.

Mr. RANKIN. Is it a free bridge?

Mr. ANDREWS of New York. It is a toll bridge until the bonds are paid off.

Mr. VINSON of Georgia. I hope the gentleman will be successful in getting it through.

Mr. ANDREWS of New York. But I am under the impression that I will object to all other bills unless I can now secure unanimous consent to return to Calendar No. 126.

Mr. VINSON of Georgia. Let me say to the gentleman that he should not penalize other meritorious bills because he has not been fortunate enough to secure the passage of his bill. The bill now before the House is not an individual bill of mine. It is a departmental measure.

Mr. ANDREWS of New York. Mr. Speaker, I will withdraw my reservation of objection.

Mr. WOLCOTT. Mr. Speaker, in view of the gentleman's statement I will withdraw my reservation of objection.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that the bill be printed in the Record at this point and not read.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The bill is as follows:

Be it enacted, etc., That the provisions of existing law as amended by this act with reference to advancement in rank by selection in the staff corps are hereby extended to include and authorize advancement to the ranks of lieutenant commander and lieutenant of officers of the next lower ranks who are eligible for consideration by a selection board. Each selection board appointed to recommend staff officers of the ranks of lieutenant and lieutenant (junior grade) for advancement, shall recommend all the eligible officers of said ranks who in the opinion of at least two-thirds of the members of such board are fitted to assume the duties of the next higher rank.

Sec. 2. Boards for the selection of staff officers for recommendation for advancement to the ranks of lieutenant commander and lieutenant shall be composed of not less than 6 nor more than 9 officers above the rank of commander on the active or retired list of the staff corps concerned: *Provided*, That in case there be not a sufficient number of staff officers of the corps concerned legally or physically capacitated to serve on a selection board of such corps as herein provided, officers of the line on the active list above the rank of commander may be detailed to duty on such board to constitute the required minimum membership.

Sec. 3. Staff officers of the ranks of lieutenant and lieutenant (junior grade) who shall not have been recommended for advancement to the next higher rank by the report of a selection board as approved by the President prior to the completion of 14 or 7 years, respectively, of commissioned service in the Navy, shall be ineligible for consideration by a selection board on June 30 of the current fiscal year: *Provided*, That no such officer shall become ineligible for consideration by reason of length of commissioned service until he shall have been once considered by a selection board for advancement to the next higher rank.

Sec. 4. Except as provided in section 6 of this act, staff officers of the ranks of commander and lieutenant commander who shall not have been recommended for advancement by the report of a selection board as approved by the President prior to the completion of 28 or 21 years, respectively, of commissioned service in the Navy, shall be ineligible for consideration by a selection board on June 30 of the current fiscal year: *Provided*, That for the purposes of this section, the length of such commissioned service for officers of the ranks of commander and lieutenant commander in the Construction Corps and Civil Engineer Corps shall be 30 or 25 years, respectively: *Provided further*, That no staff officer of the rank of commander or lieutenant commander shall become ineligible for consideration by reason of length of service until he shall have been considered by three selection boards for advancement to the next higher rank, at least one of which boards shall have been appointed after the date of this act.

Sec. 5. All staff officers who have not been recommended for advancement and who, after the completion of the designated periods of service as prescribed for their respective ranks and corps, become ineligible for consideration by a selection board in accordance with this act, or who, if recommended for advancement, undergo the required examinations for advancement and are found not professionally qualified, shall be transferred to the retired list of the Navy.

Sec. 6. When the number of involuntary transfers in any fiscal year from the ranks of commander and lieutenant commander in the staff corps to the retired list pursuant to this act, exclusive of officers who have failed professionally on examination for advancement to the next higher rank, would otherwise exceed the figures in the following tabulation, the selection board concerned shall designate by name such excess of officers for retention on the active list until the end of the next fiscal year, and officers so designated shall retain their eligibility for selection and advancement during said year: Medical Corps, 7 commanders and 12 lieutenant commanders; Supply Corps, 4 commanders and 7 lieutenant commanders; Chaplain Corps, 1 commander and 1 lieutenant commander; Construction Corps, 2 commanders and 3

lieutenant commanders; Civil Engineer Corps, 1 commander and 1 lieutenant commander; Dental Corps, 1 commander and 2 lieutenant commanders. If the officers so designated are not recommended for advancement or again designated for retention on the active list, they shall be transferred to the retired list in accordance with the provisions of this act.

Sec. 7. If at the end of any fiscal year the number of involuntary transfers to the retired list from the ranks of commander or lieutenant commander of the staff corps would exceed the limits set forth in section 6 of this act, and there has been no selection board convened during the fiscal year to recommend officers of those ranks for advancement in the staff corps concerned, special boards shall be convened by the Secretary of the Navy on or about June 1 preceding the end of the fiscal year to designate by name such excess of officers to be retained on the active list as provided in section 6 of this act. Each such board shall be constituted as provided by law for selection boards for the staff corps concerned.

Sec. 8. All transfers to the retired list pursuant to this act shall be made as of June 30 of the current fiscal year. Officers retired pursuant to this act shall receive pay at the rate of 2½ percent of their active-duty pay, multiplied by the number of years of service for which they were entitled to credit in computation of their longevity pay on the active list, not to exceed a total of 75 percent of said active-duty pay: *Provided*, That a fractional year of 6 months or more shall be considered a full year in computing the number of years of service by which the rate of 2½ percent is multiplied.

Sec. 9. As soon as practicable after the date of this act, boards for the selection of staff officers for advancement to the ranks of captain and commander shall be appointed by the Secretary of the Navy in accordance with existing law. Each such board shall recommend for advancement to the ranks hereinafter listed in the corps for which it was appointed, from those staff officers of the next lower rank in said corps who are eligible for consideration, such officers, not to exceed the number furnished it by the Secretary of the Navy. The number furnished the boards appointed in execution of this section, in addition to such numbers, if any, as would otherwise be furnished such boards as the result of computations required by law for the corps and ranks concerned, shall be: For the Medical Corps, 11 for advancement to the rank of captain and 18 for advancement to the rank of commander; for the Supply Corps, 1 for advancement to the rank of captain and 10 for advancement to the rank of commander; for the Civil Engineer Corps, 1 for advancement to the rank of commander; for the Construction Corps, 4 for advancement to the rank of captain. If a selection board does not recommend a number of officers for advancement to any rank equal to the number furnished to that board for that rank by the Secretary of the Navy, the difference between the number actually recommended by the board and the number furnished the board by the Secretary of the Navy may be added by the Secretary of the Navy to the number furnished by him to the next succeeding board.

Sec. 10. That section 10 of the act approved June 10, 1926 (44 Stat. 720-721; U. S. C., Supp. VII, title 34, sec. 3481), is hereby repealed.

If the running mate of a staff officer be promoted to a higher rank and such staff officer be considered by a selection board for such rank but fails to be selected for advancement thereto, by the report of such board as approved by the President, such staff officer shall have assigned as his new running mate the line officer not promoted who was next senior to his former running mate in the rank in which the staff officer remains; if there remain in that rank no line officer who was senior therein to such former running mate, such staff officer shall not have assigned a new running mate, but shall retain his former running mate who has been promoted: *Provided*, That if subsequently selected such staff officer when advanced to the higher rank, shall have assigned as his running mate that line officer who would have been his running mate had said staff officer been recommended by the selection board which first considered him for the higher rank; except that if the running mate who would be so assigned him be senior to the running mate of an officer in his own staff corps made next senior to him in the higher rank, as determined by the order of their selection for advancement thereto, the running mate assigned him shall be that officer who had been assigned as the running mate of said next senior staff officer on the latter's advancement, and officers of the same staff corps thereby having the same running mate shall have precedence in said higher rank as determined by the order of their selection for advancement thereto: *Provided further*, That those officers of the staff corps with the rank of captain, who when eligible for consideration by a selection board for the rank of rear admiral, are not selected, shall retain their running mates; and if subsequently advanced to the rank of rear admiral shall have running mates assigned as required by the proviso next preceding. The provisions of this section shall be applicable to the cases of all staff officers now on the active list who have been advanced or have been eligible for consideration by a selection board for advancement to the rank of commander and above since June 10, 1926: *And provided further*, That no officer shall, by virtue of this section, receive any increased pay or allowances for any period prior to the date of this act.

Sec. 11. That section 4 of the act approved June 10, 1926 (44 Stat. 719; U. S. C., Supp. VII, title 34, sec. 348c), is hereby amended to read as follows:

"Hereafter all staff officers in the Navy, when of the same rank as their running mates or of the rank for which their running mates have been selected, shall take precedence with all other line and

staff officers of the same rank from the dates stated in the commissions or which in due course will be stated in the commissions of their running mates in said rank, and ahead of all line officers junior to their respective running mates. Such staff officers of a higher rank than the rank held by their running mates until their running mates have been selected for such higher rank shall take precedence with all line and staff officers of the rank then held by them in accordance with the date stated in the commission of the junior line officer in such higher rank; staff officers of a lower rank than the rank held by their running mates shall take precedence with all line and staff officers of the same rank in accordance with the dates stated in the commissions that had been held by their running mates in such lower rank, and ahead of all line officers in such rank who were junior therein to their respective running mates: *Provided*, That except as otherwise provided herein, officers having the same rank and the same date of precedence in that rank shall take precedence in the following order: (a) Line officers, (b) medical officers, (c) officers of the supply corps, (d) chaplains, (e) naval constructors, (f) civil engineers, (g) dental officers: *Provided further*, That staff officers assigned running mates in accordance with this act, if thereafter assigned new running mates, shall have with respect to other staff officers who also have as their running mates the new running mates so assigned, the precedence held by them prior to the assignment of such new running mates."

SEC. 12. If any staff officer who has been recommended for advancement to the rank of captain or commander by the report of a selection board as approved by the President fails to receive such advancement by reason of failure to qualify upon examination therefor or because of his removal from the active list for any cause, the number to be furnished the next ensuing selection board for the corps and rank concerned shall be increased accordingly.

SEC. 13. That all laws or parts of laws, so far as they are inconsistent with or in conflict with the provisions of this act, are hereby repealed.

Mr. VINSON of Georgia. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: On page 3, line 2, strike out the word "once" and insert in lieu thereof the word "twice."

The amendment was agreed to.

Mr. VINSON of Georgia. Mr. Speaker, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: Page 3, line 20, strike out the word "one" and insert in lieu thereof the word "two."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ANDREWS of New York. Mr. Speaker, I ask unanimous consent to return to Calendar No. 126.

Mr. TRUAX. Mr. Speaker, I object.

EMIGRATION OF CERTAIN FILIPINOS

Mr. KRAMER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 6464) to provide means by which certain Filipinos can emigrate from the United States, with an amendment.

The Clerk read the bill and the amendment, as follows:

A bill to provide means by which certain Filipinos can emigrate from the United States

Be it enacted, etc., That any native Filipino residing in any State or the District of Columbia on the effective date of this act, who desires to return to the Philippine Islands, may apply to the Secretary of Labor, upon such form as the Secretary may prescribe, through any officer of the Immigration Service for the benefits of this act. Upon approval of such application, the Secretary of Labor shall notify such Filipino forthwith, and shall certify to the Secretary of the Navy and the Secretary of War that such Filipino is eligible to be returned to the Philippine Islands under the terms of this act. Every Filipino who is so certified shall be entitled, at the expense of the United States, to transportation and maintenance from his present residence to a port on the west coast of the United States, and from such port, to passage and maintenance to the port of Manila, Philippine Islands, on either Navy or Army transports, whenever space on such transports is available, or on any ship of United States registry operated by a commercial steamship company which has a contract with the Secretary of Labor as provided in section 2.

SEC. 2. The Secretary of Labor is hereby authorized and directed to enter into contracts with any railroad or other transportation company, for the transportation from their present residences to a port on the west coast of the United States of Filipinos eligible under section 1 to receive such transportation, and with any commercial steamship company, controlled by citizens of the United States and operating ships under United States registry, for transportation and maintenance of such Filipinos from such

ports to the port of Manila, Philippine Islands, at such rates as may be agreed upon between the Secretary and such steamship, railroad, or other transportation company.

SEC. 3. The Secretary of Labor is authorized and directed to prescribe such rules and regulations as may be necessary to carry out this act, to enter into the necessary arrangements with the Secretary of War and the Secretary of the Navy, to fix the ports on the west coast of the United States from which any Filipinos shall be transported and the dates upon which transportation shall be available from such ports, to provide for the identification of the Filipinos entitled to the benefits of this act, and to prevent voluntary interruption of the journey between any port on the west coast of the United States and the port of Manila, Philippine Islands.

SEC. 4. No Filipino who receives the benefits of this act shall be entitled to return to the continental United States.

SEC. 5. There is hereby authorized to be appropriated from moneys in the Treasury not otherwise appropriated, amounts necessary to carry out the provisions of this act. All amounts so appropriated shall be administered by the Secretary of Labor, and all expenses, including those incurred by the Navy and War Departments, shall be charged thereto.

SEC. 6. No application for the benefits of this act shall be accepted by any officer of the Immigration Service after December 1, 1936; and all benefits under this act shall finally terminate on December 31, 1936, unless the journey has been started on or before that date, in which case the journey to Manila shall be completed.

SEC. 7. Nothing in this act shall be construed as authority to deport any native of the Philippine Islands, and no Filipino removed from continental United States under the provisions of this act shall hereafter be held to have been deported from the United States.

The SPEAKER. Is a second demanded?

Mr. BLANTON. Mr. Speaker, I demand a second.

Mr. KRAMER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KRAMER. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, when this bill was first reported by the committee my opposition to it was based on the ground that there was no section in the bill providing that after the Filipinos had been deported they could not be readmitted. Many of us believed it would not be right to spend the public funds to send these people home if they could return in a short time or at any time. Since then, however, it has been agreed that an amendment would be offered to the bill which would make it impossible for these Filipinos to return to the United States; and with this amendment it occurs to me that this is a good bill.

A great deal has been said on the floor of the House challenging some of the figures I have quoted in reference to the number of aliens who are illegally in the country. The best estimates that I have been able to procure show that there are at this very moment nearly 1,500,000 aliens on public relief.

In the city of New York alone there are 55,000 aliens being supported by public funds; and while we are preparing to spend nearly \$5,000,000,000 for the purpose of putting 3,500,000 people to work, it must be interesting to the American people to consider that from 1,000,000 to 1,500,000 aliens are living from public funds. There is not another country on the face of the earth that would tolerate this condition. Many other countries have enacted laws providing that no alien can work unless the alien secures a permit to work, and the alien cannot secure that permit if there is any citizen of that country unemployed and capable of filling the job.

We have in this country, according to the best evidence, 7,500,000 aliens, 6,000,000 of whom are deriving their livelihood directly or indirectly from jobs that American citizens could fill and would fill if we had the same laws in this country that are in force in other nations.

The Governor of the great State of Colorado has recently issued a proclamation to the effect that unless the situation is relieved in his State, we will call out the National Guard to rectify it; and the State of California has passed a resolution calling upon the Congress of the United States to deport aliens in that State who came into the United States in defiance of the laws of the land.

It seems to me there could not be any reason why anyone would oppose this bill. The aliens are here; they are willing to leave. They should be provided with funds to leave if at the time they leave we say to them: "You cannot reenter the United States of America." If I had my way about it, and if some Members of the House had their way we would not stop with making it voluntary, we would go further and provide by law that all aliens who defied the laws of this country when they entered, knowing at the time what our laws were, and those who were smuggled in shall be deported. In fact we have figures to show that 500,000 aliens deserted as seamen in the past 13 years and were lost in the population of the United States. In 1900 we had 105,000 Mexicans in the United States; in 1930 we had 1,440,000; in 1920 we had about 457,000 Mexicans; and between 1920 and 1930 we admitted about 416,000 while the census of 1930 showed 1,422,533. Yet there are those who say that the estimate that there are 3,500,000 aliens unlawfully in this country is incorrect, when between 1920 and 1930 more than 500,000 Mexicans entered illegally, and this does not take into consideration the known departures. I would refer them to the records. If they take the number of Mexicans who legally entered the United States from the year 1900 to the year 1930 and compare it with the number who left, according to the records of the Department, and the number shown by the census of 1930 they will get some idea of the number of aliens illegally here. I think, therefore, it is a conservative estimate to say that there are at least 3,500,000 of these aliens in the United States. My own belief is that there are many more. Those who are criminals and those who entered this country unlawfully should be deported the same as Germany deports this class of aliens, the same as France does, the same as England does. There are few enlightened and progressive countries on the face of the earth—and I challenge anybody to deny this statement—that do not provide by law or policy that an alien cannot work so long as there is a citizen of that country capable of holding the job.

I submit that if we are going to use public funds to undertake to put 3,500,000 people to work, we should deport the 3,500,000 aliens unlawfully in our midst, who are either holding jobs or are on relief. Today, in the United States, we are perplexed and struggling with the unemployment problems which were transferred to the United States from foreign lands.

Mr. STUBBS. Mr. Speaker, I would like to say that I have such a bill now pending before the Committee on Labor.

I would like for my colleague, the gentleman from Texas, to insist that the bill be reported out, in order that we may have an opportunity to vote on it here in the House.

Mr. DIES. I will tell the gentleman what we are going to do. We are going to have an opportunity to vote on these bills in this House. There is no use for anyone to undertake by subterfuge or parliamentary strategy to continue to delay this matter. I have bills pending before the Immigration Committee that I have not been able to secure a hearing on. There is none of us who is harsh or inhuman about this matter. In my bill I have provided methods to reunite families under proper safeguards, if they are not public charges, and do not take jobs away from American citizens. In the United States today there are about 16,500,000 foreign born. Anyone with any mathematical accuracy at all may figure out that if they had been refused admission there would not be any serious unemployment problem in the United States today.

Mr. BLANTON. Will the gentleman yield?

Mr. DIES. I yield to the gentleman from Texas.

Mr. BLANTON. If I understand my colleague, who is posted on this subject, there are 16,000,000 foreign-born people today in the United States?

Mr. DIES. That is true.

Mr. BLANTON. There are 6,500,000 aliens who are now holding jobs here or else are on relief?

Mr. DIES. Yes.

Mr. BLANTON. And the gentleman said, and it is a fact, the best evidence we have here is that there are 3,500,000 aliens unlawfully in this country?

Mr. DIES. That is true. I can prove by the figures of the Department itself and by simple mathematics that there are 3,500,000 aliens in this country unlawfully. When we undertake to provide for adequate deportation laws, there are some who say, "Oh, you are narrow minded and bigoted." They say it is based on racial prejudice or religious bigotry. Those statements are made in spite of the fact that every other country today is deporting such aliens. France has deported thousands of aliens. You talk about France not having an unemployment problem. One reason that France has only 313,000 unemployed, as compared with our 10,000,000 unemployed, is that France writes on your passport when you go there "Not good for any salaried job" and she has been deporting them and sending them across the border. Under the laws of Germany when you live in that country today they can make you transfer your property to Germany and accept marks in return. Germany will not permit an alien to hold a job so long as there is a German citizen to fill it. The same thing is true in the Netherlands and even Mexico will not admit anyone unless they can show they have 20,000 pesos and they cannot take a job there that a native Mexican can fill. In England, Belgium, and other enlightened nations aliens cannot hold jobs which their own citizens can fill.

Mr. SADOWSKI. Will the gentleman yield?

Mr. DIES. I yield to the gentleman from Michigan.

Mr. SADOWSKI. What was the population of this country in 1873?

Mr. DIES. The population of this country after the War between the States was 31,000,000 people. Of that 31,000,000 people one-eighth was foreign stock. Today one-third of your population is foreign stock. I have no prejudice against them.

Mr. SADOWSKI. Will the gentleman answer the question?

Mr. DIES. I have answered the question.

Mr. SADOWSKI. Does the gentleman know what our population was in 1873?

Mr. DIES. I have answered the gentleman's question. After the War between the States the population was about 31,000,000. There was not much immigration between 1860 and 1873.

[Here the gavel fell.]

Mr. BLANTON. I yield to my colleague the distinguished gentleman from Texas 5 minutes additional.

Mr. SADOWSKI. We had a great depression in 1873. Our population then was about 30,000,000 less than it is now.

Mr. DIES. The gentleman is an advocate of the theory that the more people you get here the more consumers you will have.

Mr. SADOWSKI. No; I do not advocate that, but the gentleman's argument is not logical when he says that the depression is caused by the great volume of foreign-born people here.

Mr. DIES. I did not say the depression was caused by immigration. We might have had a depression anyway. I do say to the gentleman and to all people that if we had refused admission to the 16,500,000 foreign born in our midst today we would not have the serious unemployment which we do have.

Mr. SADOWSKI. I want to make myself clear. I am not opposing this Filipino bill. But the gentleman's argument is not logical when he says that the depression is because of the fact that we have so many foreign-born people here. That argument does not make sense.

Mr. DIES. I did not say that. I said if we had not admitted the 16,500,000 we would not have 10,000,000 unemployed. If the gentleman understands ordinary mathematics, he can figure that out for himself. I am not saying this in prejudice to the Jew or the Italian or anyone else. I say it is in the interest of the naturalized citizens of this

country just the same as it is in the interest of the native-born citizens that we exclude these people in the future.

Mr. BEAM. Will the gentleman yield?

Mr. DIES. I yield to the gentleman from Illinois.

Mr. BEAM. I was interested in the statement of the gentleman that there were 16,000,000 foreign born in America.

Mr. DIES. Yes.

Mr. BEAM. How many are naturalized?

Mr. DIES. Of the 16,000,000 foreign born, all but about 7,500,000.

Mr. BEAM. Does the gentleman feel that when a foreign-born citizen comes over here and subscribes to our citizenship oath and becomes naturalized he should not be entitled under the American form of Government to the same rights as the native born?

Mr. DIES. I said nothing of the kind. When a man becomes a citizen of this country he is a citizen. I am not talking about those. I am talking about the aliens who are illegally and unlawfully in this country, the ones who ought to be deported. Now, I am not going to enter into an argument on this subject. If the gentleman will ask me a question I will answer it.

Mr. BEAM. I want to get the gentleman's thought, to which the House is entitled. If a man is naturalized in America and takes the oath of allegiance to the American flag, is he entitled to the same privileges and prerogatives of the ordinary native-born American citizen?

Mr. DIES. Yes. What I say is not directed in a spirit of prejudice or bias toward the naturalized citizens of this country. What I say to the gentleman is that the naturalized citizens, the same as the native-born citizens of this country, are entitled to the same protection that other countries give their citizens.

I want to say to the gentleman right now, according to your State Department there are 970,000 aliens who will enter the United States when the administrative temporary restriction, which was put into effect in 1930, is relaxed; and it is being relaxed, according to the State Department's own admission. What I do say to the gentleman is that neither you nor any other man can permanently cure the problem of unemployment as long as you admit to this country new-seed immigration, and I am not talking about the matter of reuniting families under proper safeguards.

Mr. BEAM. I want to ask the gentleman—

Mr. DIES. I am making this speech—the gentleman can get his own time.

Mr. BEAM. Will the gentleman yield?

Mr. DIES. I have only a few minutes.

Mr. BEAM. Just one second, because this is important. The gentleman stated there are 16,000,000 foreign born here and that if they had not been admitted there would be no depression, and then the gentleman—

Mr. DIES. Mr. Speaker, I do not yield.

Mr. BEAM. Then the gentleman states they are entitled to all the rights—

Mr. BLANTON. Mr. Speaker, I make the point of order the gentleman from Illinois should obey the rules.

Mr. DIES. While we are on this point why not be frank and sincere about this question? Why is it we are not permitted in this House to vote on the question of whether or not we are going to permanently close, lock, and bar the gates of this country to new-seed immigration, deport aliens unlawfully here, and give the jobs to Americans? Why not make available, under your quota, admissions solely for the purpose of reuniting your families under proper safeguards, and why not by vigorous enforcement and adequate legislation deport those who are unlawfully in this country and get rid of them, as well as new-seed immigration, if you want to solve the problem of unemployment? [Applause.]

[Here the gavel fell.]

Mr. KRAMER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Speaker, this bill provides for the return to the Philippine Islands of Filipinos who desire to go there, the expense to be paid by the United States

Government. There is no compulsion about it. Government transports will be used to carry them.

Heretofore I have been opposed to this bill because it carried a provision to the effect that some of the Filipinos benefited thereunder might come back. And I have opposed it for other reasons also. The proponents of this bill today have agreed with me on an amendment to the effect that none of these Filipinos who take advantage of this act shall ever be permitted to come back. With this amendment added, speaking only for myself, I have withdrawn the opposition I have heretofore manifested to the bill. It might be interesting for you to know that the Filipinos are not permitted to become citizens. Their offspring may become citizens if born here. Now that they are getting their independence and as a nation rather favor this bill, it is likely there will be no soreness about it.

I do not know that it is absolutely the proper thing to do to pass this bill but in view of the fact there is so much unemployment, and in view of the fact there are so many Filipinos who want to go back, and in view of the fact there are so many of them on relief, I do not know why it would not be a good thing to send them back. Those who are interested in these problems advocated the measure and, consequently, I am ready to withdraw my objection. [Applause.]

[Here the gavel fell.]

Mr. KRAMER. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. BLANTON. And, Mr. Speaker, I yield the gentleman 5 minutes.

Mr. DICKSTEIN. Mr. Speaker, the proposal of this bill has been before my committee for 3 years. We came to this House a number of years ago, appealed to the wisdom of the House to give this relief by repatriating the Filipinos, and we have, as a result of that consideration, accomplished something.

After my bill (H. J. Res. 71) was objected to this session on the last Consent Calendar day, the matter was discussed with me by the gentleman from California [Mr. KRAMER] and he suggested reporting out a new bill. I did not hesitate a minute to question whether it came from this side of the aisle or the other side of the aisle, and the committee reported out the Welch bill which is along practically the same lines as the Dickstein bill, except for the fact there are some provisions in this measure differing from the other bill quite extensively. However, this bill is a very good bill and I think this House ought to pass it today.

I think it is entirely unfair for some Members to say that they would like to send all the aliens out of the country. If you read the speech I made a few weeks ago you have seen that I have given you figures which I based upon facts of the last census, and the figures ascertained from the last census do not compare with the figures given by my friend, the gentleman from Texas [Mr. DIES].

The records of the 1930 Census with added figures secured from the Labor Department for subsequent years, which I stated in my earlier speech, show in round figures the following.

In 1930 there was found to be about 14,204,150 persons of foreign birth residing in the United States and Territories. Many of these foreign-born residents had come here 10, 15, 20, or 30 years ago and about 9,185,950 of them had become citizens or had filed their declarations of intention to become citizens—over 7,915,950 had become fully naturalized citizens and about 1,270,000 had filed their declarations of intention—so that in the census there were found here only about 6,018,200 persons of foreign birth who had not at that time become citizens or made declarations of intention to become citizens. These were the only real aliens in the United States when the 1930 census was taken.

Of these, it is estimated that perhaps 248,200 have since died, and further reduction resulted by the fact that since 1930 there have been about 230,000 more foreign-born persons left the United States than there were foreign-born persons admitted into the United States. In addition the records indicate that since the 1930 census was taken, about

657,125 foreign-born persons have become citizens under some part of our naturalization laws and perhaps 882,875 have now filed their declarations of intention to become citizens.

Most of these foreign-born persons are self-reliant, self-supporting, law-abiding residents; many of them, especially those of them who are citizens or declarants, hold positions of responsibility both in private business and in government activities.

So I cannot see the logic of the arguments when you say that if we had not let these 14,204,150 foreign-born persons, who were here in 1930, come into this country—only about 4,000,000 of whom are now actually aliens—we would now have 14,000,000 jobs for American workmen who were born here. I suppose if we had no Indians here, we might then have plenty of work now in the United States; and we might give a number of similar illustrations which would show all such talk is all tommyrot.

If an alien has been permitted under our laws to come here and is behaving himself in our midst, and is subscribing to our laws and Constitution, I state that he has committed no wrong; and I say further that, even if he has not yet chosen to take the first steps under our laws toward becoming a citizen, he is entitled to the protection and equal opportunity under our laws, and is entitled also to the proper protection of the provisions, as an alien, of section 20 of the act of March 4, 1909. (See sec. 52 under title 18 of the United States Code, on p. 462 of 44 Stat. pt. 1.) I claim we should legislate to help him in any desire he may have, to become a citizen rather than blame him for the economic difficulties of this country.

I reiterate that I doubt if there are more than 4,000,000 persons of foreign birth now in the United States who were lawfully admitted under our immigration laws and who at this time have not either become citizens or filed declarations to become citizens; in other words, still are, properly speaking, aliens here.

I know of no way that anything like an accurate estimate can be made to show the number of foreign-born persons in the United States who have come here without being lawfully admitted under some provisions of our immigration laws.

Why pick on the alien all the time, simply because he is foreign born? They are entitled to the protection of our laws. What you ought to do now is to pick on the criminal who is an alien, and I am here to cooperate with the House to deport all these alien criminals who are in the United States, irrespective of the number of crimes that may have been committed since their arrival in this country.

My committee has before it at the present time a bill that will do that very thing. It will create a power in departments to deport all alien habitual criminals in the United States to their respective native countries, and, once deported, they will have to stay out of the United States. This bill, I sincerely hope, will be reported next week. That answers the question of my friend Mr. Dies and others who want to deport these alien criminals, but for humanity sake let us not disturb families whose breadwinner is in the non-criminal classes and who has in many cases been here 15 to 20 years. In the first place, you could not now deport them, and, in the second place, you have no law under which you could deport them, because they have committed no wrong or criminal act in this country.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. DIES. The gentleman certainly sees a distinction between aliens legally here and those illegally here? Is the gentleman in favor of deporting all aliens who are illegally in the United States?

Mr. DICKSTEIN. I am prepared to deport from the United States those who have violated any law—

Mr. DIES. Those illegally in the country?

Mr. DICKSTEIN. Those illegally in the country, with a criminal record against them.

Mr. DIES. Then, why talk about citizens?

Mr. DICKSTEIN. Oh, the gentleman brought up the question of citizenship himself, and he said that if we had not permitted these 16,000,000 aliens to come here we would have 16,000,000 jobs for Americans. I say that that argument is beside the point. The gentleman will recall that a year ago I brought a bill up on this floor during the last days of the Seventy-third Congress, under suspension of the rules. That meritorious bill was defeated because most of the Members voting did not know, at that last minute, what the real purpose of the bill was. The bill was to gather in the alien gunman and the dope peddler and the alien racketeer for deportation, irrespective of whether those aliens had committed, been convicted and sentenced to 1 year or more for each of one, two, or more felonies involving moral turpitude, which the present law now requires.

Mr. BLANTON. Is the gentleman in favor of deporting all aliens who are here unlawfully?

Mr. DICKSTEIN. I am ready to deport all aliens who are here unlawfully since we passed the basic act of 1924, and who have a criminal record against them.

Mr. BLANTON. Would the gentleman report out a bill of that kind?

Mr. DICKSTEIN. We are considering one such now.

Mr. BLANTON. To deport all aliens who are here unlawfully?

Mr. DICKSTEIN. All aliens who have violated our laws since 1924.

Mr. BLANTON. Leave out the question of violation of the law after they come here. I mean all aliens who are here unlawfully.

Mr. DICKSTEIN. I am prepared to bring out a bill to this Congress to deport all criminal aliens who came here after July 1, 1924.

Mr. BLANTON. Let me ask one question. Leaving out the matter of criminals, there are aliens here unlawfully. Is the gentleman in favor of deporting all aliens who are here unlawfully?

Mr. DICKSTEIN. I am again going to present a bill to the House and let the House pass on the question.

Mr. BLANTON. The gentleman is not willing to state his own opinion on that?

Mr. DICKSTEIN. That is a long question. If I had more time I would give you my personal position upon the matter, but I am willing to abide by the will of the House.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. Yes.

Mr. MARCANTONIO. An alien who comes here lawfully is an alien who has a passport and a visa.

Mr. DICKSTEIN. Yes. With proper immigration inspection at our ports of entry.

Mr. MARCANTONIO. Prior to 1880 how many aliens came to the United States with a passport and visa?

Mr. DICKSTEIN. There were no passports and no visas in those days.

Mr. MARCANTONIO. So that the distinction between lawful and unlawful is a matter of red tape.

Mr. RICH. Why should anybody, regardless of where they came from, who has lived in America for a period of 10 years or more and who does not wish to subscribe to all of the rules and regulations and laws of the country, be permitted to stay in this country?

Mr. DICKSTEIN. I am in sympathy with the gentleman and I agree with him. We have a bill that will be soon reported out, of which Mr. Dies is the author, which deals with both Fascists and Communists, and will give us a chance to deport them, as well as keep them out in the first place.

The SPEAKER. The time of the gentleman from New York has expired.

[Here the gavel fell.]

Mr. KRAMER. Mr. Speaker, I think there has been a great deal of conversation which does not apply to the purposes of the bill. There has been a great deal of discussion on matters that were foreign to this bill. This

bill gives an opportunity to send Filipinos in the United States and in the District of Columbia to the Philippine Islands, and will relieve the employment situation on the Pacific coast, and throughout the United States, and even here in the Capital. Those people are costing us now on the Pacific coast, in the matter of relief, about \$150,000 a month, and it would be a humanitarian act to send these Filipinos back home; a great many of them want to go back to their native land.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. KRAMER. Yes; I yield to my friend from New York.

Mr. KENNEY. This bill would permit any natives of the Philippine Islands to go back there, whether they be citizens of the United States or not.

Mr. KRAMER. Yes, sir; exactly so.

Mr. KENNEY. The idea is that these gentlemen have asked to go back there, thinking their future would be better in the Philippine Islands.

Mr. KRAMER. Yes.

Mr. KENNEY. I ask the gentleman whether or not the Philippine Islands are not prospering over there under a state lottery, permitted under the American flag?

Mr. KRAMER. I could not answer as to that.

Mr. Speaker, I yield the remainder of my time to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Speaker, I sincerely regret that this humanitarian measure has offered an excuse to bring before the House at this time the entire immigration question.

The purpose of the bill under consideration, H. R. 6464, is to repatriate or return to the Philippine Islands thousands of unemployed and destitute Filipinos. As stated before, it is a decidedly humanitarian measure, and an economic one as well. From the most reliable information possible—and I refer to the United States Department of Labor Immigration Bureau—there are at this time approximately 65,000 Filipinos in the United States. About half of that number are in the State of California. The remainder are spread throughout the large cities of this country. Twenty thousand of them have indicated a desire to be returned home at the expense of our Government.

Mr. Speaker, we should remember that our Government is responsible for the presence of the Filipinos in this country.

Mr. COLDEN. Will the gentleman yield?

Mr. WELCH. I will be glad to yield to my colleague.

Mr. COLDEN. Is it not a fact that the sugar planters of the Hawaiian Islands brought thousands of these men from the Philippine Islands?

Mr. WELCH. I am going to reach that point. Under the Treaty of Paris between this country and Spain, the Filipinos were granted unrestricted entry into this country. The Hawaiian sugar plantation and mill owners lured thousands of them from the Philippine Islands to the Hawaiian Islands. Selfish employers of labor brought them to this country. In my district in San Francisco, during the prosperous period before the depression, they were paid \$2.16 a day in light industry, taking the places of men who had passed their prime, women, and boys. Therefore we are responsible for their presence here.

Before the depression the fact that they were taking the places of American labor brought about bitter feelings. Since the depression, with millions of Americans walking the streets, that feeling has been intensified to such a degree that their employers were forced to dispense with their labor, thereby forcing them on relief rolls. Nearly all of these Filipinos are young men. They have been shuffled around from pillar to post until they are objects of pity. They are our wards and have been for 35 years and will continue to be for 10 more long years. Therefore we are duty bound, as I see it, to send them to their homes, where they will be provided for by their relatives and friends.

Mr. Speaker, I sincerely hope this very worthy measure will pass.

I yield back the balance of my time.

The SPEAKER. The gentleman yields back 1 minute.

The gentleman from Texas is recognized.

Mr. BLANTON. Mr. Speaker, much good has been accomplished by the fight that was made upon this bill. I want to compliment the gentleman from California, [Mr. KRAMER] and his colleague from California, the author of the bill, on agreeing to an amendment that has been put in the bill. The bill now is amended by a good amendment that prevents these Filipinos from ever coming back to continental United States. That is one of the things we have been fighting for, and concerning which our fight has been successful. Of course, with that amendment the bill is not so objectionable as it was before.

There is a bad precedent that will be established by this bill that I dislike to see established in the United States, that is, to pay the way back of aliens who want to take a trip home voluntarily. Whenever we start that, what is our chairman going to do if these 3,500,000 unlawful aliens say, "Pay our way back and let us go"? Of course, I want to get rid of them, but what would he do if these other 6,500,000 who are here lawfully should want their way paid back? When he gets through he will be having a May Day picnic for about 10,000,000 aliens going back to a foreign country. If we could send them back there and if we could keep them there like we are keeping these Filipinos, I would say well and good; it is money well spent; let us get rid of them. Let us keep American jobs in this country for the unemployed Americans who are entitled to the jobs and whose families are suffering now because of the unemployment.

Mr. COLDEN. Will the gentleman yield?

Mr. BLANTON. I have already yielded most of my time. I am sorry. I want to use my few minutes, please.

What are we going to do with this question? I asked the chairman a fair question, "Are you in favor of deporting these 3,500,000 aliens who came in here unlawfully?" He said, "Well, yes; if they committed crimes." Why not "yes" without that proviso? If they came in here unlawfully, why do we not make them go back, for they did not comply with the law? Why can we not get that kind of a bill passed? Between now and Monday I am going to send a bill to the gentleman's committee to require the deportation of every alien in the United States who is here unlawfully.

Mr. MARCANTONIO. Mr. Speaker, a point of order.

Mr. BLANTON. I do not yield for unauthorized points of order.

Mr. MARCANTONIO. The gentleman does not have to yield. I am making a point of order.

Mr. BLANTON. Mr. Speaker, my argument conforms to the rules and is not subject to any point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. MARCANTONIO. May I submit my point of order? My point of order is that the gentleman is not confining his remarks to the bill, which provides for the repatriation of Filipinos. He is now discussing the general immigration question.

The SPEAKER. The Chair understood the gentleman to be talking about immigration. The gentleman will proceed in order.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Mississippi.

Mr. RANKIN. Mr. Speaker, I think myself the gentleman has put his finger on the spot and that we are probably starting on a policy which will ultimately result in the deportation of 3,500,000 people. Now, he says they committed a crime when they came into this country illegally. I am not talking about the Filipinos but about those who are here unlawfully. If they were convicted of that crime, then the United States would have to pay the expenses of their deportation. Is not that right?

Mr. BLANTON. Yes; we would. That is the reason I am saying it is money well spent if we can get the committee to bring in a bill to send back every alien who is here unlawfully.

I am going to send the committee of the gentleman from New York another bill that will require every alien in the United States within 60 days after the passage of that bill to register and show at what port of entry he came into the United States, where he came from, how long he has been here, and what he is doing, what kind of a job he is holding, for whom he is working, whether or not he is on relief, and making it a felony and ground for deportation if he fails to register within the 60 days, and to deport all aliens here unlawfully. Is that a good bill?

Mr. KRAMER. Mr. Speaker, if the gentleman will yield, I have that very amendment in the bill before the committee.

Mr. BLANTON. I am going to send him that bill and send him a little bouquet with it.

Mr. DICKSTEIN. Will it be a bouquet of nice flowers?

Mr. BLANTON. A little bouquet of nice flowers to make it look inviting, and I ask from the gentleman consideration of that bill.

This bill now under consideration is going to cost \$900,000. There are 30,000 Filipinos, and the estimate I have gotten is that it will cost \$30 a piece to send them home. This will make \$900,000 to send home the 30,000 Filipinos who are staying here.

I am sorry; I cannot yield.

Mr. Speaker, two whole big election precincts in my district are made up of foreign-born citizens and their descendants; every voter in those precincts is of foreign extraction; yet every one of them is in favor right now of stopping new-seed immigration. They want this country for the benefit of Americans, both native-born and naturalized; they want it for the benefit of their children and their children's children; and many are writing me: "Mr. BLANTON, we are behind your fight to protect this country against new-seed immigration."

Why, after you pass this bill and spend \$900,000 to send these 30,000 Filipinos back home, they still have a quota. Fifty Filipinos can come in here every year.

Under the existing law the Philippine Islands have a quota of 50. Fifty Filipinos can come over here every year.

Mr. KRAMER. Not these.

Mr. BLANTON. Oh, not these, because of the amendment I got put on the bill. Why does the gentleman want to mix up tweedle-dum and tweedle-dee? The chairman of the committee [Mr. DICKSTEIN] admits that 50 Filipinos can come in here every year under their quota. If you are going to spend \$900,000 to get Filipinos out of the country why do you want to let any come in? Why do you not pass a bill to stop it from now on?

I am sorry, Mr. Speaker, but I cannot yield to the gentleman from California [Mr. WELCH]. I have already yielded the gentleman 5 minutes of my time. I should think he would appreciate my kindness in having yielded to him.

Mr. Speaker, I do not yield. I ask that these interruptions be not taken out of my time.

Go from the United States to the Philippines, even as an immigrant, and see if it does not cost \$30. The estimate that I got was that it would cost \$30 a piece to send these 30,000 Filipinos back home, or the sum of \$900,000.

[Here the gavel fell.]

The SPEAKER. The question is, Shall the rules be suspended and the bill be passed?

The question was taken, and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

ANNIVERSARY OF ADOPTION OF ORDINANCE OF 1787 AND SETTLEMENT OF NORTHWEST TERRITORY

Mr. SECREST. Mr. Speaker, I move to suspend the rules and pass House Joint Resolution 208, to provide for the observance and celebration of the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory, as amended.

The Clerk read the bill, as amended, as follows:

Joint resolution to provide for the observance and celebration of the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory

Resolved, etc., That there is hereby established a commission to be known as the "Northwest Territory Celebration Commission" (hereinafter referred to as the "Commission") and to be composed of 14 commissioners, as follows: The President of the United States; 2 Members of the Senate, 1 from each of the two major parties, to be appointed by the President of the Senate; 2 Members of the House of Representatives, 1 from each of the two major parties, to be appointed by the Speaker of the House of Representatives; the Regent of the State chapter of the Daughters of the American Revolution of each of the 6 States formed from the Northwest Territory, namely, Ohio, Indiana, Michigan, Illinois, Wisconsin, and Minnesota; and 3 individuals from private life, to be appointed by the President of the United States. The commissioners shall serve without compensation and shall select a chairman from among their number.

SEC. 2. It shall be the duty of the Commission to prepare and carry out a comprehensive plan for the observance and celebration of the one hundred and fiftieth anniversary of the adoption of the Ordinance of 1787 and the settlement of the Northwest Territory. In the preparation of such plan, the Commission shall cooperate, insofar as is possible, with the several States and particularly with the States of Ohio, Indiana, Michigan, Illinois, Wisconsin, and Minnesota, and shall take such steps as may be necessary in the coordination and correlation of plans prepared by State commissions, by agencies appointed by the governors of the several States, and by representative civic organizations.

SEC. 3. (a) Without regard to the civil-service laws or the Classification Act of 1923, as amended, the Commission is authorized to appoint and prescribe the duties and fix the compensation (not to exceed \$5,000 per annum) of a director and such other employees as are necessary in the execution of its functions.

(b) The Commission may make such expenditures as are necessary to carry out the intent and purposes of this resolution, including all necessary traveling expenses and subsistence expenses incurred by the commissioners.

(c) The Commission shall cease to exist within 6 months after the date of the expiration of the celebration.

SEC. 4. There is authorized to be appropriated the sum of \$75,000, or so much thereof as may be necessary to carry out the purposes of this joint resolution.

The SPEAKER. Is a second demanded?

Mr. TRUAX and Mr. JENKINS of Ohio rose.

The SPEAKER. Is the gentleman from Ohio [Mr. JENKINS] opposed to the bill?

Mr. JENKINS of Ohio. I am opposed to the bill with the last amendment in it. I want the bill to provide for \$100,000 and not for \$75,000. I think this project is a big thing and is worthy of Government support.

The SPEAKER. Is the gentleman from Ohio [Mr. TRUAX] opposed to the whole bill?

Mr. TRUAX. I am opposing the bill as it will be offered.

The SPEAKER. The Chair did not understand the qualification of the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Speaker, I am opposed to the bill as it reads at the present time.

The SPEAKER. The Chair recognizes the gentleman from Ohio [Mr. JENKINS], a member of the minority.

Mr. TRUAX. Mr. Speaker, I make the point of no quorum.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 6143. An act to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1803. An act to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Eleventh Olympic Games.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 6143. An act to extend the time during which domestic animals which have crossed the boundary line into foreign countries may be returned duty free.

ADJOURNMENT

Mr. RANKIN. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p. m.) the House adjourned until tomorrow, Tuesday, May 21, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE POST OFFICE AND POST ROADS

(Tuesday, May 21, 10 a. m.)

Subcommittee no. 10 will hold hearings on bill (H. R. 7506), to provide for a stenographic grade in the offices of the chief clerk and superintendent in the Railway Mail Service, in room 213, old House Office Building.

COMMITTEE ON THE PUBLIC LANDS

(Tuesday, May 21, 10 a. m.)

Committee will hold hearings on various bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

347. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Post Office Department for the fiscal year 1936, in the amount of \$1,850,000, for transportation of foreign mail by aircraft across the Pacific Ocean between California and China (H. Doc. No. 191); to the Committee on Appropriations and ordered to be printed.

348. A communication from the President of the United States, transmitting draft of a proposed provision pertaining to the appropriation contained in the Emergency Relief Appropriation Act of 1935, approved April 8, 1935 (Public Resolution No. 11, 74th Cong.) (H. Doc. No. 192); to the Committee on Appropriations and ordered to be printed.

349. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Commerce for the fiscal year 1936, amounting to \$76,700 (H. Doc. No. 193); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KELLER: Committee on the Library. House Joint Resolution 232. Joint resolution authorizing the erection of an equestrian statue of Gen. Robert E. Lee in the Arlington National Cemetery; without amendment (Rept. No. 964). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 237. Joint resolution for the establishment of a trust fund to be known as the "Oliver Wendell Holmes Memorial Fund", with amendment (Rept. No. 965). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 265. Joint resolution pertaining to an appropriate celebration of the four hundredth anniversary of the expedition of Hernando De Soto; with amendment (Rept. No. 966). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTE HILL: Committee on Irrigation and Reclamation. H. R. 7873. A bill to give the consent and approval of Congress to the extension of the terms and provisions of the present Rio Grande compact signed at Santa Fe, N. Mex., on February 12, 1929, and heretofore approved by act of Congress dated June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767); without amendment (Rept. No. 967). Referred to the House Calendar.

Mr. CONNERY: Committee on Labor. H. R. 7978. A bill to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes; without amendment (Rept. No. 969). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 7870. A bill to provide a preliminary examination of the Purgatoire (Picketwire) and Apishapa Rivers, in the State of Colorado, with a view to the control of their floods and the conservation of their waters; without amendment (Rept. No. 970). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 7652. A bill to authorize the furnishing of steam from the central heating plant to the Federal Reserve Board, and for other purposes; without amendment (Rept. No. 971). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 3912) to amend an act for the relief of Clarence R. Killion; Committee on World War Veterans' Legislation discharged, and referred to the Committee on Military Affairs.

A bill (H. R. 8018) granting an increase of pension to Mary I. Pingrey; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 8130) providing that the unexpended balance of the appropriation for grasshopper control, contained in the Agricultural Department Appropriation Act of 1935, remain available during the fiscal year ending June 30, 1936; to the Committee on Appropriations.

By Mr. CARY: A bill (H. R. 8131) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Owensboro, Ky.; to the Committee on Interstate and Foreign Commerce.

By Mr. COLDEN: A bill (H. R. 8132) to provide for the construction of a post-office building in Wilmington, Calif.; to the Committee on Public Buildings and Grounds.

By Mrs. GREENWAY: A bill (H. R. 8133) to authorize certain homestead settlers or entrymen who are disabled World War veterans to make final proof of their entries, and for other purposes; to the Committee on the Public Lands.

By Mr. PEARSON: A bill (H. R. 8134) to change the name of Pickwick Landing Dam to McKellar Dam; to the Committee on Military Affairs.

By Mr. RANKIN: A bill (H. R. 8135) to provide for the development of the Tennessee Valley and Tombigbee River Inland Waterway, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. STEFAN: A bill (H. R. 8136) authorizing the Decatur-Onawa Interstate Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River at or near Decatur, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITE: A bill (H. R. 8137) to add public lands to the Salmon National Forest, in the State of Idaho; to the Committee on the Public Lands.

By Mr. BOEHNE: A bill (H. R. 8138) authorizing the Perry County Bridge Commission of Perry County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River at or near Cannelton, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. BLAND: A bill (H. R. 8139) to provide for compensation for overtime services of local inspectors of steam vessels, United States shipping commissioners and their

deputies, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GAMBRILL: A bill (H. R. 8140) to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the postgraduate school, the United States Naval Academy; to the Committee on Naval Affairs.

By Mr. VINSON of Georgia: A bill (H. R. 8141) authorizing the Secretary of the Navy to accept on behalf of the United States the devise and bequest of real and personal property of the late Paul E. McDonnold, passed assistant surgeon with the rank of lieutenant commander, Medical Corps, United States Navy, retired; to the Committee on Naval Affairs.

By Mr. DOUGHTON: Joint resolution (H. J. Res. 295) to extend until June 16, 1937, and to amend the provisions of title I of the National Industrial Recovery Act, and for other purposes; to the Committee on Ways and Means.

By Mr. KNUTE HILL: Joint resolution (H. J. Res. 296) proposing an amendment to the Constitution of the United States, prohibiting decisions of the Federal courts of the United States relative to legislative acts of the Congress of the United States; to the Committee on the Judiciary.

By Mr. WALTER: Joint resolution (H. J. Res. 297) granting consent of Congress to a compact or agreement between the Commonwealth of Pennsylvania and the State of New Jersey creating the Delaware River Joint Toll Bridge Commission and specifying the powers and duties thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITE: Joint resolution (H. J. Res. 298) authorizing the erection of a memorial building at Spalding State Park, Idaho, commemorating the centennial anniversary of the arrival of Dr. Henry Spalding and his wife, Eliza, in Idaho, and the beginning of civilization in the Northwest; to the Committee on Public Buildings and Grounds.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii, memorializing Congress to send a United States Labor Commissioner to the Territory of Hawaii; to the Committee on the Territories.

Also, memorial of the Legislature of the Territory of Hawaii, regarding the issuance of certificates of citizenship to residents of Hawaii; to the Committee on the Territories.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHURCH: A bill (H. R. 8142) for the relief of C. F. Swasas; to the Committee on Claims.

By Mr. GRAY of Pennsylvania: A bill (H. R. 8143) granting a pension to Benson A. Weston; to the Committee on Invalid Pensions.

By Mr. GRISWOLD: A bill (H. R. 8144) for the relief of Thomas J. Gardner; to the Committee on Military Affairs.

By Mr. GUYER: A bill (H. R. 8145) granting a pension to Hubert L. Anderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8146) granting an increase of pension to Frances Edna Morrow; to the Committee on Invalid Pensions.

By Mr. KELLER: A bill (H. R. 8147) for the relief of Minnie and Ellen Barber; to the Committee on Claims.

By Mr. McKEOUGH: A bill (H. R. 8148) for the relief of Mildred Lane; to the Committee on Claims.

By Mr. MAPES: A bill (H. R. 8149) granting an increase of pension to Hanna Rookus; to the Committee on Invalid Pensions.

By Mr. SCOTT: A bill (H. R. 8150) granting a pension to Flora B. Thomas; to the Committee on Invalid Pensions.

By Mr. SHORT: A bill (H. R. 8151) granting a pension to Ruth Ann Breedlove; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 8152) granting a pension to Ellogene E. Raymond; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 8153) granting an increase of pension to Julia Peart; to the Committee on Pensions.

Also, a bill (H. R. 8154) granting an increase of pension to Eliza Hoag; to the Committee on Pensions.

By Mr. WALTER: A bill (H. R. 8155) granting an increase of pension to Mary M. Snyder; to the Committee on Pensions.

By Mr. WIGGLESWORTH: A bill (H. R. 8156) for the relief of Lt. Leo L. Waite; to the Committee on Naval Affairs.

By Mr. BLOOM: A bill (H. R. 8157) authorizing the appointment and retirement of Parker C. Kallock, Jr., as a major, United States Army; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8520. By Mr. ANDREW of Massachusetts: Memorial of the General Court of Massachusetts, favoring additional appropriations for the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

8521. By Mr. BUCKBEE: Petition of the House of Representatives, State of Illinois, asking for legislation covering a special commemorative postage stamp in honor of the one hundred and fiftieth anniversary of the termination of Commodore John Barry's services with the American Revolutionary forces; to the Committee on the Post Office and Post Roads.

8522. By Mr. CONNERY: Resolutions of the General Court of Massachusetts, memorializing Congress in favor of requesting the President of the United States to exercise certain powers under the National Industrial Recovery Act for the benefit of the cotton-textile industry; to the Committee on Ways and Means.

8523. Also, resolutions of the General Court of Massachusetts, seeking national unemployment-insurance legislation; to the Committee on Ways and Means.

8524. Also, resolutions of the General Court of Massachusetts, requesting the National Recovery Administration to grant to Massachusetts boot and shoe manufacturers and others relief from unfair competition; to the Committee on Ways and Means.

8525. Also, resolutions of the Revere Aerie, No. 781, of the Fraternal Order of Eagles, urging Congress to support that part of the social-security bill which provides for Federal monetary assistance to the States paying old-age pensions; to the Committee on Ways and Means.

8526. By Mr. HEALEY: Resolution of the board of directors of the New England Milk Producers' Association, favoring the continuance of the Agricultural Adjustment Act and the passage of the amendments to that act now pending in Congress as House bill 7088, in order that the purchasing power of the dairy farmer may be sustained and protected; to the Committee on Agriculture.

8527. By Mr. HULL: Resolution of the Menomonie National Farm Loan Association, Menomonie, Wis., relating to stock in National Farm Loan Association; to the Committee on Agriculture.

8528. By Mr. HIGGINS of Massachusetts: Resolution memorializing Congress in favor of additional appropriations of money for use by the Home Owners' Loan Corporation in continuing its activities; to the Committee on Banking and Currency.

8529. Also, resolutions memorializing Congress for the enactment of Federal legislation to substitute another tax for the discriminatory tax on cigarettes selling at a low price; to the Committee on Ways and Means.

8530. By Mr. HULL: Resolution of the Dunn County National Farm Loan Association, of Wisconsin, urging the enactment of the Frazier-Lemke farm refinancing bill (H. R. 2066); to the Committee on Agriculture.

8531. By Mr. JOHNSON of Texas: Memorial of R. H. Smith, general chairman, and W. J. Smith, assistant chairman, Brotherhood of Maintenance of Way Employees, Corsi-

cana, Tex., favoring House Joint Resolution 219; to the Committee on Interstate and Foreign Commerce.

8532. By Mr. KENNEY: Petition of Local Union No. 1414, U. B. of C. and J. of America, Hackensack, N. J., endorsing the Major Jenny rapid transit plan; to the Committee on Interstate and Foreign Commerce.

8533. By Mr. LAMBERTSON: Petition signed by C. H. Pumphrey and a number of other citizens of Rossville, Kans., providing for regulation of interstate highway transportation; to the Committee on Interstate and Foreign Commerce.

8534. Also, petition signed by P. W. Stewart and a number of other citizens of Topeka, Kans., urging the defeat of the so-called "Wagner Labor Disputes Act"; to the Committee on Labor.

8535. By Mr. LAMNECK: Petition of C. P. Ormerod, recording secretary, Capitol City Lodge No. 274, Columbus, Ohio, favoring the passage of House Joint Resolution 219; to the Committee on Interstate and Foreign Commerce.

8536. By Mr. LESINSKI: Resolution of the Saint Ladislaus Roman and Greek Catholic Benevolent Aid and Burial Society of Delray, Mich., endorsing the Lundeen social-insurance bill (H. R. 2827); to the Committee on Labor.

8537. Also, resolution of the Copper Country Croatian Club, No. 703, C. F. U., Calumet, Mich., endorsing the embargo bill (H. R. 6835) providing for a complete embargo on all foreign copper; to the Committee on Ways and Means.

8538. Also, House Concurrent Resolution 79 of the Michigan State Legislature, fifty-eighth session, memorializing the Congress of the United States to pass House bill no. 6835, to prohibit the importation of copper and to protect the American copper industry, including that of Michigan; to the Committee on Ways and Means.

8539. Also, resolution of the Corporal James W. Johnson Post, No. 78, Veterans of Foreign Wars, Detroit, Mich., petitioning Congress and the President of the United States that the United States be kept out of any war of aggression; to the Committee on Foreign Affairs.

8540. Also, resolution of the Federal Custodial Club of Detroit, Mich., requesting the support of House bill 7267; to the Committee on the Civil Service.

8541. Also, resolution of the cotton farmers in the State of Louisiana, endorsing the Agricultural Adjustment Administration program; to the Committee on Agriculture.

8542. Also, resolution of the board of directors of the Chamber of Commerce of Iron Mountain, Mich., urging continuation of the tax on foreign copper; to the Committee on Ways and Means.

8543. By Mr. MAPES: Petition of 53 workers and citizens of Grand Haven, Mich., recommending the passage of the Wagner labor-relations bill as originally drawn without amendments; to the Committee on Labor.

8544. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, favoring additional appropriations for loans by the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

8545. By Mr. RICH: Petition of citizens of Bradford, McKean County, Pa., opposing House Joint Resolution 219; to the Committee on Interstate and Foreign Commerce.

8546. By Mrs. ROGERS of Massachusetts: Petition of the General Court of the State of Massachusetts, favoring additional appropriations of money for use by the Home Owners' Loan Corporation in continuing its activities; to the Committee on Banking and Currency.

8547. By Mr. RUDD: Petition of District Lodge No. 3, Sons of Norway, Bronx, New York City, favoring House Joint Resolution 122, requesting Leif Ericson Day on October 9 be made national holiday; to the Committee on the Judiciary.

8548. By Mr. SEGER: Petition of the Honorable Henry A. Williams, associate editor of the Morning Call, Paterson, N. J., and more than 2,000 citizens of Paterson and vicinity, favoring a constitutional amendment calling for a Nation-wide referendum before a declaration of war by Congress can become effective except in the event of invasion; to the Committee on the Judiciary.

SENATE

TUESDAY, MAY 21, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, May 20, 1935, was dispensed with, and the Journal was approved.

THE LATE SENATOR CUTTING—EXPRESSION OF APPRECIATION

The VICE PRESIDENT laid before the Senate a letter of appreciation from Mrs. Olivia M. Cutting, mother of the late Senator Bronson Cutting, of New Mexico, which was read and ordered to lie on the table, as follows:

24 EAST SEVENTY-SECOND STREET,
May 18, 1935.

DEAR MR. VICE PRESIDENT: On behalf of my family and myself I write to express our deep appreciation of the beautiful wreath which was sent by the United States Senate as a tribute to my son. It is with profound emotion that I thank his colleagues for this expression of their sympathy.

Sincerely yours,

OLIVIA M. CUTTING.

TRIBUTE TO THE LATE SENATOR CUTTING

Mr. WALSH presented resolutions adopted by the Central Labor Union of Worcester, Mass., as a tribute to the memory of the late Senator Bronson Cutting, of New Mexico, and stating, in part, "That we, the members of the Central Labor Union, adopt these resolutions of sorrow and sympathy, and thus record the trade-union movement of Worcester, Mass., on the passing of a true friend", which were ordered to lie on the table.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts and joint resolutions:

On May 10, 1935:

S. 147. An act to alter the amount apportioned to certain States for public employment offices affiliated with the United States Employment Service.

On May 14, 1935:

S. 613. An act to add certain public-domain land in Montana to the Rocky Boy Indian Reservation;

S. 707. An act to amend the act of May 19, 1926, entitled "An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the Governments of the Latin American Republics in military and naval matters; and

S. J. Res. 94. Joint resolution establishing a commission for the participation of the United States in the observance of the three hundredth anniversary of the founding of the Colony of Connecticut, authorizing an appropriation to be utilized in connection with such observance, and for other purposes.

On May 15, 1935:

S. 553. An act to authorize the settlement of individual claims for personal property lost or damaged, arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War;

S. 559. An act to authorize settlement, allowance, and payment of certain claims;

S. 563. An act for the relief of the Jay Street Terminal, New York;

S. 728. An act for the relief of Elton Firth;

S. 896. An act for the relief of Anna W. Ayer, widow of Capt. Asa G. Ayer, deceased;

S. 1037. An act authorizing adjustment of the claims of Sanford A. McAlister and Eliza L. McAlister;

S. 1039. An act authorizing adjustment of the claim of the West India Oil Co.;

S. 1056. An act authorizing adjustment of the claim of Schutte & Koerting Co.;

S. 1302. An act for the relief of certain disbursing officers of the Army, and for other purposes;

S. 2145. An act extending the time for repayment of the revolving fund for the benefit of the Crow Indians;

S. 1616. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and act amendatory and supplementary thereto;

S. 1055. An act authorizing adjustment of the claim of Frank Spector;

S. 1414. An act for the relief of the rightful heir of Joseph Gayton;

S. 1502. An act for the relief of Charles L. Graves; and

S. 2024. An act to give proper recognition to the distinguished services of Col. William L. Keller.

On May 16, 1935:

S. 282. An act for the relief of William Kemper;

S. 1053. An act authorizing adjustment of the claim of the Rio Grande Southern Railroad Co.; and

S. 1057. An act authorizing adjustment of the claim of the Pennsylvania Railroad Co.

On May 17, 1935:

S. 51. An act for the relief of Frank Kroegel, alias Francis Kroegel.

On May 20, 1935:

S. J. Res. 43. Joint resolution for the establishment of a commission for the construction of a Washington-Lincoln Memorial Gettysburg Boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield of Gettysburg in the State of Pennsylvania.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 29. An act to amend the laws relating to proctors' and marshals' fees and bonds and stipulations in suits in admiralty;

H. R. 2046. An act to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act;

H. R. 3285. An act authorizing a preliminary examination of the Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods;

H. R. 4505. An act granting the consent of Congress to the State of Maine and the Dominion of Canada to maintain a bridge already constructed across the St. John River between Madawaska, Maine, and Edmundston, New Brunswick, Canada;

H. R. 4528. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 4665. An act to authorize the appointment of a district judge to fill the vacancy in the district of Massachusetts occasioned by the death of Hon. James A. Lowell;

H. R. 5049. An act providing punishment for forging or counterfeiting any postmarking stamp;

H. R. 5162. An act providing for punishment for attempts to obtain mail by fraud or by deception;

H. R. 5229. An act directing the Secretary of the Interior to investigate, hear, and determine claims of the individual members of the Stockbridge and Munsee Tribe of Indians of the State of Wisconsin;

H. R. 5230. An act to confer jurisdiction upon the Court of Claims to hear claims of the Stockbridge and Munsee Tribe of Indians;

H. R. 5382. An act to provide for advancement by selection in the Staff Corps of the Navy to the ranks of lieutenant commander and lieutenant; to amend the act entitled "An act to

provide for the equalization of promotion of officers of the Staff Corps of the Navy with officers of the line" (44 Stat. 717; U. S. C., Supp. VII, title 34, secs. 348 to 348t), and for other purposes;

H. R. 5547. An act to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.;

H. R. 6464. An act to provide means by which certain Filipinos can emigrate from the United States;

H. R. 6836. An act to provide for the printing and distribution of Government publications to the National Archives Establishment;

H. R. 6859. An act granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River at or near Old Pireway Ferry Crossing, N. C.;

H. R. 6954. An act to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to Acadia National Park;

H. R. 6997. An act authorizing the State of Illinois and the State of Missouri to construct, maintain, and operate a free highway bridge across the Mississippi River between Kaskaskia Island, Ill., and St. Marys, Mo.; and

H. R. 7050. An act to amend the act of June 27, 1930 (ch. 634, 46 Stat. 820).

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 1803) to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Eleventh Olympic Games, and it was signed by the Vice President.

COMMITTEE ON AIR COMMERCE AND CIVIL AVIATION—MOTION TO RECONSIDER

Mr. COPELAND. Mr. President, yesterday the Senate agreed to Senate Resolution 118, creating a standing Committee on Air Commerce and Civil Aviation. I desire to enter a motion to reconsider the vote by which the resolution was agreed to.

The VICE PRESIDENT. The motion will be entered.

REPORT OF FEDERAL EMERGENCY RELIEF ADMINISTRATION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Federal Emergency Relief Administration transmitting, pursuant to law, the report of the Federal Emergency Relief Administrator covering the month of January 1935, which, with the accompanying report, was referred to the Committee on Appropriations.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Alabama which was referred to the Committee on Agriculture and Forestry:

House Joint Resolution 67

Whereas United States Senator JOHN HOLLIS BANKHEAD, of Alabama, and Hon. WILLIAM B. BANKHEAD, of Alabama, distinguished representatives of this State in the Halls of the Congress in Washington, prepared and secured the enactment of legislation known as the "Bankhead Cotton Control Act", which act has proved to have aided the cotton farmers of this Nation far along the road to economic recovery by the limitation of production, as well as the establishment of prices; and

Whereas we as citizens of the State of Alabama, many of us cotton farmers, have been directly benefited by the passage of the Bankhead Cotton Control Act; and

Whereas every Alabamian is proud of the national service rendered by the two Bankhead brothers, John and Will, in securing the enactment of beneficial legislation for American cotton farmers: Now, therefore, be it

Resolved by the House of Representatives of the State of Alabama (the senate concurring):

First. That we hereby express our appreciation to Senator JOHN H. BANKHEAD and Representative WILLIAM B. BANKHEAD for the magnificent fight made by them for the enactment of the Bankhead Cotton Control Act, which has proved of such great worth to Alabama and American cotton farmers; be it further

Resolved, That we as a body, urge them to continue the fight which they have begun for securing the ultimate economic freedom of the Alabama and American cotton farmers; be it

Resolved further, That copies of this resolution be forwarded by the secretary of state of Alabama, after approval by the Governor, to the President of the United States, and to Senator BANKHEAD and Representative BANKHEAD, at their respective offices in Washington, D. C.; that a copy be sent to the President of the United States Senate for inclusion in the CONGRESSIONAL RECORD; to the Commissioner of Agriculture and Industries of the State of Alabama, and the president of the American Farm Bureau Federation, and that copies be given to the press, so that all may know of the respect for and love of Alabama for its distinguished public servants.

The VICE PRESIDENT laid before the Senate the following resolution of the House of Representatives of the State of Illinois, which was referred to the Committee on Post Offices and Post Roads:

House Resolution 52

Whereas the Government of the United States of America has on many occasions issued commemorative postage stamps in honor of foreign-born heroes for their patriotic services to this Nation, such as the Norwegian immigrant stamp, the John Ericson stamp, the General Pulaski stamp, the General Kosciuszko stamp, and others; and

Whereas the name and fame of Commodore John Barry, historically known as the "Father of the American Navy", and one of its most successful commanders, is universally revered, especially by the people of Irish blood: Therefore be it

Resolved by the House of Representatives of the Fifty-ninth General Assembly of the State of Illinois, That we herewith earnestly petition the United States Congress to enact the legislation now before it providing for the issuance on July 9, 1935, of a special commemorative postage stamp in honor of the one hundred and fiftieth anniversary of the termination of Commodore John Barry's services with the American Revolutionary forces; and be it further

Resolved, That a copy of these resolutions be sent to the President of the United States Senate, to the Speaker of the United States House of Representatives, United States Senators LEWIS and DIETRICH, and to the Members of Congress representing Illinois.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the territory of Hawaii, which was referred to the Committee on Territories and Insular Affairs:

Whereas section 76 of the Organic Act of the Territory of Hawaii provides "it shall be the duty of the United States Commissioner of Labor to collect, assort, arrange, and present in reports in 1905, and every 5 years thereafter, statistical details relating to all departments of labor in the Territory of Hawaii, especially in relation to the commercial, industrial, social, educational, and sanitary conditions of the laboring classes, and to all such other subjects as Congress may by law direct. The said commissioner is especially charged to ascertain the highest, lowest, and average number of employees engaged in the various industries in the Territory, to be classified as to nativity, sex, hours of labor, and conditions of employment, and to report the same to Congress"; and

Whereas the United States Government has failed to send to the Territory of Hawaii a United States Labor Commissioner, or his deputy, or anyone else with authority to secure and prepare the statistics and other data provided for in said section 76 of said Organic Act; and

Whereas both labor and employer in the Territory of Hawaii have suffered through the failure of the United States Government to provide us with a United States Labor Commissioner: Now, therefore, be it

Resolved by the House of Representatives of the Eighteenth Legislature of the Territory of Hawaii (the senate concurring), That the Secretary of Labor be memorialized and requested to appoint and send to the Territory of Hawaii a United States Labor Commissioner with full authority to perform the usual duties of a labor commissioner and to prepare the statistics called for in said section 76 of the said organic act; and be it further

Resolved, That a copy of this resolution be sent to the Secretary of Labor of the United States, to the Attorney General of the United States, to the President of the United States Senate, and to the Speaker of the House of Representatives, and to the Delegate to Congress from Hawaii.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the Territory of Hawaii, which was referred to the Committee on Territories and Insular Affairs:

Joint resolution memorializing the Congress of the United States of America to provide for the issuance, by the Bureau of Immigration of the Department of Labor, of certificates of citizenship to all persons residing in the Territory of Hawaii who are citizens of the United States and who apply for such certificates and present due proof of such citizenship, and to provide for the appointment of a commission to present this resolution before the Congress of the United States, and to make available to the said commission an appropriation to defray its expenses

Whereas, through the cooperation of the Bureau of Immigration of the Department of Labor of the United States, provision has been made by said Bureau for the issuance to citizens of the United States in the Territory of Hawaii who are about to travel to continental United States and/or to other portions of the world of certificates of citizenship for the purpose of facilitating travel by such persons; and

Whereas such action on the part of said Bureau has been and is greatly appreciated by the people of the Territory of Hawaii and has assisted and is assisting in alleviating the hardships heretofore imposed upon citizens of the Territory of Hawaii and of the United States, particularly those of oriental ancestry, in traveling to other portions of the United States and of the world; but

Whereas such certificates are not issued unless and until applicants therefor contemplate traveling to other portions of the United States or the world within the near future and persons who do not so contemplate such travel are unable to secure such certificates, and there is danger, in the case of citizens not contemplating such travel, that the necessary proof of their birth in the Hawaiian Islands or other facts necessary to establish their citizenship in the United States will be lost by death or removal from the Territory of Hawaii of witnesses who can testify to such facts or otherwise; and

Whereas due to the large number of persons of oriental or Polynesian ancestry in the Hawaiian Islands born therein or otherwise entitled to citizenship in the United States and to the historical background of said islands, the conditions in said islands relating to the necessity for the certification of the citizenship of such persons are unique and require special treatment due to their unusual character; and

Whereas the certification of the citizenship of such persons, upon due application and proof being made therefor, regardless of the presence or absence of intention on the part of such persons to travel in the immediate future is a matter of vital importance to the young citizens, particularly those of oriental ancestry, in the Territory of Hawaii, and if provided for will tend to produce greater security and satisfaction in such citizenship and will tend to create better and more loyal citizens of the United States: Now, therefore, be it

Enacted by the Legislature of the Territory of Hawaii:

SECTION 1. That the Congress of the United States of America be, and it hereby is, urgently requested to provide by appropriate and adequate legislation for the certification of the citizenship of all persons residing in the Territory of Hawaii who are citizens of the United States and who apply for such certification to the Bureau of Immigration of the Department of Labor of the United States and furnish due proof of such citizenship regardless of the presence or absence of any intention on the part of such applicants to travel in the immediate future; and providing that the possession by an applicant of certificates of Hawaiian birth, duly issued by the proper territorial officials pursuant to law, shall be prima-facie evidence of such citizenship.

SEC. 2. That duly authenticated copies of this joint resolution be transmitted to the Delegate to Congress from Hawaii, the Secretary of the Interior, and the Secretary of Labor of the United States, and each of the two Houses of the Congress of the United States of America.

SEC. 3. That the Governor be, and he is hereby, authorized to appoint a commission composed of three members to proceed to Washington, D. C., to present this resolution to, and to work toward its enactment into law by, the Congress of the United States of America, if deemed advisable.

SEC. 4. That the sum of \$10,000 be, and is hereby, appropriated out of the general revenues of the Territory of Hawaii to defray the expenses of the said commission.

The VICE PRESIDENT also laid before the Senate resolutions adopted by the General Court of Massachusetts, memorializing Congress to make additional appropriations for use by the Home Owners' Loan Corporation in continuing its activities, which was ordered to lie on the table.

(See resolutions printed in full when presented by Mr. WALSH on the 20th inst., p. 7784, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a petition of sundry citizens of the State of New Jersey, praying for an investigation of charges filed by the Women's Committee of Louisiana relative to the qualifications of the Senators from Louisiana [Mr. LONG and Mr. OVERTON], which was referred to the Committee on Privileges and Elections.

He also laid before the Senate petitions of several citizens of the United States, praying for the enactment of the so-

called "Patman bonus bill", which were ordered to lie on the table.

He also laid before the Senate resolutions adopted by the Townsend Clubs of St. Louis, Mo., favoring inclusion in pending social-security legislation of the so-called "Townsend old-age revolving pension plan", which were ordered to lie on the table.

Mr. FLETCHER presented a petition of sundry citizens of Clearwater and vicinity, in the State of Florida, praying for the prompt enactment of legislation withdrawing the protection of interstate commerce from liquor advertising crossing State lines, which was referred to the Committee on Interstate Commerce.

Mr. WALSH presented the petition of the Haverhill District (Mass.) United Shoe and Leather Workers Union, praying for the enactment of the bill (S. 2039) making it a felony to transport in interstate or foreign commerce persons to be employed to obstruct or interfere with the right of peaceful picketing during labor controversies, and also the so-called "Wagner labor-disputes bill", which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by Roosevelt Council, No. 45, Sons and Daughters of Liberty, of Lowell, Mass., protesting against the enactment of the so-called "Kerr bill", relative to the deportation of aliens, which was referred to the Committee on Immigration.

He also presented the petitions of Bunker Hill Lodge, No. 1099, of Somerville; Elm Lodge, No. 2108, of Worcester, and Memorial Lodge, No. 460, of Springfield, all of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, in the State of Massachusetts, favoring the enactment of pending legislation extending the effective period of the Emergency Railroad Transportation Act for 1 year, which were referred to the Committee on Interstate Commerce.

He also presented a petition, numerous signed, of sundry citizens of the State of Massachusetts, praying for the enactment of the so-called "Patman bonus bill", which was ordered to lie on the table.

He also presented a memorial of sundry citizens of the State of Massachusetts, remonstrating against the enactment of the so-called "Patman bonus bill", which was ordered to lie on the table.

He also presented resolutions adopted by the board of directors of the New England Milk Producers' Association, and the board of directors of Consolidated Dairies, Inc., both with offices in Boston, Mass., favoring the continuance of the Agricultural Adjustment Act and the adoption of pending amendments thereto, which were ordered to lie on the table.

He also presented the memorial of sundry citizens and business firms, being employers and executives in the industrial district of New Haven, Conn., remonstrating against the enactment of the so-called "Wagner labor-disputes bill" and the "Black 30-hour work-week bill", which was ordered to lie on the table.

INVESTIGATIONS OF PERSECUTIONS IN MEXICO

Mr. WALSH. Mr. President, I present a memorandum prepared at the instance of the National Committee for the Defense of American Rights in Mexico in support of Senate Resolution 70, providing for a senatorial investigation of religious persecutions in Mexico and of alleged violations of the rights of American citizens by the Mexican Government.

The memorandum or brief deals at length with several aspects of this question. In addition to a presentation of the historical background of religious persecutions in Mexico, the brief sets forth numerous legal precedents which it is claimed warrant favorable action on the resolution (S. Res. 70) pending before the Foreign Relations Committee of the Senate. These precedents are enumerated under three classifications, namely, international law, legislative, and executive.

Another section of the brief deals with facts which it is claimed support favorable action upon the resolution. Specific cases of violations of American rights in Mexico and also facts concerning general conditions of religious persecutions in Mexico are enumerated in considerable detail.

The memorandum also calls attention to alleged interference with American rights within the confines of continental United States.

The resolutions adopted by the legislatures of six States favoring the resolution and references to the protest of conditions in Mexico by many thousands of citizens are also set forth.

I ask that the memorandum be treated in the nature of a petition and be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, the memorandum in the nature of a petition will be referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on Civil Service, to which was referred the bill (S. 1952) extending the classified executive civil service of the United States, reported it without amendment and submitted a report (No. 639) thereon.

Mr. BARKLEY, from the Committee on the Library, to which was referred the bill (S. 1929) to clarify the status of the National Zoological Park, reported it without amendment and submitted a report (No. 640) thereon.

He also, from the same committee, to which was referred the joint resolution (S. J. Res. 131) providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes, reported it with an amendment and submitted a report (No. 641) thereon.

Mr. BULOW, from the Committee on Civil Service, to which was referred the bill (S. 1225) for the relief of Harry H. A. Ludwig, reported it without amendment and submitted a report (No. 642) thereon.

He also, from the same committee, to which was referred the bill (S. 2364) relative to the retirement of certain officers and employees, reported it with an amendment and submitted a report (No. 643) thereon.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. SHEPPARD, from the Committee on Commerce, reported favorably the nominations of sundry officers in the Coast Guard, which were ordered to be placed on the Executive Calendar.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 20th instant that committee presented to the President of the United States the following enrolled bill and joint resolution:

S. 1776. An act granting a leave of absence to settlers of homestead lands during the year 1935; and

S. J. Res. 98. Joint resolution to authorize the acceptance on behalf of the United States of the bequest of the late Maj. Gen. Fred C. Ainsworth for the purpose of establishing a permanent library at the Walter Reed General Hospital to be known as the "Fred C. Ainsworth Endowment Library."

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 2870) granting a pension to Julia McBride (with accompanying papers); to the Committee on Pensions.

By Mrs. CARAWAY:

A bill (S. 2871) granting a pension to Roy A. Ault;

A bill (S. 2872) granting a pension to Humbert Fascetti; and

A bill (S. 2873) granting a pension to Robert Johnson; to the Committee on Pensions.

By Mr. SCHWELLENBACH:

A bill (S. 2874) for the relief of Thomas F. Gardiner; to the Committee on Claims.

By Mr. CAPPER:

A bill (S. 2875) for the relief of J. A. Jones (with accompanying papers); to the Committee on Claims.

By Mr. SHEPPARD and Mr. CONNALLY:

A bill (S. 2876) to give the consent and approval of Congress to the extension of the terms and provisions of the present Rio Grande compact, signed at Santa Fe, N. Mex., on February 12, 1929, and heretofore approved by act of Congress dated June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767); to the Committee on Irrigation and Reclamation.

By Mr. JOHNSON:

A bill (S. 2877) to reimpose and extend the trust period on lands reserved for the Pala Band of Mission Indians, California; to the Committee on Indian Affairs.

By Mr. ADAMS:

A bill (S. 2878) to give the consent and approval of Congress to the extension of the terms and provisions of the present Rio Grande compact, signed at Santa Fe, N. Mex., on February 12, 1929, and heretofore approved by act of Congress dated June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767); to the Committee on Irrigation and Reclamation.

By Mr. COPELAND:

A bill (S. 2879) for the relief of Catherine Grace; to the Committee on Foreign Relations.

By Mr. TRAMMELL:

A joint resolution (S. J. Res. 134) providing for participation by the United States in the Pan American Exposition, to be held in Tampa, Fla., in commemoration of the four hundredth anniversary of the landing of Hernando De Soto in Tampa Bay; to the Committee on Commerce.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 29. An act to amend the laws relating to proctors' and marshals' fees and bonds and stipulations in suits in admiralty;

H. R. 4665. An act to authorize the appointment of a district judge to fill the vacancy in the district of Massachusetts occasioned by the death of Hon. James A. Lowell; and

H. R. 7050. An act to amend the act of June 27, 1930 (ch. 634, 46 Stat. 820); to the Committee on the Judiciary.

H. R. 3285. An act authorizing a preliminary examination of the Oswego, Oneida, Seneca, and Clyde Rivers in Oswego, Onondaga, Oneida, Madison, Cayuga, Wayne, Seneca, Tompkins, Schuyler, Yates, and Ontario Counties, N. Y., with a view to the controlling of floods;

H. R. 4505. An act granting the consent of Congress to the State of Maine and the Dominion of Canada to maintain a bridge already constructed across the St. John River between Madawaska, Maine, and Edmundston, New Brunswick, Canada;

H. R. 4528. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La.;

H. R. 5547. An act to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo.;

H. R. 6859. An act granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River, at or near Old Fireway Ferry Crossing, N. C.; and

H. R. 6997. An act authorizing the State of Illinois and the State of Missouri to construct, maintain, and operate a free highway bridge across the Mississippi River between Kaskaskia Island, Ill., and St. Marys, Mo.; to the Committee on Commerce.

H. R. 5049. An act providing punishment for forging or counterfeiting any postmarking stamp; and

H. R. 5162. An act providing for punishment for attempts to obtain mail by fraud or by deception; to the Committee on Post Offices and Post Roads.

H. R. 5229. An act directing the Secretary of the Interior to investigate, hear, and determine claims of the individual members of the Stockbridge and Munsee Tribe of Indians of the State of Wisconsin; and

H. R. 5230. An act to confer jurisdiction upon the Court of Claims to hear claims of the Stockbridge and Munsee Tribe of Indians; to the Committee on Indian Affairs.

H. R. 5382. An act to provide for advancement by selection in the Staff Corps of the Navy to the ranks of lieutenant commander and lieutenant; to amend the act entitled "An act to provide for the equalization of promotion of officers of the Staff Corps of the Navy with officers of the line" (44 Stat. 717; U. S. C., Supp. VII, title 34, secs. 348 to 348t), and for other purposes; to the Committee on Naval Affairs.

H. R. 6464. An act to provide means by which certain Filipinos can emigrate from the United States; to the Committee on Immigration.

H. R. 6836. An act to provide for the printing and distribution of Government publications to the National Archives Establishment; to the Committee on Printing.

AMENDMENTS TO RIVER AND HARBOR BILL

Mr. HALE and Mr. FRAZIER each submitted an amendment, and Mr. WHITE submitted five amendments, intended to be proposed by them, respectively, to the bill (H. R. 6732) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which were severally referred to the Committee on Commerce and ordered to be printed.

COTTON IN BRAZIL—ARTICLE BY P. K. NORRIS

Mr. SMITH. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting article, entitled "Cotton in Brazil", by Mr. P. K. Norris, of the Foreign Agricultural Service Division, United States Department of Agriculture. The article was published in the Southern Agriculturist of the issue of May 1935.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IT MAY SEEM FOOLISH, BUT OUR COTTON GROWERS HAVE GOT TO WATCH COTTON IN BRAZIL

(By P. K. Norris, of the Foreign Agricultural Service Division, U. S. Department of Agriculture)

Cotton production in Brazil is on the increase. It has been for several years. But we don't know yet just how much this increase threatens the American producer. I recently returned from a 6 months' study of the Brazilian cotton situation. Having been reared in the American Cotton Belt, and having served for 7 years as county agent among cotton farmers, I naturally viewed expansion possibilities in Brazil from the standpoint of land, climate, labor, credit, gin facilities, transportation, and other factors that usually influence cotton production and expansion. Here, briefly, is what I found:

Brazil is bigger than the United States. She has been growing cotton for over 200 years. Instead of one big cotton belt such as we have in this country, Brazil has two separate and distinct cotton belts—one in the northeastern part of the country and another in the south. The famous Brazilian tree cotton is produced in the northeastern belt, while American Upland cotton is produced in the southern belt. Cotton is the big cash crop in the northeastern belt, while coffee is the leading cash crop in the southern belt—and for Brazil as a whole.

The northeastern belt is at present the biggest producer of cotton; but the southern belt has greater possibilities for expansion, as has been demonstrated in the last few years. Rainfall, labor, and transportation are the limiting factors in the northeastern belt; labor and the difference between the price of cotton and the price of coffee are the factors that usually control production in the southern belt.

THE NORTHEASTERN BELT

There were about 1,500,000 acres in cotton in northeastern Brazil in 1933-34, and the production was 468,000 bales, which was slightly above the average. The interior of the northeastern cotton belt is a semidesert subject to long periods of extremely dry weather. During these dry periods the thinly settled population is forced to migrate to the coastal belt, where the people engage in the production of cotton and sugarcane, or work in the towns. American upland cotton is produced along the coast where rains are plentiful; the perennial tree cotton predominates in the interior.

When farmers migrate from the coast, after a period of good rains in the interior, they often take along some of the American Upland cottonseed and use it to replant the tree cotton killed by the drought. This is responsible for the irregularity of the staple in the northeastern belt. There is often as much as 30 percent waste in a bale of northeastern cotton, due to the irregularity of the lint.

The northeastern belt is not only thinly settled, but conditions are not attractive to immigrants. Transportation facilities in this section are far from modern. Railroads extend back from the principal towns for a hundred or so miles, but the service is irregular and slow, and freight rates are high. Cotton is now carried long distances by animal pack trains, or ox wagons. The cost of cotton production in northeastern Brazil is apt to be high until this section has a better system of transportation.

While the development of a system of grading and marketing—under government supervision—has done much to stimulate cotton production in northeastern Brazil, on the whole, I doubt if production will remain permanently high. Weather and the prices of cotton and competing crops are factors that are apt to cause cotton production to fluctuate a great deal in northeastern Brazil.

BUT IN SOUTHERN BRAZIL

In southern Brazil the story is different. The soils of this area resemble the Piedmont soils of the United States. Where they have been planted to cotton they have produced it. Compared with the size of our own Cotton Belt, the area that is devoted to cotton production in southern Brazil is not large, only about 1,113,000 acres in 1933-34, but that is nearly twice the acreage of the previous year. The area of southern Brazil is about equal to our own Cotton Belt west of the Mississippi River plus the States of Alabama and Mississippi. Much of this land is now devoted to the production of coffee, corn, and other food crops; but great stretches are in virgin forests and prairies, uninhabited and undeveloped. I estimate that from 5 to 10 percent of this vast area could be made to produce cotton; but it will take time, capital, and more labor than is now available to bring all of this potential cotton land into cotton production. Whether or not this will ever happen, or when it will happen, depends on a great many factors—more than we have space to discuss in this article.

On the whole, the climate of southern Brazil is favorable to cotton production. The rainfall is usually ample. Some years the rains continue so far into the fall that it makes picking difficult. There have been years when this has resulted in considerable damage to the crop. We sometimes have the same condition in parts of our own belt. I might add that on account of climatic differences southern Brazil is harvesting her cotton crop when we are planting ours.

About half of Brazil's 40,000,000 people live in southern Brazil, and about 80 percent of these live in the four cotton-growing States. Most of the people are of Portuguese descent, but there is a mingling of native Indian and Negro blood, and that of immigrants from Italy, Spain, Germany, and Japan. It is estimated that Japanese grew about 42 percent of the 1933-34 cotton crop in Sao Paulo, the biggest cotton-producing State. It is now officially estimated that the 1933-34 cotton crop in southern Brazil will be about 500,000 bales, which is twice the production of the previous year.

While cotton production in Brazil, particularly southern Brazil, has increased rapidly in the last few years, the lack of suitable labor, transportation, and gin facilities are a few of several factors that will probably have a tendency to slow it down. Coffee, as most people know, is the big cash crop in southern Brazil, and there isn't enough labor to produce and harvest a big crop of coffee and a big crop of cotton at the same time. Transportation in the southern cotton belt is the best in Brazil, but it is already severely taxed, and additional increases in the production of cotton, coffee, corn, and other crops that have to be moved from place to place is bound to result in delays and confusion until there is a further development of the transportation systems. Cotton gins were severely taxed to handle the increased crop of 1933-34. In fact, the gins were so far behind that they were still running when the 1934-35 crop was being planted. Many of the present gins are not only small but are in poor repair. However, the imports of gin machinery are helping that situation but it is a problem that it will take time and capital to solve.

LABOR AND FINANCE

Coffee is the most important cash crop in Brazil. She produces the bulk of the world's coffee crop, and 80 percent of it is produced in 3 of the 4 cotton-producing States in southern Brazil. There is a well-established system for financing coffee producers but almost no system for financing cotton producers, particularly the small farmer.

Labor is the limiting factor in the production of either cotton or coffee; and since there isn't enough labor to produce and harvest a big crop of both at the same time, because the harvest seasons are the same for both crops, farmers usually turn their efforts to the crop that pays best. Cotton production has been on the increase for a number of years mainly because the price of coffee has been low. Since the Brazilian farmers prefer to grow coffee, it isn't hard to imagine what would happen if and when the price of coffee returns to a more profitable point than cotton.

But there is this factor that must not be overlooked: Once suitable credit, good ginning facilities, transportation, and other cotton-production factors are established, it will be easier to expand and harder to let go. In other words, many Brazilian farmers who are growing cotton now because of unfavorable conditions in coffee production may decide to continue in the production of cotton, or in the production of both coffee and cotton, provided the labor supply increases enough to handle both crops.

BRAZIL'S TEXTILE INDUSTRY

Brazil's cotton-textile industry has developed rapidly in the last 10 years. It is now the leading industry of the country. Her 369 mills, totaling more than 2,500,000 spindles, produce from 90 to 95 percent of the country's textile requirements. It takes between 400,000 and 500,000 bales of cotton to meet the domestic mill demand; and the ready market for cotton to meet this local mill demand is doubtless another reason for the rapid increase in production in the last few years. This, I believe, is particularly true in southern Brazil where the citizens pride themselves on producing their own needs. In the past only about 10 or 15 percent

of the Brazilian cotton crop has been available for export, most of which has gone to Great Britain, Germany, Portugal, and France.

Briefly, it appears to me after making this study, that Brazil with its domestic market for something like 500,000 bales annually will, particularly as long as the present price relationship between cotton and coffee and the present exchange with foreign countries exist, continue to produce comparatively large crops of cotton—that is, large for Brazil. Naturally, production may and probably will fluctuate from year to year; but on the whole I believe the trend will be upward.

Southern Brazil has the land and the climate for producing cotton. There is no question about that. And the quality of the southern Brazilian cotton crop, where the biggest increases are occurring and where further increases may be expected, is quite similar to the bulk of the American crop. In fact, much of it has been produced from cottonseed imported from Texas and other States in the western part of the American belt. But many of the other factors necessary for rapid expansion are lacking, and it will take time to develop these even under the most favorable conditions.

Production and exports of Brazilian cotton, 1924-33
[Bales 478 pounds net]

Year	Production	Exports
	Bales	Bales
1924-25	793,200	29,815
1925-26	601,600	141,294
1926-27	512,400	76,973
1927-28	509,100	54,961
1928-29	445,800	46,167
1929-30	583,200	224,739
1930-31	471,200	140,282
1931-32	574,700	95,835
1932-33	447,800	2,377
1933-34	968,700	53,928

JOINT MEETING OF THE TWO HOUSES

Mr. ROBINSON. Mr. President, I move that the Senate proceed to the consideration of House Concurrent Resolution 22, and, pending the motion, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Logan	Robinson
Ashurst	Costigan	Lonergan	Russell
Austin	Couzens	Long	Schall
Bachman	Dickinson	McAdoo	Schwellenbach
Bailey	Dieterich	McCarran	Sheppard
Bankhead	Donahey	McGill	Shipstead
Barbour	Duffy	McKellar	Smith
Barkley	Fletcher	McNary	Steiger
Bilbo	Frazier	Maloney	Thomas, Okla.
Black	George	Metcalf	Thomas, Utah
Borah	Gerry	Minton	Townsend
Brown	Gibson	Moore	Trammell
Bulkley	Glass	Murphy	Truman
Bulow	Gore	Murray	Tydings
Burke	Guffey	Neely	Vandenberg
Byrd	Hale	Norris	Van Nuys
Byrnes	Harrison	Nye	Wagner
Capper	Hatch	O'Mahoney	Walsh
Caraway	Hayden	Overton	Wheeler
Carey	Johnson	Pittman	White
Chavez	Keyes	Pope	
Clark	King	Radcliffe	
Connally	La Follette	Reynolds	

Mr. ROBINSON. I announce that the Senator from Washington [Mr. BONE], the Senator from New York [Mr. COPELAND], and the Senator from Illinois [Mr. LEWIS] are unavoidably detained from the Senate.

Mr. AUSTIN. I wish to announce that the Senator from Delaware [Mr. HASTINGS] and the Senator from South Dakota [Mr. NORBECK] are necessarily absent, and that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

The Chair lays before the Senate a House concurrent resolution, which will be read.

The Chief Clerk read the concurrent resolution (H. Con. Res. 22), as follows:

Resolved, etc., That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, the 22d day of May 1935, at 12:30 o'clock in the afternoon, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. STEIWER and Mr. LONG addressed the Chair.

The VICE PRESIDENT. The Senator from Oregon.

Mr. STEIWER. Mr. President, I wish first to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. STEIWER. Is there a motion pending before the Senate made prior to the roll call?

The VICE PRESIDENT. The Senator from Arkansas [Mr. ROBINSON] made a motion to proceed to the consideration of the concurrent resolution. It being privileged, however, the Chair had the right to lay it before the Senate, and did so.

Mr. ROBINSON. So that the resolution is now before the Senate?

The VICE PRESIDENT. The resolution is now before the Senate. It is a privileged resolution which involves the organization of the Senate and of the House, held by the Speaker of the House, and the Chair thinks it has been so held by the Senate, to be privileged. Therefore the Chair took the privilege of laying it before the Senate.

Mr. STEIWER. I concur with the Chair, and thank the Chair for the information. I understand, therefore, that the motion previously made by the Senator from Arkansas is not the pending question?

The VICE PRESIDENT. It has been vacated by virtue of the fact that the Chair has laid the concurrent resolution before the Senate.

Mr. STEIWER. So that the question recurs on agreeing to the resolution?

The VICE PRESIDENT. The question is on agreeing to the resolution.

Mr. STEIWER. Mr. President, upon that question I wish to be heard briefly. Inasmuch as there may be no roll call upon the vote on agreeing to the resolution, and no opportunity for Senators to record their dissent to the proposition, I desire to speak briefly in explanation of my reasons for my opposition to the proposal at this time.

The pending concurrent resolution does not disclose the purpose for the proposed joint session of the House and Senate except to receive such communications as the President shall be pleased to make. I assume, in the light of what has been said recently in the newspapers, that the communication in mind is the veto message to be communicated by the President in support of his veto of the so-called "bonus bill." It is because it is a veto message that I think the proposal is improper. If it were another type of communication from the President, and had no relation to the veto of a bill passed by the Congress, I certainly would offer no objection. I think there could be no objection—

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. STEIWER. I desire first to complete the sentence. I think there could be no conceivable objection at any time to a proposal for a joint session in order that the President might be heard to give to Congress information of the state of the Union. I now yield to the Senator from Louisiana.

Mr. LONG. Did I understand the Senator from Oregon to say that a veto message is to be delivered? Is that what the meeting is for?

Mr. STEIWER. I say I assume so from the press reports.

Mr. LONG. Has not it already been sent out what the message is, and then they want us to go over there and listen to it?

Mr. STEIWER. I have not heard of the President having made known the message. It is reported rather that the President would return the bill and bring his message in person and deliver it either to the House or to a joint session of the Senate and the House.

Mr. LONG. I just wanted to get straight what the Senator meant. Is the meeting to listen to a message when the President has sent word what the message is? I was just wondering what is the use of taking up the time under those circumstances.

Mr. STEIWER. Of course, there is nothing to be gained so far as the Senate is concerned in taking up time for this purpose.

The Constitution very specifically provides the method of vetoing legislation. I read briefly from section 7 of article I of the Constitution, as follows:

If he approve he shall sign it, but if not he shall return it, with his objections to that House in which it shall have originated, who shall enter the objections at large on their Journal, and proceed to reconsider it. If after such reconsideration two-thirds of that House shall agree to pass the bill, it shall be sent, together with the objections, to the other House, by which it shall likewise be reconsidered, and if approved by two-thirds of that House, it shall become a law.

Mr. President, there is no requirement upon the President to send his message of veto in writing. There is no requirement that he shall return by messenger the bill which he has disapproved. I, therefore, make no point at all of the suggestion that the President in person may return the bill to the House of Representatives, in which it originated. I make no point of his desire to communicate orally his objections. If the President prefers to act as messenger in returning the bill, I think that is a matter wholly within his decision. If he prefers to perform the function of the reading clerk of the House and to read into the Journal the objections which that clerk would normally enter, that I think is also within his decision. Certainly it is not a matter for a Senator to criticize, and apparently it is a procedure which is competent within the Constitution.

I make no criticism of the President, therefore, for the proposal that he is to come in person, and I have no doubt the House, in paying to the President the courtesy and deference which he deserves, will be glad to receive the veto message in the way in which he proposes to deliver it. I make no criticism of the House, much less of the President.

My objection to the concurrent resolution is that it seeks to involve the Senate in this procedure. It proposes that the Senate shall meet with the House in joint session, and we are told that the veto message of the President, or the objections which the President proposes to make to a bill which Congress has passed shall not be returned to the House, the body in which the legislation was originated, but that it shall be returned to a joint session of both bodies. It is that procedure which I condemn. It is that procedure which I claim is not countenanced by the Constitution. It is in violation of the Constitution of the United States that this legislation should be returned to the joint body rather than to the body in which the legislation originated. It will be in violation of the Constitution if the objections shall be made to the joint body rather than that they should be entered in the Journal of the House by the normal and usual procedure which has been employed in this country for a century and a half.

I shall not detain the Senate to discuss the age-old question of conflict between the legislative and the executive branches of Government. It will suffice to say that when our Constitution was written the English system was not adopted. Our executive branch is not represented in the Congress. The Constitution provides the relations between the two coordinate branches of the Government. It provides specifically the procedure for returning a bill which is disapproved, and for having the President's objections entered in the Journal of the House of origination. It prescribes it specifically, and I can see no reason why the Senate should volunteer to do an extralegal, an extraconstitutional act in order to set up a stage setting for a more effective veto presentation in the House of Representatives.

I can see no reason why we should turn aside from our Constitutional duties in times like this in order to make ourselves a sort of window dressing or to provide the scenery for this occasion. In plain language we have no business in the joint session. We have no constitutional function there. We have, in my humble opinion, no business to agree to a resolution which would convene us in joint session with the House in order that the veto message might be delivered to the joint body when the Constitution pre-

scribes that it shall be delivered to the body in which the legislation originated.

Mr. President, I think I am justified in saying a word with respect to a higher fidelity to the Constitution. I know how popular it has been in recent years to speak disparagingly of the Constitution. It is said that the Constitution does not feed hungry people. It is said that when it prevents the efforts of our Nation toward recovery we ought not to be restrained by its provisions. I am one who is willing to proceed in accordance with the organic law of my country and to stand always, when I know what the Constitution provides, for procedure which the Constitution requires.

Even our President, who is probably as devoted to the Constitution as most of the citizens of the country, used this language in his inaugural address on March 4, 1933:

Our Constitution is so simple and practical that it is possible always to meet extraordinary needs by changes in emphasis and arrangement without loss of essential form. That is why our constitutional system has proved itself the most superbly enduring political mechanism the modern world has produced. It has met every stress of vast expansion of territory, of foreign wars, of bitter internal strife, of world relations.

There is nothing so extraordinary about the impending bonus veto that anyone is justified in seeking "changes in emphasis" to the extent of violating the plain requirements of the Constitution. If "changes in emphasis" imply departure from constitutional Government our country will rue the day which brought a theory of this kind.

And now, as a further sample of the slight regard which governmental America is asked to pay the Constitution of the United States, it is proposed that the two bodies in joint session proceed to receive a message which the Constitution prescribes shall be received by one of those bodies. I say the time has come when someone ought to say something in behalf of the organic law and of regularity of governmental function. We ought to realize that the extreme liberal attitude which has been taken toward the Constitution of our country is not being supported and is not being sustained by the courts. Someone said to me recently that the new legislation is getting along reasonably well in the courts and is receiving support on a 50-50 basis. That, of course, is not true. We know that across the very breadth of this land the district courts of the United States and the circuit courts of the United States, time after time, in decision after decision, have found reason for repudiating various provisions of the legislation which we have enacted as a part of the so-called "new deal."

Mr. CONNALLY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Texas?

Mr. STEIWER. I yield.

Mr. CONNALLY. I should like to hear the Senator's views on another point. When the President delivers his message at the beginning of the Congress he usually delivers it to both Houses. Does the Senator consider that as constitutional?

Mr. STEIWER. Of course I do; but that has nothing to do with the present situation. My friend from Texas came in a little late. I am talking about the procedure definitely prescribed for receiving a veto message, which has nothing to do with receiving other messages which the President might deliver to the Congress.

Mr. CONNALLY. Is it the Senator's view that because it deals specifically with veto messages, it repeals in effect his general power to deliver messages to Congress?

Mr. STEIWER. Oh, no; it does not repeal that power. It merely prescribes the form for receiving veto messages.

Mr. CONNALLY. It merely directs that he may send the veto message to the body which originates the legislation.

Mr. STEIWER. I say it prescribes the formula for procedure for the disapproval of a bill and for having the objections entered in the Journal of the body in which the legislation originated.

Mr. CONNALLY. Is not the effect of that, though, as between the two bodies, only that the bill shall be sent to the

one where it originates? The provision is not exclusive by any means, is it?

Mr. STEIWER. In my judgment, that provision is effective upon everybody in the Government of the United States; and no one can claim such exalted heights of power and influence that he has a right, either moral or legal, to disregard it.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. STEIWER. Yes; I yield to the Senator from Maine.

Mr. WHITE. The provision of the Constitution is that the disapproved bill shall be returned to the House in which the legislation originated, with a statement of the President's objections. Does the Senator contend that if the objections are returned not to the body where the legislation originated, but to a joint assembly of the Senate and House, that does not constitute a veto? Has the Senator any doubt in his mind as to the effectiveness of a veto message delivered to both Houses in joint assembly, rather than to the House designated in the Constitution?

Mr. STEIWER. The question is so entirely novel that I should hesitate to express an opinion as to the legal effect of such a veto message. It is most certain, however, that the Constitution requires the disapproved bill to be returned to the body in which it originated, and the objections to be entered in the Journal of that body; and, if that body passes the bill over the veto, that the bill shall then be sent forward to the other body. There is nothing in the Constitution which even suggests that the return shall be made to both bodies, and that the objections shall be noted in both Journals by one act of the Executive in returning the measure or in expressing his disapproval.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. STEIWER. I yield to the Senator from Missouri.

Mr. CLARK. I should like to ask the Senator if there is anything in the concurrent resolution as to what shall be entered in the Journal, or as to what the President shall say.

Mr. STEIWER. No, Mr. President; and I said in the opening of my remarks—

Mr. CLARK. I was not here when the Senator opened his remarks.

Mr. STEIWER. I said at that time that I was basing my remarks upon the newspaper story, very generally published, that the proposal is that the Executive shall return the legislation to the joint session, and there announce his veto message. Of course, if I am wrong in that, I wish to be corrected. If the purpose of this joint session were something else, I should like to yield the floor just as soon as I could get off my feet, because I certainly should never object to a joint session of the House and Senate for the purpose of receiving a communication from the President upon the state of the Union.

Mr. CLARK. If the Senator will yield further—and I do not desire unduly to delay him—while I am not in position to predict what the President is going to say, I read the same newspaper accounts the Senator from Oregon has read; but the matter before the Senate is the concurrent resolution, which simply provides for a joint session to receive such communications as the President may be pleased to make. It seems to me that for the Senate to anticipate what the President is going to say on the basis of newspaper stories, and undertake to pass on what the President should say at a joint session of Congress, would be equivalent to the Senate appointing a committee to hold up a messenger of the President at the door of the Senate when he comes to deliver a message, and look over the message, and see whether or not it should be delivered. It seems to me the responsibility as to what the President shall say at a joint session belongs to the President, and not to the Senate.

Mr. STEIWER. Is the Senator from Missouri under the impression that the President has some message other than the veto message?

Mr. CLARK. I have not. As I said a moment ago, I have read the same newspaper accounts the Senator from Oregon has read; but in view of the request of the President to have a joint session at which he may deliver such communications as he may see fit, it seems to me to be at least premature for

the Senate to undertake in advance to pass on whether or not they desire that sort of a message.

Mr. STEIWER. Mr. President, I think it is not premature. The newspaper stories, so it is said, have quoted members of the White House staff. The President himself has declared to the correspondents and to numerous others that it is his proposal to veto the bonus legislation; and as a practical man I think I am entirely justified in presenting my remarks today upon the theory that the joint session is for the purpose of receiving the President's objections to the bonus bill.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. STEIWER. Yes; I am glad to yield.

Mr. CLARK. It seems to me the Senator's present objection is exactly the same proposition as if it should be announced in the newspapers that the President proposed to send his veto message to the Senate, instead of sending it to the House, where it should be properly sent in the first instance, and thereupon the Senator from Oregon should propose that a committee of the Senate hold up the President's secretary at the door of the Senate as he came here to deliver the message from the President and tell him that the Senate would not receive his message; that he would have to go over to the House to deliver it.

Mr. STEIWER. No, Mr. President; I am not at all in accord with the view of my friend from Missouri. The Senate is always in session for the purpose of receiving messages from the President. It does not make any difference what the character of the message may be; but the Senate ought not to agree to this resolution or to join in a session with the House to receive a veto message, or to consider business with which at this time we have no concern under the Constitution.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. STEIWER. I yield to the Senator from Texas.

Mr. CONNALLY. I do not wish to delay the Senator's remarks; but let me call his attention to the familiar rule of statutory and constitutional construction that if all parts of an instrument can be given effect, it must be construed as a whole.

Section 3 of article II of the Constitution provides, referring to the President:

He shall from time to time give to the Congress—

That means both bodies; it does not mean one.

Give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.

That is one clause of the Constitution. The other clause, to which the Senator adverts, is this, relating to a veto:

If he approve he shall sign it—

The bill—

but if not he shall return it—

The bill—

with his objections to that House in which it shall have originated, who shall enter the objections at large on their Journal, and proceed to reconsider it.

Both of those constitutional provisions are effective if the President returns the bill. He has to return it to one body. He cannot return a bill to two bodies. He cannot sever it. He has to deposit the bill back in one of the bodies. He sends the bill back to the House. He then, in a joint session, advises the Congress, under his general power to address messages to the Congress, about the vetoed bill, and the effect it will have upon the state of the Union, and upon the general fiscal affairs of the United States.

How is there any violation of the Constitution in that sort of a proceeding, may I ask the Senator?

Mr. STEIWER. The Senator, of course, may ask that question. I have just concluded stating briefly my views with respect to it. To me, it is just as plain as anything in the world can be that the only provision of the Constitution which relates to the procedure for a return of a disapproved bill, and for the noting of the Executive's objections to that bill, is the language found in section 7 of article I. Of course, it is true that the whole instrument should be read

together; there is not any contention about that; but in the other language to which the Senator alludes there is no reference at all to a veto message. Therefore, we are bound by the language which we find in section 7 of article I—language which is so explicit that I contend, with a good deal of confidence, that no other procedure is constitutionally permissible. It may not be sufficiently clear to control the attitude of the Senator from Texas; it may not even control the attitude of the President of the United States; but it is worthy of the comment that it is sufficiently clear that until now it has controlled the attitude of every President of the United States for nearly a century and a half.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. STEIWER. If the Senator from Texas has concluded, I am glad to yield to the Senator from Kentucky.

Mr. BARKLEY. Assuming that the joint session is to be held for the purpose of listening to a veto message, and assuming that the House would sustain the veto, of course, the Senate never would be called on to act on the matter.

Mr. STEIWER. May I interrupt the Senator there? That is another reason, which I have not as yet stated, why the Senate has no business to be present, either in its own capacity or in joint session with the House. The matter will not come to us until after the House acts; and after the House acts the Constitution provides how the bill shall be returned to this body.

Mr. BARKLEY. I understand; but it seems to me that is a parallel situation. That was the object of my inquiry. Under the Constitution, all bills raising revenue must originate in the House. Unless the Senate passes a revenue bill, the Senate never can consider the subject; yet would it be improper, in a joint session, for the President to deliver a message upon the revenues of the Government and the methods of raising revenue, notwithstanding the fact that a bill for the purpose must originate in the House, and the question may never come before the Senate unless the House first passes a revenue bill?

Mr. STEIWER. If that situation were as simple as the Senator from Kentucky expresses it, I should agree with him entirely; but I will answer the Senator—and I think there is a very effective answer—that if in the Constitution there were a prescribed formula by which the President would communicate to the House with respect to revenue legislation, then no other formula could be resorted to for that purpose.

Mr. BARKLEY. Of course the formula referred to by the Senator with respect to vetoes is a technical matter. The President is required to send the bill back to the House, which he does, or will do. That is a technical matter.

Mr. STEIWER. Is it technical, or is it a very practical matter?

Mr. BARKLEY. He also is required to deliver the reasons for his veto, which must be appealed to both Houses. Assuming that the House in which the bill originated should not sustain the veto of the President, does the Senator contend that the President ought to be required first to go to the House and deliver his reasons for vetoing the bill, and then, if the House overrode the veto, he ought to come here separately and advise us why we ought not to override the veto.

Mr. STEIWER. Oh, no. Why does my friend from Kentucky persist in being so blind? Of course, I do not so contend. I contend that the Constitution prescribes the way by which the President shall go to the House of origination, and that the Constitution prescribes what shall follow thereafter if that House passes the bill notwithstanding the veto; and the Constitution does not prescribe that the President shall then, at a subsequent time, appear in the Senate in order to state his objections.

It prescribes another formula. We owe it to our country, and to ourselves, to proceed in accordance with that formula, and not in accordance with some innovation or some bizarre departure from the constitutional method.

Mr. FLETCHER and Mr. ROBINSON addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Oregon yield; and if so, to whom?

Mr. STEIWER. I yield first to the Senator from Florida.

Mr. FLETCHER. I wish to suggest that, in all probability, the actual occurrence will be that the President will return the bill to the House in a formal way and report it, as disapproved, but, in addition to that, has he not the right to ask that the House and the Senate hear to his reasons and discussion of the subject? There is no question that the usual requirement will be followed in a formal way, the bill sent by messenger perhaps, but following that the President would have the absolute right to address both the House and the Senate on the same question.

Mr. STEIWER. I considered that phase of the question, I will state to the Senator from Florida, and if the matter is to be considered upon the assumption which the Senator just makes, then it means that the bill would be returned in some other way rather than by hand, that the objections would be noted in some other way rather than by the address of the President before the House and before the microphone, and that the appearance of the President and the address would then not be a part of the veto procedure, but would be merely an appearance by the President, with appropriate stage setting, for the purpose of attracting the Nation's attention to his veto message in order to make the message more effective, in order that the influence of the President in this controversy might be greater than it normally would be.

I claim that that procedure is not suggested by the Constitution, and that it is contrary to the spirit of our form of government.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. STEIWER. I yield to the Senator gladly.

Mr. ROBINSON. The discussion as to what message is to be heard appears to me to be more or less irrelevant. The concurrent resolution provides for a joint session of the two Houses of the Congress to hear such communications as the President shall be pleased to make.

There is no limitation in the Constitution or in the rules of the two Houses on the occasion or the purposes for which joint sessions may be held. Therefore it is entirely within the discretion or judgment of the two Houses when joint sessions shall convene.

The Senate has a perfect legal right to refuse to agree to the resolution. In my judgment, it would be discourteous to the House and perhaps discourteous to the President to refuse to concur in the resolution. Nevertheless, the Senate can vote to participate in the joint session or it can vote not to do so. But to contend that the Constitution prevents a joint session of the two Houses to hear any communication which the President may see fit to make is, in my judgment, a strained construction, and one which finds little justification in fair interpretation.

I thank the Senator for yielding.

Mr. STEIWER. I am very glad to yield to the Senator, and I wish the Senator, as sponsor of the concurrent resolution, could assure me that the purpose of the joint session is for something other than the reception of the veto message. I agree with the Senator that so far as the language of the resolution is concerned it is not limited to the veto matter.

Mr. ROBINSON. As suggested by the Senator from Missouri [Mr. CLARK], does the Senator feel that it is courteous and appropriate to take judicial notice based on newspaper reports of what the message will contain? Frankly I do not think there is any inhibition in the Constitution against the two Houses meeting in joint session to hear a veto message; and if the concurrent resolution specified that the communication would relate to a veto, I should still maintain that the Senate had a complete legal right to go to the House and participate in the joint session for the purpose of hearing the message. But, since there is no specification in the resolution, the question as to the substance of the message, as to what the purpose of the joint session is, to my mind, is more or less irrelevant, except that if the Senate does not wish to participate in the joint session it can express its views by voting against the concurrent resolution.

Mr. STEIWER. Mr. President, the Senator earlier in his remarks said that to pretend that a certain procedure was unconstitutional he thought was beside the mark.

Mr. ROBINSON. Oh, no; I said "contend."

Mr. STEIWER. Possibly I misunderstood the Senator.

Mr. ROBINSON. I did not use the word "pretend." I do not question the Senator's sincerity. What I am doing is questioning the validity or soundness of his argument.

Mr. STEIWER. Cannot the Senator assure the Senate that the message of the President will include matter aside from the veto message?

Mr. ROBINSON. Mr. President, the only knowledge I have as to what the message may contain is based on press reports. I do not know what the President will say in his message; but, since the concurrent resolution is before the Senate, I maintain that common courtesy, both to the House and to the President, requires concurrence in the resolution. Of course, if another Senator thinks that is not a sound position, he will vote against the concurrent resolution. For my part, I would not wish to establish the precedent of saying that I will get a copy of the message, which usually is not released until it is delivered, find out what the President intends to say, and then, if I do not like it, not listen to it. It seems to me that that is rather an incorrect position for a statesman of the talent and genius of my learned friend from Oregon to take.

Mr. STEIWER. Does the majority leader contend that the House is responsible for the concurrent resolution, and that they are insisting upon the joint session?

Mr. ROBINSON. It is a House concurrent resolution.

Mr. STEIWER. That is true, of course; but my understanding, which I state with some misgiving, because I have it third hand, is that the House intended to receive the message of the President without the joint session with the Senate, and that the Senator from Arkansas induced the Speaker to change his plans.

Mr. ROBINSON. That statement is in part incorrect.

Mr. STEIWER. I am glad to know it.

Mr. ROBINSON. This is what occurred, if the Senator deems that it is pertinent to this issue: The Speaker of the House of Representatives called me yesterday morning and asked if I would concur in a resolution of this character, and whether I thought it proper to send over such a concurrent resolution. I told him that I saw no objection to that being done, and that I did not anticipate there would be any objection in the Senate to concurrence in the resolution. Never before within my memory has there been an occasion on which a Member of this body has taken the position that when a resolution of this nature is presented it should be rejected.

Mr. LONG. Mr. President—

Mr. STEIWER. I am very glad that the Senator has corrected my impression upon that subject. I wish to say to him, in the same good spirit in which he addresses me, that if this were not the occasion of receiving a veto message from the President, there would not be any objection at this time to a resolution for a joint session of the two bodies.

I yield to the Senator from Louisiana.

Mr. LONG. Might I ask the Senator from Oregon whether he has examined the precedents to see whether or not the President has ever delivered a veto message in person?

Mr. STEIWER. I am told that it has never been done. So far as I know, in the whole history of the Republic it has never been suggested.

Mr. President, I was saying a moment ago, when I yielded to one of my colleagues, that the impression abroad in the land that the country is complacent under the whittling away of the Constitution is not a well-founded impression. The impression that the courts are sustaining this program of innovations is not a well-founded impression. I said that throughout the length and breadth of this land the Federal district courts and the circuit courts of appeal in almost every district and circuit have found occasion to dis-

approve legislation which they hold to be in violation of the Constitution of the United States.

The Supreme Court of the United States has made a series of decisions which ought to challenge our attention at this time. Do Senators realize that the first question respecting the constitutionality of new-deal legislation brought to the Supreme Court related to the so-called "Economy Act", in which Congress had repudiated the obligations of the Government under certain types of war-risk insurance? A united Supreme Court held that that legislation was both immoral and unconstitutional.

The next question that I recall coming to the Supreme Court was the so-called "hot oil case", in which the Court I think, by 8 members to 1, held that the Congress had made an unconstitutional delegation of legislative authority to the executive branch of the Government. This holding was the first of its kind in the entire history of the country. This fact indicates the extreme and indefensible length to which Congress had gone.

The next was a group of cases relating to the abrogation of the gold clause. In one of those cases the legislation was sustained, and in another the legislation was condemned and repudiated by the Court.

Then, Mr. President, we had the recent decision in which the Supreme Court considered the railroad employees' retirement pension law. In that case the United Court condemned some portions of the law, and a 5-to-4 decision of the Court condemned the entire law.

It is literally a true statement that from the beginning of the new deal until this moment no legislation which has been tested in the Supreme Court of the United States has been sustained in its entirety. Some parts of it have been wiped out completely; some parts of it have been wiped out partially; some parts of it have been wiped out by a unanimous Court; some parts by a divided opinion; but nothing in the whole new-deal program has been sustained in its entirety from the time this administration began until the present moment.

Mr. ROBINSON. Mr. President, will the Senator indulge me just a moment?

Mr. STEIWER. I shall be very glad to.

Mr. ROBINSON. I cannot see the relevancy of the argument now being made by the Senator from Oregon to the proposition that is now before the Senate.

Mr. STEIWER. If the Senator from Arkansas will let me continue I should like to tell him what the relevancy of it is.

Mr. ROBINSON. Of course, we all know that all statutes passed by Congress are subject to test in the courts under the conditions which exist pertaining to legislation in this country, and in all administrations measures have been compelled to undergo judicial test. How the Senator can think that a resolution which merely provides for a joint session of the two Houses to hear a message from the President has any relation to the question of the constitutionality of laws which are passed by Congress is to me incomprehensible.

I do not believe, if the Senator will reflect, that he can maintain in his own conscience and judgment the contention that the Constitution limits the right of the two Houses to meet in joint session for any purpose which addresses itself to the Membership of the two Houses, and, consequently, I do not believe that it is consistent to anticipate the subject matter of a message which may be delivered, and maintain that the Senate has no right to hear the message.

I can understand the argument that Senators may not wish to hear the message, and may refuse to do so, and reflect their views by their votes on a resolution providing for a joint session at which a message is to be submitted, but how the legal conclusion can be reached that the Constitution limits the two Houses in respect of the purposes for which they may assemble in joint session I am unable to grasp.

Mr. STEIWER. Mr. President, I think there is not any Member of the Senate who seriously believes that the pur-

pose of the proposed joint session is anything other than to enable the President to return the bonus bill and to announce his objections to it. I think there is no sound ground even for the assertion of the belief that there might by conceivable possibility be some other purpose in the joint session.

Let us view this question as practical men. Let us regard it for what it is. And then let us deal with it as a veto message, and not as something else.

Mr. ADAMS. Mr. President—

Mr. STEIWER. I desire to conclude my statement, if the Senator will indulge me for a moment. When we shall have done so, Mr. President, we shall not be considering the question as to the general right of House and Senate to meet in joint session. We shall be confronted with the inescapable requirements of a provision of the Constitution of the United States, which prescribes a formula for receiving a veto message; and if we agree to the concurrent resolution we shall know that we are proceeding in a way which is not consistent with the spirit, and in my judgment not consistent with the letter, of the Constitution.

I now yield to the Senator from Colorado.

Mr. ADAMS. Mr. President, the Senator from Oregon was pursuing a course of discussion. I ask him if, in following his course of discussion, he will answer this inquiry: Is there any legislative power or any governmental power which could be exercised by the joint session which is contemplated; and, beyond that, is there any surrender which the Senate would make of its rights or its privileges, should it attend the joint session?

Again, if we should attend the joint session, would the constitutional provision as to the submission of veto messages to the Senate have been complied with by a verbal or written message submitted to the two Houses in joint session?

My inquiry is this: If we accept what amounts to an invitation on the part of the House, do we in any way surrender any right?

My own view is that if we were surrendering a right I should be glad to support the Senator. My own judgment is that if we are not surrendering any right we should accept the invitation.

Mr. STEIWER. No, Mr. President; we are not surrendering any right. I have not so contended in the course of my remarks. I merely contend that the veto message should be delivered to the House of Representatives; that the House should be in session when it receives the return of the bill from the President; the House should be in session when the objections of the President are returned to it; there should not be a joint session. A joint session is not a session of the House of Representatives, but it is something entirely separate from it and dissimilar to it.

The resolution does not involve surrendering any right, nor does it purport to accept an invitation. It proposes to provide a joint session in lieu of the usual session of the House of Representatives. The Senate has no business there, and ought not agree to the resolution.

Mr. TYDINGS rose.

Mr. STEIWER. I yield to the Senator from Maryland.

Mr. TYDINGS. The Senator said he was concluding. I was on my feet waiting for recognition when the Senator should have concluded.

Mr. STEIWER. No, Mr. President; I had not concluded. I am about to conclude. Before I do so I wish to make further answer to the question raised by the Senator from Arkansas [Mr. ROBINSON]. He said he saw no conceivable relation between the proposal as embodied in the concurrent resolution and legislation which had been considered and disapproved by the Supreme Court of the United States. The connection is a practical one, Mr. President, and it is merely this:

Obviously Congress has been more than careless in the enactment of legislation during the 2 years last past. Too often we have exceeded our constitutional authority. Too often we have put ourselves in such a position that the courts, under the oaths of the justices, felt obligated to hold our legislation to be unconstitutional.

What is now before us is merely, in my opinion, another effort to proceed by way of innovation and in violation of the formula of the Constitution. It is merely another whittling away, another chiseling, another step toward breaking down the Constitution of the United States. Others may do as they please. I do not expect that my feeble protest will stop the agreement to the concurrent resolution. I had no hope in the beginning that my voice would prevail here, but I am one who desires his view recorded and to let the Senate know that he is unwilling to proceed in any way other than in accordance with the dictates and directions of the organic law of our country. This body can render no better service than by insistence upon a complete fidelity to that law.

Mr. TYDINGS. Mr. President, yesterday I announced that as soon as I could get the floor this morning I should like to speak on war debts, stabilization of currencies, revival of world trade, and disarmament, but notwithstanding that announcement I do not desire to stand in the way of a consideration of the pending concurrent resolution. If there are Senators who wish to discuss it at length, however, I may as well proceed with my remarks. On the other hand, if the discussion is likely to draw to a close in the very immediate future, I have no reason or desire to block the consideration of the pending concurrent resolution.

May I ask if any Senator should like to speak to the pending concurrent resolution?

Mr. LONG. Mr. President—

Mr. TYDINGS. I yield to the Senator from Louisiana in answer to my question.

Mr. LONG. I do not desire to interfere with the Senator from Maryland. I desire to speak on the pending concurrent resolution.

Mr. TYDINGS. I ask the Senator from Louisiana how much time he will require?

Mr. LONG. That is just the trouble, Mr. President! It is only lately that I have decided which side I was on with respect to the pending concurrent resolution, and I should not wish to tie myself down to any particular amount of time in discussing it.

Mr. BARKLEY. If the Senator took a little time, he might get on the other side of the question before he concluded.

Mr. LONG. That is just the point, Mr. President.

Mr. TYDINGS. In view of the statement of the Senator from Louisiana, from which I interpret that his proposed address to the Senate will be rather long, and in view of what I have said to him privately and publicly, I do not feel I would be obstructing the pending resolution if I were to proceed for 35 or 40 minutes.

The PRESIDENT pro tempore. The Senator from Maryland has the floor.

WAR DEBTS, DISARMAMENT, CURRENCY STABILIZATION, AND WORLD TRADE

Mr. TYDINGS. Mr. President, I offer a resolution, to which I shall address myself, which I send to the desk and ask to have read in my time.

The PRESIDENT pro tempore. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 141), as follows:

Whereas the people of the United States, irrespective of political affiliations, have been desirous of promoting in every practical way the peace of the world and the economic and political welfare of other nations as well as their own, and have never failed to respond to the call of distress of other peoples and countries; and

Whereas the people of the United States are equally desirous of correcting any misapprehensions in this regard and to proclaim that no reason shall exist for questioning their desire to aid in every reasonable way the solution of the acute problems of the world arising from the war and the depression; and

Whereas the present administration has frequently declared that national economic recovery and world economic recovery are inextricably bound together and that the principle of the good neighbor should characterize the relationship between the United States and all other nations; and

Whereas similar views have been held by Republican administrations and leading statesmen of the Republican Party, so that these broad views have the endorsement of both our major political parties; and

Whereas it is universally recognized that there is no problem existing today which is operating more directly, constantly, and powerfully to make understanding and good will between nations difficult, and therefore to postpone the return of economic well-being and durable world peace than the chronic problem of intergovernmental debts arising and resulting from the war; and

Whereas the next installment of allied war debts owing to the United States is due and payable on the 15th of June 1935, and no payment on these debts was made when the last installment came due on December 15, 1934, and the value and collectibility of these debts are becoming more and more jeopardized by the passing of time and the failure to devise and consummate a workable and mutually reasonable settlement thereof; and

Whereas such officials and leaders of European public opinion and action as Premier Flandin of France; Economic and Finance Minister Schacht of Germany; and the Chancellor of the Exchequer Chamberlain of Great Britain, have within recent weeks given public indication of their recognition of the gravity of the problem created by the unsettled state of intergovernmental debts and of their desire for an equitable settlement that will promote and not retard world trade and that is in keeping with the present economic and financial conditions of the world; and

Whereas in June and also in December of 1934, in the exchange of notes on the allied-debt subject, both France and Great Britain did not repudiate them but frankly acknowledged the validity and legality of their respective war debts to the United States and expressed a desire and willingness to make a reasonable and feasible settlement of these debts; and

Whereas it is the desire of the people of the United States as indispensable both to economic recovery and to world peace to secure reduction of armaments by all nations and to inaugurate an immediate 5-year holiday in arms construction, in order to facilitate and ensure rapid recovery from the ravages of the protracted depression, and to prove good faith to one another in their treaty commitments to peace; and

Whereas general and drastic reduction of armaments is vital to both world peace and to economic recovery, the expenditures for armaments and war being by far the largest items in the budgets of the nations; and

Whereas responsible statesmen of all the large nations of the world have repeatedly expressed their willingness to join in a general universal movement for the reduction of armaments, but the disarmament conferences have, during the past few years, failed to reach any substantial accord as to reduction largely because of the ill will, fear, and resentments engendered, particularly in Europe, by the destructiveness of the last war and by the treaties resulting therefrom; and

Whereas a strong indication of the sentiment in Great Britain has just been obtained by a popular referendum wherein the vote on the question of all-round drastic reduction of armaments by international agreement showed over 90 percent in favor of such reduction and agreement, a percentage that well represents the overwhelming public opinion of our land; and

Whereas a 5-year holiday in arms construction accompanied by gradual, drastic, and pro rata reduction in arms, agreed to and carried out by the nations of the world, would be not only the sincerest guaranty of world peace but would also result in bringing national income and national expenditures within balance in all nations, would greatly reduce taxation, would vastly increase the buying power of all countries, and consequently would go far toward restoring to normal the benefits of world trade, both for agriculture and for industry; and

Whereas for the further advancement of world trade and therefore for the prosperity of all peoples there should be a revival of confidence in the money units of the world, now so disordered and almost chaotic, by a working stabilization of international currencies under international agreement, such as would inspire confidence in business men and producers everywhere, and which would largely restore normal foreign trade, thus tending to relieve unemployment and to reflate our sadly deflated market value of commodities, securities, and real estate; and

Whereas the United States, by reason of its unprecedented contributions to the World War, its unselfish and equally unprecedented abstention from all the spoils of war at the peace table, in harmony with the magnanimous pronouncements of President McKinley in 1898, and of President Wilson in 1917 (namely, that it is our settled policy not to wage wars of aggression and not to accept the spoils of victory), is in a position to take the lead in a world-wide movement for the solution of these four acute international problems, (1) war debts, (2) disarmament, (3) stabilization of currencies, and (4) a sound revival of world trade, which now so harass the world and retard both economic recovery and world peace, and to the solution of which a world conference should be called to be held at the city of Washington at the earliest convenient and practicable time: Now, therefore, be it

Resolved, That the President of the United States is requested, if not incompatible with the public interest, to advise such governments as he may deem appropriate that this Government desires at once to take up directly with them, with a view to entering into international agreements and treaties with other nations at a conference to be held in the city of Washington, the following matters: The settlement of the intergovernmental debts, the means of obtaining a substantial curtailment in world armaments and a holiday in world armament construction, the means of securing a stabilization of the currency systems of the world, and the means for reviving world trade, all to such an extent and under such terms as may be agreed upon.

Mr. TYDINGS. Mr. President, on June 15, 1935, a date barely 3 weeks away, another batch of semiannual installments of the war debts owing to the United States come due. These installments owing by the Allies on June 15 aggregate \$166,000,000 and will be due to our Government from the following countries: Belgium, Czechoslovakia, Estonia, Finland, France, Greece, Great Britain, Italy, Latvia, Lithuania, Poland, Rumania, and Yugoslavia.

In addition to these installments the German Government owes the United States Government, on account of the army of occupation costs and for the Mixed Claims Commission awards, an unpaid balance of \$340,000,000 of principal, wholly disregarding interest. The original amount of this German debt was \$477,000,000. Germany is now and has been for several years wholly in default, and nothing has been paid during that time.

As we know, the last previous installments due from the Allied debtors on December 15, 1934, for similar large amounts, remain wholly unpaid. Prior to that, for a year or more small amounts only—sometimes called "token" payments—were paid by some of the Allied debtors, others paying nothing on their matured installments.

It is common knowledge among all of us that the June 15, 1935, installments on the war debts will not be paid. Indeed, if any debtor nation desired to make a so-called "token" or partial payment, that is, to offer any amount short of the full installment due to June 15 next, the Congress of the United States has said that such partial payment shall not relieve the debtor in any sense from being in default, but that its default would be the same as though it had paid nothing at all. Insofar as it has the power to do so, Congress has put an inhibition upon any settlement or compromise of these debts by several enactments, the first of which was included in the ratification of the so-called "Hoover moratorium of 1931."

Present indications all show that, as matters now stand, no money will be received by the United States on account of the two semiannual installments due in 1935, one on June 15 next and the other on December 15 next, and there is nothing in sight which would lead anyone to suppose that any future installments will be paid. In fact, the business of the collection of the war debts owing to our Government is now at a recognized and sterile standstill.

These observations naturally lead to the interrogatory: What is the United States of America going to do about it? And, more specifically: What is the Congress of the United States going to do about it? Thus we are confronted with the fact that we are actually not only not going to receive any money on account of these debt installments due June 15 next, but we are going to put the Government to an additional expense for the stationery, cables, and labor which the Secretary of State will have to incur to remind our debtors that June 15 is pay day. Thus the idle ceremony pursues the even tenor of its way.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER (Mr. RADCLIFFE in the chair). Does the Senator from Maryland yield to the Senator from Idaho?

Mr. TYDINGS. I yield.

Mr. BORAH. Does not the Senator think that it is not solely a question of what the United States is going to do about the war debts on the 15th of June, but what are the debtor governments going to do about them?

Mr. TYDINGS. I shall discuss that question a little later. My observation is that the governments which owe the money are not going to do anything about it until we do something about it, and because we should do something about it I have offered the resolution which has just been read at the desk.

Mr. SHIPSTEAD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Minnesota?

Mr. TYDINGS. I yield.

Mr. SHIPSTEAD. May I say to the Senator that the formula for settlement of war debts has already been fixed. In the agreement which was entered into at the time of the

debt settlements the foreign governments agreed that upon request of the Government of the United States they would reissue the notes we now hold, reissue them in small denominations, in denominations of a character which could be sold to private investors upon the stock markets of the world. They even admitted or agreed that they would permit and assist us in having them sold in their own markets, and that they would—

Mr. TYDINGS. I understand all that, but let me say to the Senator that in spite of those agreements we are not getting any money. Is the Senator satisfied to let the situation remain as it is?

Mr. SHIPSTEAD. Sometime ago I submitted a resolution requesting the executive department of the Government to carry out its part and take the next step in asking the governments to issue their bonds in such form in which they could be sold.

Mr. TYDINGS. If the Senator will bear with me, I am going to anticipate some very natural questions which would arise in his mind. I may say right now that I am absolutely with the Senator. My object is to settle the matter and not let it lie with no income at all being derived from the debts due the American people, and to that matter I shall address myself immediately.

Mr. SHIPSTEAD. If the Senator will indulge me a moment, I think the next step ought to be taken by the Treasury Department and the executive department of the Government, and that step is already outlined in the agreements.

Mr. TYDINGS. That is what I am advocating.

Mr. SHIPSTEAD. I have on the table a resolution requesting the executive branch of the Government to take such action. Would the Senator be in favor of so doing?

Mr. TYDINGS. Yes; but the Congress has already inhibited the President from doing anything. We have already said that anything less than the full amount of the installment due shall leave the debtor nations still in default. I am trying to present the entire situation and to devise a plan where it can be considered in conjunction with other things. Because I do not feel that the facts are altogether a separate issue, I ask the Senator to listen until I have woven in some other thoughts.

In answer to my own question just propounded, I presume the Members of the Congress naturally divide into two groups:

First. Those who are content to let matters run as they are—which, to be sure, is perfectly satisfactory to the debtors; for it is a well-traditioned maxim of debtors to let sleeping dogs lie.

May I say inferentially, as a lawyer who has had occasion at times to collect debts for his clients, that I have never found debtors overwhelmingly anxious to pay their debts where they have grown stale. It requires a great deal of urging sometimes in order to obtain a very substantial settlement.

The first group just mentioned, those who are content to let matters run as they are, carries on the they-pay-nothing-and-we-get-nothing policy. That, indeed, is the present policy, which is characterized by a quiet absence of payment but a loud presence of recrimination—no money, but acrimony.

Second. There is the other group, who say, "You not only will receive nothing on June 15 next, but you received nothing on December 15 last, and we think that as your present policy has resulted in our receiving nothing at all, some other policy might well be evolved in the hope that a different approach, which cannot possibly do worse, may well produce results highly beneficial to the United States in this time of need."

I think practically every business man will agree that the second group, that is, those who propose not to let these debts lie fallow, but to capitalize them for the best advantage to both our own country and the world, is the group which best represents the sentiment and sound policy of the American people. That is the group who would do as a practical business man would do under similar circumstances.

Having debts that are uncollectible in whole, on which nothing is being paid, and which are rapidly becoming chronic, the business man has learned from experience to get the best adjustment possible in a bad situation, especially if he expects to do business again with the person with whom he is settling. The longer these war debts remain unpaid, the less real value they have. Why should Congress not pursue business methods with a business proposition, for that is exactly what this is?

I believe the time has come in the affairs of men when it is wise to resurvey the entire economic mess inherited from the war. I believe such a survey is imperative for the welfare of our own country and the salvage of civilization. To continue hurling epithets back and forth across the Atlantic and to remain idle in fields of constructive endeavor whereby to alleviate the distress and suffering in our own and other lands is to be unworthy of the traditions of the Republic.

A spirit of nationalism is a proper and laudable one at all times if kept within reasonable limits. Indeed, a spirit of nationalism is nothing more than the love-of-home spirit on a national scale. I hope I share in these impulses of the human heart. But a spirit of nationalism which denies to one's country benefits and improvements which are obtainable through a broader view of life and events, is not loyal, true, or constructive nationalism. Patriotism is the concept of one's desire to serve his country for its real ultimate good rather than for its apparent immediate good. Patriotism is to be distinguished from blind isolationism. Moreover, a well-intentioned patriotism, as expressed in our present governmental debt policy, has not achieved the desired result, assuming that the result intended was to produce the payment of these war debts. In other words, the intention was good, but the effect was futile. It is my purpose, our previous efforts having failed, to present and advocate a plan which I hope will bear fruit, and for that reason the resolution previously read at the desk has been offered, and I believe points the way to this objective.

No Senator nor citizen dreams of collecting these debts by war. As the late Philander Chase Knox, of Pennsylvania, once stated in this honorable body, "Nations do not go to war over a promissory note." Now, if they are not to be collected by war—and God forbid that we shall ever try such a brutal method—we must find some business or common-sense way to adjust these financial obligations. Now they are absolutely stagnant and as dead as last summer's maple leaves.

Let us review a little history. What was the World War? It was a struggle by wellnigh all the nations on the face of the earth to settle international disputes and differences by force of arms. Conference would have been infinitely better, for justice would have held more steadily the scales. Even a bad settlement by conference would have been vastly preferable to the ungodly cost of life and treasure which resulted when the conference table was transferred from the anteroom to "no man's land", where all nations got the worst of the bargain, victors and vanquished alike. At any rate, from that attempted settlement of international difficulties by brute force, civilization had a bill rendered to it by the god of war to the extent of \$300,000,000,000, representing the material treasure wasted in the war, and that was its cost only to the date of the armistice. Its resultant effects on trade, commerce, and values have almost doubled this colossal sum. Besides that, many tens of millions of men, women, and children, most of them boys, were the casualties of that holocaust—those who were killed in action, those who died of wounds, those who died from diseases and other causes directly attributable to the war, and those who were incapacitated by wounds.

Only a fool would suppose that after a tremendous conflict like the World War, with its unprecedented destruction of wealth and human life, the world could, in a stride, go back to the pre-war tempo of events. All the pre-war problems remained unsettled by the war, and to them hundreds of new ones were added, more far-reaching and acute than those attempted to be settled by force of arms from

1914 to 1918. Indeed, the disillusionment, the loss of faith, the discouragement, the prejudices, the debts, and the misery following the World War have poised all of civilization again upon the very brink of new hostilities, strange and insane though it seems. The world is a veritable armed camp. Little has been settled and little has been attempted in the way of settlement since November 1918. Indeed, the world was never more in a state of unsettlement than now. It seems that most people, while deploring the terrible conflict of 20 years ago and its consequences, have preferred to drift helplessly into another terrible ordeal, or purposely to shut their eyes to it, rather than to strive for ways and means and the vision and the sense to avoid another great catastrophe to humanity.

The war debts represent only one phase, however important, of our international problem. We must consider and solve, in conjunction with the other nations, all the acute questions that are blocking world peace, stagnating world trade, and undermining confidence in our units of currency.

My resolution does not seek an adjustment of the debts alone. That is but one item—an indispensable item, in my humble opinion—but there are three other vital problems that must be considered and solved in connection with the settlement of these debts, problems whose solution will amply warrant and repay any type of reasonable adjustment of the allied and German indebtedness.

Let me take the pains to make my own position clear. In order that we may strip from the solution of the war-debt question the weeds and underbrush of useless controversy and misunderstanding, let me say with emphasis that this resolution and my remarks must not be interpreted as even suggesting that the war debts be reduced or readjusted as a proposition standing alone. I further desire to go on record as vigorously opposing disarmament by the United States alone, as an example to other nations, especially in this day of excessive, abnormal, and increasing armament among the nations. Armaments are relative; disarmament must also be relative. Likewise, I do not advocate stabilization of the currency of the United States as a gesture toward the stabilization of the currencies of other countries, because any stabilization would be short lived and might be highly injurious to our own country if it were not based upon international agreement, particularly among the larger financial nations.

So, too, I am not in favor of the United States alone lowering its tariffs to stimulate the trade of foreign nations, without those nations according the United States equal advantages and privileges.

In short, reverting to the war debts, so far as I am concerned, their present amount shall remain untouched unless and until the other three indispensable factors to world recovery and world peace are included. For even if the debts were paid in full tomorrow morning, or canceled in toto today, or whatever solution might be made of the debts alone, there would yet be no hope for humanity to emerge from confusion and disorganization all over the earth unless such a settlement of the war debts were conditioned upon and accompanied by a return to international economic sanity.

Thus there are four questions which, to my mind, are vital both for recovery from the depression and for the protection of civilization, and I measure my words in making that observation. They are:

First. A reasonable cash settlement of the war debts owing to the Government of the United States by the European allied governments and by Germany.

Second. Drastic general reduction of armament, as nearly pro rata as possible, including an immediate universal 5-year holiday or moratorium in arms construction.

Third. Stabilization of currencies by international agreement; and

Fourth. Revival of sound world trade.

It is perhaps well to recall the original settlement of the war debts. Our Debt Funding Commission, operating from 1922 to 1926, made various and varying settlements with our European debtors. The effect of these debt-funding settle-

ments, according to banking tables and a book issued by the Brookings Institution, which I quoted in a little book I wrote on the subject with which many Senators are familiar, was to reduce the then present cash value of these debts—assuming that they were good and collectible—from \$12,000,000,000 of combined principal and interest to about \$7,000,000,000. The Allies owed us \$12,000,000,000 on notes which had no security, or practically no security behind them, as we generally conceive it, and which they could not pay. These were exchanged for notes, in financial effect, for \$7,000,000,000, which, as conditions developed through the present catastrophic depression, they are likewise unable to pay as they stand. Certainly without effects that would be dangerous to the whole world.

The kind of settlement envisaged by my resolution is illustrated at least as a basis for negotiation in a plan entitled "Liquidating World Depression", recently published by the Business Men's Committee of Chicago, which I shall put into the RECORD at the conclusion of my remarks, and it is well worth reading as a means of seeing what might possibly be done. Under its terms the United States would get serial cash payments on bonds or notes satisfactorily secured or guaranteed so as to make all the payments certain, but such settlement would be made only as a part of a complete program for world improvement, as contemplated by my resolution.

In passing it might be well to call attention to the fact—especially because there are some of my distinguished colleagues who were then Members of the Senate—that these unprecedented loans, amounting to \$10,000,000,000, were made to the Allies to be used for purely destructive purposes. We might as well be honest with ourselves, which is what the word "realistic" ought to mean. It is my contention—and I think any experienced business man or banker will agree—that such huge loans made for destructive purposes, without any security, or substantially any security to protect them, are really uncollectible as business propositions. If money is loaned for constructive purposes, to create something, to produce something, especially where the loans are of immense size, there is a solid basis for the hope of collection, even though unsecured. But where the money is to be used for the destructive and wasteful purpose of carrying on a war, such advances cannot be considered from a business standpoint as a sound loan or as a bona fide investment. I could far more easily, if I were so inclined—which I am not—criticize the making of the original loans than the acceptance of even a poor compromise of loans so made. In fact, such loans and advances can be justified only upon the ground of our feverish interest in the war. This does not in any sense detract from the legality of the debts, or even the equity as between the United States and the European nations. I make this statement in naked terms of business and common sense. We got into this mess of bad debts, and any merchant or any man with horse sense in such a situation would make the best adjustment possible. In addition, it may be said that the ability to pay on the part of our war debtors has been seriously crippled since the debt-funding settlement by the most devastating depression of all time. If the earlier adjustment was justified, a restudy under present world conditions is certainly in order.

I refer to the plan of the Chicago Businessmen's Committee once more to call attention to the fact that it deals with the German war debt owing to our Government on identically the same terms as that of the Allies. Thus, no distinction is made, nor do I favor any distinction in the adjustment of these war debts between our old allies and associates and our former enemy but now our friend. To me all these differences are forgotten in dealing with this subject.

I said that a business man would make the best adjustment possible in a similar situation. Now, what is the best adjustment possible? It is not only to secure a fair percentage of our war debts in cash, which we very much need at this time, but also to obtain the tremendous collateral advantages so vital not only to the United States but to all the nations of the world. By far the largest expenditures in the budgets of the various nations are the war items, among which, as

everyone knows, armaments are conspicuous. From five billion to six billion dollars every year are now being squeezed from the overburdened and largely impoverished taxpayers of the world for fresh quantities of munitions. Today the world has more armaments than ever before in peace time. The only purpose of these huge increases in instruments of slaughter is that they are being built for an expected war. Otherwise there would be no justification. They have no other purpose. While the United States is not directly involved in the European controversies, the excessive arming of the European nations forces us to spend enormous sums of money to keep up with the military procession. I am informed that the United States will spend more money on armaments this year and next year than any other single nation, notwithstanding the fact that it is the overwhelming desire of our people to avoid war and to cease constant preparation for war by large and excessive armament building.

We seem to the foreign nations to be speaking the language of peace, but to be building the instruments of war. That is identically the same impression we get of the other nations. We cannot understand why they are not convinced of our peaceful intent and purpose, and they fail to see what we think we clearly see, that their purposes are militaristic and martial, just as in war it is always the enemy of each country that is the aggressor and the other country is fighting purely a war of defense. Something must be done to call a halt on such a perilous and unnecessary condition. Again, I think my resolution points the way.

Consider for a moment the question of armaments as a purely economic or financial proposition. The easiest possible way to balance our Budget and, indeed, to balance every national budget in the world, is to get an agreement of the nations to cease building armaments for a while. Can we not convince the other nations, and should they not convince us, that the world can worry along—at least, the peoples who fight the battles and pay the bills—without a war for another 5 or 10 years? Is this too much to ask of civilized peoples? Why not try an experiment in real peace and see how it works? Hence the proposal for an immediate 5-year holiday in arms construction is a short cut, and the greatest single short cut out of the depression for all the nations. It will also be the first de facto world declaration of peace in history. We have witnessed, thanks in large measure to the untiring efforts of the distinguished senior Senator from Idaho [Mr. BORAH], a de jure declaration of peace, the Briand-Kellogg Peace Pact. We thus have peace by law and treaty. Now let us have peace by concrete universal action, by a moratorium on arms building, and make the treaty worth while. Why is not a moratorium in armaments at least as feasible and as desirable for relief as the well-known moratoriums on debts?

The United States, for example, under such a proposed arms holiday, would save, in regular construction, about \$300,000,000 a year, and doubtless we could also manage to avoid the expenditure of a large part of the billion dollars under present legislation. In the same way, the European nations could save perhaps a billion dollars a year during such holiday. Think of that! Thus their internal national budgets could be put into balance, and an immediate and vast increase in world buying power would also come. If there is any reason why such a holiday or moratorium in arms should not be agreed upon by all the nations, it can only reside in the imagination of a Baron Munchausen or come out of the mouth of Mars himself.

And yet, while every nation builds increasing armaments because all other nations are doing it, in another sense the primary cause for armaments is intimately connected with economic and monetary questions. The desire to have armaments primarily springs from fear. Fear springs from unsound economic conditions, internal and external. Unsound economic conditions are themselves produced by war, and they in turn sow the seeds of another war. This is a most vicious and perilous international circle.

In dealing with the four subjects covered by my resolution, I find myself largely enveloped in the discussion of

war. This is more or less inevitable. It is becoming more and more recognized by all students and thinkers on the subject of world conditions that the overwhelming factor in the present distracted condition of the world is the war itself. Our current historians are rapidly coming to the unanimous conclusion that after all is said and done, the great problem that civilization has to solve is the problem of war. For example, I quote from a radio address delivered on May 9, 1935, by the professor of industry and dean of the Wharton School of Finance and Commerce of the University of Pennsylvania. He used very striking language. I quote him:

First, it is silly, idle, and futile for us to assume that we are ever going to attain stability in our economic order so long as we are recovering from the effects of past great wars; or laying our plans and basing our policies upon the expectation of future wars. Our modern economic structure is so delicately adjusted and its equilibrium is of such a slowly developing character that we simply cannot stand great wars. Another war such as that of 1914-18 may well destroy western society. Great wars destroy markets; add insurmountable obstacles to trade; undermine both national and international systems of currency and credit; develop bad debt-forming habits; overexpand certain lines of industry and agriculture beyond our capacity and desire to buy; generally speed up the processes of economic change so that the number of difficult adjustments is increased; fertilize the soil for future wars; and generally create conditions of uncertainty and insecurity which inhibit business enterprise, reduce employment, and make rational solution difficult.

He sums the whole thing up beautifully in the philosophy and the fact which he weaves into that observation.

Here is vividly epitomized the earthquake effect of war upon the economic and financial mechanism of the nations.

When the last war was over the financial structure of many nations was violently altered. For example, in the United States before the war we were an exporting and a debtor Nation. After the war the United States has been an exporting and a creditor Nation. Germany lost her export trade and her colonies and became the greatest debtor nation, at least under the terms of the Versailles Treaty. Great Britain's creditor position was seriously impaired, and with each succeeding year rivalries have taken English commerce away, due primarily to the fact that England for 4 years thought of munitions more than she did of exports.

Faced with all these dislocations of trade and commerce, and burdened with an unprecedented and unpayable debt, with great amounts of unemployment, and with business adjustments of necessity taking place, governments turned to currency manipulation, which in most cases amounted to internal repudiation, as a means of temporary, if not permanent escape. Germany was the first to pursue or be afflicted with this precipitous course. From 1919 to 1923 the mark spiraled downward from around 25 cents to zero, necessitating a complete rebuilding of Germany's currency. In 1926 France, by repeated borrowings against mounting deficits, saw her franc drop to less than 2 cents, from its armistice-date value of around 18 cents, and only the heroic efforts of President Poincaré saved the French people from a fate like that under which the German people had agonized. Then the Japanese depreciated their currency. The Italians followed and depreciated their currency. Then the English depreciated their currency in 1931, and finally the United States depreciated its currency. So, the wicked spiral of war, currency depreciation and armament burdens bored into the heart and soul of mankind. The economic war for supposed self-preservation goes on.

Depreciated monetary units were used in the post-war period where bullets had been used during the actual conflict, and as our own currency position became more insecure our taxes mounted, especially as we also increased our armaments. Civilization, already staggering, was thus dealt a double blow by governments everywhere. Of course, there were some trade advantages to be reached by depreciated currency, though all economists concede that they are but temporary. So, hand in hand with the race for bigger and better armaments the governments vied with each other to drive their money toward the point of worthlessness in their death struggle for trade survival, but armaments and cur-

rency depreciation were justified by distracted statesmen in all governments as necessary to preserve or to increase trade.

The next step was the policy of embargo, tariff quotas, exchange control, and the like, which operated on the thesis that each country would sell everything it made to the world and buy practically nothing in return. As all countries adopted, to a greater or less extent, this selfish, one-way philosophy of trade, all international commerce worthy of the name necessarily fell to an irreducible minimum, and as it fell the army of unemployed grew and grew, until it had in its ranks—think of it!—more men than actually were under the colors in the World War on Armistice Day of 1918, and still we say the time has not come to cooperate to rebuild an insane and dislocated world.

The Four Horsemen are still riding throughout Christendom in this year 1935. Captain War Debts fires his barrages of hate and prejudice back and forth. Captain Depreciated Currency strikes fear into the heart of industry and agriculture all over the earth. Captain Armament ties millions of men, in the form of taxpayers and consumers, to his chariot wheels, while a majority of the young adult population of all nations leave their posts as wealth producers and receive intensive training in the manly art of universal destruction. In the meantime, back of the hosts under Captains Embargo and Quota, men, women, and children starve behind the lines, crying for bread and work, while impoverished governments consume the remaining wealth of the world to feed and succor the increasing numbers of unemployed, much after the manner of a man trying to lift himself up by his bootstraps.

Yet, with the whole world headed toward the most sanguinary and cruel conflict of which the imagination of a Mephistopheles could conceive, with unemployment the daily care and problem of every government beneath the sun, with unstabilized currency systems sapping the remaining vestiges of confidence in the mind and heart of every business man and producer, and with the burden of armaments squeezing the last tithe of tribute from an overtaxed world—with all these phenomena as clear as the light of day, there are those who counsel this continued status in the affairs of men, even though we sink further and further, while they hesitate; and while they hesitate we aggravate it to its nth power rather than to try, by a united front, to restore some order in civilization.

There is only one great general who can down the Four Horsemen. Never, when he has unsheathed his sword, has he failed. He is the leader who, in every great emergency, becomes the man of the hour, and quenches the fire of passion and induces the return of sanity. This leader is General Common Sense.

After all, Senators, there are only two alternatives. One is to leave things as they are, in spite of the deadly drift toward ruin which a continuance of the present situation will inevitably entail. The other is to act to avoid the deadly drift, to turn its flank.

Every man in this body, including myself, justifies his vote for increased armaments because other nations have increased their armaments. Likewise, every man in this body justifies embargo tariffs because other nations have embargo tariffs. Yet almost every man in this body would greatly prefer to avoid these drastic measures but for the fact that other nations have forced us to adopt this course. What we say about other nations they say about us. The vicious circle produces world vertigo.

If my premise be sound, then the way to get rid of the depreciated currencies is by international agreement, on a fair and equitable basis, of course. The way to get rid of embargo tariffs, quotas, and exchange control is by international agreement, of course. The way to get rid of excessive armaments and the fears they create and the expense they engender is by international agreement. The most beneficial way to solve the problem of the war debts is in conjunction with these three other vital matters, and to promote a plan possible of fulfillment in this quasi-bankrupt world which will return to ourselves and to our debtors the maximum amount of resultant stability and prosperity. For

this I stand, and I confidently bespeak for it the whole-hearted approval of our people.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. CONNALLY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Logan	Robinson
Ashurst	Costigan	Lonergan	Russell
Austin	Couzens	Long	Schall
Bachman	Dickinson	McAdoo	Schwellenbach
Bailey	Dieterich	McCarran	Sheppard
Bankhead	Donahay	McGill	Shipstead
Barbour	Duffy	McKellar	Smith
Barkley	Fletcher	McNary	Steinwer
Bilbo	Frazier	Maloney	Thomas, Okla.
Black	George	Metcalf	Thomas, Utah
Borah	Gerry	Minton	Townsend
Brown	Gibson	Moore	Trammell
Bulkeley	Glass	Murphy	Truman
Bulow	Gore	Murray	Tydings
Burke	Guffey	Neely	Vandenberg
Byrd	Hale	Norris	Van Nuys
Byrnes	Harrison	Nye	Wagner
Capper	Hatch	O'Mahoney	Walsh
Caraway	Hayden	Overton	Wheeler
Carey	Johnson	Pittman	White
Chavez	Keyes	Pope	
Clark	King	Radcliffe	
Connally	La Follette	Reynolds	

The PRESIDING OFFICER. Eighty-nine Senators have answered to their names. A quorum is present.

Mr. TYDINGS. Mr. President, if our difficulties are largely external—and I contend that they are—then our treatment must be largely external if we are to escape the impasse in which we find ourselves. Certainly these excruciating conditions are found everywhere in the world, varying only in degree, and therefore our remedies must be correspondingly broad and comprehensive. What we want is a cure, not a palliative—a permanent, not a temporary treatment of these matters. The situation calls for a surgical operation, not a mustard plaster.

Let me refer for a moment to South America. Those Latin countries were not in the war except nominally. The only cost to them of the war was the dire effects caused by the disruption of trade and the dwindling, almost to the point of extinction, of the demand for raw materials. Our citizens own several billion dollars of the bonds of those South American countries, the original purchase price of which was par, and all but one or two of them are, and for some years have been, in default in both principal and interest. Here we can see the results of the war, thousands of miles away from the arena of war itself, and in countries which furnished not a soldier nor a gun as their contribution to the struggle. Here we have a debt situation in which our investing citizens would rejoice in any kind of a fair settlement or compromise. These South American bonds are selling on the New York Stock Exchange for almost nominal sums—certainly less, for both principal and interest, than the amount of overdue interest alone. I feel sure that if the question of an adjustment of these debts arose there would be no disagreement. The Senate would be unanimous in recommending any reasonable compromise. The trouble is that these countries are not able and will not be able to make a reasonable adjustment of these sovereign debts until world trade shall have been restored and until they shall be able to sell their huge surpluses of raw material the world over.

In illustration of another phase of this important international question, let me refer briefly to this country's world trade. We export, generally speaking, about 8 percent of our total production. Some people say that 8 percent of our trade is of such little importance that we do not have to bother about it; that is to say, a paltry 8 percent is negligible. According to that philosophy, may I say that to have in the United States 4,000,000 employables, without work would likewise be of no particular importance because that large number of unemployed is also but 8 percent of the people of this country over 16 years of age who work. In other words, if we had 4,000,000 unemployed, that is 8 percent, there would still be 92 percent of our people employed, and hence under this

theory it would not be a matter of any significance. If 8 percent of all we produce is sold abroad, then 8 percent of all who are employed are being paid their wages to produce things not to be consumed in this country, but which must find a market outside the United States. The 8 percent, or 4,000,000 workers, would be permanently unemployed but for this foreign trade, and their unemployment would cause still others to lose their opportunity to earn a livelihood, for the purchasing power of the 4,000,000 now working to supply foreign markets would be cut off. So, if the 8 percent of our total production which has hitherto gone into foreign trade is lost, then the 8 percent of our working people—as I said, 4,000,000 human beings—must become permanent charges upon the city, county, State, and National Governments. Including dependents, 16,000,000 would be the number, and if one will consider the magnitude of relief requirements he will realize that observation to be extremely significant in this year and day of the depression. Of course, the reasoning of this 8-percent philosophy is both fallacious and short-sighted.

Mr. President, one frequently hears the statement from those opposed to international conferences, that the United States "never lost a war nor won a conference." That is a well-rounded epigram, pleasing to the ear, but the truth is that no modern nation ever really won a war, and if conference is the alternative to war, then no modern nation ever really lost a conference—not even the United States.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. I yield.

Mr. LONG. I know the Senator is well versed in history; but, as a matter of fact, we did win a conference once. That conference was in 1815 at Ghent. We lost the War of 1812, but won the conference at Ghent.

Mr. TYDINGS. I thank the Senator for his observation, but I was using my illustration for another purpose. For my part, whatever may be said of the distant past, I believe it is now a truism that a nation loses vastly more in an apparently victorious war than it does in a compromise or an admittedly losing conference.

Consider for a moment any conference in which we have ever engaged. One may not like international conferences, but I like them much better than the consequences and cost of the last war, and they are the only means to avert, or at least to try to avert, the consequences of another war.

Moreover, I myself feel a sense of rising nationalistic protest against the proposition that we have not brains, courage, and skill enough to state our case and to hold our own in discussions and conferences with other nations. We do not ascribe any such inferiority complex to our citizens and representatives in any other capacity than in the diplomatic or the political. Are we so politically inept and unskillful that when we go into a conference with foreign groups we lose all mental poise, all astuteness, and sense of moral responsibility? I not only believe that we have ample manhood for the purpose but I would be willing and perfectly satisfied to have the entire delegation to such a conference selected from a single small body of Americans, to wit, my colleagues in the Senate. I care not whether they are labeled irreconcilables or nationalists, militarists or pacifists, I have the utmost confidence that, so far as the purport and compass of my resolution are concerned, they would all be fitted for the task and would hold their own with all comers. I could think of, offhand, five or six Members of this body, one of whom sits next to me and another who sits across the aisle, who would be a credit to any nation on the face of the earth as its representatives in a conference called to deal with world problems and those affecting humanity.

But even if our representatives, however selected, were unequal to the task, or for any other reason we were not successful at the conference, the results of the conference, whatever they might be, would finally have to be passed upon by this body; for the United States Senate must ratify

or reject any treaty which might emanate from such conference.

So, when we say that we are incapable of holding our own in an international conference, we are really, in effect, accusing our Executive, our State Department, and our Senate of diplomatic imbecility. If this accusation be true—which I vehemently and utterly deny—we certainly have a way of escape, by turning all these matters over to our business men, who seem to be able to hold their own, and more, with foreign business men. But I take this self-deprecating statement to be rather a witty epigram than a reflection upon the men whose names figure in American diplomatic history. The fault may occasionally be in the specific selection, not in the intellectual and moral manhood of America.

To this observation let me add another: Vastly more will be lost by refusing to participate in a conference for the settlement of the vexing questions which are covered by my resolution than can be gained by a thousand years of the philosophy of ultranationalism which today dominates us all. After all, the paramount end of these conferences is to get rid of war. Far from saying that we should not participate in conferences which must consider wars and the effects of wars in all their bearings, I contend that we must do so whether we like it or not, whether we are capable or puerile. There is no escape from our stake in the rest of civilization, though we build 100 Chinese walls around our coasts. For, again, we come back to the central proposition that the main cause of our economic woes was that greatest and most destructive of all tragedies, the World War.

Let me now quote, in further corroboration of this view, an eminent professor of economics and director of the College of Business Administration of Lehigh University (Dr. Neil Carothers). He sums up the situation in a recent article, as follows:

Our present depression grew out of the conditions created by a tragic World War, which ate the heart out of the capital of European nations, disorganized foreign trade, and demoralized the credit and currency systems of all the world. We do not yet know enough to control the economic consequences of a World War.

This depression is not due to the collapse of the capitalistic system or to the exploitation of the workers by the capitalists, or to the mistakes of the banks, or even to the orgy of speculation which swept over the country. It is due to the World War. It is not an economic depression but a world depression. It did not begin in the United States but in foreign countries.

May I add my own humble interpretation of the present economic impasse? I agree that the depression is due very largely to the World War; but let me add that since the World War its continuance is a purely man-made depression, made by men and by governments who refused to take heed of the changed economy of their respective nations, of the dislocation of business, of the terrible waste of life and treasure, and who persisted in carrying on, when the war was over, just as though the war itself had never taken place. We have intensified all of this depression because we have been unwilling to meet face to face the problems that must be solved if the world is to be repaired and rehabilitated.

While we hesitate, what do we see in our own country? From ten to twelve million workers without employment—they have been without employment for 10! these many years—20,000,000 people on relief or dole; State school systems supported in part by the National Government in 31 of our 48 States; laws providing for municipal bankruptcy; national laws providing for the legal repudiation of private debts; public-works programs amounting to \$4,000,000,000; a reduction in the producing of wealth by farm, factory, mine, and forest; devaluation of our money; the impounding of the metal behind our currency; a rising and unprecedented national debt; and a great spurt in the building of new armaments. I do not point out these phenomena by way of criticism or egotistic hindsight, but I contend—and I think with reason on my side—that those who may oppose an international conference to deal with the four vital subjects covered by my resolution would say—inferentially, at least—

that they favor a continuance of the abnormal conditions which I have briefly described. This is *laissez faire* gone mad.

Let this be said, for fear my remarks may be misinterpreted: Short of a world willing to cooperate to cut down armaments, to reduce taxes, and to eliminate fear; short of a world willing to revive world trade in the interest of creating more wealth, more work, and a return of prosperity; short of a world willing to restore business confidence at home and abroad, through stabilizing and standardizing the yardsticks by which men may measure their toll and their wealth—in fact, short of clearing the road to national as well as international progress, such phenomena as I have described are inevitable. There is no escape from that. If we continue to tolerate the conditions which make unemployment inevitable, we must continue to pay the dole which unemployment makes inevitable, and we must continue to feel and live in an atmosphere of insecurity, uncertainty, and instability. I care not whether the administration be Democratic or Republican, or what not. Politics does not enter into any phase of my resolution or intentionally into any part of my remarks.

It is only just to interpolate at this point the statement that this body has given an almost unprecedented example, for the most part in the past 2 years, of freedom from the warp of partisanship. The Members of this body have tried to do, and to let others do—even when the programs were purely experimental—things that were genuinely intended to help our country and, through our country, to help the world. Most of these things have related to domestic policies. It is a truism that when we touch the water's edge, when we make or develop an international policy, partisanship is far less pardonable than when applied to purely domestic affairs.

It is a byword upon the streets of our country that Europe is headed for another war. Students of international affairs like Frank H. Simonds in our own country and Mr. Brailsford in England have recently exhibited the cold realities which directly forecast another European war unless something unforeseen saves the day. We may lightly say "The next time we will remain aloof and keep out of the war." Ah, but who knows? We went into the last war and our involvement cannot even be charged to the League of Nations, for it was not then in existence; nor to the World Court, for it, too, was not then in existence. History sometimes has a way of repeating itself. Who knows what incident may take place, what sudden, unexpected happening in spite of all our safeguards and resolutions may, like a magnet, draw us into another conflict? Why take the chance?

But even if we stay out, who is there that will say that the United States can pursue the even tenor of her way after the resources of Europe have been depleted and all world commerce paralyzed? We will not extend credit again to European countries in the next war. They will not have the money nor the goods nor the services to offer in exchange for our products. As they will not have the money to buy our products the present unemployment in America will be only a small part of the then unemployment which will be the minimum price to us of another great European war, even though we succeed in keeping out of the conflict. The very conditions against which we inveigh at this moment are our inheritance from the last war. Who, then, can suppose that our inheritance from another war can but multiply our present difficulties?

One thing is certain, and upon that we can agree. If this European war comes—and it is too near the brink for international comfort—and our European debtors become involved in another war, what will then be the value of our war debts after that struggle shall be ended? Who will be bold enough to say that they will have any value? Hence, my resolution could be accepted solely on the ground that we would better get out from under, that we would better collect what we reasonably can from nations whose utter financial collapse is inevitable if another war comes. Thus,

again, I appeal to the common business sense of my colleagues.

There is another thing that I want especially to emphasize. My resolution envisages no international entanglements of any kind, whether mentioned in Washington's Farewell Address or not. On the contrary, my resolution, if carried to its legitimate conclusion, will serve to disentangle us from the European entanglements of the last war. I challenge any Member of this body to deny the overwhelming truth and importance of this statement. In an ordered world we can afford to remain aloof. In a disordered world, even where the will exists to remain aloof, we cannot always do so. Man proposes, but God disposes.

Finally, what objection can there be to the adoption of this resolution? If the conference is called, the results of that conference will have to be submitted to the Senate of the United States for ratification or rejection. Hence, if we lose that conference—as it is said humorously we always do—it will be lost not by the men who carried on the conference but by the United States Senate, which would ratify their work. For the worst that can happen to us is to remain as we are, to reject the results of the conference for reasons which, of course, the Senate will consider good and sufficient. If nothing will have been obtained after the nations of the world have been assembled at Washington, at least we shall have tried to reestablish sanity in the affairs of the world. If good is accomplished, the Senate can ratify it and gain for ourselves and the other nations an irresistible momentum on the road to recovery. We can lose nothing. We can gain much.

Too long the world has ignored or evaded the great impediments which stand in the way of human progress at home and abroad. If for no other reason, the consequences of our inertia should lash us into action, as we gaze on a world disorganized, preparing for another bloody conflict, while the bent backs of all humanity support the staggering burden of taxation. I propose action, not inaction, in such an emergency. I propose trial rather than submission. I propose humanity rather than inhumanity, peace rather than war, stability rather than instability, sane cooperation rather than blind isolation; in brief, a conference of the leading nations of the world to stabilize currencies and bring about a drastic measure of disarmament, a revival of wholesome and balanced world trade, and in connection with these things a sane and possible settlement of the stagnated war debts.

Shall we hesitate? Shall we dally longer along the road to national and international ruin? While we hesitate the social worker listens to the tales of misery from idle millions, the farmer produces on only a part of his productive acres, the Government debt mounts, fear grows, and war draws near.

All the subjects with which I have dealt are the progeny of war. What is war in this day and time? The bombing of cities and towns, with the death of women and children; the destruction of commerce; the end of the journey for millions of brave men before the insidious onslaught of poison gas; the destruction of billions of dollars in wealth in countries where countless thousands subsist on the dole; and all to what purpose? That some nation may be for a moment victorious, to be swept in the next instant to the ranks of the defeated foes by the overwhelming flood of international economic disorganization and ruin.

I am not afraid for the United States of America, either on the battlefield or at the conference table. Her great power, the industry of her people, their fortitude in the face of danger, and their humanity in the face of disaster, flood my heart with a fulsome pride not only in her past, but in her ability to meet the men of any nation in the solution of our present problems on the basis of honorable equality.

We should be afraid not to act, when one visualizes the inevitable consequences which will overrun the world when another great war shall have taken its toll of life and treasure.

Believing intensely, as I do, in the wisdom of the action I here propose, what a salutary thing it would be in this disillusioned and embittered world were the Senate of the United States, without a single dissenting voice, to rise to the full height of its moral stature, and, with a sound head and a humane heart, give to the world an example of courageous leadership in undertaking the solution of the most arduous economic task of all time!

Let the United States propose to the nations to be assembled at Washington a new world policy—a live-and-let-live policy—and dedicate it to the plain people of both hemispheres.

Mr. President, I ask to have inserted in the RECORD a proposed plan about which I shall say nothing except that it is a very worthy plan as a basis for thought and consideration.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

LIQUIDATING WORLD DEPRESSION

Some energetic economist might well collate and catalog both the ascribed causes of the depression and the numerous remedies prescribed to a suffering world for emergence therefrom. Despite the conflicting theories thus gathered together and the confusions of thought thereby engendered, there looms at least one "bright particular star" to guide our feet. Enough time has now elapsed and adequate perspective developed to make it incontrovertibly clear that the overwhelming cause of our economic woes was the frightful wastage of the World War and its turbulent and profligate aftermath. The generally accepted estimate of the cost of the war in economic waste is \$300,000,000,000, or approximately one-third of the accumulated wealth of the world. Not content with this exhibition of economic insanity, the nations, intent upon maintaining an indefinite armed peace, have expended on new armaments since the armistice the incredible sum of \$50,000,000,000. With Europe now echoing alarms of war, expenditures for world armaments have been boosted up to \$6,000,000,000 a year. This made race to the "next war" is being run at crushing expense and at the fatal risk of civilization itself. The situation defies rhetorical exaggeration. Probably 100,000,000 of the people of America and Europe are living under the subsistence level. This large part of the human family in daily want offers a shameful contrast to the official investment of many billions of dollars every year in instruments of slaughter. The world now has the greatest sum total of armaments in history and the twentieth century is challenged to vindicate its right to the name "civilization" by inaugurating a general holiday in armament building to assure recovery from the protracted ravages of the depression. We have had a moratorium on debts; why, for example, cannot a moratorium on arms construction be declared by all the nations? It is difficult to conceive of a single plausible objection to such moratorium or holiday by any nation acting in good faith.

The plan proposed herein is offered as a way out of this international labyrinth. It seeks largely to relieve the after-burdens of the war, drastically reduce the staggering costs of armaments, revive for our farmers and manufacturers a normal foreign market, stabilize world currencies by international agreement, make possible a return to prosperity, and to promote genuine and durable world peace. It does not exclude or hamper other constructive measures but, on the contrary, it will serve to facilitate and insure them.

Two of the cardinal assumptions of the plan are:

(1) That the World War and the two post-war panics have so shrunk the wealth, so stagnated the business, so burdened the budgets, and so crippled the paying power of the nations that a new, comprehensive, and mutually advantageous readjustment of the war legacies is made necessary in the common interest.

(2) That the United States, being the only clear creditor among the nations, and having expended \$38,000,000,000 (exclusive of our loans and credits to the Allies) in the war, without asking, or receiving, any compensation therefor at the peace table, has the right and faces the duty to make these proposals and demands in the name of justice, stability, suffering humanity, and world peace.

The arithmetic of the plan is summarized as follows:

OUTLINE OF PLAN (I TO VII)

I. Allied payments to the United States

Total principal amount in round numbers, of loans and credits by the United States to the Allies, during the war and shortly after the armistice, commonly called "Allied debts"-----	\$10,000,000,000
The United States to be paid in all a total sum of 60 percent of such principal amount or-----	6,000,000,000
Upon such 60 percent the Allies are given credit for the amounts already paid in cash-----	2,700,000,000
Balance of the 60 percent remaining to be paid by the Allies to the United States-----	3,300,000,000

I. Allied payments to the United States—Continued

The plan provides that this balance of \$3,300,000,000 be divided into 12 equal annual installments and paid as follows:

Immediate cash payment on the consummation of settlement, say, June 15, 1935..... \$275,000,000

And a like amount of \$275,000,000 on June 15 of each of the next 11 succeeding years. The 11 deferred annuities to be secured or guaranteed in a manner satisfactory to the United States so that the adjustment thus made will be final and not subject to revision or reconsideration at any future time. Installment annuities to bear interest after their respective maturities at the rate of 5 percent per annum.

Memo (a) and (b):

(a) As this adjustment would go into effect at the close of the 3 years of grace given to Germany under the 10 percent 1932 Lausanne conditional settlement between the Allies and Germany, there will be owing to the Allies from Germany under this Lausanne settlement the sum of.....

800,000,000

The payment thereof by Germany would terminate and discharge all the Allied claims for reparations against her. This would reduce the sum needed to be raised by the Allies for payments hereunder to \$2,500,000,000, or about \$200,000,000 a year for only 12 years as against the previous debt settlements which called for similar annual installments for 62 years.

(b) The 60 percent, or \$6,000,000,000, is a lump sum or joint settlement, the Allies to determine their respective contributions or percentages of payment thereof as among themselves. This lump-sum settlement would relieve the United States of the burden, delay, and friction of the previous protracted negotiations with a dozen or more nations, and we would avoid discussing the unjust disparities claimed by certain Allies in the former settlements. There is no reason why the Allies should not settle their own differences and disparities of payment by themselves. The negotiations to that end may also force the solution of some of the acute political problems which so disturb Europe and whose settlement would greatly advance the peace of Europe. Indeed, such debt settlement by us might well superinduce general appeasement so vitally needed in Europe, and thus greatly facilitate the drastic universal reduction of armaments without which durable world peace can never be attained.

II. German payments to the United States

The United States to accept in adjustment and compromise of our two claims against Germany, one arising from the army of occupation costs and the other from the Mixed Claims Commission, the same percentage basis as in the case of the allied indebtedness, namely, 60 percent of the original principal, crediting thereon the cash amounts heretofore paid by Germany to the United States:

(a) Army of occupation costs.....	\$250,000,000
60 percent of original principal.....	150,000,000
Less cash paid by Germany thereon.....	68,000,000
	\$82,000,000
(b) Mixed Claims Commission, original principal.....	227,000,000
60 percent thereon.....	136,000,000
Less cash paid by Germany thereon.....	52,000,000
	84,000,000

Total amount of German settlement with the United States in 12 years..... 166,000,000

This amount, \$166,000,000, to be paid by Germany to the United States in 12 equal installments of \$14,000,000 each, beginning September 15, 1935; the installments to bear interest at the rate of 5 percent after maturity.

III. Liquidation of allied and interallied debts and reparations

All the interallied debts (that is, debts owing by the European allies among themselves, as distinguished from the allied debts which are owing to the United States) arising from the war, and of which there are, roughly speaking, \$7,000,000,000 owing to Great Britain, \$2,000,000,000 owing to France, and \$1,000,000,000 owing to

Italy, to be canceled and discharged. Thus the whole tangled network of allied and interallied debts and of German reparations, which at the time of the June 1931 moratorium amounted to the colossal grand total of \$30,000,000,000, can be disentangled and discharged upon the payment of about 15 percent thereof, or four and a quarter billion dollars.

IV. General disarmament

All the foregoing adjustments and settlements to be conditioned upon the general and reciprocal acceptance of a drastic program of disarmament, as nearly universal as possible. This program to consist of two parts:

(a) A complete holiday (subject to completions, replacements, and repairs under existing disarmament treaties) in all types of armament construction for a period of 5 years; that is, until after assured recovery from the ravages of the economic depression.

(b) Progressive and, as far as is equitable, proportional reduction of armaments during the 5-year holiday so that at the end of the holiday period the total reduction will be substantially 50 percent of their present level.

The money savings to be effected by these two processes of disarmament are conservatively estimated to be:

Holiday saving for the United States for each of the 5 years.....	\$300,000,000
50-percent reduction per year for the United States after 5-year holiday.....	250,000,000
Holiday saving for Europe for each of the 5 years.....	1,200,000,000
Savings on 50-percent reduction per year for Europe after the holiday.....	750,000,000

V. Benefits under the plan to the United States and Europe

The annual benefits to our Budget by the payments to and savings by the United States under this plan are:

Annual payment in cash by the Allies to the United States.....	\$275,000,000
German annual payments to United States in settlement hereunder.....	14,000,000
Annual savings to the United States by armament holiday.....	300,000,000
Total per annum.....	589,000,000

Summarizing the foregoing benefits to the United States, computed for the 12-year period, we have:

Amount received from Allies on the war-debt settlement hereunder would be \$275,000,000 a year for 12 consecutive years, making a total cash payment of.....	\$3,300,000,000
Amount received from Germany in settlement of our two claims against her would be \$14,000,000 a year for 12 consecutive years, making a total cash payment of.....	\$166,000,000
Saving to our Budget by armament holiday and drastic reduction for 12 years (estimated), \$300,000,000 a year for 5 years of holiday, or \$1,500,000,000, and \$250,000,000 a year for the remaining 7 years, or \$1,750,000,000, making a joint total in armament savings for 12 years.....	3,250,000,000

Total from payments and relief from armaments under this plan.....	6,715,000,000
Add the amount of cash hitherto received from the Allies.....	2,700,000,000

And we have a grand total of payments by the Allies and Germany owing to the United States, plus our own savings on armaments of..... 9,415,000,000

The amount of savings under the 50-percent reduction of armaments is necessarily an estimate. However, even exclusive of the recent "billion-dollar" Vinson naval bill, which largely goes into effect in 1936, and which could be suspended under the proposed plan, it is conservative to fix the amount of our savings at \$250,000,000 annually.

The payments and savings under this plan would easily enable the balancing of our Federal Budget commencing with the fiscal year 1937.

After the 12 years the item of annual savings in armaments of \$250,000,000—or whatever it exactly is—would continue indefinitely until changed by international agreement.

From the figures shown in provision IV above, Europe will save on armaments alone during the 12-year period at least..... \$10,000,000,000

(Which ought greatly to ease the burden of payments hereunder and their yearly transfer.)

The Allies are getting under this plan another large reduction of their debt, and will continue to have the benefit of the 50-percent reduction of armaments indefinitely at the annual rate of..... 750,000,000

Also, the reopening of the world trade and the general stimulation of good will and economic appeasement would be of tremendous mutual advantage, and Europe and the United States would benefit from the increased foreign buying power of each.

VI. Monetary and trade agreements

The agenda for a conference to consider the plan should include the question of currency stabilization by international agreement

and the question of the advisability of the return to a gold standard, likewise by international agreement, and reciprocal tariff and other trade arrangements. The natural effect of a general debt-disarmament adjustment, lifting the terrific mortgages of debt and reparations left by the war, would be to facilitate and expedite an adjustment of all these vexing monetary and economic problems in the spirit of fair play and common benefit. Recent developments have brought sharply to public attention the necessity of international agreement on the stabilization of currencies and the money standard of the world. It is difficult to visualize satisfactory world trade unless these acute problems are disposed of in the sunlight of good will and mutual interest.

VII

Although the United States Government has no direct or legal interest therein, it is hoped that in removing causes of international friction all the old disputed and so-called "repudiated" claims of British and other foreign subjects against 10 of our sovereign States be abandoned and discharged. The States involved are Alabama, Arkansas, Florida, Georgia, Louisiana, Michigan, Minnesota, Mississippi, North Carolina, and South Carolina. These claims have nothing to do with our Civil War; some date back as far as 1842 (Mississippi) and as late as 1884 (Arkansas). The details of these so-called "repudiated" claims are fully set forth in a paper procurable from the Treasury Department entitled "Repudiation of State Indebtedness", and bearing date "Revised May 15, 1930."

In short there should be the broadest and most comprehensive adjustment and clean-up possible. The piecemeal and partial settlements dragged out through the past 13 years have got the world nowhere in terms of durable accomplishment. The reluctant and disappointing concessions made through these years have engendered friction rather than good will. The time has come for the nations, whose peoples are all suffering from the burdens of the war and the depression, to meet together with the determination to tackle and solve all the important questions that block international trade, prosperity, and world peace. Representatives of the nations should be selected for their ability to work out a program of reciprocal concession and sacrifice for the common good. While the United States should deservedly take the leadership in this movement and its people are willing to make further sacrifices beyond those already unprecedentedly made, it should not be asked to bear the lion's share of fresh concessions. Uncle Sam's surname is not Atlas.

VIEWS OF PRESIDENT ROOSEVELT AND OTHERS

It is well known that President Roosevelt has been balked in his preliminary efforts in the international field by the recurrent tendency of certain foreign emissaries to seek only those adjustments which are particularly beneficial to their countries. For example, emphasis is always laid by them on drastic reduction of the debts. A factor that is far more important, one that promises the greatest aid to financial recuperation and makes further debt reduction attractive, is drastic reduction of armaments. On the occasion of the meeting of the Woodrow Wilson Foundation in December 1933, President Roosevelt, in a notable address, said that "At least 90 percent of the world's population are willing further to reduce their armed forces tomorrow if every other nation in the world will agree to do the same thing. . . . If this 10 percent can be persuaded by the other 90 percent to do their own thinking and not be led, we will have practical peace, permanent peace, real peace, throughout the world."

It seems President Roosevelt's view is that the question of armaments and of debts should be linked together and adjusted together for the greatest possible benefit both to this country and to the world. It is not a question of logical relationship, but of common sense and practical results. And this epitomizes the overwhelming sentiment of the American people.

Senator BORAH, in a Senate speech in 1933, said: "So far as the debts in and of themselves are concerned, taking the debts naked and alone, there is no justification for the reduction or cancellation of these debts. But that is not all there is to this problem. . . . If we could open the markets for the American farm, revive trade and commerce, reestablish our monetary systems upon a sound basis, and drastically reduce the armaments of the world—speaking now of armaments purely as an economic proposition—I think it would be infinitely more valuable to the people of the United States than the payment of the debts. Whenever a program is presented which gives reasonable assurance that there will be a readjustment of the post-war problems, which, in my judgment, now stand in the way of normal operation of economic laws, and if these debts can be used in such a program to break the depression, I shall not hesitate to support the program."

The leading nations have from time to time the past 2 years given frequent expression to their respective countries' desire to reduce armaments and to advance the cause of world peace. These nations include both Germany and Japan. In the fall of 1934 Germany announced her willingness to return to the disarmament conference and even to agree upon general control and supervision of arms in Europe, insisting, however, upon equality of arms for herself. Both Chancellor Hitler and his aide, Dr. Hess, made this clear in their speeches. As late as February 24, 1935, Chancellor Hitler, speaking at Munich on the celebration of the fifteenth anniversary of the founding of the National Socialist party, said: "We demand a guaranty of equality, freedom, and self-maintenance. With it, German honor rises again. We only know a 'no' and 'yes'—always 'yes' for peace and always 'no' for disregard of German honor. The world must recognize our 'yes' remains 'yes' and 'no' remains 'no.'"

for disregard of German honor. The world must recognize our 'yes' remains 'yes' and 'no' remains 'no.'"

On October 29, 1934, Japan's Washington Ambassador, Hiroshi Saito, passed through Chicago and was interviewed on the subject of armaments and the then current naval conference in London. He said emphatically, "Japan favors drastic reduction of armament by everyone."

Of course, the United States, Great Britain, France, Italy, and Russia have proclaimed just as strongly their devotion to world peace and their desire for drastic reduction of armaments.

If all these nations mean what they have all said, then drastic reduction of armament ought certainly to be attainable. If it is feared that some of them do not mean it, then it is high time that civilization has a show-down on this subject. A conference to consider and carry out some such proposal as contained herein might constitute an international "who's who" on this vital question. A definite line-up of the nations for peace by concrete action should be ascertained.

Recent disclosures in the opening sessions of our Senate's investigation of the manufacture and sale of arms were of such a nature that the responsible heads of the nations should welcome an opportunity to prove that they are not directly or indirectly in league with armament manufacturers and that they and their peoples are willing and eager to join in an equitable and drastic diminution of arms. This also would furnish an opportunity for the nations which are solemnly pledged so to do under article 8 of the League Covenant to cut down their burden of arms. Too long has this pledge lain fallow. The crisis is here; all the munitions factories in Europe are running at full speed and somebody must take the lead to stop the explosion that is inevitable if this thing continues. It is as if the whole world were living at the foot of a smoking volcano. Is civilization helpless?

Thus we see that reduction of armaments has vital relationship to both economic recovery and world peace. Just as the greatest saving can be made through a holiday in arms construction and drastic reduction of armaments, likewise peace pacts and peace commitments lose far too much of their practical value unless and until they are validated by drastic reduction of arms by all the nations. For if the disarmament is both general and as nearly pro rata as practicable, the fear of war would be abated and dispelled. It is too much to ask any nation alone to disarm for the sake of the example, just as it is equally unfair to ask the United States to cancel the war debts as a pure international gift.

Here, then, in the proposal drastically to reduce armaments, God and Mammon meet in harmony for the first time—the God of peace and the Mammon of money saving.

The foregoing plan is submitted as a people's plan, a business man's plan, free from technicalities, comprehensively covering most of the acute problems now plaguing international relations, suggesting a course of adjustment in harmony with present world economic conditions, and reasonably just and equitable to all the nations.

The will to adjust is the "will to peace."

SALMON O. LEVINSON.

The PRESIDING OFFICER. The resolution submitted by the Senator from Maryland will lie over under the rule.

ADDITIONAL HOME-MORTGAGE RELIEF—CONFERENCE REPORT

Mr. BULKLEY. Mr. President, I ask unanimous consent for the immediate consideration of the conference report on House bill 6021, providing additional home-mortgage relief, which was submitted to the Senate on May 16, and which was then read and ordered to lie on the table.

The PRESIDENT pro tempore. Is there objection to the consideration of the conference report, which has already been read?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6021) to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes.

(For conference report see RECORD of Senate proceedings of Thursday, May 16, 1935, pp. 7640 to 7641.)

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

REGISTRATION OF LOBBYISTS

Mr. BLACK. Mr. President, a few moments ago I was handed a statement signed by a number of legislative representatives of national organizations with reference to Senate bill 2512, for the registration of lobbyists. I send the statement to the desk and ask unanimous consent to have it read. It is very short.

The PRESIDING OFFICER. Without objection, the statement will be read.

The legislative clerk read as follows:

We, the undersigned legislative representatives of national organizations, wish to express to you our unqualified support of your bill (S. 2512) for the registration of lobbyists. We believe that nothing could more effectively protect the right of organized citizens to present in a legitimate way the public questions in which they are interested to their elected representatives in the Congress. We appreciate your public service in advocating this measure and wish to register in this way our approval.

(Signed) Elizabeth Eastman, National Board Y. W. C. A.; Mrs. Mark Lansburgh, National Council of Jewish Women; Mrs. Louis Ottenberg, National Council of Jewish Women; Mrs. Glen L. Swiggett, American Association of University Women; Mrs. Sina M. Stanton, Council of Women for Home Missions; Mrs. J. Austin Stone, American Association of University Women; Mrs. Mary T. Bannerman, National Congress of Parents and Teachers; Mary N. Winslow, National Women's Trade Union League; (Miss) Mary Wright, American Nurses Association; Selma M. Borchardt, American Federation of Teachers; Helen W. Atwater, American Home Economics Association; Lucy L. Barker, American Association of University Women; Alice L. Edwards, American Home Economics Association.

EXTENSION OF THE N. R. A.

Mr. NYE. Mr. President, on yesterday I spoke on the plans for a large N. R. A. demonstration in Washington today, and made reference to the desire for information concerning the sponsors of this demonstration.

I send to the desk a resolution and ask that it may be read.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 142) was read, as follows:

Whereas an organized group known as the "Industry and Business Committee for N. R. A. Extension" is admittedly seeking to influence legislation by means of mass demonstrations in Washington and by other methods; and

Whereas this group represents itself as speaking for a large section of business and industry; and

Whereas the chairman and/or the members of said group or committee have openly urged and stimulated a concentration of individuals in the Capital to demand that the Congress enact legislation to meet their wishes; and

Whereas the Industry and Business Committee for N. R. A. Extension has issued lists containing the personnel of its several committees: Be it

Resolved, That the National Recovery Administration be, and hereby is, directed to submit to the Senate of the United States, within 3 days, information showing whether or not any individual or individuals included in these lists, whose names follow, are, or have been, officials or employees of the National Recovery Administration and/or officials or employees of any of the several code authorities, together with total or annual salaries and/or other compensations paid to these individuals by the United States Treasury or from the funds of the code authorities:

Carl Whitney, Sol Herzog, Thurlow H. Gordon, Sylvan Gotshal, David L. Cole, George Nebolsine, Mitchell Shipman, Howard Heydon, G. H. Dorr, Col. Merrill G. Baker, Eric Calamia, Ward Cheney, A. C. Weigel, William Menke, Leo J. Goldberger, A. K. Hamilton, E. M. Dillhoefer, J. H. Whitehead, Kenneth I. Van Cott, David Orans, Frank L. Grennie, Hugo N. Schloss, Nathan Tufts, H. E. Bishop, A. R. Ludlow, Kurt H. Volk, F. H. Baxter, Otto Grimmer, Harry E. Kenworthy, A. C. Knothe, Arthur Hudson Marks, Sol Mutterperl, John Murphy, Alex G. Ritchie, Jacob Roth, E. W. Palmer, Max J. Schneider, John W. Willmore, and George St. John, Jr.

Mr. NYE. Mr. President, the concluding part of the resolution sets out the names of some 40 men. They are members of one or the other of two committees, one known as the "General Committee of the Industry and Business Committee for N. R. A. Extension" and the other the "Subcommittee of Lawyers."

Since the resolution asks directly for information, I feel free to ask unanimous consent that it may be considered by the Senate at this time.

Mr. ROBINSON. Mr. President, having just come into the Chamber, and not having had an opportunity to study the resolution, I feel constrained to suggest that it go over under the rule.

The PRESIDING OFFICER. The resolution will go over under the rule.

JOINT MEETING OF THE TWO HOUSES

The Senate resumed the consideration of the concurrent resolution (H. Con. Res. 22) relative to the meeting of both Houses in the Hall of the House of Representatives on

Wednesday, May 22, 1935, to receive such communications as the President shall be pleased to make to them.

The PRESIDING OFFICER. The question is upon agreeing to the concurrent resolution.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Logan	Robinson
Ashurst	Costigan	Loneragan	Russell
Austin	Couzens	Long	Schall
Bachman	Dickinson	McAdoo	Schwellenbach
Bailey	Dieterich	McCarran	Sheppard
Bankhead	Donahay	McGill	Shipstead
Barbour	Duffy	McKellar	Smith
Barkley	Fletcher	McNary	Steiner
Bilbo	Frazier	Maloney	Thomas, Okla.
Black	George	Metcalf	Thomas, Utah
Borah	Gerry	Minton	Townsend
Brown	Gibson	Moore	Trammell
Bulkeley	Glass	Murphy	Truman
Bulow	Gore	Murray	Tydings
Burke	Guffey	Neely	Vandenberg
Byrd	Hale	Norris	Van Nuys
Byrnes	Harrison	Nye	Wagner
Capper	Hatch	O'Mahoney	Walsh
Caraway	Hayden	Overton	Wheeler
Carey	Johnson	Pittman	White
Chavez	Keyes	Pope	
Clark	King	Radcliffe	
Connally	La Follette	Reynolds	

The PRESIDING OFFICER (Mr. MURRAY in the chair). Eighty-nine Senators having answered to their names, a quorum is present.

Mr. LONG. Mr. President, before making any remarks on the pending question let me say that I undertook to make some inquiry relative to the precedents of the President delivering a veto message in person, and I find that there is no record of any President ever having appeared before either House or a joint session of the two Houses of Congress to deliver a veto message. There is no precedent. But our present President is a breaker of precedents. Our President has broken precedents before, and I have concurred in some of those activities.

I do not think Congress should necessarily tie itself down by precedents, because not only has the President asked the authority, or rather his friends have asked it, which means the same thing, to appear before the two Houses, but he also appeared at the Chicago convention and accepted there the nomination for the Presidency. I believe that was breaking a precedent. I do not believe anyone before the present President of the United States, whom some of our friends call "our beloved President", ever appeared at a national convention to accept the nomination of a party. He was the sole exception.

Mr. NORRIS. Mr. President, does the Senator believe that was unconstitutional? [Laughter.]

Mr. LONG. No; I do not think so. I do not think that the breaking of the precedent by appearing in Chicago was unconstitutional. But I am going to submit to my colleagues this question, not whether the breaking of the precedent was unconstitutional, but whether the breaking of the pledges involved in the breaking of the precedent could be held to be so sanctimonious.

I find no fault, gentlemen of the Senate, with the breaking of precedents. I have broken precedents myself. While, as is generally known, like all of my colleagues I am a slave to precedent when I can find a precedent which suits the purpose; when there is no precedent to suit the purpose, I follow my colleagues in undertaking to break a precedent on high and mighty grounds.

The Senator from Arizona has often said that the time comes when men must rise above principle. At least a time comes when men must rise above precedents. So I revert now to the last time when I took great notice of the breaking of a precedent, when our President, nominated President, or perhaps the better term would be "President-designate", appeared before the Chicago convention I listened to hear him break the precedent until he uttered what I shall read. This is what I heard come from the lips of the present President of the United States before he was President:

Throughout the Nation men and women, forgotten in the political philosophy of the Government of the last years, look to us here for guidance and for more equitable opportunity to share in the distribution of national wealth. [Applause and cheering.]

I am glad, Mr. President and gentlemen of the Senate, that Mr. Roosevelt broke the precedent by appearing at Chicago. I am glad he went there. Whether or not Washington, or Adams, or Jackson, or Lincoln, or any other candidate went to the national convention by which he was nominated, nonetheless I was glad on the date when this occurred, when Mr. Roosevelt went before the national convention in Chicago and broke precedents and made the declaration which I have just read.

I am going to read that again, Mr. President, before I proceed further. I think my friend the Senator from Kentucky [Mr. BARKLEY] knew that I had something important to read to the Senate this afternoon. This is one of the first times he has called a quorum in the desire that Members of the Senate should not lose an opportunity to hear what I had to say. [Laughter.] So I am going to read the extract again.

Throughout the Nation—

I want Senators to hear this. I want us to pause not only in the discussion of the Constitution, which "does not feed people", about which statement the Senator from Oregon spoke, or someone else spoke about it to him, but I want us to pause and reflect whether or not the breaking of precedents is so serious a thing as the breaking of pledges. Therefore I read again:

Throughout the Nation men and women, forgotten in the political philosophy of the Government of the last years, look to us here for guidance and for more equitable opportunity to share in the distribution of national wealth. [Applause and cheering.]

Mr. President, that is what the book says, that they cheered and applauded.

I have before me the headlines of a newspaper which I desire to read. I read them in connection with what I hope Senators can call to mind of the declarations of our President as to what is a living wage. It will be recalled by those of us who paid some attention to the campaign, and to what happened in the days following the campaign, that the Democratic Party and our nominee, our present President, declared that any country undertaking to force its citizens to live below the standard of a subsisting wage level was undertaking the destruction of the system of American manhood which sustained it.

I have here before me the Baltimore Sun, which contains the same headlines which other newspapers carry today, May 21, 1935. I read the following headlines:

President sets wage scale on works-relief at \$19 to \$94 monthly.
Rates prevail for 40-hour working week.
Nation divided into four groups with lowest pay in South.

That ought to sound good to us boys from below the Mason and Dixon's line. That is some good news to the "new dealer." It will be good news down in Georgia, Alabama, Mississippi, and Louisiana tonight. They will probably have a party down there. I might go back myself if they would hold it off a day or two.

Good news has come! The President has set a wage level, the lowest to be in the South, ranging from \$19 to \$94 a month for a 40-hour working week!

It is good news, as I have said, and I must repeat, good news for us that the South gets the lowest.

Why does the South get the lowest? Because they think there is less need to send money there to get votes. They think that the Democratic Party has the thing all in the bag, and they think that they have it all fixed as to who is the Democratic Party.

What boots it if some Senator rises and mouths a little bit around here? He would better keep his mouth shut or he will not get any jobs. What boots it if some men might complain over on the other side of the aisle? What boots it if some man down in the sticks gets up and grumbles a little bit? What chance has he? The wage level of the country has been set, \$19 a month in the South, and from \$19 up to \$94 in the balance of the United States, through the hand of

"our beloved"—let me say that again—"our beloved President of the United States"—b-e-l-o-v-e-d, beloved. [Laughter.] He has honored us this day and date and year of our Lord. Good news to Texas! Nineteen dollars a month!

The President of the United States has issued this pronouncement. In the olden days they called things issued by the Pope "papal bulls." This thing ought to be called a "White House bull." [Laughter.] According to this manifesto, pronouncement, or White House bull, which has been issued—

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BARKLEY. The difficulty on that subject is that the Senator from Louisiana has usurped the use of the "bull" so that not enough is left even for the President of the United States. [Laughter.]

Mr. LONG. No; he has a monopoly on that. He had that market cornered before I was born. This great logician asked to have it paraded throughout the length and breadth of the United States that so long as he held the post of President he would never stand for a system which undertook to make men and women slaves from sun up to sun down for a wage below the poverty line; that he was, above all things, committed to the one sacred principle, that the sweat of one's brow should not mean the decay of humanity because he would not have a man work for a wage below that which would sustain life in respectable circumstances. Now he has the power in his hands to fix the wage level. Any man who thinks the wage level of the Government is going to be \$19 and the wage level for similar services in private lines is going to be more than that, has something else coming to him besides thinking. However, the President has had it in his hands to fix the wage, and he has set the wage, at the highest—mark you, at the highest—at a point which is at one-half the poverty-line wage, according to the statistics—and he has been known to quote more statistics, I think, than any other candidate—and at the lowest level, 12 times one and some odd dollars a month. That has been offered for the man living in the South. That is good news to Tennessee. That is good news to Georgia.

Mr. McKELLAR. Mr. President, I think the Senator had better confine his statement to Louisiana. He has nothing to do with Tennessee, and he had better let Tennessee alone. I am telling the Senator for about the last time that I am tired of hearing him talk about Tennessee. [Laughter in the galleries.] I think the Senator should devote most of his time to Louisiana, and, unless all signs fail, I am giving him good advice, because he will need some people in Louisiana.

Mr. LONG. O Mr. President—

Mr. McKELLAR. Just one moment. I looked at the Senator's public record the other day and found that he has been here 4½ years and he has never had a bill passed for Louisiana or for the country since he has been here. As I understand, he has never received an appointment, outside of his own office, for Louisiana.

Mr. LONG. That is not correct.

Mr. McKELLAR. It is all true, because I have looked at the record.

Mr. LONG. Oh, no.

Mr. McKELLAR. I suggest, under those circumstances, the Senator, never having had a bill of any kind passed or a resolution adopted, should confine himself to Louisiana. I do not believe the Senator could even get the Lord's Prayer endorsed in this body if he undertook to do so. He should confine himself to Louisiana. Tennessee has one excellent representative and another hard-working representative in my own person, and we will look after Tennessee. Let the Senator confine his remarks to Louisiana.

Mr. LONG. Mr. President, it looks as though my friend from Tennessee is going to crawl over and go down to Louisiana. We will give him a good time down there if he wants to come to Louisiana. I suggest that he go down there. There is a campaign coming off there in January. They need the Senator from Tennessee, and a whole lot of his kind, down there; and when we get through with them we will send them back wondering what it was all about.

Mr. McKELLAR. We have honest elections in Tennessee, and the Senator from Louisiana has elections of a dictator. The Senator takes great pride in being called the "dictator" of Louisiana. Evidently some of the people of Louisiana take a great pride in calling him the "dictator." He calls himself the "Kingfish." Well, he can be the "kingfish" in Louisiana, but I am here to say that he is not the "kingfish" in Tennessee, and he is not the "kingfish" in this body; and his record proves that fact.

The Senator from Louisiana has an idea that he is a candidate for President. For Heaven's sake! [Laughter in the galleries.]

The PRESIDING OFFICER. The occupants of the galleries will please maintain quiet.

Mr. McKELLAR. Yes; and I think I had better be quiet, too.

Mr. LONG. No; go ahead.

Mr. CONNALLY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. The occupants of the galleries are not in order and continue to be in disorder.

The PRESIDING OFFICER. The point of order is well taken. The Chair again admonishes the occupants of the galleries to maintain order.

Mr. McKELLAR. The occupants of the galleries ought to have a chance to laugh sometime.

Mr. BARKLEY. Mr. President, I appeal to the Chair not to be too harsh with the occupants of the galleries. When people go to the circus they ought to be allowed to laugh at the monkey.

Mr. LONG. Now, Mr. President, I resent that statement about my friend from Tennessee. [Laughter.]

Mr. McKELLAR. O Mr. President, that statement was not applied to me. [Laughter in the galleries.] The Senator from Louisiana is so used to misrepresenting the Senator from Tennessee that even when a Senator makes such a brilliant remark as that which was just made I am brought into it.

Mr. LONG. Mr. President, I wish to compliment my friend from Tennessee. It seems as if he has talked himself into a good humor.

As I was saying, that will be good news to Tennessee; and before the Senator arrives I had likewise included some other States. That will be good news to Georgia, as I also said, and it will be good news to Alabama, to Texas, to Oklahoma, although I do not believe Oklahoma is called a part of the South. It is, however; and all the Southern States have something for which to celebrate tonight.

The President of the United States, according to the headlines of this newspaper, has said that the States who are to share in this wage scale of from \$19 to \$94 are the particular States that are to have the \$19 up. That shows that the State of Tennessee has been well represented since the Senator has been here. [Laughter in the galleries.] He has at least managed to put that State on the bottom of the wage list, and he wants to complain because I did not have anything to do with that. No; I did not have anything to do with that kind of legislation. I desire to give the Senator from Tennessee full credit for all that kind of legislation; to my certain knowledge, he has had more hand in having that kind of legislation enacted than has any other man in this body since he has been here.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McKELLAR. Does the Senator know of any kind of legislation with which he has had anything to do since he has been in the Senate for 4½ years? If so, I should like for him to tell the Senate what it is.

Mr. LONG. Then, the Senator, Mr. President, has no ground for complaint.

Mr. McKELLAR. I am not complaining. I am merely stating a fact and asking the Senator a question. Does the Senator know of any legislation of any kind with which he has had anything to do since he has been in the Senate?

Mr. LONG. Certainly I have had very little to do with any of this kind of legislation or legislation which has had anything to do with this kind of a program. No, Mr. President; we have been under the leadership of this body of men who felt like doing what is set forth in this headline. We have been under the leadership here of men such as the Senator from Tennessee. We would not read headlines like this, saying that wages in the South have been set at \$19 a month, if we had had a HUEY LONG for a leader here. No; we would not! It took men like the Senator from Tennessee to do such things as that in the Senate. The Senator from Tennessee said there was also one more representative in the Senate from Tennessee. I doubt that. There are no two men in this body like the Senator from Tennessee. The Lord has done us a little good even if he has given us a little affliction.

Mr. McKELLAR. The Lord has given us a very great affliction, though, in the person of one of the Senators from Louisiana. I have tried to be friendly with the Senator from Louisiana; but I am growing very weary of the constant nagging on the part of a Senator who has been here 4½ years, and has never had a bill passed or a resolution adopted, who, as I think the Record will show, has never had a motion adopted, and who has never had a person appointed in the Government. I think such a man ought to be somewhat retiring in his manner, at any rate, and not be constantly nagging his fellow Senators here day after day until his actions are getting to be a stench in the nostrils of every Senator.

Mr. President, the idea of the Senator from Louisiana, with such a record as I have stated, a record absolutely nil with respect to the passage of any bill or resolution he has sponsored, with not a thing to his credit in the way of legislation, coming here and nagging Members of the Senate and nagging the President of the United States, who is trying to perform the duties of his high office as faithfully and as well as any man could pray he would perform them! The idea of such a situation brought about by a man with absolutely no record of successful sponsoring of legislation, a Senator with nothing to his credit as a legislator in this body after four and a half years of—I started to say of service, but instead of that I will say after four and a half years of misrepresenting his State. Louisiana has but one Senator. There is a vacancy so far as the other Senator is concerned with respect to his record as to legislation in this body.

Mr. LONG. Mr. President, I never knew that the Senator from Tennessee was going to be so kind as to say that I never got a job here. His remark was that I never got anyone appointed to an office here.

Mr. McKELLAR. That is what the record shows. I should like the Senator to name a job which he has obtained.

Mr. LONG. I must confess that that is true. Now, think of my admission! Think of the exposure and the humiliation I have had dealt me on the floor of the Senate! Since I have been here I have not gotten a job from either President—and there have been two Presidents while I have been here. Who gets the jobs? You have got to please the President in order to get the pie. I do not want any jobs. I do not need them. I can take care of myself without them. Take a man like the Senator from Tennessee and take jobs away from him and he would go sky high without anything to fasten to.

Mr. McKELLAR. The best answer to that, Mr. President, is that I served three terms in the Senate from the State of Tennessee under a Republican administration, when there were no jobs for Democratic Senators. However, I am not surprised at the Senator from Louisiana. He does not know anything about facts. He constantly makes statements for which he draws solely on his imagination, and that is why I have tried to be kindly toward him. He does not know anything about a fact. His mind is not capable of taking in anything about a fact. I am just getting tired of his constant nagging. [Laughter in the galleries.] I desire to say that I think it would be a great deal better if the Senator from Louisiana were not a Member of this body. It would be

better for the Senate and better for his State and better for the Nation.

Mr. LONG. Mr. President, the Senator not only has tried to be kindly to me but the Senator has been kind. He is mistaken if he thinks he has not been kind to me.

Mr. McKELLAR. I am giving the Senator some mighty good advice, that he had better quit nagging other Senators and nagging the President of the United States, and get down to work on his job, which the people of Louisiana have sent him here to perform. It would be better for them and better for the Senator if he did so.

Mr. LONG. Mr. President, I hope the Senator will not try to put me to work; that is something I have tried my very best to keep from doing all my life.

Mr. McKELLAR. The Senator certainly has succeeded in the Senate. [Laughter.]

Mr. LONG. I thank the Senator. Now, Mr. President, I must resume. The Senator from Tennessee lays it as a great charge at my feet that I have never yet secured a job for anybody since I have been in Washington; that I have never had a job given to me for anybody since I have been here. No plum has fallen into the lap of an obedient legislator by reason of services performed for a chief. Think of that! That is a calamity which no doubt no other Senator in this body has ever suffered. No doubt, too, had the President of the United States followed the non-plum-grabbing element instead of the plum recipients he would today be in far better shape in the United States. One great trouble with men in executive capacities, Mr. President, is that frequently they surround themselves with men who are craving the loaves and fishes which are dispensed by the master, and so find those flatterers and barterers constantly undertaking to play only pleasing and grateful tunes in the ear of the chief so that the plums will continue to fall their way as a result. Mr. President, we all have had such experiences. I was once Governor of a State; I know what such things mean; I know how it is with Governors, and I know how it probably is with other executives. If the President of the United States had followed the advice of someone who wanted none of his jobs, none of his positions; if he had followed the advice of some few of us who stood on the floor of the Senate and said, "Take your patronage and go to hell with it", he would have been much better off than to have followed the advice of those with an ax to grind, who are trying to get some friend in this office and some supporter in that office and to patch up a political fence over there. Today, what is the result?

Before I took the floor of the Senate I telephoned to the American Federation of Labor and asked, "What are the statistics on unemployment; how many unemployed are there?" They said, "There are 12,000,000 industrial and some half million or more farmers unemployed." They informed me they had no credible statistics generally as to farm unemployment, but they said they did have the figures as to industrial employment, which indicated about 11,000,000 unemployed, and they would say that a half million—I think that was the number they stated—could be added for agricultural unemployment. As a matter of fact, however, I had better statistics as to agricultural unemployment than did the A. F. of L., because they have no statistics there as to that feature of unemployment; but there is a way by which we can see what has happened to agriculture. If we will take the year 1929 as a normal year—and it was a subnormal year—and compare the amount of money the farmer earned in that year with the amount of money he earned in 1934 then we shall better realize the condition of the farmer.

I hope my friend from Tennessee will not be interrupted because I am anxious that he should hear me. I want my friend from Tennessee to get these figures, because, Mr. President, I am the friend of the Senator from Tennessee, and if I misstate the facts here and I think any Senator might be injured by them I will undertake to make a correction of them at some future time. So I want my friends, particularly those who react most rebelliously at the undertak-

ing in which I am engaged, of giving these figures, to hear just what the figures are.

Here are the farm figures as best I can get them. In the year 1929 there were unemployed, according to the best statistics which I can obtain, I think some 2,000,000 people—two and a half million perhaps—but the farmer in the year 1929, according to the farm figures, earned about two times as much as he did in 1933 or 1934.

Let us see if I have not the correct figures here. On the basis of 1929 as a normal year, the farm population was 30,257,000, and they earned \$11,000,000,000, or \$394 to every farm person in Hoover's first depression year. I have not the figures for 1934, but I was told the Department of Agriculture would have them. Perhaps the Senator from Tennessee has them, and, inasmuch as he fills out my remarks, if he has them, I would not have any objection to their being given at this time.

Mr. McKELLAR. I will be very happy to do it. I have them before me—that is, if the Senator is referring to the prices of farm products.

Mr. LONG. No; I want to know what was the total amount the farm products brought on the market.

Mr. McKELLAR. I have not these figures; but I will say to the Senator, on behalf of the administration, which he is abusing and traducing, in my judgment wholly unjustifiably and without foundation, to express the idea in proper verbiage, if he is a friend of the farmer, every farm product, without exception, has risen in price nearly 100 percent since the present administration came into power, about 2 years and 3 months ago; and if the Senator is friendly to the farmers—which I exceedingly doubt—he is doing them no service by attempting to show that the present administration has not done wonderful things for the farmer under the new deal.

Mr. LONG. Now, I want to give the figures. I hope that agricultural prices have increased 100 percent, because the dollar was decreased from 100 cents to 59 cents, and I hope the farmer got the other 41 cents, whether he did or not. I say I hope he got that much.

Mr. McKELLAR. Mr. President, if the Senator will yield—

Mr. LONG. I yield.

Mr. McKELLAR. If the Senator will look at pages 7130 and 7131 of the CONGRESSIONAL RECORD, he will find the exact figures showing the increase in the price of the principal farm products, and that on an average the increase has been more than 100 percent. The farmers themselves approve what the administration has done; and when the Senator undertakes to criticize the administration for what it has done for the farmers he is putting himself out of line with the farmers, and no farmer in Louisiana would be justified in supporting him in the celebrated primary he is to hold in January 1936.

Mr. LONG. I am glad that my friend from Tennessee has found out when our primary is to be.

Mr. McKELLAR. Yes; the Senator fixed it so that he could be nominated by some sort of a primary in January, so the newspapers say, including his own newspapers in Louisiana, copies of which I have received, in which it is stated that he fixed it that way so that he could utilize the time later on in the spring of 1936 in gallivanting around over the country in an effort to defeat this Senator and that Senator and the other Senator. I think the Senator has defeated his last Senator. [Laughter.]

Mr. LONG. I have never defeated any Senator, Mr. President.

Mr. McKELLAR. The Senator has threatened to do it, time and again, on this floor. He told the Senator from Arkansas [Mr. ROBINSON] that he intended to go to Arkansas and defeat him; he told the Senator from North Carolina [Mr. BAILEY] that he was going to North Carolina to defeat him; and perhaps several other Senators, including the Senator from Kentucky [Mr. BARKLEY].

Mr. LONG. No.

Mr. McKELLAR. I again want to give the Senator from Louisiana some good, wholesome advice. He had better confine his machinations to the State of Louisiana and let other States and other Senators alone.

Mr. LONG. Mr. President, the Senator has certainly misinterpreted my motives. I was one of the men who arranged that Louisiana's primary should occur in January, and I had good reason for that; it was a generous act on my part. [Laughter.] I knew that if I were to wait until the fall my colleagues would all be engaged either in their own campaigns or in the fall general election, and I had been given to understand that I had friends, like the Senator from Tennessee, who might want to come down to Louisiana, and I did not think it right that I should select a time for the election when they would be busy elsewhere. Therefore, I fixed it up for them so that there is not a Member of this body now who will not have time to come down to Louisiana and tell the people there what he thinks about me and what he does not think about me.

Mr. McKELLAR. I do not know as to that. He might be arrested if he did that. [Laughter.]

Mr. LONG. Oh, no; we have had gentlemen down there who talked worse than does the Senator from Tennessee, and they are still there. That is one thing that they may do down there. I want the Senator from Tennessee to come down there, in order to show him how fair the election is. I will let him pick any precinct in Louisiana he wants to, let him be one commissioner, and let him select all the other commissioners of the precinct, and I will bet he will not get votes enough to wad a shotgun.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McKELLAR. I will have to decline the Senator's invitation. Heaven knows, I have done many things of which I am ashamed, but I am never going to get mixed up with the "Kingfish" and his politics in the State of Louisiana. [Laughter.]

Mr. LONG. I thank the Senator, because while that is a gracious turn in one line, yet he deprives us of his association, which the people of my State need.

Mr. McKELLAR. Well, we have plenty of it here, so that we can get along. [Laughter.]

Mr. LONG. Now, let us get down to the figures, because the Senator from Tennessee is a very apt man with figures. By 1933 the farm population had increased two and a half million, and in the whole year they earned six and a quarter billion dollars, less \$271,000,000 given to them by the Government, or the sum of \$184 to the person.

(Mr. McKELLAR walked toward the door of the Chamber.)

Mr. LONG. I hope the Senator from Tennessee will not leave.

Mr. McKELLAR. I will be right back.

Mr. LONG. So the farmers during that year made 46 percent as much per farm person as under Hoover's first depression year. In other words, in 1933, when the dollar was worth 59 cents, the farmer got 46 percent as many 59-cent dollars as he got 100-cent dollars in 1929, and I do not call 1929 a good year.

So the only thing we can say is that the farm labor of 1933, as compared with the farm labor of 1929, was 54 percent unemployed. On the basis of dollars and cents in 1929 the farm occupant purchased his commodities on a cheaper price level than in 1933, and yet in 1933, with 59-cent dollars, the farmer had only forty-six 59-cent dollars, whereas in 1929 he had one hundred 100-cent dollars.

Mr. McKELLAR. Mr. President, may I announce my return to the Chamber? [Laughter.]

Mr. LONG. That is all right. The Senator from Tennessee wants the RECORD to show he has returned to the Chamber, so I am going to read the figures again. The Senator may be like some of the old, regular attendants at church. If they missed a protracted meeting in any summer they could not be gotten along with during the winter. They always had to have at least one protracted meeting in each 12 months.

I want the Senator to understand these figures. In 1933 the farmer earned 59-cent dollars—how many of them? One hundred and eighty-four; whereas in 1929 the farmer earned three hundred and ninety-four 100-cent dollars per person. In other words, the 1933 farm income per farm person was 46 percent of the 1929 farm income per farm person. It is said the figures are better for 1934.

Mr. McKELLAR. Then, would the Senator like to return to the conditions which existed prior to, say, January 1, 1933?

Mr. LONG. Oh, no!

Mr. McKELLAR. Would not the Senator like to follow the example of the Senator from Michigan [Mr. VANDENBERG], who the other day proposed to put tariffs on agricultural products as has been done for 50 years without effect? Does not the Senator think a tariff on agricultural products is better than the new-deal treatment of the same subject?

Mr. LONG. I will answer all three of those questions for the Senator by making a statement and then answering them categorically.

I do not agree with the reactionary Republicans. On the contrary, no one in this body has voted more consistently against the policies of Hoover than have I, but the policies of Hoover on farm relief are today the policies of the Roosevelt-Wallace administration, line for line, letter for letter, figure for figure. Roosevelt was not the man who first advocated the plowing up of cotton. That was first proposed by Hoover. Hoover proposed to plow up every fourth row of cotton. Roosevelt proposed to plow up every third row. We beat Hoover when he proposed to plow up every fourth row, but Roosevelt succeeded in plowing up one-third more cotton than Mr. Hoover proposed to plow up.

More than that, on the question of the tariff I am a tariff man. So is the Senator from Tennessee. There is only one difference between the Senator from Tennessee and myself on the tariff.

Mr. McKELLAR. Of course, it is useless to call the attention of the Senator to misstatements of fact, but this is just as close as he usually comes to the facts.

Mr. LONG. I am right. I hope the Senator does not leave the Chamber again. The Senator left the last time I offered to read these figures.

Mr. McKELLAR. Oh, no; the Senator did not leave. The Senator from Tennessee is willing to stand up and debate this matter with the Senator from Louisiana any time in the world. He never ran away from this or any other proposition. He is not going to run away from it now. There are two or three articles about which the Senator from Louisiana may read, but the Senator has made so many misstatements about these matters that it is impossible to keep up with him.

Mr. LONG. Here is the Senator's record. The Senator is mad, and I am going to try to get him in a good humor. He makes many bad statements about me and hurts my feelings. If I were not in public, I should cry about it. [Laughter.]

Mr. McKELLAR. I do not think anybody could hurt the feelings of the Senator from Louisiana, because I doubt if he has any except in his own interest.

Mr. LONG. Here is the tariff record of the Senator from Tennessee, whose name then was and now is KENNETH McKELLAR. On October 24, 1929, the Senator from Tennessee voted for Mr. Blaine's amendment for 5½ cents on casein. The House rate was 2½ cents; the commodity rate was 3½ cents; and the Senator from Tennessee voted to boost that to 5½ cents because Tennessee manufactures casein.

Mr. McKELLAR. Oh, no; it was because Tennessee is a milk-producing State and this country is a milk-producing country. That increase was voted for that reason. But that is not the statement the Senator made. He said I had voted for a tariff on every product that came from Tennessee, which is just not so, and that is all there is to it.

Mr. LONG. The Senator from Louisiana said the Senator from Tennessee voted for a tariff on casein because Tennessee is a milk-producing State. I voted for a tariff on sugar because the United States is a sugar-producing country. See how much more broad-minded I have been in the way I

have voted than the Senator from Tennessee has been in the way he has voted. [Laughter.]

Mr. McKELLAR. It is a good thing the Senator feels that he is broad-minded. I do not know of anyone else who feels that way about it.

Mr. BARKLEY. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. BARKLEY. I desire to submit a report from the Library Committee on a bill pertaining to the Zoo. [Laughter.]

Mr. McKELLAR. Why look at the Senator from Louisiana? [Laughter.]

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. No; I decline to yield until I get through with the Senator from Tennessee.

October 28, 1929, the Senator from Tennessee voted for Mr. Goldsborough's amendment to increase the duty on olive oil in containers. Naturally I would make the Senator's defense on that vote before he makes it.

Mr. McKELLAR. Yes; because Tennessee does not produce olive oil.

Mr. LONG. No; Tennessee does not produce olive oil, but it produces cottonseed oil and other vegetable oils, and the good patriotic Senator from Tennessee, who does not believe in tariffs at all—oh no!—who wants to scalp and crucify any man living under the canopy of heaven who ever dares to vote for a tariff on agricultural products, who sees red, blue, and black when such a thing is done, nonetheless came forward when they were passing the pie around and took his piece of pie and voted with them, just as nice and just as sweet as the balance of us ever did! [Laughter.]

January 20, 1930, the Senator from Tennessee voted for the committee amendment for higher rates on basic paper. Why? Because Tennessee has some paper manufacturers down there—for instance, the Taylor Co. I know that company.

Mr. McKELLAR. If the Senator knew what he was talking about he would not make a statement like that. There is not an ounce of paper manufactured in Tennessee, not one ounce.

Mr. LONG. I thank the Senator from Tennessee for having risen above principle that time.

Mr. McKELLAR. Mr. Taylor is a dealer in paper, but it had nothing to do with that vote, of course.

Mr. LONG. That is one time the Senator voted for something when he rose above principle. I do not know why he did it. He might have done as I did—

Mr. McKELLAR. Heaven forbid! [Laughter.]

Mr. LONG. Quite often in this body, when we do not have a particular commodity in our own State, we vote with some other Senator in the hope that he will vote with us and for our tariff. Of course, I know the Senator from Tennessee is above anything like that. He would not trade. I know that.

Mr. McKELLAR. I thank the Senator for his statement.

Mr. LONG. I would not suggest that the Senator ever traded to get a vote on anything. Oh, no! I hope the Senator would not think I would say that.

Mr. McKELLAR. I never traded with the Senator from Louisiana. If I had I would have been beaten in the trade.

Mr. LONG. On January 24, 1930, the Senator from Tennessee voted for Mr. Oddie's first amendment for an increased duty on hides. Think of that, will you? Here we are with people needing shoes. They can buy Japanese shoes and German shoes, shoes made in foreign countries, much cheaper than they can buy shoes made in Massachusetts. Nonetheless, the Senator from Tennessee just walked right into the United States Senate and voted to raise the tariff on hides and did not say a word about it. He never apologized for it, but he has always given everybody else "down-the-country" who voted for a tariff.

January 24, 1930, the Senator from Tennessee voted for Mr. Oddie's second amendment to increase the duty on hides. He gave them two votes. He was not satisfied with

one. He came back and took another lick at it. [Laughter.] Tennessee has some hides.

January 28, 1930, the Senator from Tennessee voted for the amendment of Mr. Thomas of Idaho to increase the duty on vegetable oils. In other words, there may have been some vegetable oils coming in from outside the United States. Tennessee raises vegetable oils, particularly cottonseed oil. So, "We will put another tariff on foreign vegetable oils."

February 18, 1930, the Senator from Tennessee voted for Mr. PITTMAN's amendment placing a duty on silver ores. That goes to show that the Senator from Tennessee was not partisan. He voted for a tariff on silver when his own State did not produce any silver. I certainly would not impute to the Senator from Nevada or to the Senator from Tennessee that they had swapped votes; but if you will look over here at the record of the Senator from Nevada [Mr. PITTMAN], you will find that without swapping, the Senator from Nevada was voting to increase the tariff on vegetable oils, although Nevada did not produce any vegetable oils. [Laughter.]

February 18, 1929, the Senator from Tennessee voted for Mr. CONNALLY's amendment increasing the duty on cattle.

March 3, 1930, the Senator from Tennessee voted for Mr. Shortridge's amendment for a duty on long-staple cotton. You see, there is a little part of the Mississippi Delta up there. The Mississippi River comes up through Tennessee, and they raise long-staple cotton there.

Mr. McKELLAR. Mr. President, I hate to have to correct the Senator from Louisiana again. Really, the Senator ought to inquire into the facts before making a speech in the Senate, because the Senate ought to have the facts. No long-staple cotton is grown in Tennessee—not a pound of it.

Mr. LONG. I believe the Senator is right about that.

Mr. McKELLAR. I know I am right about it; and the Senator from Louisiana is just as wrong about that as he has been about all these other matters.

Mr. LONG. I believe the Senator from Tennessee is right this time, Mr. President. The long-staple cotton is raised in the Mississippi Delta, a short distance below Memphis. The Memphis merchants have accounts with all the farmers down through that part of the country, and Memphis gets the trade down there, and the prosperity of Memphis largely depends upon the prosperity of the cotton-raising section down below there. Of course, that did not have anything to do with the vote of the Senator from Tennessee. He was just voting according to conscience, and he cast a good vote. He voted as I should have voted.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McKELLAR. The Senator has again put me in good company. In one breath he accuses the President of the United States of being crooked, and now he turns around and says I am crooked because of certain merchants in Memphis. That is a long, long cry. The Senator has known me for only 4 years and a half. He has been running for the Presidency in that time, and I believe he has never known me very well, or he would not have made these absolutely unfounded statements concerning me.

Mr. LONG. All I have said is that we are all down there in the same part of the country. I did not say that that influenced the vote of the Senator from Tennessee. I deny that. I simply remarked that the long-staple cotton part of Mississippi is right close to Memphis down there in the Delta.

Let us see. The Senator from Tennessee voted against 14 tariff decreases.

Mr. McKELLAR. Mr. President, the Senator from Louisiana cannot even count. I have taken everyone he has mentioned here, and there are eight of them on my list. I have been here all the time, and the Senator cannot even count to 11. My Heavens! The Senator ought to learn to count, anyway, before undertaking to chastise his colleagues.

Mr. LONG. The Senator from Tennessee voted against the amendment of Mr. WAGNER to reduce the duty on olive oil in containers.

He voted against reducing the duty on china clay, or kaolin.

He voted against the Wheeler amendment to reduce the duty on filaments and yarns of rayon.

He voted against the Simmons amendment to reduce the minimum duty on filaments and yarns of rayon.

He voted against the McMasters amendment to strike out the duty on cement. Now, think of that! Think of it! There was the State of Tennessee engaged in a road-building program, building concrete highways.

Belgium and Germany were offering to sell cement in this country for a great deal less than it could be bought in the United States; so Congress came along and put a tariff on cement. I have forgotten how much it was. I think it was something around 50 cents or a dollar a barrel. That tariff increased the price of the cement for the roads which Louisiana and Tennessee were building; and when an amendment was offered here to strike out that increase of the tariff on cement, what did the Senator from Tennessee do? He voted for the tariff on cement; and for another time in his life he voted right because we need tariffs.

Mr. McKELLAR. Mr. President, there is something wrong about that vote, if it is confirmed by the Senator from Louisiana.

Mr. LONG. The Senator from Tennessee voted against concurring in the amendment on cement.

Mr. McKELLAR. I hope the Senator from Louisiana at some time will quit talking long enough for me to look into that vote and see what is the matter with it. I think there must be something wrong with it, even though I cast it, if it meets the approval of the Senator from Louisiana.

Mr. LONG. The Senator from Tennessee voted on cement three times, each time to keep up the tariff.

Mr. CLARK. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. CLARK. As the self-confessed great road builder of Louisiana, was the Senator from Louisiana in favor of a tariff on cement to increase the price of cement to the road builders of Louisiana?

Mr. LONG. Yes; I am in favor of a tariff on everything, and I realize that the only way you can get a tariff on the things you raise is to vote for the other man's tariff. I vote for everybody's tariff. I am for America. I voted for a tariff on sugar, and, in order to get everybody to feel good about a tariff on sugar, I will vote for their tariff. That is the only way to do. I am not going to come in here and ask everybody to vote for a tariff on sugar and on pepper and on rice, and then turn around and vote against tariffs on the products they either raise or manufacture, because, if I am entitled to a tariff on my product, the other man is entitled to a tariff on his product. I think the worst thing a man can do is to come in here and vote for a tariff on his product, and then go out and bellow all over the country because the other man got a tariff on his product. I voted for all of them.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. McKELLAR. That is a wonderful statement, and stamps the Senator from Louisiana as a real, genuine statesman; that he is willing to vote for any duty affecting the product of any other State simply because the Senator from that State votes for a tariff on sugar.

Mr. LONG. No.

Mr. McKELLAR. The Senator has already so stated. The Senator has said he would vote for a tariff on sugar, or a tariff on anything.

Mr. LONG. Yes, sir.

Mr. McKELLAR. That is a very high order of statesmanship. The Senator from Louisiana says he is absolutely right about it. I suspect it is due to that system which the Senator has adopted that he has been so successful in not getting a single measure, or resolution, or even motion, through this body.

Mr. LONG. Well, we have pretty well kept our tariffs in Louisiana. We got one on oil after I came here. I did not propose it, but I helped the other man pass it. I voted for it. I am not a very influential man here, as the Senator from Tennessee has certified.

Mr. McKELLAR. Yes, and the Senator from Louisiana is getting less and less influential all the time; and if he continues this nagging of the party that made him—

Mr. LONG. Made him?

Mr. McKELLAR. The party that made him; yes. The Senator owes everything in the world to the Democratic Party.

Mr. BARKLEY. Mr. President, is the Senator going to charge the Democratic Party with that?

Mr. McKELLAR. Yes; the Democratic Party in Louisiana is chargeable with that. Now, the Senator from Louisiana has gone back on the party, he has gone back on our President, and now he is turning his mind to abusing and traducing and vilifying without cause every man who does not agree with him. In my judgment, the Senator from Louisiana will find, before he is much older, that that is a dangerous program to attempt in this body.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. Wait a minute; I will yield just as soon as I have answered my friend from Tennessee.

Mr. CLARK. That may take some time.

Mr. LONG. It will. I shall have to decline to yield just now. I wish to answer my friend in these words, if he will listen—

Mr. McKELLAR. I will listen.

Mr. LONG. I was talking about the tariff, and the Senator from Tennessee asked me if I voted for tariffs. I said that I voted for the other man's tariff, and I will vote for any man's tariff. How much? I will vote that not a single foreign manufactured or agricultural product competing with any similar product of the entire United States shall be allowed to come into this country until there has been levied a tariff tax of the difference in the cost of producing that article in America and the cost of producing it in foreign countries.

Mr. McKELLAR. Mr. President—

Mr. LONG. Wait a minute. That is the doctrine of the Democratic Party. The great trouble is that we have men who claim to be Democrats who do not even know what the party is. That was the platform of the Democratic Party upon which I came to the United States Senate; and the trouble is that we have logicians in the Democratic Party, instead of party men, who are undertaking to undo that principle, which was the only thing we had to protect our country; and yet today some men try to have this body filled up with the idea that we have to tear down the tariffs.

There is Florida today. There is Texas today. There is Louisiana today. The Cuban Government and the Mexican Government are sending their citrus fruits, they are sending their roasting-ears, they are sending their cattle across the line and they are selling them there cheaper than it is possible for us either to raise or produce those products. Today we are being crucified, and we are going to continue to be crucified. Right up here on the eastern coast of Massachusetts they are bringing in Japanese toothbrushes cheaper than it is possible for the people of Massachusetts to make them. They are bringing that stuff right into Baltimore cheaper than they can manufacture it in Baltimore. Today, with America putting on taxes to raise the price of the corn and the oats and the wheat and the cotton and the cottonseed oil and the citrus fruits and the peppers and the oranges and the lemons raised in this country, right over in foreign lands they are able to produce those things and bring them to the United States at a cost less than the processing tax in America alone amounts to—so much so that instead of the United States exporting cottonseed oil last year, four shiploads of cottonseed oil came into the port of Houston, Tex., which formerly was the greatest export oil market we knew anything about.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator.

Mr. McKELLAR. The other day, in a colloquy with me, the Senator from Louisiana made the broad statement—and it is in the RECORD—that I had voted for a tariff on every product of Tennessee. That was his statement. There are some 2,000 articles produced in this country on which there is a tariff and about 500 of them are produced in Tennessee. The Senator now comes with his proof, and he finds that I voted for a tariff on 8 articles, or, if his mathematics is right, 11 articles. Let us figure 8 into 500. The Senator's statement the other day, when he undertook to take me to task for my votes in this body, all of which he says he now approves, was just one-sixtieth true—just one-sixtieth. Does the Senator understand that? Does the Senator understand fractions?

Mr. LONG. I understand what the Senator is trying to say.

Mr. McKELLAR. One-sixtieth part of his statement was true and the other fifty-nine sixtieths was untrue, as proved by the Senator's own reference to the RECORD.

Mr. LONG. Mr. President, I do not know how many of these matters were issues involving tariffs.

Mr. McKELLAR. Of course the Senator did not know. If he had known he would not have talked about it. The Senator talks more about what he does not know than about what he does know. [Laughter.]

Mr. LONG. The fact is that all these articles are not subject to tariffs. In other words, there is not a tariff on every article. Tariff duties are imposed only on articles where it is necessary to protect a domestic industry. We do not have a tariff on automobiles because the domestic industry does not ask for it. But I think I would be willing to make my guess that wherever we have encountered an article which was produced in Tennessee, the existence of which depended on a tariff, and the tariff issue was raised, we have found the Senator from Tennessee, 9 times out of 10 doing what the balance of us have done, which would mean—

Mr. McKELLAR. Oh! Oh! [Laughter.] We must keep the record straight. The Senator will never find me lining up with him.

Mr. COUZENS. I make a parliamentary inquiry. Who has the floor?

Mr. LONG. I have the floor.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. COUZENS. I insist that the rule be adhered to, that there not be interruptions without a Senator first getting recognition from the Chair, and the Senator having the floor yielding.

Mr. LONG. I thank the Senator from Michigan. I never complain about the interruptions. I usually let those interrupting take up my time when they desire to do so. I have always overlooked infractions of the rule by the older Members, because some of them, particularly my friend the Senator from Tennessee, seem to think I am always undertaking to take some advantage of him or to mislead him, and for that reason I have always allowed him to pay no attention to the rule while I have had the floor, hoping that some day I would get into the good graces of the Senator from Tennessee by my generous attitude. But it seems as if I get nowhere by my generosity.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. LONG. I yield.

Mr. McKELLAR. The Senator will have to reform a great deal before he ever gets me on his side of any question. [Laughter.]

Mr. LONG. Mr. President, I want to come back now to what I was discussing when the Senator from Tennessee diverted me into a discussion of his record. The Senator threw into this discussion and made an issue of his own virtue, and I undertook to justify him in his virtue. In other words, when the Senator from Tennessee rose here and began to take issue with me on the tariff I not only under-

took to show him that he had voted as the balance of us tariff-minded people have voted in most cases, or at least in some cases, but I undertook to tell him that I considered his record a mark of his own virtue. Now I come back to what I started to discuss.

We have before us today—if I may proceed in the regular order of my argument—the pronouncement of the President that the wages in the United States on public works are to be from \$19 to \$94 a month. Now I shall read:

Rates prevail for 40-hour working week.

Nation divided into four groups with lowest pay in South.

Why the lowest pay in the South, Mr. President? I wish to state that before this iniquitous deflation began to put its fangs into the back of this country nearly every man in the South was employed at a rate of pay that would have meant as much for 2 or 3 days' work as this particular minimum amount proposes to reward him for a whole month.

I wish to read this article in part:

Ninety percent of employees must come from relief rolls, order specifies.

I read in this article:

The lowest rate—\$19 a month for unskilled work—applies to those counties in seven Southern States which contain no towns with a population in excess of 5,000.

That is the kind of country I was raised in. Winn Parish in Louisiana comes within that list.

Those States—Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee—comprise the fourth or lowest wage area.

These are the States which have been picked out, the State of Louisiana and the State of Tennessee, and here is the Senator from Tennessee, with the marvelous influence he exercises in this country, the writer of laws, the interpreter of laws, the maker and breaker of policies, and I am trying to persuade him that he might use his mighty arm that he might write legislation which only one of his stripe could effect. I cannot do it, but the Senator from Tennessee takes offense when I am undertaking to call him to the defense of the State which gave him birth and made him what he is.

The highest rate—\$94 a month—

Now, is not that high?—

for professional or technical work—applies to those counties in 26 States that contain cities of more than 100,000 population. They are the six New England States, New York, New Jersey, Pennsylvania, Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

There is no one living in the seven Southern States which are named who is entitled to earn \$94 a month.

Is not that fine? Yet I am not given any credit for this kind of legislation. The Senator from Tennessee claims all the credit. He is the man who did it. He it is who, with his bright mind and strong arm, acted with such power that we get the \$19 wage in Louisiana, Tennessee, Arkansas, and Alabama.

Mr. President, I do not want to be credited with that kind of leadership. I do not want to be credited with that kind of influence. Let the Senator go back to Tennessee and to Louisiana and to Mississippi and mount the rostrum and there proclaim to the world that "Mine is the powerful arm. I am the great legislator. Unlike the senior Senator from Louisiana, I had a part in its making." Let him tell them he is the one to claim credit, if that is the policy of the Senator from Tennessee, "I am the man due the credit. Give none of it to HUEY LONG. His name is not on the bill. Give none of it to the Senator from Louisiana, who was not even in favor of it. Condemn him for not having stood for this. Condemn him for having criticized the arm of the President for doing it. All glory, all hail, to me and my kind for having established a wage level in the South of \$19 a month."

God help the man who goes back and takes credit for that kind of thing under the protestations made on this floor by the Senator from Tennessee.

Mr. President, we find a statement here which I think is correct, a statement from the working people. They regard

this as a calamity. They believe that the establishment by the Government of a slave wage in this country is a calamity to the country. They believe that the fixing of a wage of something like 65 cents a day is something to be condemned. So far as the Southern States are concerned—Louisiana, Mississippi, Arkansas, Tennessee, Alabama, Georgia, and Florida—the people are to receive \$19 a month. That is the highest they are going to receive, and to the highest kind of skilled labor in the most populous cities elsewhere in the United States they will pay \$94 a month.

What is the average cost of a respectable living in this country? I think I have the figures here. I gave them in a speech which I made over the radio sometime ago, and which I have here. I said in this speech:

Note also that even those who are employed earn a wage which is 43 percent below a fair standard of living. See the bulletin of the American Federation of Labor of January 12, 1935.

This bulletin of the American Federation of Labor of January 12, 1935, says that, based upon the cost of commodities at the present day and date, an income of \$2,000 is required for a family to live in respectable poverty in the United States. They say that \$2,000 is the very lowest annual income on which a family can subsist in a respectable way at all, buying the things they have to eat and have to wear, paying their rent and their taxes and things of that kind, that if they make a single dollar below the \$2,000 mark—I think the exact figure is \$2,041—it is that much below the line of respectable poverty, that it is that much below the bare subsistence to sustain life; and yet we have it said here by the United States Government that our maximum for the most fortunate class shall be something like 50 percent under the bare subsistence wages which are held to be necessary by the bulletin which has been issued by the authority I just mentioned.

Mr. President, that is not all. How are our people in the South going to survive? How many are unemployed today? I said in the beginning of my remarks that there were 11,000,000 industrially unemployed, and I say now that the earnings of the farmers of the United States in the year 1929—I repeat it now—the earnings of the farmers of the United States in the year 1929 were at the very least 75 percent more than they were for 1934. I make that statement knowing it will not be challenged.

I make the further statement that if we figure up what the farm products of 1934 sold for we will find that they sold in 1929 for at least 75 percent more than they sold for in 1934. While I do not have before me the exact figures for 1934, I have the exact figures for 1933, figures from the reports of the Government itself, which show that the 1929 income was about 110 percent more than it was in 1933.

On that basis, including the estimate of the American Federation of Labor that there are 11,000,000 industrially unemployed, we have today 20,000,000 unemployed people in the United States. Why do I say that? Because if we had an agricultural population of 30,000,000, of whom 20,000,000 were farm workers, and those 20,000,000 in 1934 earned only one-half as much as they did in 1929, then it is only fair to say that those people are either only half employed or that half of them are not employed at all.

The situation is even worse than that, Mr. President. In the year 1929, when these farmers earned around \$394 to the person, those were three hundred and ninety-four 100-cent dollars. But today those farmers who are earning \$184 are earning one hundred and eighty-four 59-cent dollars. Imagine that. In 1933, with the dollar reduced to 59 cents, the average farm person earned \$184 as against what we called a depression earning in 1929, when the average farmer earned \$394, and 100-cent dollars at that.

Mr. President, I desired the Senators on this side of the Chamber, and, for that matter, the Senators on the other side of the Chamber, to understand those figures before they adopted the concurrent resolution which is pending. We are asked to participate in the ceremonies and to listen to the President read his message vetoing the soldiers' bonus. Why? Does not the President know that, instead of this country flourishing, it is in no such condition whatever? Is

he going to listen to the speeches made over the radio by men who wish him to give them jobs, either for themselves or for their friends? Is he going to listen to those particular phrases that are spread in front of him, and is he going to become the designer of phrases, of clauses, and paragraphs? Is he going to spill out the money of this country for politics at a time, Mr. President, when, according to statistics, there are not less than 11,000,000 industrially unemployed today, and, according to the figures and calculations which I have made, there are probably 11,000,000 more of the farm type unemployed?

Is he now going to come before Congress to make a great event of vetoing the soldiers' bonus? There has never been a President in the history of the United States who has ever come to Congress to present a veto in person; and it is being made a great event! They are killing the hog! It is a hog-killing time. The radio has been rigged up so that the message of the President can go to the four corners of the earth.

They have called for a joint session, in which they have arranged for the bells to ring, and the whistles to blow, and the clamor and the clatter of the hog-killing time, and it is to be a great celebration. For the first time in the history of the United States a certain precedent is about to be broken. The President himself in person is going to deliver a message vetoing the bonus bill, striking at the souls of the 3,000,000 men and the families of the 3,000,000 men who today are in need of the funds due them by the country for which they fought and for which they worked when they were called upon to give their services.

He could have picked a better time to have broken this precedent. He could have picked a better occasion to make this grand flourish and ensemble. He could have picked a better situation, Mr. President, than with 20,000,000 people unemployed on the very day and date when he has announced in the South a public-works scale of \$19 to the man who labors for 8 hours a day. This Sir Galahad, the knight in armor, could have picked a better time to come before Congress to veto a bill, and thereby dash to earth the hopes of 3,000,000 patriots of this country and of the women and children dependent on those 3,000,000. He could have picked a better time and a better occasion to do such a thing as this, which will put the dagger into the hearts of these men.

Mr. President, I still contend that I am a friend of the President of the United States. The Senator from Tennessee says that I have not secured a single job since I came here. I did not get a job from Hoover, and I did not get a job from Roosevelt, and I have not got a single job of any kind since I came to the United States Senate. I know that a man has lost out as a politician when he fails to exhibit the qualities of a purloiner of patronage. I know that is considered a mark against him.

However, I preferred to stand up here at this very spot in the United States Senate and oppose the economy bill, because I knew the economy bill was going to do harm to hundreds of thousands of my friends and my fellow citizens, and to millions of Americans, rather than to have 10 or 15 or 200 jobs to bestow upon others. Before I would buy the jobs, before I would curse and condemn millions of bright young men who sold their bodies and their souls in the defense of and for the perpetuation of their country; before I would strike a dagger in their hearts, I would spurn all their jobs between Dan and Beersheba, and tell them to keep them for themselves. I do not want my hand to reach out for a job and be contaminated by the blood it draws with it if I have to kill the hope of the soldier boys of this country. I do not want such jobs. I have always done without them.

I prefer to have the political opposition of the mighty, well-financed administration; I prefer to have the gold spread in Louisiana until it is knee-deep; I prefer to have them call upon their mealy-mouthed men in the Government Treasury to fight against HUEY LONG, rather than to come here and vote condemnation and ruination upon the men who gave to this country what it called upon them to give. I can sur-

vive in a situation where I have maintained principle above that kind of political skullduggery.

Now we come to that time when it is said that the President is going to come here. I am coming back to this catalog. I am going to read from it again.

I say, Mr. President, that there is nothing particularly wrong about breaking a precedent. I repeat that statement. But suppose the President comes here to make the great display which he is going to make. It is a great victory! He is making a great figure. The newspapers no doubt—at least some of them will and perhaps some of them will not—will picture our great and beloved President as a great, powerful strong knight in armor. He will be portrayed as a suave, powerful statesman. He will be shown by the words and syllables which follow his name as one who stemmed the current, who reached out and stopped the onrushing tide which meant that the soldier boys were going to be paid what they were promised. He will be labeled as the great and mighty leader and rescuer of the retreating forces, who brought them back into line and compelled them to cast the vote which put the dagger of despondency in the heart of every man who wore the colors of the red, white, and blue in 1917, 1918, and 1919.

The President will be pictured as a brave, a true, a loyal, and a beloved leader, and he is coming down to receive the plaudits of the multitudes. It is asking the President to do too much not to be here for that hog killing! It is such a great victory for a President to achieve! It is asking too much of him not to allow him to come here and participate in that celebration. Why, there are 3,000,000 dead lions to be killed at one stroke. Think of the disappointment which comes to a President not to be photographed and displayed with all the embellishments and halos which are to be hung about him on this tremendous occasion when he is going to be the victor over 3,000,000 families in one single stroke!

It is asking too much not to allow the President of the United States to have all the embellished laurels which can be hung upon him and all the sunshine of a halo with which he can be photographed, and to be deprived of using the musical voice he will send out to the firesides of the Nation announcing to the world that he has struck destruction to 3,000,000 families on that day and date. It is asking too much. I must agree with my friends on this side of the aisle.

It is a great victory we are going to have. It is a great victory for the President. Victor! Victor! Victor! Franklin Delano Roosevelt the first—and the last—the victor! He is coming here to celebrate, coming here to be known, coming here to be embellished, coming here to be fawned over—by whom? I may not get any jobs the day he comes here. I did not get any jobs the last time he sent that kind of message down here, of course. At least that is what was said in the newspapers. I may not get any jobs the next time he comes. But there is work for him to be doing. As he said—

Throughout the Nation men and women, forgotten in the political philosophy of the Government in the last year look to us here for guidance and for more equitable opportunity to share in the distribution of national wealth. [Applause and cheers.]

In other words, the President no longer wishes applause and cheers to come from a reuttering of those words—why? It is for a very good reason. It is because when he made that promise at the Chicago convention it was not the first time he had made the promise. Perhaps some of my fellow Senators do not remember it, but I had something to do with seeing that he made that kind of pledge at and before and after the Chicago convention. It may be there are some Senators present who have forgotten, but let me read an extract from a speech made by the President of the United States before that time. I read from the speech made by Mr. Roosevelt in Atlanta, Ga., on the 23rd day of May 1932. Here is what he said:

The country needs, and unless I mistake its temper, the country demands a bold, persistent experimentation. It is common sense to take a method and try it. If it fails, admit it frankly and try another, but above all try something. The millions who are in want will not stand silently by forever while the things to satisfy their needs are within easy reach.

That was from the President of the United States prior to the Chicago convention, where he said there was an insufficient distribution of the buying power; and in the Chicago convention he said that we had to share the wealth among all the people in the United States. Share the wealth! Who originated that expression—"Share the wealth"? Whence did that phrase come, "Share the wealth"? It came from the lips of Franklin D. Roosevelt at the Chicago convention in 1932 when he accepted the nomination. He was the first man to use the phrase and make a promise that he would see to it that the wealth of the United States was shared among the American people.

Go a little bit further and we will find that after the Chicago convention he made another speech at Columbus, Ohio, and another one at San Francisco, Calif., and in both those speeches he came out most positively with the declaration that there had to be a better and a more complete distribution of the wealth of the country in the hands of the common people. That was his platform. The forgotten man? The forgotten man? He said there was going to be a redistribution of wealth; that it was going to be shared by the common people, and that the people were looking to us to see that the forgotten men were given their respectable share of the wealth of the country. Those are the words of Mr. Roosevelt. He has been after one thing or the other ever since, but he never seems to have remembered those promises which were made to the American people.

Let me come back to the soldier for a moment. It is in line with these declarations. I have not spoken long. I hope some of my colleagues will not think I have spoken long. Since I ceased to yield the floor to the Senator from Tennessee [Mr. McKellar] I have consumed less than 30 minutes in my undertaking to cover these subjects on the eve of what I hope will be a change of attitude on the part of our President, but which I fear will not be. Therefore, on the eve of there being delivered a veto message on the soldiers' bonus bill, which we call the Patman bill, I am undertaking to warn our party leaders and undertaking to reason with them as best I can.

Mr. President, I have heard many arguments about the soldiers' bonus. I have never heard one argument given against it based upon facts. Seldom are the facts stated. It is mentioned that the soldier has been asking for a great deal and that the soldier has received this and has received that. I hope those who have done me the honor of listening during the last few minutes will give me their attention for the next few minutes while I give some facts about the soldiers' bonus.

The soldier has never been paid any bonus. What he received was less than a bonus. During the war we paid our soldier something like \$30 to \$40 per month. For \$30 to \$40 a month he was required to leave his home and family, to give up the joys and comforts to which he had become accustomed, and, over and above that, he was required to risk his life in crossing the sea going and coming and in front of the cannons, guns, and poison gases of the Germans and other enemies.

He was paid from \$30 to \$40 a month for that kind of service which he gave so long as he lived as a soldier. But when there came a day of reckoning we concluded that the soldier ought to be paid something. How much? Only so much as the commonest kind of laborer earned during the time that soldier was engaged in the war. In other words, we did not undertake to give the soldier any bonus at all. That is all a mistake. We only undertook to say that the soldier who served in the United States Army should receive as much per day or per night—and usually they worked both day and night for a day's wage—as the commonest kind of laborer at home received.

Mr. CLARK. Mr. President—

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. Certainly.

Mr. CLARK. I hope the Senator does not mean to suggest the theory of the soldiers' bonus was to pay the veteran

what common labor in the United States got during that period. That is not correct.

Mr. LONG. What was it?

Mr. CLARK. The theory was to pay the soldier a duplication of the wages he got and not what common labor got in the United States, because common labor here received much higher wages.

Mr. LONG. I understood that it was. My understanding was that the amount allowed the soldier at the very most gave him no more than what the commonest laborer in the United States was receiving at that time. I thank my friend from Missouri. I think he has more correctly stated it than I did.

They were giving the soldier about what he already had; but had what he was to receive in the bonus been added to what he had already received, the wages of the common laborer would have been much higher. I think that is correct; but at the very most I am stating an outside picture that places every fact against the soldier rather than in his favor.

We are told in this veto—I say “we are told in this veto”; we have not received it yet, but I think I can pretty well calculate that the things which have been said by the President before will be some of the things he probably will say again. We have been told that the soldier has been given extra consideration. He has not been given any such thing. He has not received anything like the consideration that was given to the common man during the war. The soldier not only had to give up the time he could have spent with his family, and with the people with whom he was acquainted, and in his ordinary haunts, but he has had to give up the chance of living. He has had, in many instances, to come back here at least partially crippled. He has had to destroy associations and contacts he has made. The soldier is not being paid anything whatever, and he never has been given any bonus of any kind.

If I may proceed just a little bit further along this line, what is the justification in vetoing the soldiers' bonus at all? Is it done on the ground of the public fisc? At least for one time it is not, because it does not make any charge against the public fisc to pay the soldiers' bonus in money such as would be issued under the Patman bill. On the contrary, it would help the public fisc and stabilize the finances of the country, as was shown by the remarks of the Senator from California [Mr. McAdoo], and as has been subsequently backed by a speech made by Mr. Jesse Jones, the Chairman of the Reconstruction Finance Corporation, and by the Governor of the Federal Reserve Board, Mr. Eccles.

Therefore, Mr. President, instead of our making any charge against the Treasury that is going to be hard for it to stand, we have done it no harm whatever, and we have only undertaken to pay out an adjusted-service certificate already calculated and issued by the United States Government.

The next remark that has been made along this line has been that the soldier has already had a bonus. He has not had any such thing. The soldier never has been paid any bonus. They issued to the soldier one certificate and only one certificate. That certificate never has been paid from that day to this. It was, however, provided by law that a certain amount could be borrowed against the certificate, and that is all that has ever been permitted by law. We have never paid the soldier any bonus. That is all a mistake. All that has ever occurred has been to allow the soldier compensation the equivalent of which I have already stated, and which has been more accurately stated by the Senator from Missouri [Mr. Clark]. That has never been cashed at any time, and no further allotment has ever been made to any soldier who fought in the World War. On the contrary, the most that has ever been permitted has been to provide at one time that the soldier might borrow up to a certain amount on the certificate, I think 50 percent, upon which he has been required to pledge the entire certificate as security for the original loan, with interest annually. That has been the only thing that has ever been allowed to the soldier that I know anything about.

I think we are hurrying through this thing unnecessarily. I think we are going entirely too fast. I think “haste makes waste” in this case. I think the President of the United States, if he were advised—as probably he might be better advised—would hesitate to use this as the particular occasion to start any precedent of reading veto messages in person. As I said at the very beginning, I do not dispute the fact that he has a perfect right to come here, precedent or no precedent, and I am not one of the people who are following precedents. I do not care whether he makes a precedent or breaks a precedent so long as it is something along the line of what he ought to do; but I do think it is a bad time to make a hasty entrance into the Senate or into the House of Representatives to deliver a veto message when he has picked as the occasion a time when he is to throw a dagger into the hopes of 3,000,000 families, who have already done what? Why, they have already figured out what this bonus means to them.

I wonder if Senators have ever calculated the harm that they do in that respect?

Do you not know that every soldier, and every soldier's wife, and nearly every soldier's grown children, and perhaps some of their mothers and fathers, have knelt before the fireplace or sat down at night, and they have figured out that “I have so much coming on this certificate from my Government that it has owed me all these many years”? Do you not know that every living one of those men and their wives and their children have sat down in front of the table, and they have figured out that “Tomorrow, or tomorrow night, I shall probably be given by my Government the balance of this money that they have owed me ever since 1918. The happy day is coming at last, after 17 years of waiting!” They have figured and they have calculated, “My Government is going to pay me this money that it has owed me for 17 years. The United States Government, which sent me to Germany, or sent me to France, or sent me to Belgium—this Government of mine, which stood me in front of the German cannon, which caused me to go 3,000 miles to the east and come 3,000 miles back to the west to ‘make the world safe for democracy’—this Government is going to pay my certificate tomorrow”; and every one of them has figured just how much it is going to be.

I can see now, in the firelight, some soldier, and his wife beside him, and some daughter there that is nearly grown, calculating that “I will get \$500 or \$600 or \$700. I will take \$200 of the money and pay the grocery man the \$200 I have owed him for the past 2 years. I will take \$100 and buy my wife or my child some clothes to wear. I will take \$25 or \$30 and buy something to put on my own back; and I will have a few hundred dollars left. I am going to take that money and lay it aside to fight this depression, and to feed my wife and myself and my children, as we have been unable to eat during the years of this depression.”

Every living one of the 3,000,000 men back there who are the holders of these certificates has knelt before the fireplace, hoping and praying that the Congress of the United States, which sent him 3,000 miles to war, and sent him into the living flames of hell and disaster and destruction, will not deprive his wife and his children of the one hope that they have, after 17 years of waiting, of being paid that money.

Talk about a party that wants to destroy itself! Talk about a President who wants to destroy himself! You may say that I am not loyal to the Democratic Party, but you cannot lead me into that kind of destruction. I will not be led into that kind of a proposition to maintain what somebody sillily represents to himself as being a principle and maintaining a policy of a Democratic President. On the contrary, I regard the souls and the bodies and the lives and the anxieties of the few hundreds of thousands of people who are sitting in Louisiana today, waiting and praying that a Congress will be grateful and be truthful and respectable to them, more highly than I do any kind of plum that may be dispensed to me from the benediction of a President who wants me to vote to cast down the hopes of these people. On the contrary, I can say to myself, and I hope every member

of my party and every member of the Republican Party and every member of the independent parties across the aisle can say to ourselves, that after having caused the soldiers to wait for a period of 17 years, there will not be a single one of them to go down in disappointment.

We have another bill up here, too. We have a naval bill up before the Senate. It is making ready to give us a few more thousands and millions of dollars to prepare to kill some more people, and no doubt it will be thought to be a very worthy bill. The naval bill is up to be passed. How much is the naval bill going to cost? "Oh, we must not fail to pass that bill", somebody no doubt will say. "The naval bill, above all things, should be passed."

Mr. President, long before we ever talk about sending the naval bill out of the Senate with our approval, whatever consequences may come to the Patman bill, long before that bill goes out of this body, I believe there will be Members here who will see to it that there is some doctoring done first on the rest of these bills to take care of those who fought the wars of the past before providing for the fighting of the next war. I think probably there are men in this body who have given that subject more consideration than I have had the time or the intellect to do; and, of course, we need not be in any hurry to shoot the naval bill out of here until it has received its best understanding at the hands of the Members who may want to do something to it in case, by some remote accident, some ill fate should come to the Patman bonus bill, which has already passed the two Houses of Congress.

From whom are we going to take advice? Who are going to be the advisers to this body and to the President of the United States?

We have always been taught that there are three departments of the Government. There is no such thing. There are not three departments of the Government. There is one department of the Government—the executive department. That is all there is to the United States today. Practically all the authority has been consolidated under the executive administration.

Why do I say that? Because law after law has persisted in the United States, has been carried along as though it had every legal status, which when it has reached the Supreme Court of the United States has been held illegal, but nonetheless it has prevailed all the time until it has been held to be unconstitutional.

The "hot oil" law prevailed until finally it went to the Supreme Court and they decided it was no good and cast it aside.

The N. R. A. law persisted until district courts held it was no good, and notwithstanding the fact that several district courts of the United States have held the N. R. A. invalid, it is nonetheless carried on the books today. At one time they kept the Supreme Court of the United States from passing on it by a timely withdrawing of an appeal so that that Court could not pass on it, and they are still enforcing the N. R. A. law in this country, wherever they possibly can, and it has carried in its wake distress to many of our institutions and sent them to their last place of rest.

All these various things have been carried along by the departments of the administration. Nonetheless, in the final analysis, most of them—in fact, practically all of them—have been held to be invalid when they received the final visé of the Supreme Court of the United States.

Mr. President, in that connection I am compelled to come back to Louisiana for just a moment. Some few days ago my good friend the Secretary of Agriculture, Mr. Wallace, Mr. Henry A. Wallace, went down to my native State of Louisiana. He paid our people a visit there. He spoke in the center of the State, in the town of Alexandria, La. He delivered a very fine speech, I suppose. I did not hear it, I have not read it, and I have not seen anyone who heard it, but he delivered a speech down in Alexandria, La., which I suppose was very good.

It was supposed to be the beginning of the firing of the cannon under those who were friendly to me. It was supposed to be the first match to set off the bomb to circumvent the entire canopy of the sky with a light that would be an

inquiring light. But none the less, when Mr. Wallace got down to Alexandria, La., the bomb failed to explode. Nothing was said in the meeting one way or the other about any of us, and we were very much disappointed that nothing of that kind was mentioned. In fact, we had been led to believe that all the fireworks were there ready to start, that the lord royal destroyer, Henry A. Wallace, from the great State of Iowa, had gone all the way down there, with a Cabinet portfolio, to make a great speech.

They have to get crowds up for these men to speak to. It is mighty hard to get together enthusiastic crowds for an administration spokesman when there are more people unemployed than ever before. It is mighty hard to radiate the perfection of living and admiration in the heart of a man who has been told that he will get \$19 a month.

It is hard to arouse enthusiasm in a man who is getting \$189 who did get \$394, and when the dollars he is now getting are worth only 59 cents as compared with dollars of a hundred cents that he was getting before.

It is mighty hard to arouse enthusiasm in people of that kind, with an audience that might be gathered together to make the signs and give the symbols and make the applause and send forth the plaudits and cheers necessary in order that the people may be led to believe that there is some enthusiasm left for that kind of conduct carried on in Washington, D. C. Therefore each and every occasion is utilized from the standpoint of making up cheers and applause and gathering a crowd to talk to.

In order to get a crowd to talk to in Louisiana they had to run special trains and bring all the old, broken-down politicians from 64 parishes. When they finally got there Secretary Wallace stood up to make his speech, with the crowd including every old, broken-down politician and all the relief-roll people down there, including investigators and inspectors, and supervisors of investigators and investigators of supervisors, and after they got the whole litter of them down there he looked out and recognized, from what he had been told, that all they had was some of the dehorned politicians and the old, broken-down people they had put on starvation wages, some of them manipulators of elections. But nobody had anything to say about HUEY LONG.

They had to have some kind of an audience. I was glad to see them gather together an audience for our great and beloved and true and honorable President of the United States here the other day. Of course, he needed a crowd to talk to; and, of course, there were trains that came from 48 States to bring that crowd. Nonetheless, they got the crowd. And I want to thank the railroads. I may fail to write them a letter thanking them. I want to thank them for providing extremely low fares for people to come to Washington. They would tell a man, "We are going to give you a ticket to Washington, D. C., we are going to feed you, and you are going to see the White House and see the President, for \$45."

They got 3,000 people and brought them here. They had to have some appearance of enthusiasm for this thing. Somebody must be made to appear enthusiastic. Therefore, on each and every occasion when the President of the United States may be making a great fight, the occasion must be taken advantage of. The soldiers' bonus is such an occasion, so that there is a great deal of concern in the country, and there will be people waiting to see what the verdict is to be. Therefore that is seized upon to bring people on the pay roll in the city of Washington, whether they like it or not, to appear in the galleries to cheer the President of the United States.

They must gather up a crowd to talk to. If they keep on sending Wallace around the United States to gather crowds, they will have to take some of these fake bulls with rubber horns and stage some kind of a bullfight in order to get anybody to go to listen to an agricultural program, under which Henry A. Wallace is advocating burning up the things the people need, carrying on this hurrah throughout the length and breadth of the United States, finally winding up with the remarkable statement that they are going to send the President of the United States in to veto the bonus, some-

thing that has been owed to soldiers for 17 years. I would hope for more than that. We are entitled to more than that, and I believe that in time we will get more than that.

Mr. President, there is another matter I wish to speak about today if I have the time, a matter which was brought to my attention this morning. It is a matter concerning some of our boys in the South.

We have used the soldiers rather cruelly in some instances. They have been sent to Central and South America. I do not know whether they are still used for that purpose or not. I do not inquire any more, because it does not seem to do any good. Whenever they get ready they send the marines to most any place they want to send them, and the marines do not have anything to say about it.

I noticed the other day down in my home town that some of the very men we hear today crying out against the soldiers' bonus being paid—I do not call it the soldiers' bonus; I call it adjusted-service compensation—were the owners of vessels down in Central and South America. I was astonished, Mr. President. If all the lives of all the people who have been killed and all the expense that has been incurred down in that part of the world could be translated into dollars of ordinary value I doubt if they have made enough money in all the exploitations of Central and South America to equal what the United States has had to pay.

The very men who expected to use the soldiers the most and to use the marines the most—someone has said that the marines are not soldiers, but they certainly were made to do a great deal of the fighting—the very men who have had the most to gain from them are among those we hear most loudly and most vociferously protesting against the paying of the soldiers' bonus.

Take the case of Americans in Venezuela, take the case of Americans in Nicaragua, where the armies of this country have been used for the purpose of exploiting our domestic power in those foreign lands.

Mr. ROBINSON. Mr. President, will the Senator yield for a vote on the pending concurrent resolution?

Mr. LONG. I was hoping we would not vote on it today.

Mr. ROBINSON. I should like to have a vote on it.

Mr. McNARY. Does the Senator propose to move a recess until tomorrow?

Mr. ROBINSON. I should like to have a vote on the concurrent resolution, after which I shall move that the Senate proceed to the consideration of executive business, upon the conclusion of which I expect to make a motion for a recess until tomorrow. I ask for a vote.

The PRESIDING OFFICER. Does the Senator from Louisiana yield for that purpose?

Mr. LONG. I was hoping that we could put off the vote until tomorrow morning.

Mr. ROBINSON. Mr. President, I should like a vote this afternoon.

Mr. LONG. I cannot yield for that purpose. I am not through speaking on the concurrent resolution. I hope we will not push through on it. I hope we will not be in a hurry to vote on the concurrent resolution. I was hoping we could put that off until tomorrow morning.

Mr. ROBINSON. Mr. President, may I point out to the Senator from Louisiana that the session to which the concurrent resolution relates is to be held shortly after noon tomorrow, and, therefore, it would be necessary to vote this evening if the vote is to be taken. I understood the Senator was willing to have the vote taken.

Mr. LONG. No. I thought we would recess today and not take the vote until tomorrow.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CONNALLY. I understood the Senator from Louisiana to say that he was in favor of the President breaking a precedent and coming here to deliver his message in the manner proposed. I was wondering if he was still of that opinion. As I understood, he had no objection to the concurrent resolution. I may be in error, but that is my understanding of the RECORD.

Mr. LONG. My remarks are there. They will stand for themselves. I am not particular as to the matter of precedent. Whether or not precedent is broken, I do not think matters very much. On other matters I have not been so certain, and I have indicated a rather contrary view.

I was distinctly speaking, at the time of the interruption, on the use of the marines in South America.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CONNALLY. Is it the Senator's purpose to speak until such a time as it would be impossible to have the pending concurrent resolution agreed to in time for the afternoon session tomorrow?

Mr. LONG. Oh, I hope that will not be attributed to me.

Mr. CONNALLY. I am just asking the Senator. However, I withdraw the question.

Mr. LONG. No; I am not going to speak so long as that.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBINSON. I ask unanimous consent that the Senate vote on the Concurrent Resolution No. 22 immediately upon the convening of the Senate tomorrow without further debate.

Mr. LONG. I cannot yield, Mr. President.

Mr. ROBINSON. Very well.

The PRESIDING OFFICER. The Senator from Louisiana declines to yield.

Mr. ROBINSON. Then we will go on.

Mr. LONG. I was speaking, Mr. President, about the use of the marines in South and Central America. Use was made of the marines in this way: For a number of years those South and Central American countries were exploited. Of course, we may have begun it with Panama. Some may say we did so. In a way we did. But, finally, in some kind of a compromise which we made with the Republic of Colombia we adjusted that matter and undertook to undo whatever fault there was on the part of our Nation. We also adjusted the situation with Panama.

However, the marines were sent year after year into South and Central American countries. The properties which Americans held down there, and which some other foreigners held, had just such value as the soldiers of the United States gave the properties. The day the soldiers left Central and South America their properties were not worth a dime. Every man who owned a possession in South America will bear me out in that statement if he tells the truth about it.

The day the marines and the soldiers would have left South and Central America their property would not have been worth a quarter—not a dime. In other words it was not a question of an acre of ground being worth so much, but it was a question of how many soldiers were down there to protect the property. In many instances the foreign property owners down there deliberately set aside the courts and at times abolished the courts altogether. Time after time if a court decision was one way, and one of the vested interests in good standing with the government or which was promoting another government, did not want it to go that way, they would take the army, they would take the American soldiers, and they would upset the particular award which was made by the court. So year after year they went on in that way. They went on, Mr. President, year after year, with wars being carried on without any such thing as a declaration of war in all those South and Central American countries, and practically the entire American holdings in those countries for many years in the past were protected by the armies of the United States.

Mr. CLARK. Mr. President—

The PRESIDING OFFICER (Mr. McGill in the chair). Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I yield.

Mr. CLARK. Will the Senator from Louisiana tell when, according to his recollection, the American marines were in South America the last time? He has spoken of the

soldiers and the marines being in South America and Central America. I will say to the Senator that I am as much out of sympathy with the use of our armed forces in Central America as is he, but I also will say that I shall be glad if the Senator will tell me the last time the American marines were used in South America.

Mr. LONG. I do not know that they went so far south, perhaps, as to South America proper. I know they went to Honduras, Venezuela, Colombia, and Nicaragua, but I would hesitate to say that they went to South America. I should have to look that matter up to be able to answer the question exactly and definitely.

Mr. CLARK. Can the Senator tell whether in his lifetime American marines have ever been used in South America.

Mr. LONG. I could not for a fact. Perhaps they were used only in Central America. Let us say that for the present purposes. However, I am of the opinion that some of the soldiers, or at least some of the warships of the United States, did guard South American possessions. I will have to look that up and get the dates and facts.

Mr. CLARK. Does the Senator promise to do that?

Mr. LONG. I undertake to do that. I will promise to do my best. If it is in the histories and the records, I will obtain it. It does not have to be in the records. I wish to tell the Senator that all that is not a part of the Government records. I will give him an example. Notwithstanding the fact that we have the Monroe Doctrine, when the gentleman who now runs the Republic of Venezuela, Mr. Gomez, got to the point where he could not protect himself, and the American marines no longer were protecting Gomez in Venezuela, which at that time was practically dominated by the oil interests of this country, it is a known fact to the people who were down there that Dutch warships stayed around there for some time. I think I have here the details as to those ships. I was furnished the information some time ago by someone I consider reliable. These two vessels were the destroyer *Van Ness*, built especially for Venezuelan waters, which only drew 9.8 feet, had a speed of 34 knots, and had a displacement of 1,316 tons.

Then they had the gunboat *John Moritz van Nassau*, 1,457 tons, 15 knots, having 5.9-inch guns.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. I understand the Senator's informant tells him that the American gunboats were built especially for Venezuelan waters?

Mr. LONG. No, Mr. President; they were Dutch gunboats. These were Dutch gunboats, used at the time when the political conditions in the United States were such that the powers which were in authority in the United States had to withdraw their marines and their American ships from Venezuela, because of the opposition to the United States taking a hand in that kind of struggle, and the Dutch sent those boats down there.

Mr. CLARK. If the Senator will pardon me for interrupting him, I understood the Senator to say that an American gunboat had been built especially for these Venezuelan waters.

Mr. LONG. No.

Mr. CLARK. I wished to suggest to the Senator that if he had any such information it should be furnished the committees of the Senate, because we will be very glad to investigate that matter.

Mr. LONG. I will send this information over to the Senator. What I am talking about is Dutch gunboats. There had been American soldiers down there. Marines had been down there and ships had been down there. Gunboats of the United States had been around there. Gunboats of the United States and soldiers of the United States and marines of the United States had been around Venezuela, but it got to a point where the United States found that it was bad business for them to stay down there. Notwithstanding the Monroe Doctrine, under which European countries were supposed not to interfere, down there, nonetheless the Dutch Government sent over the two ships about which I am speak-

ing, the destroyer *Van Ness* and the gunboat *John Moritz van Nassau*, and they were built for Venezuelan waters, because the oil interests had a powerful pull with the Dutch Government. These boats were built for use in Venezuelan waters. They were not built in a way that they could be used in European waters. They only drew 9.8 feet of water. These boats could not have been used on ocean trips at all for the ordinary purposes for which the Dutch Government used boats of that type.

They guarded this man Gomez down there and kept him in control of Venezuela for a long time. It is a well-known fact that an American had much rather be known as a British subject down there, if he were about to have any difficulty, than to be known as an American citizen. I have a constituent in Louisiana who got in trouble in Venezuela. They picked him up, arrested him, and jailed him for absolutely nothing. They never have to this day preferred anything like a charge against the man. The only thing that saved him at all was the fact that by accident they happened to arrest a British subject with him.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. The Constitution provides that the President shall return the bill with his veto message to that House in which the bill was originated. That means that the President must address the House of Representatives on tomorrow if that be the date fixed in the concurrent resolution. The concurrent resolution as now pending before the Senate provides that the two Houses shall assemble in the Hall of the House of Representatives to listen to such communication as the President may see fit to make to them, the word "them" meaning the two Houses of Congress. To comply with the suggestion made by the Senator from Oregon [Mr. STEIWER], I suggest that the concurrent resolution be amended by striking out the word "them" and inserting in lieu thereof the words "the House of Representatives."

That would mean that we would accept the invitation of the House of Representatives, and that we would go there as their invited guests to listen to whatever message the President may see fit to address to the House of Representatives.

I am willing, if the Senator from Louisiana will yield for that purpose, to suggest that amendment to the concurrent resolution and permit the concurrent resolution to go on its way.

Mr. BYRNES. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from South Carolina?

Mr. LONG. I yield.

Mr. BYRNES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	La Follette	Reynolds
Ashurst	Copeland	Logan	Robinson
Austin	Costigan	Lonergan	Russell
Bachman	Couzens	Long	Schall
Bailey	Dickinson	McAdoo	Schwollenbach
Bankhead	Dieterich	McCarran	Sheppard
Barbour	Donahay	McGill	Shipstead
Barkley	Duffy	McKellar	Smith
Bilbo	Fletcher	McNary	Stetwer
Black	Frazier	Maloney	Thomas, Okla.
Borah	George	Metcalf	Thomas, Utah
Brown	Gerry	Minton	Townsend
Bulkley	Gibson	Moore	Trammell
Bulow	Glass	Murphy	Truman
Burke	Gore	Murray	Tydings
Byrd	Guffey	Neely	Vandenberg
Byrnes	Hale	Norris	Van Nuys
Capper	Harrison	Nye	Wagner
Caraway	Hatch	O'Mahoney	Walsh
Carey	Hayden	Overton	Wheeler
Chavez	Johnson	Pittman	White
Clark	Keyes	Pope	
Connally	King	Radcliffe	

The VICE PRESIDENT. Ninety Senators have answered to their names. A quorum is present. The question is on agreeing to the concurrent resolution.

Mr. LONG. Mr. President, I have the floor, I believe.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Oklahoma?

Mr. LONG. I yield.

Mr. THOMAS of Oklahoma. Yesterday, when the concurrent resolution came over from the House, unanimous consent was requested for its immediate consideration. To that request objection was made. Today the same resolution was called up a second time and the Senator from Oregon [Mr. STEIWER] took some time to discuss the constitutional aspects of the resolution.

In order to afford an opportunity to get the concurrent resolution on its way back to the House I suggested an amendment which I thought would satisfy the Senator from Oregon and protect the constitutional objections which he had urged. I offered an amendment to strike out the word "them", which means the two Houses, and to insert the words "the House of Representatives", which would make the concurrent resolution mean that the House would invite the Senate to come over and listen to the address made to the House, as the Constitution provides.

I thought perhaps that amendment would be agreed to; but during the time the roll has been called I have discovered that the amendment is not agreeable to numerous Senators. Assuring them that I have no desire to prolong this discussion, and intended only to be helpful, I withdraw the amendment.

The VICE PRESIDENT. The amendment is withdrawn. The question is on agreeing to the concurrent resolution.

Mr. LONG. Mr. President, I had understood that the matter had been satisfactorily adjusted. I will ask to have the concurrent resolution sent to me. Apparently the word "them" is to remain, as I understand. Is my understanding correct that the amendment has been withdrawn?

The VICE PRESIDENT. The amendment has been withdrawn.

Mr. LONG. Very well.

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution as it comes from the House of Representatives.

Mr. LONG. Mr. President, continuing my remarks, since I have had time to think the matter over I do not think, as I have said, that the matter of precedent stands in my way at all. I have no objection to precedents being broken one way or the other. I think if a precedent brings about an undesirable result, breaking it is a good thing. As I have said, I think it is very bad policy to break a precedent for the purpose of vetoing a bill which has been passed by both Houses of Congress for the purpose of paying a debt that is 17 years past due.

I think the House of Representatives ought to be allowed to have the concurrent resolution if they want it. What I hate to see brought about is a big, large, radio hook-up, and a big day arranged for the President to veto the soldiers' bonus. In other words, I dislike the very great display that is being made of the President killing the bonus.

It is somewhat like hog-killing time; everybody is called in to something as though it were the gathering of the hounds for a great chase. That is the objection I have to the concurrent resolution.

As a matter of fact, my friend from Oregon [Mr. STEIWER], who tells me that never before has a veto been delivered in this way, is supported by everyone else of whom I have made inquiry; but there never has been any veto like this. It seems to me that the President would have a chance for the fullest possible radiobroadcast without having to come up to the House and call the two Houses of Congress together to do it. Calling us in to read a veto message is almost like some master disciplining a youth; in other words, it has the appearance of master and servant.

We have sent the President a message transmitting a bill that the two Houses of Congress have passed, and here we are arranging for him to call in the children to be lectured and to be disciplined. The rod of iron is to be applied

to the recalcitrant Members. It is not a matter of suggesting legislation, and one breaking bread with the other. It is a matter of coming up to the House and imposing the presence and the authority and the pressure and the prestige of the administration, and the patronage of the distributor of all the plums and the loaves and the fishes, and seizing this particular occasion to make this great display.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. Does the Senator, from his wide experience in popular appeals, apprehend that it will make any difference, even to the extent of 10 listeners in the United States, whether the President delivers his radio message tomorrow to the House of Representatives alone, or to the Senate and the House? Does the Senator believe it will change a single vote in either the Senate or the House whether the President delivers his message in person or whether he sends it?

Mr. LONG. The principle I am defending is that I do not want to be used as a sounding board for the President to get over a lecture that he is delivering.

Mr. CLARK. If the Senator will yield, the Senator from Louisiana has used the Senate as a sounding board throughout most of this session. I think it comes rather late in the day for him to object to being a sounding board.

Mr. LONG. In other words, it attracts a great deal more attention for the President to call in 531 legislators and say, "Here, I have called you little fellows in here to find out something. Now, listen to me!" Any time you hear a school teacher cussing out the members of the class, and standing one of them up to give him a whipping, it occasions notice. It has a notorious aspect to it. "Come in here! Let us have you here! Get in here and let us see what you have been doing around here! Come in! What do you mean by this business?"

In other words, it is a case of 125,000,000 people being called in to hear a kind of a disciplining that is being given. We cannot regard this as a veto. It is a disciplining lecture that is to be delivered to the Members of the Congress. They are being called on to show what they mean by this business. The President is coming down to tell us, "This thing will not go! I want to give you the message in person"; and the eyes of those who hand out jobs gaze into the countenance of the man who relies upon the cohesive power of public plunder for his political existence. It is a fearful thing, I must state, as my friend from Tennessee said this afternoon; the man in danger of losing the plums and loaves and fishes that go into his territory must feel abashed, because it is a mark of dishonor to the man who does not get them.

Mr. McKELLAR. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. LONG. I yield.

Mr. McKELLAR. I must again protest against these false statements of the Senator from Louisiana. I was voting to pass measures over a President's veto long before the Senator from Louisiana was ever heard of outside his own bailiwick. I think I began in 1923 voting to pass bonus bills over Presidents' vetoes. The Senator from Louisiana, if he has the brains of a jay bird, must know that I intend to vote to pass this bill over the President's veto; and yet he undertakes, in a roundabout way, to bring in my name!

I protest against it, and I desire to say to the Senator that he is dealing with something he had better let alone. I am advising the Senator, in all kindness, that he had better quit nagging Senators. If the Senator has the sense that any grown man has, he will know what I mean.

Mr. LONG. Mr. President, my remarks were undertaking to quote the Senator from Tennessee and to show him the respect I have for his remarks.

Mr. McKELLAR. Yes; but the Senator is not quoting me. Mr. President, I ask the protection of the Chair, that the Senator from Louisiana shall no longer traduce and abuse and make false statements about any other Senator.

The VICE PRESIDENT. The Senator from Tennessee has asked the Chair to protect him against false statements

by the Senator from Louisiana. It is impossible for the Chair to ascertain the correctness of the statements of the Senator from Louisiana.

Mr. McKELLAR. I can understand that.

The VICE PRESIDENT. If the Chair undertook to examine all the statements made by the Senator from Louisiana, he would not have time to do much else. [Laughter.]

Mr. LONG. Mr. President, I wish to place myself in right with the Senator from Tennessee, because I am certain he was not listening to all I said.

Mr. McKELLAR. Mr. President, I desire to say this—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. LONG. I yield; certainly.

Mr. McKELLAR. I do not want the Senator from Louisiana to place himself right, or undertake to place himself right, with the Senator from Tennessee. The Senator from Tennessee is able to take care of himself. If the Senator from Louisiana had proper decency, if he were worthy to be a Member of this body, he would refrain from further falsehoods concerning his brother Senators.

Mr. BORAH and Mr. CLARK addressed the Chair.

The VICE PRESIDENT. Does the Senator from Louisiana yield and if so, to whom?

Mr. LONG. I yield first to the Senator from Idaho, because he rose first; then I will yield to the Senator from Missouri.

Mr. BORAH. Mr. President, this concurrent resolution was presented early in today's session, and some objections were made to its consideration upon constitutional grounds, I have no doubt, with entire sincerity.

I do not agree with the views as to the constitutional objection, but I have no intention of criticizing the presentation of those views. I do feel, however, and I feel very sincerely, that we have reached a point where in the consideration of a measure of this kind longer to continue the discussion will reflect upon the Senate and not upon the President or the House of Representatives.

We have before us a resolution inviting us to join with the House to hear the President deliver his message. I assume, of course, that that message deals with the veto. I assume also that the President is desirous of presenting his message to the country as fully as it is practicable to do so. I do not see why we should object. We should not be fugitives from knowledge. If there is another side of this question than that which some of us have seen, so far as I am concerned, I am anxious to have it, and I am anxious to hear the President's view under the most advantageous surroundings. I venture to say that millions of people in the United States are anxious to hear the President's view. It is not becoming to the dignity of this body, nor is it in the interest of the cause which we espouse, to longer oppose this resolution.

I feel, Senators, that we ought to concur in the resolution without further delay. I am not seeking to criticize; I am seeking to express a view which I am satisfied is the sound view. It is the view which will be accepted by all open, fair-minded men—veterans and all alike.

Mr. CLARK. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. Not just now. I wish to refer to the remarks the Senator from Tennessee has just made.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I will not.

The VICE PRESIDENT. The Senator declines to yield.

Mr. LONG. In the course of the remarks of the Senator from Tennessee here this afternoon he said that I have never passed a single bill or resolution or made an appointment to a single office since I have been in Washington. I hope I may have the Senator's attention while I make this statement. I repeat the statement. I have no intention of yielding for some time.

In the course of his speech the Senator from Tennessee stated this afternoon that while I had been in Congress I had never passed a single bill or a single resolution, nor had I ever made an appointment to an office. That is what I

am referring to. I suppose the Senator did not intend to make that statement without having it answered.

I would have expected him to answer if I had made the statement. I do not suppose the Senator from Tennessee thought it was a mark of honor for anyone to be here without ever having passed a bill or made an appointment to office, because he certainly used language showing that he intended it as indicating a lack of service, rather than service rendered.

I make the statement again that if I judge matters as does the distinguished Senator, from his remarks, certainly not having received patronage is indeed a mark of a bad record cast on a Senator.

If that is to be considered legitimate—and I think it is—I do not criticize the Senator for making the statement. I take it as a matter of accepted logic and politics and fact that it is a mistake for any Senator's record to show that he has not made any appointments of people to office. That is a mistake. That is against a man's record.

I wish to submit to my colleagues in this body whether or not a man who realizes that his job depends upon his vote stands in the same category, facing immediately having patronage taken away from him, as though he had no such imminent calamity with which he was threatened. Faced with the man who can take away every job you have tomorrow—and that is the fault of the Senator—is not that at least persuasive?

Have we not been told by the public press and have we not been told through our colleagues, have not some of us been told in person, that the fact that we have no public patronage is because of our votes and our utterances in this body? That is a fact. Whether it is appreciated or not, it is a fact. It is a fact that everybody here has been told, or has read, or it has been brought to his knowledge, that his vote has more to do with whether or not he dispenses plums in his State than anything else he can show.

The question is not how one stands in his State. I do not know how anyone could show by the votes of his people that he stood better in his State than I have stood in mine. I think I show by my record that I have stood pretty well in my State. I was always elected by large majorities, and nearly all those whom I have supported for positions have been elected by large majorities.

Not only that; I am not only the senior Senator from the State of Louisiana but I am a friend of the State administration. I am the national Democratic committeeman from that State. I am the chairman of the State Democratic central committee of that State. I hold every honor that can be given to me by the people or by the party, indicating that I am a party leader in my State of Louisiana. Yet, as has been stated on this floor, as has been said many times in the public press outside of this Chamber, it is a well-known and accepted fact that a man's attitude in this body and his votes here are largely controlling on whether or not he is the dispenser of patronage in his State.

It is only fair for me to say to the Senate that I do not ever expect to dispense patronage in my State. I want to say to the Senators here now that I never would have dispensed patronage under Hoover and I never will be able to dispense it under the man who is President of the United States now. I am not going to condemn him for that. That is his business.

Today we read in the public press that down in Louisiana, where they appointed a man by the name of Frank Peterman as relief administrator, he has divided the State into eight divisions, and set up a political master over each of the eight congressional districts, and has even had the boldness to state in the public press that no Long man will receive gratuities from the relief rolls.

Mr. President, that is a matter of public print. This relief which is supposed to be dispensed for the good of the people, it has been set up as partisan property for the disciplining of a Member of the United States Senate who on various and sundry occasions speaks and utters words to the displeasure of those dispensing the plums. Votes in this body have been cast on that basis.

I want to say this, that I have my responsibility, backed by the people of the State of Louisiana. They certainly do not believe that Mr. Roosevelt has any business coming in and delivering a message against the bonus. The Democrats who nominated him—and if they had not been with him he would not have been nominated—do not think he has any business coming here and delivering that kind of a message. They think that if he has any charity and feeling in his heart and mind for the soldiers and for their widows and their wives and their children the best thing he could do would be to sit down in the White House and in the ordinary way send in his veto message.

I know this procedure is not authorized by the Constitution. I do not have to read very far in the Constitution to know that. Senators may differ, but so far as I am concerned I know it is not authorized by the Constitution that he shall come in here and put us all in front of him.

Now, let me say that, of course, Senators can do whatever they please; they have the right to do what they please. Ah, Mr. President, I have seen men tremble in my lifetime. I have trembled myself. I have seen men of good motives in their legislative pursuits who have been faced with the necessity of choosing between what they thought right and wrong in their hearts, and faced with the seriousness of what the choice meant in the matter of the control of things back in their own bailiwicks. I have seen men tremble as to which choice they would make between the dictates of their hearts and their minds and the consideration of where patronage was to go. I have seen that happen. There never has been a time in my life when I have seen it happen as much as in the last several years. I have seen it happen under State governments. I have seen it happen under the Government of the United States. Here we have a great principle. Here we have the eye teeth already cut. I have seen the time when in the Senate gallery the patronage dispensers of the national administration have sat, with a roll of the Senators, not even willing to wait until the CONGRESSIONAL RECORD could be published, that they might indicate on their lists what favors should be granted to or withheld from Members of the Senate or Members of the House.

The President comes again. We are going a step further. Have we not gone far enough? Have we not gone far enough in this disciplining; have we not gone far enough in the punishment inflicted upon men for sitting here and voting their honest-to-God convictions? Have we not gone too far now to have a veto seized upon and have someone come into the Senate and into the House to read the fiat, so that those who hear it will realize that taking a position counter to what is contained in that document means an ill fate to the legislator sitting there listening to the President?

I now yield to the Senator from Missouri.

Mr. CLARK. I will wait until the Senator gets through and speak in my own time.

Mr. LONG. Very well, Mr. President; I will speak until I get through.

Mr. CLARK. The Senator usually does.

Mr. BARKLEY. However, the Senator never really does get through.

Mr. LONG. I thank the Senator. I am glad the Senator feels that I am entitled to speak in my own time. About all the right I have here is the right to speak. I still have that right.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. I asked the Senator very courteously a few moments ago to yield to me. He refused to do it, and I now decline to take the floor in his time. I will wait until I can get it in my own time.

Mr. LONG. That is O. K. with me, Mr. President.

I do not want the President of the United States using me as a sounding board. Every other Member of the Congress has a right to do whatever he pleases. If the President wants to appear and deliver his message in the Chamber of the House of Representatives he has a right to do it, but officially I do not care to be one of those who is supposed to be there to listen to him. I do not care to have the

Members of the Senate called over there. This is no time to have the precedent broken, as I see it. There is no reason why it should be broken.

I take no particular stock in many things hurled at Senators in the heat of debate. If I did, I would have a chance to be mad every 30 seconds. I appreciate the fact that the gentleman who is so hostile because of some of the things I have said would vote against sustaining the veto if it should come to the Senate. I am glad for his vote. I appreciate it, if I should have any right to appreciate it; but that is his own matter. However, I have my responsibility in the Senate. I have my right in the Senate the same as has anyone else. I do not think the Senate has any business tramping over to the House of Representatives like a bunch of school-boys to listen to the President of the United States proclaim his veto.

I shall now read from the Manual of the United States Senate a few words from the Constitution of the United States. I shall read with respect to the President's veto message. I do not mind the President inviting me to go somewhere, but I am not going to have him come in and give me any orders about it. So far as I am concerned, the resolution may provide without limit that somebody can go over and hear him read his veto, but I do not care to have him order me to come and listen to him on this veto business, because the United States Constitution does not authorize him to do it.

I desire to read the Constitution, because I can read it a little better than my friend from Oregon [Mr. STEIWER] read it.

Mr. CLARK. Mr. President—

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I yield.

Mr. CLARK. I simply wish to say to the Senator from Louisiana that he cannot read from the Constitution of the United States out of the Congressional Directory.

Mr. LONG. I have a book here which on the cover says the Constitution of the United States is contained in it.

Mr. CLARK. The Senator started to look for it in the Congressional Directory.

Mr. LONG. Yes; I started to look for it in the Congressional Directory, but it is not in there. It ought to be in the Congressional Directory. They have a lot of other things in it which are not so important. I have been used to reading the Constitution of the United States out of the World Almanac. I find nearly everything I need to find in the World Almanac. That is where most of my education has come from, and I am lost without my almanac.

However, I will read the Constitution of the United States just exactly as it is. Mr. President, the old principle of law is that when the law deals with a certain specific subject that excludes all the generalities in the law. In other words, you might write a law relating to the United States of America, and then if one section provided that in Louisiana the people should do so-and-so, that would prevail over the general things provided for the balance of the country. So it is with this veto. I am going to read this veto provision, and I am going to have everyone in a good humor over this matter before I get through with it. I shall read the provision with respect to the President's veto so that everyone in the Chamber can understand it. I do not want anyone to have a right to feel offended when I am trying to read the law.

May I ask the Senator from Oregon [Mr. STEIWER] where the particular provision with regard to the veto message, which he read this morning, appears in the Constitution? What article is it?

Mr. STEIWER. It appears on page 375.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. I suggest that the Senator from Oregon come over on this side and find the provision for the Senator from Louisiana.

Mr. STEIWER. If the Senator will look at page 375 of the Rules and Manual of the United States Senate, he will find it.

Mr. CLARK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I yield.

Mr. CLARK. Mr. President, I have already made my suggestion. I was going to suggest that the Senator from Oregon come over and find the provision of the Constitution for the Senator from Louisiana. Perhaps it is not now necessary.

Mr. LONG. I think I have found it without the Senator's aid, but I hope the Senator from Oregon will yield to that suggestion in case I have not located the point. I am now going to read from the Constitution. It provides:

Every bill which shall have passed the House of Representatives and the Senate shall, before it becomes a law, be presented to the President of the United States; if he approve, he shall sign it—

I desire to have Senators notice this:

If he approve he shall sign it, but if not he shall return it, with his objections, to that House in which it shall have originated.

In other words, if he approves he shall sign it, but if not—and I desire to have my friend the Senator from Idaho [Mr. BORAH] listen to me—

If he approve he shall sign it, but if not he shall return it, with his objections, to that House in which it shall have originated, who shall enter the objections at large on their Journal, and proceed to reconsider it.

Mr. President, there is no combined journal for the House and the Senate. There is not a joint journal for the two Houses. The law, according to the provision of the Constitution I have read, is that the President shall return the bill, with his objections, to the particular House in which the bill originated, and that the House in which the bill originated shall proceed to enter his objections on the Journal of that particular House, and that that particular House shall proceed to vote on it at that time.

There is a pretty good constitutional argument here. Have Senators ever thought of what would be the consequence if the President returned this bill illegally? If he keeps the bill out 10 days without acting on it at all, that is a pocket veto. If he keeps it out without returning it at all, that is the same as a veto. If he does not return the bill legally, he never really returns the bill. If he returns a bill to the Senator from Minnesota [Mr. SHIPSTEAD], or to the Senator from California [Mr. JOHNSON], he has not returned the bill to the United States Congress. That is the same as a pocket veto. Delivering the message to a joint House of Congress, the Senate and the House, is the same as a pocket veto in itself, unless there is other action taken on it.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. The Senator has the Constitution right in his hand, for the first time in his life, probably. Is there not in it a provision that when a bill is not returned within 10 days—

Mr. LONG. Let me read that.

Mr. CLARK. Let me finish my question. The Senator referred to a bill being vetoed when it was kept for 10 days without action. Does not that apply only in the case where Congress shall adjourn in the meantime? Does not that negative the argument which the Senator has been making?

Mr. LONG. Let me read that.

Mr. CLARK. I shall be glad to hear the Senator.

Mr. LONG. Let me read it:

If after such reconsideration two-thirds of that House shall agree to pass the bill, it shall be sent—

Mr. CLARK. I am not speaking of that section. I am speaking of the provision referring to 10 days.

Mr. LONG. What section is that? I will read it if I can find it.

Mr. CLARK. I will have to find it.

Mr. LONG. If the Senator finds it, I will read it. I have not read it for a good while.

If after such reconsideration—

I want Senators to listen to this—

If after such reconsideration two-thirds of that House shall agree to pass the bill, it shall be sent, together with the objections, to the other House, by which it shall likewise be reconsidered, and if approved by two-thirds of that House, it shall become a law.

We not only have no joint session provided for, but if the other House were not to override the veto the bill never would come to the Senate. The Senate would not even have a right to see the bill unless the House of Representatives should override the veto.

But in all such cases the votes of both Houses shall be determined by yeas and nays, and the names of the persons voting for and against the bill shall be entered on the Journal of each House respectively. If any bill shall not be returned by the President within 10 days (Sundays excepted) after it shall have been presented to him, the same shall be a law, in like manner as if he had signed it, unless the Congress, by their adjournment, prevent its return, in which case it shall not be a law.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I yield.

Mr. CLARK. That is precisely the language to which I invited the Senator's attention.

Mr. LONG. That is correct. The Senator from Missouri is right about that. Of course, if the Congress should adjourn that would apply, and if it did not adjourn it would be a law anyway. Of course, I do not know whether Congress is going to adjourn or not, and therefore I make no speculation as to what would be the situation with regard to that particular matter. It might adjourn and it might not. I take it if the administration wants it to adjourn it will adjourn, and if the administration does not want it to adjourn it will not adjourn. That is strictly in the lap of the administration.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I yield.

Mr. CLARK. The Senator's contention on which this matter arose was that the veto of the President on this matter would be equivalent to a pocket veto. I called attention to the fact that the provision for failure to return it in 10 days applied only in case Congress should adjourn in the meantime.

Mr. LONG. That is correct.

Mr. CLARK. It is the contention of the Senator from Louisiana and of the Senator from Oregon [Mr. STEIWER], and apparently they are the only two Senators who agree to that view, that if it be illegal to hold a joint session of the Congress to hear a veto message, then it would be equivalent to a pocket veto. I invite the Senator's attention that to have a pocket veto it is necessary for the Congress to adjourn in the meantime.

Mr. LONG. That is right. If Congress adjourns before the 10 days is up then of course it would be a pocket veto, and if they did not adjourn it would not be a pocket veto.

As I said, I do not know whether we are going to adjourn or not. It is strictly in the hands of the administration. I make that statement based on precedent. If the administration wants us to stay we will stay, and if they want us to adjourn we will adjourn. They control that matter as they see fit. I am not arguing about that, but I am arguing the law.

There is no way of making two things out of the law because the law is too clear. The law says the only procedure the President can follow is to send his message. It says "send his message." I am going to read that again. I think it will be found to be in the words I have stated.

Mr. CLARK. Where does the Senator find the words "send his message"?

Mr. LONG. It says he shall return it.

Mr. CLARK. Does it say how he shall return it?

Mr. LONG. No; it does not say.

Mr. CLARK. Does it say anything about sending a message?

Mr. LONG. It says he "shall return it with his objections to the House in which it shall have originated." In other words, he has to return the bill with a message. What does the word "return" mean? Will one of the page boys get me a dictionary and let me look it up? He shall return the measure. I do not know whether "return" means to bring it back or send it back or both. I am going to look that up in a minute as soon as I get a dictionary. I do not remember the Latin word from which the word "return" comes, but I will look it up in a moment.

Regardless of what the word "return" means, it is provided that he shall, through himself or others, deliver the measure to the House in which the bill originated. It does not say to the two Houses. "He shall return it to the particular House in which the bill originated." If it originated in the House of Representatives then he has to return the bill to the House of Representatives. There is no joint House. He has to return it to one House or the other.

It is a queer thing. This country has been in existence ever since 1776. We have had a country here for 159 years and we have had some pretty fine men who have been President of the United States during those 159 years. There never has been one of them whoever thought he had the right, or if he had the right, felt that he ought to deliver a veto message to Congress in person. It is a queer thing that in the 159 years we have had a United States of America, this is the only man who ever took it upon himself to get both Houses together and read them a veto message, telling them why they were wrong in what they had done.

Mr. CLARK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I yield.

Mr. CLARK. We have also had some very able men in the United States and in the House of Representatives during that period of time. Was there ever anybody before this time who took it upon himself to advise the President of the United States that he should not deliver a veto message if he wanted to do so?

Mr. LONG. I do not know that there has been anybody before, but we have one now who is advising him. [Laughter.] I am advising the Senate and he might hear of it. I doubt if he will ever hear of me saying it, however. I do not think he is interested in what I say. I think he is too big a man. He has found out what I have said already, and that is enough for him, and so I do not get any jobs and I do not think he cares what I shall say from now on.

We have had Presidents from Washington up until Hoover, and there was not one who ever took it upon himself to call the two Houses of Congress together to deliver a radio address telling them why they did not have any business passing a bill.

I have a dictionary here now, and I am looking up the word "return" to see what it means. The word "return" means "to go or come back again; return to your home; to go or come back again." That does not mean he can come back again, because he has never been there. [Laughter in the galleries.]

The PRESIDING OFFICER. The Senator will suspend. The temporary occupant of the chair feels that it is his duty to the Senate to maintain order. The occupants of the galleries will please refrain from audible laughter. The Senator from Louisiana will proceed.

Mr. LONG. Mr. President, I believe the word "return" is broad enough, however, because I see that it means "To bring, carry, put, or send, back."

So, I take it that the word "return" is broad enough to include both; but the Constitution says that the President shall return the bill with his objections, and that the objections shall be entered on the Journal. The objections are supposed to be written out in full, and after the House has written them out in full it is supposed to act on them.

Let us see, now, what this instrument says. I am going to read it again, at the risk of being a little bit tedious:

If he approve he shall sign it, but if not he shall return it, with his objections to that House in which it shall have originated, who shall enter the objections at large on their Journal—

They have to enter the objections on the Journal—and proceed to reconsider it.

Mr. President, it is not possible for the House of Representatives to vote on the matter with the Senate present. There is a joint session when we are present. The facts are these: It would be just as much the business of Congress to call the President up to watch them vote him down as it is his business to call Congress up to watch him vote them down.

In the one instance he calls the Congress up to tell them, "I am going to cut the throat of this bill." In the other instance Congress would be going down and trying to deliver its unction to him. He has no business up here for that purpose. It is his business to veto the bill if he does not like it. That is all right. Nobody has any right to quarrel about that; but here it is proposed that he shall come up and make a display. The radio has been put in. The moving-picture equipment, I take it, will be put in. There is to be a great, big celebration. The President is coming up. The movie cameras are there, ready to be trained on him. The radio is there at his disposal. If it is right for the President of the United States to have the use of the radio to deliver his reasons to Congress, why not put the radio in the United States Senate, and let every Senator make his speech in favor of the bonus bill over the radio? What is the difference?

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I yield.

Mr. CLARK. I suggest, as an objection to that, that it would not be very fair to put the radio in the Senate. Only one Senator of the 96 would have a chance to use it oftener than once a month.

Mr. LONG. Well, there might be something to that. There might be a further reason. A great many persons might not want to listen to all the 96 Members, and I might be one of them. Of course, that is bad business.

Mr. President, I am willing to put the President up on any pedestal that is going to do any good; but I am not willing to have him brought over here to deliver a message to us, and have all the moving pictures taken, and all the radio available, because of what? Because he is dashing to the demnition bowwows and into smithereens what little hope the soldier boys had that they are going to be paid something that we have owed them for 17 years.

Let him make that great splurge on one of the days when he is signing one of these banking bills, closing all the little banks and keeping open the big banks. That would be a day when it would not be quite so bad. We had a day like that here once. Or, better still, let him have made it when we finally managed to bring the thing around to where he wanted to sign the guarantee-of-bank-deposits law. The President has as much right to come up here and read a message approving a bill, I take it, as he has to come up here and read a message vetoing a bill. I take it that he would have as much right to come for one purpose as for the other. That is my way of looking at the matter.

Mr. SCHALL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. LONG. I yield to the Senator.

Mr. SCHALL. Does not the Senator from Louisiana think that this particular part of the Constitution still being virtuous, and the administration having violated almost every other part of the Constitution, it now becomes imperative that the administration shall see that this particular part is swept on with the rest of the business?

Mr. LONG. I must say to the Senator from Minnesota that I disagree. I think it is time to stop a dog from sucking eggs whenever you can. While I do not use that as a parallel, I think, however big a man may be, it is time to call him back. Because we have allowed the Constitution to be ig-

nored in a hundred other respects, I do not think we ought to allow it to be ignored in a hundred and one respects. That is my view.

Mr. SCHALL. Every bill that has been sent over here by the White House has been in violation of the oath the President took.

Mr. CONNALLY. Mr. President, I make the point of order that the Senator from Louisiana cannot yield except for a question. He cannot yield for a speech.

Mr. LONG. I refuse to yield except for a question.

The PRESIDING OFFICER. The point of order is well taken.

Mr. SCHALL. What was the point of order?

The PRESIDING OFFICER. The point of order is that under the rules of the Senate a Senator may not speak more than twice upon any one question in debate on the same day. The Senator has yielded many times, and if he yields for a speech, that is not permitted under the rule. He may yield for a question only.

Mr. LONG. That is all. For that reason I must refuse to yield. I should be glad to yield to the Senator from Minnesota if I could; but I am not allowed to yield under the rule which the Chair has correctly interpreted.

Mr. CONNALLY. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will please state it.

Mr. CONNALLY. The reason why the Senator from Texas made the point of order was that the Senator from Minnesota [Mr. SCHALL] was standing on the floor traducing and abusing and impugning the motives of the President of the United States. He said the President had violated his oath of office every time he sent a bill here. If I can prevent it, I am not going to permit any Senator to violate the rules of the Senate by making statements of that kind.

Mr. SCHALL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. LONG. I yield to the Senator from Minnesota for a question only.

Mr. SCHALL. I wished to answer the Senator from Texas.

Mr. CONNALLY. I make the point that the Senator from Louisiana cannot yield for a speech.

Mr. LONG. That is true with regard to both my colleagues, but I do not want to get caught in a fire between them.

I have no desire, Mr. President, to lambast or traduce the President or his motives in the way he has acted on the bills he has passed here. I do not think the President is a very good lawyer, and he probably does not think I am any better. I do not think he has had very much time to study law, and I do not think he has tried many lawsuits.

That is nothing against the President. There are a whole lot of men who are good at many other things who are not good at law. There may be many of my colleagues, and the President himself, who do not think much more of my legal ability than I do of his, and probably not as much; so, of course, all of us, even though we think we are good lawyers, may be excused for our mistakes on the law.

I never did think the President was right on the N. R. A. bill, but some of my colleagues who are as good lawyers as I am do think so. Maybe they are better lawyers than I am—probably much better. I do not think many of these other things are right; but I do say there is the prerogative left to the Senate and to the House that has been here for 159 years, that we have never yet had a Sir Galahad appearance of the President before four-hundred-and-some-odd legislators of this country when the President has come up to render a veto. This is the first time he has ever called us up to take a licking. This is the first time it ever has been attempted. There must be some reason why, for 159 years, no such thing as that has ever before been attempted. There must be some reason why for 159 years they have never done anything like this.

I take it that it is because of the fact that other Presidents of the United States have not thought it proper and

have not thought it the right thing to do. I take it that other Presidents have not thought it the right thing for a President to do to come up here and call in Senators as though they were school children, and call in Members of the House of Representatives as though they were less than that, in order to read them his declaratory judgment against the propriety of a bill that they have enacted by a large majority in both Houses. I do not care to have him call me. I have just as much right to send word to the President to come and listen to me as he has to send word to me to come and listen to him, according to this book right here. I have just as much right, according to the Constitution of the United States, to send for him as he has a right to send for me. If I want to make a speech condemning a veto message that he has rendered, I have just as much right to ask him to come here and sit here and order him to listen to me, as he has to order me to listen to him. There is no difference between the three branches of the Government in that respect if the Constitution is carried out.

Why do not the Justices of the Supreme Court of the United States send for the Members of the two Houses of Congress to come and listen to them when they declare unconstitutional one of the bills we have passed?

Members of the Senate, have we ever yet passed a resolution providing that the Members of the United States Senate and of the House of Representatives should go and listen to the United States Supreme Court read its opinion on the constitutionality of any bill we have passed?

Mr. SCHALL. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. SCHALL. Has the Senator considered what caused the President, on coming into office, or a little before, to state that in all probability he would be the last President of the United States? Does not this more or less have some relation to that?

Mr. LONG. It has been published on good authority and not denied that he said that either things would be all right or that he would be the last President. That has been published a good many times and not disputed. I do not know whether he said it or not, because, of course, I was not present to hear it.

I take it that we ought to try to call a halt to this business. If there is anyone who ought to have what little rights they are entitled to under the Constitution, I think it is the soldiers who served in the war. One of the few things that has been left to us is the little dignity of this body—a little dignity and a little pride that has been left to this body—and our right to be at least considered as one of the three departments of the Government. Now, we have the President sending a message: "Come in here; come into school, you young men and children of the empire. Come in. I have something to tell you about what you have been doing here, and I am going to have a hook-up and tell the people about what you have been doing."

So, we would sit there, 530 school children, while the President reads a lecture to HUEY LONG and to the balance of the Senators and Representatives, and sends word out to the people to take notice, to "Listen to what I am saying to these mugwumps over what they have been doing."

Mr. President, that is what this thing means. Let him go out on the back doorstep of the White House and read that lecture into a megaphone or a microphone if he wants the people of the United States to know anything about it. I will not object to him doing that. Let him get some farmers. They can send and get another crowd. They may not make the railroads fare as cheap, but let them dig up another crowd.

When our friend Donald Richberg wanted to make his speech denouncing the Senate for what they have been doing, he did not call the Senate and the House; he called a bunch of his employees to listen to him. That is how he got his crowd up. Let this man do the same thing. Let him hunt up another crowd, as he did the last time. Let him get the crowd up in a legitimate way, and not come here and have us pass a resolution, so that I would vote to put my head in

a halter and go over there on a leash to hear the President castigate the judgment I had rendered on this subject.

I am willing to take my chances in this. I will be the first candidate up before the American people. I have to go before the American people before any other man in this body to see how they like what I have been doing. I have to go before the good people of Louisiana in the month of January next. I am standing here with a responsibility which is solely mine, 100 percent my own responsibility, and I want to go before the people of Louisiana directly on this question, a matter between me and the great, grandiloquent Chief Executive.

If he wants to read me any lecture, let him get out on the back porch and do it. I am not going over to another body and have him read his lecture to me under the flares and with the sound of cymbals and with the trappings set up to spread his remarks to the four corners of the world. It is an absolute farce on the prerogatives of legislative government to have the President read a message out to Senators and Representatives with a big radio fixed up there so that his voice can be carried.

Why is that? Has he not been giving his fireside chats? He has been delivering the fireside chats to everybody who wanted to turn on the radio and listen. He does not have to ask, as I do, to get radio time. They let me talk about once every 60 days, and they hold a watch, and if I take 1 second over 29 minutes they cut me off two-thirds of the stations of the United States, but he gets whatever he wants from the broadcasting systems. He can talk all day or all night, and notwithstanding that fact I have the record to show that even when he has had every radio station in the United States the people of the country have written 5 times as many letters complimenting the talks of Members of the Senate or the House as have written about the President, sometimes 10 times as many, and sometimes 50 times as many.

If this thing is to be all fixed up so that there must be some scenery, let us divide the time over the radio. Let us arrange for a division of time. If we are to have a great, big session of Congress over in the Capitol, the two Houses called together, so that there will be set up the right kind of display to carry the words of this great and grandiloquent victor, who is going to smash the life out of 3,000,000 soldiers and the families of 3,000,000 soldiers, if we have to have this great display made to show off his heroism and what a big and grandiloquent man he is, then divide the time. That is what I would do. That is how I would do it, instead of going over there to listen to him.

We have had Presidents ever since George Washington took the oath of office in 1789 in the city of New York. For 146 years we have had Presidents of the United States, and never has one of them sent this kind of a message to Congress that the two Houses should come together to hear him read a veto message.

There once was a great example in France. Napoleon's name was very popular. When Napoleon III returned to take over the French Government by a coup d'état that he managed to effect in that empire he signed all his pronouncements "Napoleon", as Napoleon Bonaparte had signed his.

He made himself popular over the country by calling himself "Napoleon", signing all his decrees "Napoleon." He did not even sign them "Napoleon the Third."

There finally came a time in that country when the people called him "Napoleon the Little." The name "Napoleon" was magic, but it finally came to the point where he abused his power so much that Victor Hugo, a great French novelist, wrote a book in which he described the emperor as "Napoleon the Little."

Mr. President, any man with great authority is likely to abuse that authority. No man living is so susceptible to abuse of authority as the man who is given unlimited power. I have seen men who told me that they did not themselves want to be vested with some authority because they were fearful that, even as good as they would like to try to be,

they would not be able to handle as much authority as might be vested in them by some legislative body or by the people.

I think our President might well take a leaf out of Napoleon's book. The name of Theodore Roosevelt was very popular in the United States. He was a great leader. He was a friend of the soldiers. He was a friend of the veterans. Theodore Roosevelt was never known to do a thing except for the liberal cause and the purposes of good government. Therefore Theodore Roosevelt was quite an idol of the people of this country for many years after he was dead.

I might state and I might prove that in 1920 when we nominated Mr. Cox, the Governor of Ohio, and his running mate, Mr. Franklin Delano Roosevelt, the people in the Democratic Party hoped that by nominating Mr. Roosevelt the ticket would carry with it some of the magic which came from the name and from the record of the elder Theodore Roosevelt. It did not work out that way, however. It seemed to work out rather differently. Nonetheless, however, we kept sending out the charm and to some extent capitalized on the reputation and fortunes of the elder Roosevelt, long since dead.

I think, Mr. President, it was naturally expected that we would follow along the lines of Mr. Theodore Roosevelt's policies under our own Democratic administration, even though he happened to be a Republican. However, we come into this Congress today looking at the example of Mr. Theodore Roosevelt, and we find, with all the appeals that he ever made to the Congress of the United States—and he issued some condemnatory messages against action taken by the Congress and even action taken by the Supreme Court—that never once did Mr. Theodore Roosevelt call the Congress into a session at which he proposed to deliver a veto message or go beyond the proper functions of the President as the head of the executive department.

I know that many Senators will say that the President's action will not change any votes. The Senator from Missouri asked me a minute ago if I thought it would change any votes. I said, "No", in my own mind at any rate, and I doubted at the particular time if it would change any votes. It might. But I do not want the precedent established when the sole remaining thing here is the right and propriety of the Senate to function as the Senate, and the House to function as the House. I do not want the prestige of the Congress of the United States to be in any respect affected. I do not think it is the right thing to do, and I do not want it done at this particular time.

I am surprised that Senators persist. It is not a big matter. Why have Senators to sit here until 6 or 7 or 8 o'clock at night over the proposition of whether the President is going to have the blare of trumpets? He can go on and veto the bill. The soldier cannot help himself. I can imagine, as I said a moment ago, the kind of disappointment it is going to be to the soldier. Every soldier, and the wife of every soldier, and every son and daughter of every soldier, has figured out exactly what he was going to get. They have figured out that the soldier was going to have so many dollars and then he would do this and that with the money; he would buy food and he would buy clothes. They have figured what he would buy. Every soldier, as he sat in front of the fireplace with his family, or as the family gathered around the table, has discussed the matter with his wife and his children.

Every one of the veterans has spent this money in his mind, or planned what he was going to do with it when he got it. Every one of them knows what he is going to do with his money when he gets it. Every one of them feels that the Congress of the United States has the power to give them the money.

There has been a big majority of Congress which has been delivered. So why should it be necessary to have a public veto out of its regular order? For no other purpose that can be alleged under the sun except it is decided there has got to be a precedent broken, and a veto message delivered such as has never been delivered before. Congress has never had such a veto message delivered to it in such a manner.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Texas?

Mr. LONG. I yield for a question.

Mr. CONNALLY. I thought the Senator had concluded his remarks.

Mr. LONG. No; I have not concluded my remarks. Does the Senator wish me to yield?

Mr. CONNALLY. No. I shall wait until the Senator shall have concluded his remarks.

Mr. LONG. Very well.

Mr. President, I am of the opinion that Mr. Roosevelt can get someone to listen to him without having to call Congress. The prestige of the President's office will always get him attention. From the mere fact alone that he is President he gets a great deal more attention than Members of Congress could get. So far as I am able to see, I believe that if I were in the President's shoes tonight I would gladly welcome being told by the Congress, "Inasmuch as you have decided to present to us a veto, send it up through the regular channels. Do not use the soldier as the means of breaking the precedent. Do not use the soldier for that purpose."

My contention is that the President of the United States had no business doing it. We have shown a rather great liberality toward the President here. I say that because I include myself with the body corporate of the 95 Members of the Senate and while I have not voted with all 95 Members, or with the majority, nonetheless the action of the Senate is the action of the Senate, and I therefore say "we."

We have shown an unusual liberality toward the President. We have most scrupulously guarded him from disclosures and investigations from which others have not been guarded. There is an old, old saying that he who lives by the sword shall die by the sword. The President has been zealous to take action against those who have been his political enemies. He has gone into every one of them personally and privately, and into their personal matters, and whoever has disagreed with the President politically has had everything done that could be done to give him whatever personal discomfort that could be brought about. It has been done, Mr. President, probably we would say properly, but none the less he has done it. The President of the United States has hounded every political enemy that he has with every process of the Government that he has seen fit to exercise or deal with. That has been the policy. But when we have undertaken to inquire into the simple acts of a member of the Cabinet, of such men as Mr. James A. Farley, what do we find?

While we voted to explore into the caverns and into the recesses to see what might have been done by Mr. Harry M. Daugherty, nonetheless when there are allegations and affidavits here as to the misconduct on the part of Mr. Farley we reverse the procedure of this body and decline to inquire into the conduct of Mr. Farley.

I think everyone knows that there is a prohibition of law against mishandling the stamps of the Government. Everyone knows that. Everyone knows, because I have had cases where the question has come up, that if a postmaster or a man working in a post office or the Post Office Department makes away with 55 cents' or 60 cents' worth of stamps, it is a violation of law and that he can be sent to the penitentiary for it. That is the law. Whether it is right or not, it is the law.

Mr. SCHALL. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. SCHALL. Does the Senator think that the Postmaster General violated the income-tax law in the case of the perforated stamps which he gave away to his numerous friends amounting to hundreds of thousands of dollars?

Mr. LONG. I did not get the Senator's question.

Mr. SCHALL. Does not the Senator think the Postmaster General violated the income-tax law when he gave perforated stamps to his numerous friends all over the country, amounting in value to hundreds of thousands of dollars?

Mr. LONG. There is not any question that he violated the law.

Mr. SCHALL. I wonder if he made a report to the Income Tax Unit on that matter? I understand the law says he cannot give away valuable things without reporting them and paying a tax on them.

Mr. CONNALLY. Mr. President, I make a point of order again that that is not a question.

Mr. LONG. Answering the Senator's question, it is not only my understanding but it is my knowledge of the law that I read and produced in the Senate, that one cannot give such things away without violating the law, and it is further within my personal knowledge, and I make that statement, ready and willing and able to produce the proof, that the value of these stamps amounted to many thousands and hundreds of thousands of dollars, and in some cases many people got that money. That was a violation of law in the case of every living one of them who misused those stamps, and Farley was the original one of them.

Now, I say we have been very, very liberal about the matter. When I asked for an investigation of Mr. Farley, the Senate did not make the investigation. I asked for it, and my colleagues saw fit not to order it. I do not quarrel with my colleagues about it, and neither in public or private have I talked to them about it, nor shall I. But it goes to show the liberality with which we have acted. There has been no investigation or prosecution on account of income tax or for the mishandling of those stamps. On the contrary, those stamps were given to whoever wished them.

I never did say it, Mr. President, but I am prepared with a great deal more proof than I alleged. I had alleged enough that if it were going to do a bit of good in the world I would have had the investigation, and I knew it, and there was not any use to allege any more; but if the Senate should ever see it proper to reverse its attitude which it has taken, I am prepared with abundant truth to substantiate those charges, which are as serious as the offenses of which Harry M. Daugherty was ever accused at any time, but the Senate sees fit not to inquire into it. It has that right. It has the right conscientiously and from good motives not to inquire into it. It sees fit not to have the investigation. It sees fit not to do as to Mr. Farley what it saw fit to do as to Mr. Harry M. Daugherty when he was driven from the Cabinet.

There has to be some day of reckoning. We are citizens of the United States. We came here as citizens of the United States. We have certain inalienable rights which cannot be taken from us.

All men are citizens. There is a rank of equality. But when we single out in the United States and say to every man, "You are going to be prosecuted for some kind of violation of the Federal law if you are not a friend of this national administration; we are going to prosecute every man in the United States who has committed the slightest political offense against the cause or purposes of this national administration; but if you will come with the boys, you can do whatever you want to do", we are beginning to undermine everything on which our Government has ever stood. That is what we say. We say as to Farley and as to Farley's pals, "No prosecution, no investigation, nothing else." But as to the man out of politics, if there be a suspicion, we are going to spend millions of dollars exploring into him to find out if there is not some kind of pernicious punishment which can be inflicted on that kind of man. That is where the Government begins to decay.

Mr. COUZENS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Michigan?

Mr. LONG. I yield.

Mr. COUZENS. It is now a little after 6 o'clock, and I observe there are only eight Senators present. May I ask the Senator how long he will probably continue to talk?

Mr. LONG. I think I shall continue for some time.

Mr. COUZENS. We may have other things to do.

Mr. LONG. If the Senator from Michigan has anything to do and will be back here in 3 hours, that will be very

satisfactory. There will not be any vote in the Senate within the next 3 hours. [Laughter.]

We begin to undermine government whenever we start out to prefer men. Up to this time I believe I have never heard the charge in my State that the courts of the State had been used for politics in the prosecution or defense of crime. I do not believe that has ever been done. I do not believe it has ever been charged. The only man I ever knew of who was directly affected by legislation was several days ago when there was a bill in our State that provided some prescriptive period in a matter of forgery, making it the same as it would be in the matter of many other crimes. That happened to be a gentleman we were affecting who was no particular friend of ours.

However, when we came to the case of Farley it is a different matter. Farley's department has today 100 or 1,000 men, if it has 1, in the penitentiaries of the United States who have been sent there for violation of very simple postal laws. Those men are there now. They will serve out their terms. Yet there is not one of them who did what Farley did or half what Farley did, or who in name or number or amount of dollars did what Farley did. What is the difference? A little man in a post office slips \$500 out of the cash drawer and puts it in his pocket and tries to hide it until he can make it up and put it back. Then he never gets the money to pay it back and is finally sent to the penitentiary for taking that money out of the cash drawer. What is the difference between that man and another man, like Farley, who does not sneak around to get money out of the cash drawer, but who goes into the Government Printing Office, calls in the foreman, calls in the printer, and has printed for himself several hundred thousand dollars in value of stamps and hands them out to his friends wherever he wants to give them away, and who has thus violated every law there is on the books and yet is not even called to account for a single dime?

What is the difference? The difference is in the one case we prosecute because a man violated the law. In the other case we defend the criminal because he is the law. That is the difference. One is a case where punishment must take its course. The other is a case where whoever tries to bring the culprit to justice is liable to have the finger of vengeance pointed at him. Many people in this country do not dare speak about Farley and report his crimes. They dare not do it.

I have had man after man tell me, "I would like to tell you all about it, but look what will happen to me. You have the little fellows in the penitentiary", and yet the man is afraid to be honest and tell the truth about it for fear he will be sent to the penitentiary if he dares to tell the truth about these big strapping Tammany politicians who have come here to use the processes of the Government for their own benefit to the tune of thousands and hundreds of thousands of dollars.

So, Mr. President, the matter of equality, the matter of rules and lessons of equity go unheard and unnoticed. If Senators would listen to me from now on it would be to their profit. I am sorry there are not more Senators here to listen to me.

Mr. SCHALL. Mr. President, will the Senator yield to permit me to make the point of no quorum?

Mr. LONG. No; not now. I want to save that for a little later. [Laughter.]

The PRESIDING OFFICER. The Senator from Louisiana declines to yield.

Mr. LONG. There might not be any more business transacted between now and then. I am making one of the finest speeches ever made here and it is just simply too bad that so few Senators, who claim to be interested in this subject, do not stay here and listen to me. I tell them what I think is best. I am making a speech that will be read for many hours after it is made, probably. I am making a very fine speech and not all the Senators appreciate it as do the Senator from Texas [Mr. CONNALLY], the Senator from Nebraska [Mr. NORRIS], and the Senator from Minnesota [Mr. SCHALL].

Mr. CONNALLY. Mr. President, may I suggest to the Senator that if his speech is read at all it will be read many hours.

Mr. LONG. When a Senator goes to the trouble to carefully prepare an address and deliver it to this body he is entitled to be listened to with care. It has always been my view that the least Senators can do as a matter of courtesy is to stay here and listen to speeches. In the days to come someone will get up here and ask me a question about something, and the chances are it will be something that I have fully covered in my speech this afternoon; and if they had stayed here and listened to me this afternoon, they would have known all about it and would not have to take the time of the Senate hereafter to have me repeat it.

When I have made a good point, when I think I have developed something to where a man who heard it would have been influenced by it, then some Senator straggles in who I know has not been converted and I feel the necessity of starting all over again and telling what I said in his absence. Of course I am not going to do that for all of them, but to some extent. Senators have lately returned to the Chamber because the news has gone around that I am making a fine speech. It will be all over the Capitol very soon. As Senators return to the Chamber I am going to have to repeat some of the things I have said because the news is bound to get out that I am making a great speech here, one that all Senators are going to want to listen to, I am sure.

We spend entirely too much of our evenings in the wrong way. Instead of listening to the logic of one another, our evenings are spent in taking care of Washington's social functions.

Nearly every man here goes home and gets ready to go out to some dinner or to some important diplomatic affair, and we all spend our time in such ways in the evening, when the chances are that if we mutually counseled with one another, each and every one of us and the country in particular would be the beneficiaries of a better form of conduct. So if we stay here this evening on this subject, the first time it has ever been passed upon in the history of America—if we ponder a few moments, and give our best minds and talents to it—it is likely to mean a great deal to all of us, and more to the country. That is the way I look at the matter.

Mr. SCHALL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. LONG. I yield for a question.

Mr. SCHALL. The Senator from Louisiana is a good lawyer, of whom Chief Justice Taft said that he had one of the most brilliant minds ever appearing before him.

Mr. McKELLAR. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. McKELLAR. The Senator from Minnesota is not asking a question.

Mr. SCHALL. It will be a question.

The PRESIDING OFFICER. The point is well taken. The Senator's remark is not, thus far, a question.

Mr. SCHALL. I intend to ask a question.

The PRESIDING OFFICER. The Senator will ask a question.

Mr. SCHALL. I wanted to ask the Senator whether he does or does not think the Postmaster General violated the income-tax law when he gave hundreds of thousands of dollars in nonperforated stamps to his friends without paying a tax upon them?

Mr. LONG. He not only violated the income-tax law in regard to the taxes on probably half a million dollars' worth of income, for which he should have been prosecuted, but he violated the law which prohibited the issuance and giving away of those stamps, or handling them in any way, except for cash to the amount of the face value of the stamps. He violated two laws; but there used to be a song in this country—it is rather modern, in fact—to this effect:

I wonder how you are, and I wonder who you are, and where you are, and if you are all alone.

The law has gotten down now to the point where it is not a matter of A's and B's and C's, what you did or what you did not do. It is a matter of who you are, and it is a matter of where you are, and it is a matter of whether you are this, that, or the other, and whether you are all alone. With Farley, it is a matter of where you are. "Why, I am sitting on the right hand of the President of the United States." It makes a big difference—yes, sir!—where you are, and who you are. "I am the Postmaster General." "And are you all alone?" "Oh, no; oh, no! Where Macgregor sits, there is the head of the table. Where Farley sits, there is the law." You can have all the laws you want to; but when you make Mr. James A. Farley the master of the law, what does law amount to?

Somebody said to me, "Present the matter to the United States attorney and to a grand jury." Would not that be a nice thing, to walk in and present it to Farley's appointees like that? Here is Mr. Farley, who appoints the United States attorney. Here is Mr. Farley, who appoints the officers of the law. He can remove them tomorrow morning; and you want to send me down there to see Farley's own appointee, to see what he will do about Farley! The chances are that they would put me in jail for going down there if I went down there to try to get him.

What is the difference? The difference is that if you are going to allow this reign of terror to continue, with the enforcement of the law under that man Farley, you are going to take away from the people of this country about everything that sustains good government. That is what the thing amounts to.

Mr. President, if it were left to me, long ago I should have said that Mr. Farley's case would have come up on its merits. It would have been investigated from Dan to Beersheba. Mr. Farley would not be waiting for Congress to adjourn in order to tender his resignation, as the rumors go about. I do not know whether they are true or not. The rumor comes that they are just waiting until Congress adjourns, and that as soon as Congress adjourns Mr. Farley will tender his resignation. I do not know whether that is so or not. I hope it is not so, because I tell you that the acts of Farley ought to be scrutinized by Congress at its present session, and Farleyism ought to be eternally uprooted in this country, and never allowed to return.

I ventured off on that line, and I ventured off on all this line. I owe something to the soldiers of the country. I owe a debt to the soldiers of the country, and I am paying the debt that I owe to them. There was a time, in 1917 and 1918, when the soldiers of this country stood in the face of the German cannon, and they stood on guard all day and all night in order that 120,000,000 of their people in America might live under a constitutional government. They never asked if it was time to go to breakfast. They never asked if it was time to go to dinner. They stood there on guard for 120,000,000 American people.

I have done very little for the soldiers in return for the service they did for me and others. I have done very little for these men who came back maimed and wounded, or, if they were not maimed and wounded, who came back after rendering eternal sacrifices and going through a thousand deaths, whether they died or not. I have done very little for those men, and many of my colleagues here probably have done no more than I have done for them; but I am standing here tonight on guard for those soldiers, just as those soldiers stood on guard for me in 1917 and in 1918. If there is no other man left in the United States Senate who will stand up and stand against the illegal, unprecedented action of giving the President of the United States a forum in which to blare and display and trumpet the time that he stabs a dagger to their hearts; if there is no man but me left in this body willing to stand to prevent the President of the United States from erecting himself a monstrous castle from which he may blare forth with all the advantage that modern mechanisms and contrivances provide; if there is no one left but me to stand between the soldiers and that, I will do the dead level best I can to stand against it as long as I have the power to do it.

Let the President find another time to break this precedent. Let him find another time to do this illegal and this unconstitutional act. I am calling on the men of this country to stand up for these men who stood up for them. The time has come in the legislative forum when that has to be done.

Oh, I know we may be defeated. I do not care. What do I care whether it means victory or defeat? I know exactly what the situation is. I know, with the lash and the power the President can exert, that it is probable he can bring about the change of enough votes to prevent overriding this veto. I know what the situation is; and it is just as legitimate and proper—it is even more so—that I should stand here and warn and plead and beg against these performances as it is that he should use his midnight hours for the distribution of patronage. It is just as much the part of constitutional government for me to do what I am doing, and probably more so, as it is for him to use the resources at his command to bring about a contrary result.

So that is where I stand tonight on this issue, Mr. President. Let the President stay back there. There will be called to the attention of the American people, I think, before this contest is over, the great strategy which has been used to prevent the payment of this debt that is 17 years overdue. I say, "the payment of this debt"—I should say, the partial payment of this debt. This action does not purport, topside or bottom, to pay anything like half the debt that is owing and due to the soldiers of this country; nothing of the kind. On the contrary, if this bill should become a law it would give to the soldiers a niggardly sum. It gives to the soldier less than the wages the commonest laborer earned for the length of time the soldier was in the trenches. So, therefore, we undertake here to vindicate the right of the soldier to receive this payment.

Mr. President, we must do something about it. Why? We passed a bill here appropriating \$4,800,000,000. Forty-eight hundred million dollars of the money of the people of the United States has been placed in the hands of a candidate for President who desires to defeat certain other candidates. As long as that money was honestly administered, I suppose nobody could have had any complaint at all about it, regardless of how great the debt of the country might have been, on a reasonable or rational policy.

But when you take a million dollars of that money and send it into a State and say, "This money is to be used here for enlarging the relief roll", when you say, referring to the relief roll, which they managed to pull down to a few thousand people, "I want this relief roll multiplied 10 times to make it big enough", you destroy the moral fiber of those people, and put hundreds and thousands of people on the relief roll who have no business being on the relief roll, and take people off the relief roll who perhaps ought to be on the relief roll. That is a kind of Government nobody on the face of the living earth will stand for.

I know they have us beat here the way they are going to pull this thing off. I know what the vote will be, and everybody else knows what it will be. I know what the vote will be on the resolution. There is no use fooling yourselves; I know what the set-up is. I know what the vote is. I know why all the blare and display is made to keep the vote what it is, and they will keep it what it is. I know that.

Mr. SCHALL. Mr. President, will the Senator yield?

Mr. LONG. For a question.

Mr. SCHALL. Does not the Senator think that perhaps the President may believe that a dollar and a quarter a day is too much for those soldiers, since common labor now is to get \$19 a month? A dollar and a quarter a day would bring \$30 a month, anyway.

Mr. LONG. I would not doubt but what he thinks that, from what I know about it. I would not doubt that he honestly thinks that. He may be very honest in that opinion. From what I know of the man, his opinion may be perfectly honest about that. He fixes \$19 as the wage to be paid people down in Louisiana.

Anybody who has ever done hard work knows that a man cannot get enough to fill his stomach on a wage of 65 or 70

cents a day. I am telling you what the Lord loves, the eternal truth. I have done hard work in my time, and I state that the man who does 8 hours work and thinks he can get what he needs to eat for 60 or 70 cents a day is fooling himself. It cannot be done. But that is what they have tried here under this thing the President has promulgated. Here is the whole thing: \$19 a month—\$19 a month for 40 hours labor a week.

Mr. President, this country is being lowered into a further depression. We were told that we were going to cure unemployment. How many years have we been here trying to cure the unemployment? A little over 2 years Franklin Delano Roosevelt has been in office. Now we are in the third year of Roosevelt, the third year. When November comes he will have been elected 3 years. Next March he will have been in office 3 years, and today there is an unemployment list in this country bigger than it ever has been in the history of the United States.

Talk about being over the depression! Officials have been sending out propaganda that we are coming out of the depression, that the depression is over. There is a bigger unemployment roll today than we have ever had since the United States was founded. Talk about coming out of the depression; we are going into the depression. We are just getting started. The United States Government owes \$30,000,000,000, or something like that, and it is fixing to put out \$5,000,000,000 more of bonds. I do not know whether the statement is correct or not, I have never taken the time to look up the figures, but it is said that every time the United States Government takes in \$3 it spends \$5; and that does not include the relief money and the emergency money. The cost of Government of the United States today is \$5 every time we take in \$3, I am told.

I am told that on top of that we have to add all the relief money and the emergency funds, and the expenditures of the various and sundry alphabetical arrangements that are spending money all the time.

They went down into Louisiana, into the great, wide, beautiful land of Louisiana, where the sun shines nearly 365 days out of the year, where there is seldom a day when the sun does not shine, down in that beautiful State where the Lord has smiled, and given people practically every resource on the face of the earth. He has filled the waters so that they teem with fish, and oysters, and shrimp, and everything of that kind. The land blooms the year around—beautiful Louisiana, with clear streams, charitable people, a generous population, harmonious in the main. They have their political differences, but most of them are instigated here at Washington. Louisiana would not have an anti-Long faction in it today if it were not for Federal money. The only way they keep an anti-Long faction there at all is by using Federal money. They have to pay everybody they have two or three times apiece. That is the only way they can do it, by buying the opposition. The opposition is bought with Federal money. It used to be paid by the corporations. Now, they have another way of doing it. The opposition is paid by money of the United States Government. That is the only kind of opposition there is.

At any rate, they have gone into that State, and instead of trying to set those people an example of truthfulness and honor, they have taught a man to be dishonorable, to plow up his garden, to be trifling, to lie down and not work, in order to get on the relief roll, instead of saying to a man that God helps those who help themselves, and that they should try to help themselves first.

They say to the people, "Plow up your gardens, shoot your hogs, kill your cattle, and be trifling and no account, and stand around", and they will keep them drawing a little handful of hay and other food to keep them living in an indecent poverty. That is the kind of curse inflicted upon the people in the name of a foul Farleyism and politics. That is all they have ever done. That is all they intend to do.

There are millions and millions for plunder. They have plenty of that kind of money. They have all that kind of money they want to use. They have plenty of money to

use for that kind of politics, but no money to pay the soldiers; oh, no. No kind of soldiers' bill can go through. There is no money to pay to soldiers; oh, no; no money. That is their responsibility.

The time will come when things will be changed. The people will understand this thing. The right action will not always be postponed. Then they will have to return to this doctrine Mr. Roosevelt announced at Chicago.

I have learned one thing in my life. Whenever you have to make a man do something you might just as well not have him do it. Whenever, in order to get a man to do something as a candidate for office, you practically have to make him do it, he is not going to fulfill his promise after he gets into office. That has been my experience.

Mr. SCHALL. Mr. President, does not the Senator think this so-called "planned economy" is only a deliberately planned chaos?

Mr. LONG. I think some of them are planning for chaos. I think they want to have the millions of American people in desperation so that they will have to take what little dole they hand out to them and will have to do what they want them to do in order to get that little, pitiful, poverty-stricken hand-out. I honestly think that some of them do.

Mr. CONNALLY. Some of whom?

Mr. LONG. Some of the people connected with the administration, with the A. A. A. and the N. R. A.

Mr. CONNALLY. Does the Senator refer to any Senators?

Mr. LONG. I do not think the Senators do; no. I would not say it if I thought it, and I do not think so.

Mr. CONNALLY. I hope the Senator will not equivocate. Does he or does he not refer to Senators?

Mr. LONG. The Senator knows I do not. However, the Senator knows that I think some Senators could vote better than they are voting on that matter, and stop some of it. I think Senators are wholly mistaken in their votes on some of these points, but I do not equivocate in any respect concerning the motives of Senators. I never have since I have been here. I should not be allowed to do so if I desired to do so, and I should not desire to do it if I could. Personally and politically I have about the same regard for some of my colleagues that they have for me. I share the views of other men pretty well. I have never made my status with anybody. I have always made the other man make my status with him. I reciprocate other men's friendships and the rest of their feelings 100 percent, and a little bit more.

So, Mr. President, we will return to the logic of Franklin Delano Roosevelt at the nominating convention, because there are two Senators who have returned to the Chamber since I started to talk about that who did not hear what I said before they came in. I shall now read it to them. Here is what he said:

Throughout the Nation men and women, forgotten in the political philosophy of the Government of the last years, look to us here for guidance and for more equitable opportunity to share in the distribution of national wealth. [Applause and cheering.]

Mr. President, I was not there to do any of that applauding. I was not at the convention when Mr. Roosevelt got there. I had been up all night for 2 or 3 nights at the Chicago convention. We had a hard fight, one of the hardest fights we ever went through.

I think I probably was the one who suggested that we had to keep the convention in session all night long in order to nominate Roosevelt. The fact of the case is that I know I am the one who suggested it. We did keep the convention in session all night long in order to nominate Roosevelt. Why? Because the galleries were so hostile to the Roosevelt cause that every time one of my men got up and mentioned Roosevelt's name he was practically booed off the grandstand. A Representative from Mississippi, Mr. RANKIN, made a speech and the galleries practically booed him down. It got to the point where it took minutes and sometimes hours to quiet the convention if the name of Roosevelt was even mentioned. That is how bad it got to be in the Chicago convention. Anyone who listened over the radio knows how bad it was.

So I went to my chieftains and to my associates—I did not have any chieftains then; I was one of the chieftains—I went to them and I said, "There is only one way we can ever nominate Franklin Delano Roosevelt, and that is to empty the galleries. Put those in the galleries to sleep, or we will never nominate him." So we forced the delegates to nominate candidates for President until 2 or 3 o'clock in the morning. Then we had the galleries about two-thirds empty, and those who were there were so sleepy that they could hardly hold their eyes open, and we went to work and finally got to a poll of the vote—the only way we could ever get them started.

If we had waited until the next morning, when the delegates began to nominate Ritchie and Byrd and "Alfalfa" Bill Murray, they would have had demonstrations lasting 4 or 5 days, and we never would have got to taw with the nomination. We were having some time holding any delegates at all. So I suggested that we would have to stay in session all night, and that is why they held the nominating convention all night long, to nominate this man Roosevelt President of the United States. I stayed there with them the whole night long, and we worked every hour and every minute of that night, and the night before that, and the night before that. We fought day and night, and I spent every dollar I had on earth, and every dollar I could beg, borrow, and steal, to nominate this man President of the United States—this man who I thought was going to keep his word. The same man who caused vast sums to be spent to bring about my destruction is the man for whom I spent my time and my talent and my efforts to make him President of the United States. Why did I do it? Did I ask him for a job? No. Here is what I asked him for and here is what he did. He made a speech. I sat up in my room on the day when he arrived at Chicago and I heard him read his speech, and when he read these lines I hopped into a taxicab and got into a drawing room, sick as I could be, and came on to New Orleans, La., and then back to Washington. I supported him for President because he had promised to say what he said in that speech and he had promised to do what he said. He had said in Atlanta:

Throughout the Nation men and women, forgotten in the political philosophy of the Government of the last years, look to us here for guidance and for more equitable opportunities to share in the distribution of the national wealth. [Applause and cheering.]

The minute the first caucus of the Democratic Party of the United States Senate was called, the first thing I said to them was, "Let nothing be done here that is going to close the door to our putting this thing through if possible, even before Roosevelt becomes the President of the United States." That is the pledge made to the American people, that we would have a redistribution of wealth; that we would not have a few people owning everything and the masses of the people owning nothing. Roosevelt made that pledge. He made a speech in which he said there was going to be no poverty in this land. He made that statement to me, and I said, "You must make it to the people if I am to support you. It is not enough to make it to me; you have got to make it to the people of the United States."

I was a Senator in those days and he was a Governor. He needed me and I did not need him. I could talk big then. Yes, sir; I could talk big then!

Yet we are faced today with the situation where the lowest wage is fixed at \$19 a month, and the wealth of this country more concentrated than ever. Many of our banks were closed before the guaranty law was passed, and millions and hundreds of millions and billions of our dollars were wiped out in a niggardly policy dictated by the financial captains of Wall Street, and they would not permit the little banks to be open, nor the bank accounts of the little people to be guaranteed.

Now none dares to gainsay the breaking of the pre-election pledges and the failure to keep those promises. None there is who dares even to mention that the promises ought to be kept. None there is who dares say, "I expect you to do what you said you would do."

We had a slim amount of official dignity left to the United States House of Representatives and the United States Senate, and now that is to be taken away. About all we had left was the right to think we amounted to something, and now that is going to be taken away from us. We did have the right to feel that we amounted to something as we were still a Congress, but now inch by inch our prerogatives are encroached upon and precedents are broken, and now at last we are to be summoned over to the other end of the Capitol, something which the Constitution never contemplated, something which Washington never did, something which Jefferson never did, something which Lincoln never did, something which Adams never did, something which Theodore Roosevelt never did, something which Woodrow Wilson never did; yet we are all to be called over there to listen to the President, with the accompaniment of a blare of trumpets, and with a regular moving-picture display made up, with movie cameras grinding, with loud-speakers, with the swelling ruckus, in order that on the great day when Franklin Delano Roosevelt stabs the dagger to the hilt into the souls and bodies of 3,000,000 soldiers, and the sons and daughters and wives and children of the 3,000,000 soldiers, everyone must yield, must give way, and rush and hurry because the great master has come, and he has decreed, promises to the contrary notwithstanding, that the feeble-minded must give way and assemble at his beck and call to hear the ruckus, and to hear the condemnation pronounced by reason of the Congress not declining to pay the debt, 17 years overdue, and which will not even pay half of what is due when the soldiers do get it. That is our case in part.

I have been charged with being disloyal to the Democratic party on account of my stand on the tariff. I am able to defend myself on that. I think I have got a little book here which contains the platforms of all the parties way back for a number of years. I think I can show whether or not I have been right in that matter. We cannot change men's minds on the tariff question. I do not have the book available at the moment, but later I shall refer to it. I shall have to get it a little later and therefore I will pass over that point for the time being.

The main reason why my stand as a Democrat is referred to is that I refused to go along with the President. I was elected a Senator before he was elected President. Perhaps my people want somebody to vote like he tells them to vote. If they do they had better get somebody else than me. It will not be long before they have a chance to do that. I come up for reelection in January. It may be the people will want somebody to vote like Roosevelt tells them to vote. If they do they will have to get somebody besides me.

Bless your soul, the day they vote me out of public life I shall be a happy man. I shall never surrender my principles and my promises to the people of the country and of Louisiana. I shall never voluntarily give up the fight that I promised I would make for the people of the United States and for the people of Louisiana. I shall never voluntarily give it up, but I shall be glad the day the people tell me to get out. There are not men enough in the United States Senate to tell them that, either. They can all go down there who want to do so. There are not enough men in Washington to tell them that, and they can all go down there and they can empty the United States Treasury, including the \$5,000,000,000, like they are emptying part of it now, and they will come back with nothing done. I am afraid they will, but if the result shall be to the contrary it would not abash me for the moment.

I shall keep the word I gave those people, whether the President does or not. God made me keep my word long before I ever heard of the President. I shall keep my word to my people. I shall keep my word to them and those who may ridicule the phrase "share our wealth" in this country should remember there is only one ground upon which they can ridicule me and not ridicule the President, and that is because I kept my word and he did not. That is the only difference. They can only criticize my stand as compared

and contradistinguished to his on the ground that I am being more sincere, and on no other ground.

Let us see about the tariff question now. I have before me the Democratic platform of 1928 which says:

The Democratic tariff legislation will be based on the following policy:

I am reading from the platform. This is the platform upon which I was elected to the United States Senate by the Democrats of Louisiana. I read:

(a) The maintenance of legitimate business and a high standard of wages for American labor.

(b) Increasing the purchasing power of wages and income by the reduction of those monopolistic and extortionate tariff rates bestowed in payment of political debts.

Mr. STEIWER. Mr. President, will the Senator yield that I may suggest the absence of a quorum?

Mr. LONG. Not right now; a little later.

I continue reading:

(d) Duties that will permit effective competition, insure against monopoly, and at the same time produce a fair revenue for the Government.

Here is the line that counts:

Actual difference between the cost of production at home and abroad, with adequate safeguard for the wage of the American laborer, must be the extreme measure of every tariff rate.

That is the basis of the Democratic Party's tariff policy that was adopted in 1928 and it has never been repealed. That tariff platform which the Democratic Party adopted in 1928 was not changed one bit in 1932. It was left there, and there were some additional pronouncements. I was elected on that platform. Whenever the time comes that I have to stand here and let Japan sell Brazil's cotton right on the shore of New Orleans, La.; whenever I see Germany selling cottonseed oil in Houston; whenever I see the Japanese selling straw hats in Baltimore; whenever I see the Chinese selling toothbrushes in New York City at a price at which it is not possible for the American people to produce them, I am not going to vote for any bill that allows it.

I knew the reciprocal-tariff business was going to mean wreckage to this country. I knew the worst men in the land to handle it were the set that had in charge the tariff business. They have had this idea of talking about world trade, world trade, world trade. Have they got it? Yes; they have it. They have the Japanese doubling their imports into this country. They have the Mexicans and Cubans taking away the farmers' business down in Louisiana, Mississippi, Florida, and Texas. They have the Mexicans selling beef over here. They got what they wanted. Yes; they finally got it. They have been trying to get what they wanted, and they finally got it.

I have this in mind. If the United States Government does not soon change its attitude on the tariff matter I do not know what is going to happen. Over in the Lancashire mills in England they had a celebration just a short while ago.

Mr. SCHALL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. LONG. I yield.

Mr. SCHALL. Does not the Senator think that it was a part of the plan to bring about chaotic conditions that will permit this President, as he himself stated, I believe, to be the last President?

Mr. LONG. I hope I do not have to concur in Mr. Roosevelt's prediction. I do not want to admit that statement, for which I have only the public press and others for verification. I do not want to admit that Mr. Roosevelt's statement that he will be the last President is correct. I do not want to admit that. I am sorry if he made that statement.

Mr. SCHALL. Does not the whole idea and program of this administration point to some definite plan, some great plot, to do away with a representative form of government?

Mr. LONG. I cannot figure out in my mind what it is. I have tried to figure out what it is. I seldom ever question the motives of men to find out what they are trying to do. I have tried to figure out what this administration is trying

to do. Once or twice I felt encouraged that things were going to turn around and be different from what I thought at other times. I particularly thought that when we finally drove through a bank guaranty law after a lot of trouble. I thought that when we passed the Johnson public-utility bill. I was very much encouraged after that was done.

I have tried to figure out what they have had in mind. That is particularly true when they began to kill the hogs. There was not enough meat in the country to feed the people then, but they went out and killed the hogs, slaughtered millions of them, killed the pigs, killed the sows so the sows could not breed. They killed the pigs by the million. I tried to figure out what they meant. Had they gone crazy? But the next thing I knew they came along with a cotton program—raise less cotton! Then they began to make contracts with the people not to plant, paying the people not to plow, paying the people not to raise hogs, shooting the cattle down when we needed the milk. They poured the milk in the river in spite of the fact that the people were hungering for it. I tried to figure out what they had in mind.

Thousands and thousands of banks were closed by Mr. Roosevelt. I want to tell you gentlemen something you probably do not know: I practically took my life in my hands in opening up the banks of Louisiana. I will tell you what we did. This is something that has not been printed as yet. I sent out word for the State banks to stay open that Mr. Roosevelt had ordered closed. I sent the message to keep those bank doors open whether they paid the deposits or not, until we got affairs in hand, and he did not dare close them. We finally got a little something done. I have tried to figure out just what this outfit is trying to do, but I cannot figure it out. I cannot make out, to save my life, what it is.

I want to tell you what I think it is. To answer my friend from Minnesota truthfully, I do not believe they ever had any deliberate plot. I do not believe they know what they want to do. One day they want to do one thing, and the next day they want to do another. One day they do not want any tariff, and the next day they want to put a processing tax on an American product. That means that we shall never be able to sell the American product in competition with foreign products, because the cost of the domestic product will be so much higher than that of the foreign product that it will not be possible to sell it on the American market in competition with foreign goods.

Mr. SCHALL. Mr. President—

Mr. LONG. I yield for a question to my friend.

Mr. SCHALL. Does not the Senator think the effect of the first act of the President to which he has just referred, in closing all the banks of the country, was to create a chaotic condition which has been followed by one thing after another? The most charitable construction would be to call these actions insane; but if we follow the plot from beginning to end, remembering the promises that have been broken, there is one definite trend, and ultimately it means the destruction of the Republic and the Constitution. I think—

Mr. LONG. I can yield only for a question.

Mr. SCHALL. I ask the Senator if he does not think, in order that the Democratic Party shall not be insulted, that a better name for this administration would be the N. R. A. party, or the "Nary" party? "Nary" keep your promises; "nary" carry out your platform; "nary" do anything you promised to do, and all the time tend to destroy the Republic and to destroy representative government, creating chaos that will ultimately necessitate the exercise of the power needed to place a king or an emperor at the head of this country.

Mr. LONG. I take that for a question by the Senator. Of course, I refuse to condemn the Democratic Party on that state of affairs. I am undertaking to save the Democratic Party, and to save the principles of the Democratic Party. I still am a Democrat. I think some of my associates have not stayed as true to the party as I have. I have stayed a real Democrat. I have stayed as the Democratic Party said

it would do, and I have done the things that democracy should have done, I think. However, my neighbors and my superiors—if they may be so termed; I do not accept any of them as superiors—may think differently.

Mr. SCHALL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Minnesota?

Mr. LONG. I yield for a question.

Mr. CONNALLY. Mr. President, I make the point of order that when a Senator yields for a question, it is not right to ask him another question until he has answered the first one. The Senator from Louisiana has not answered the question which he has been asked.

Mr. LONG. I answered it as best I could.

The PRESIDING OFFICER. What is the point of order made by the Senator from Texas?

Mr. CONNALLY. The Senator from Louisiana exculpated the Senator from Minnesota from the charge embodied in my point of order. I made the point of order that when a Senator yields for a question he ought to answer it, and he ought not to yield for a second question until he answers the first one; but the Senator from Louisiana says he has answered the question to the best of his ability, so I suppose it is all right to ask him another question.

The PRESIDING OFFICER. Of course the Senator having the floor must be the judge as to whether or not he has answered the question.

Mr. SCHALL. Mr. President, will the Senator yield?

Mr. LONG. I yield for a further question.

Mr. SCHALL. Does the Senator know that during the Presidential campaign the Russian papers published Franklin "Delaware" Roosevelt's picture, and said that he would be the next President of the United States, and the first communistic President of the United States? Has the Senator any information as to that?

Mr. LONG. I shall have to ask that that question be repeated.

The PRESIDING OFFICER. The Official Reporter will read the question.

The Official Reporter read as follows:

Mr. SCHALL. Does the Senator know that during the Presidential campaign the Russian papers published Franklin "Delaware" Roosevelt's picture, and said that he would be the next President of the United States, and the first communistic President of the United States? Has the Senator any information as to that?

Mr. LONG. I do not know that, and I do not believe it.

Mr. SCHALL. Mr. President, one further question: Does the Senator think we have been kept up to date as well as the Russian people on what is going on? It seems that Russia and the communistic element there—Comrade Tugwell and Comrade Bullitt—know more about what is going to happen in the United States than the people of the United States know. Does the Senator realize that 300 newspaper men have been put on the job here to censor the departments, and censor everything in the country, so that the people are absolutely unable to know what is happening and that their Republic is being stolen from them?

No one seems to be willing to let the people know what is going on. I thank God that there is somebody like the Senator from Louisiana who has the courage to stand up here and tell some of the truth, a little of it leaking out!

Mr. LONG. I thank the Senator. I do not suppose there is any question to be answered there.

Mr. CONNALLY. Mr. President, I think there is. The Senator from Louisiana yielded for a question, and I think he ought to answer the Senator from Minnesota, especially the part where he struck hands with the Senator from Louisiana in a new comradeship.

Mr. LONG. It is not a new comradeship.

Mr. CONNALLY. The Senator from Minnesota and the Senator from Louisiana are paying compliments to one another back and forth across the Chamber.

Mr. LONG. I can get along with a western Republican a good deal better than I can get along with some southern Democrats. I do not mind that accusation.

Mr. CONNALLY. It is evident that the Senator can get along with Republicans better than he can with Democrats. He has been that way ever since he has been in the Senate.

Mr. LONG. It is evident that I can get along with some Republicans better than I can with some Democrats. I used to get along pretty well with the Senator from Texas, but he got so far off that I could not stay with him any longer. When I first came here he had up a bill for income taxes, and I was with him on that; and then we got together and made a fight for an oil tariff. I was with him on that. Since that time, however, the Senator from Texas has either parted company with me, or I have parted company with him; I cannot tell which it is.

I think the Senator from Texas voted for reciprocal tariffs. That left us where we never could be friendly on tariffs, at least; but, generally speaking, I get along a great deal better with western Republicans than I do with either eastern or southern Democrats. I do not why that is, but it is generally true.

I know that when I was out campaigning for my friend Mr. Roosevelt for President, I never fought any western Republicans. I fought for both the western Democrats and the western Republicans. I do not care much about the party business, except to preserve good government and to preserve and help the American people. I will be frank. Had the Democratic Party nominated some of its candidates, and had the Republican Party nominated some of its candidates, I would have rather gone Republican than to have gone Democratic in the last election. I am for feeding and clothing and housing the American people, and having them live respectably. Whether or not it is believed by my colleagues and by the American people, I think I am at least sincere when I say that I want to see happy children and happy people in the United States. I want to see children in school, and children in college, and children fed, and children housed, and children clothed.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CONNALLY. If the Senator wants to see so many happy people, how about happy Senators?

Mr. LONG. I am not worried about them.

Mr. CONNALLY. Why not let us go home for supper?

Mr. LONG. I think the Senators have developed voracious appetites, and it is impossible to make them happy. Every time one favor is done for them, I think they want two more. I do want to see happy American people. However, I want to see children clothed and children fed, and men, women, and children well to do. They can all be well to do. I think the system of greed and rapacity that is running this country so that a few can be rich, and a few can be well to do, and the many must be paupers, can be abolished in America, and it should have been abolished long ago.

How are we going to bring that about so far as men are concerned, I do not know, but I do know the laws that will do it; all I am trying to do is to get men to declare for those laws, and when they declare for them to try to convince them and persuade them, and, if necessary, drive them to keep their word. I am not in favor of the man who makes a political promise and then will break it. I want to convince him he should keep his word; if he will not do it, I am in favor of trying to make him do it, and to endeavor to make him see that the only thing for him to do is to keep his word.

Any Senator who wants to do so may go and eat. I want to say that no one will have the right to say that I am starving him, because I am not doing any such thing. Any Senator who wants to go eat may eat. Let them eat, and let there be somebody else who can eat. I have no idea when I am here occupying the floor trying to provide means by which other people may eat of keeping my colleagues from eating. That is the last thing in my mind.

Mr. President, if I could get Senators who want to help the other man eat, just as they want to eat themselves, we would have everything fixed up; things would be "hunky-

dory" in a few days. I can tell you that from 18,000,000 to 20,000,000 people would be eating tomorrow night and the night after that, if we would pay the debt we have owed the soldiers for the last 17 years. Here we have sat and owed them for 17 years.

I do not worry about Senators any more than Senators worry about me. They have long since quit worrying about me. There may be some of them that worry a little about me. If I should be defeated in Louisiana in January, I suppose they would say, "I think that is much better", though there might be one or two who would feel a little sorry for me, perhaps 10 or 12; although that number may be a little high. But I have myself to take care of, and the way I am doing it is by trying to take care of the children and the men and women who are affected by this kind of legislation. I want the world to know that I am a politician first, and I want the world to know that I am a good politician. I should like the world to think I am a pretty good politician. I am a good politician by following the dictates of my heart and the dictates of my mind. It is good politics to do what I am doing tonight. It is good politics because it is right; it is good politics because it is for justice; it is good politics to call the attention of the American people to the fact that their last constitutional prerogative which has not been invaded is being fought for on the floor of the Senate tonight by undertaking to keep the President from doing what none of the Presidents has done during 146 years. It is good politics; the best in the world.

Let the President of the United States get up his crowd. I will help him get up a crowd. If he wants a crowd to talk to, I will help him get it. I helped him get up the last one. When he wanted the farmers to come here and wanted to talk to them, I helped him get a lot of them. I did for a fact. Of the 400 farmers who came here from Louisiana, I helped some of them to get here.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Texas?

Mr. LONG. I yield.

Mr. CONNALLY. Does the Senator mean to say, or does he charge here, that the President of the United States inspired and stirred up the farmers to make the trip to Washington?

Mr. LONG. I understood the department—

Mr. CONNALLY. I am not asking what the Senator understood; I want to know if he is making that statement?

Mr. LONG. No; not exactly that.

Mr. CONNALLY. The Senator ought not to insinuate or intimate things about the President of the United States or about any Senator unless he has some information.

Mr. LONG. I am not insinuating. Here is my information, and I am willing that the Senator should have it.

Mr. CONNALLY. I do not want the Senator's information. I want to know if he stands here as a Senator, and, on his responsibility as a Senator, makes the charge that the President of the United States stirred up the recent pilgrimage of the farmers to Washington?

Mr. LONG. I will answer; I have the floor and I can say what I want to say. I will answer that directly; no, with this explanation. My understanding is that those in control of the A. A. A. wanted the farmers from throughout the United States to come here on a certain day, and that they also let them understand that those who came would go over to the White House and see the President and he would make them a speech. That is my understanding. I want to say that I helped get some of them here. I say, let them come if there is no harm to be done by coming here, and I could not see any harm.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CONNALLY. I want to say to the Senator that his understanding, if that is his understanding, is not correct. I know that the arrangement to see the President was made after they arrived in Washington and was made at the request of the farmers and not at the request of the President.

Mr. LONG. Maybe that is so, but, since my friend is giving me all this information, how did this trip all come about?

Mr. CONNALLY. It originated as every farmer knows, and as the Senator would know if he talked to any farmer from Louisiana, among the farmers themselves. One of the leaders of the movement was a man by the name of C. H. Day, from my State. The farmers paid their own way; they made up the money in each community. There was left in my office a list showing by the different counties where farmers contributed 50 cents, 20 cents, 25 cents, and the names of the donors. In that way the farmers paid their way to Washington. The movement was not incited by the President. The Department of Agriculture has repeatedly issued statements through the press, statements which have gone undenied, that they did not incite the trip, but that it was generated among the farmers themselves. There was a large delegation here from Louisiana.

Mr. LONG. There were 400.

Mr. CONNALLY. I want the record to show what the Senator from Louisiana is saying about them and that the President of the United States and the Department of Agriculture stirred them up to come here; because I happened to have had some contacts with them, and, I know, if they came from Louisiana as they came from other States, they came of their own accord and at their own expense.

Mr. LONG. May I ask the Senator how did all these farmers from the different States know to come here on the same day?

Mr. CONNALLY. They knew that; they had some intelligence; the farmers are not all fools.

Mr. LONG. I did not think so.

Mr. CONNALLY. They had contacts, and the arrangements were made something like 30 days before the trip was actually undertaken. They corresponded back and forth through their organizations; it was advertised that they were coming at a certain time; and everybody who wanted to come from a State came. I am surprised that the Senator from Louisiana, representing a great agricultural State, should try to insinuate and reflect upon the farmers who came here to Washington.

Mr. LONG. On the contrary, I do not insinuate as to them, and I had understood the facts to be substantially as the Senator from Texas states them; but somebody had to call them from the 48 States; or they all could not have come at one time. I understood that the A. A. A. wanted them to come, and I wanted the farmers to come from Louisiana and I helped some of them to come. So far as the 400 that came from Louisiana is concerned, if all the farmers of Louisiana are like the 400 who came here, I would be in pretty good shape. I saw delegations of farmers from several other States who called on me.

Mr. CONNALLY. Did any farmer from Louisiana tell the Senator that the President had stirred this movement up and gotten them to come here?

Mr. LONG. No; and I did not say that, either.

Mr. CONNALLY. The Senator said that he understood certain things.

Mr. LONG. I understood that the A. A. A. people and the Agricultural Department wanted to get a delegation of farmers to come here and did so.

Mr. CONNALLY. Let me ask the Senator if any farmer from Louisiana who came to Washington ever told him that he came because the A. A. A. authorities induced him to come?

Mr. LONG. I do not know whether any of them told me that or not.

Mr. CONNALLY. Did they or did they not?

Mr. LONG. I do not know.

Mr. CONNALLY. Where did the Senator get his understanding?

Mr. LONG. I got my understanding that the A. A. A. got delegations to come here from the States.

Mr. CONNALLY. There were 400 farmers, supporters of the Senator, so he says, who came from Louisiana, and if

he wanted information as to why they came to Washington, why did he not ask a single one of them if they had been sent here by the Department of Agriculture or by the President of the United States? I am surprised that the Senator from Louisiana has so little confidence in the integrity and standing of the farmers from his own State that when he was in search of information he should not have gone to the very source of it and have asked the farmers of Louisiana, who sent them here and whether they came of their own accord.

Mr. LONG. I was not in search of information. It is generally understood I know that two and two make four, and it is impossible for farmers from 48 States to come from 48 States spontaneously and arrive all at one time. Anyone who has even a little sense would have known that some agricultural agents had something to do with it.

That is not all. Some of them were not farmers; some were agents connected with the Government; some of them were never farmers at all. They came along, all right; they were good fellows. The fare was \$48.75 for the round trip from Louisiana up here. Getting on a train in Monroe, La., it was \$48.06. Many of them had not been to Washington before, and I was glad they came. There were different delegations; some came from Texas and some from other States; quite a few delegations came to see me, and I told them that I would not vote for the A. A. A. on a bet. It did not seem to affect them at all. They all went away good natured. They did not have anything to gain from me.

I did see one fellow down there who said, "I am a farmer." He looked kind of funny, and I could tell by looking at him that he was not a Long man. I can always tell a Long man just by looking at him. There is a gleam of honesty back in his eyes. [Laughter.] At any rate, I could see that this fellow was not a Long man, yet he was at a farmer's convention. I looked at him a little bit, and I said, "I do not believe you are a farmer", because it is very seldom I see a farmer in my State who is not for me, very seldom.

I said, "Are you a farmer?"

"Well", he said, "in a way I am a farmer."

I said, "How did you get to be a farmer?"

He said he owned either a bank, or a store, or something, which took over 5,000 acres of other people's farms.

I said, "We do not consider your kind as farmers. You are one of the farmers who farm the farmer."

He was the only man I saw who did not look like a Long man. As I said, they were nice looking men.

"Long men" and "honest men" are equivalent terms in our State.

Now I want to say something further. The Senator from Texas almost distracted me from my original line of thought. I want the President to have a crowd.

Mr. CONNALLY. I beg the Senator's pardon. I was only trying to direct the Senator—

Mr. LONG. To what I ought to talk about.

Mr. CONNALLY. To some degree of accuracy. If that distracts him, I am sorry.

Mr. LONG. The Senator is all right. He has treated me all right about this. There is no complaint.

This is what I was trying to tell the Senator and the balance of my hearers—and if the Chair has noticed, my hearers in the Senate have increased. All around here the word has gone out that I am making a splendid speech. [Laughter.] It is going to get better than it has been as I proceed. I am going to make the best speech I have made, after a while, one of the best that any Senator has ever heard, as they will all agree, if they remain.

I am trying to help get up a crowd for the President if he wants to make a speech. I will help get out a crowd. I will get up a crowd of people who will cheer and give him a good clap and applause at anything he wants to say. That is all right. Let us get up a crowd for him.

If he wants to have a crowd and wants people to listen, it is our duty to get up a crowd for him. As he is the Chief Executive of the country, and that is our duty. But I do not see any use in his coming here and calling the two

Houses together, calling in the Congress, to receive a lecture on what there is about the bonus we do not know about.

Let us not get funny about this. One of my colleagues says he is anxious to know what the President can tell him. The President has no more information on this matter than the balance of us have. Let us not fool ourselves. They have a set of boiler-plate figures they claim show that this has been done and that has been done, and a few other things, and that there is nothing more to do about it.

This is what should happen; this resolution should be sent to the Committee on the Judiciary, and that committee ought to make a speedy report as to whether this proposal is constitutional or not. I am willing to have a study made of it by the Committee on the Judiciary, and if that committee shall say this is in keeping with the Constitution and the precedents, I will be willing to waive my objection and abide by the rule of the majority. I am a member of that committee. That is what I think ought to be done with the resolution.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Louisiana has suggested the absence of a quorum, and the clerk will call the roll.

Mr. CONNALLY. I make the point of order that the Senator from Louisiana has surrendered the floor. He has left the Chamber.

The PRESIDING OFFICER. The point is well taken.

Mr. CONNALLY. I make the point of order, and I claim the floor in my own right.

The PRESIDING OFFICER. Does the Senator claim the floor?

Mr. CONNALLY. I do; and I make the point of no quorum.

The PRESIDING OFFICER. The Senator claims the floor?

Mr. CONNALLY. I do.

The PRESIDING OFFICER. The Senator is recognized.

Mr. NYE. I suggest the absence of a quorum.

The PRESIDING OFFICER. What is the motion the Senator from Texas makes?

Mr. CONNALLY. I yield to the Senator from North Dakota.

Mr. NYE. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Texas yield for that purpose?

Mr. CONNALLY. If I do not lose the floor.

The PRESIDING OFFICER. The Senator will not lose the floor. Does the Senator yield so that some other Senator may suggest the absence of a quorum?

Mr. CONNALLY. I yield for that purpose.

The PRESIDING OFFICER. The Senator from North Dakota suggests the absence of a quorum, and the clerk will call the roll.

The Legislative Clerk called the roll, and the following Senators answered to their names:

Ashurst	Connally	Long	Pittman
Bachman	Costigan	McGill	Pope
Bailey	Dickinson	McKellar	Radcliffe
Barbour	Dieterich	McNary	Robinson
Barkley	Duffy	Maloney	Russell
Bilbo	George	Minton	Schall
Black	Guffey	Moore	Schwellenbach
Brown	Hale	Murray	Sheppard
Bulow	Keyes	Neely	Stelwer
Byrd	King	Norris	Thomas, Okla.
Byrnes	La Follette	Nye	Thomas, Utah
Clark	Loneragan	O'Mahoney	Truman

The VICE PRESIDENT. Forty-eight Senators having answered to their names, a quorum is present. The question is on agreeing to the concurrent resolution.

Mr. CONNALLY. Mr. President—

Mr. LONG. Mr. President, a point of order. I had the floor when I called for the quorum.

Mr. ROBINSON. Mr. President, I make the point of order that the Senator from Louisiana yielded the floor, that no business had been transacted when the quorum was called, and that the Senator from Louisiana has spoken twice on the same subject during the present day.

Mr. LONG. I move, as a substitute, that the concurrent resolution be referred to the Committee on the Judiciary.

Mr. ROBINSON. I move to lay the motion of the Senator from Louisiana on the table.

The VICE PRESIDENT. The Senator from Louisiana has not the floor; therefore he cannot make the motion. The Chair recognizes the Senator from Texas [Mr. CONNALLY].

Mr. ROBINSON. I ask for the yeas and nays on the pending question.

The yeas and nays were ordered.

The VICE PRESIDENT. The clerk will call the roll.

Mr. LONG. Mr. President—

The VICE PRESIDENT. The Senator from Louisiana.

Mr. LONG. I move that the concurrent resolution—

Mr. CLARK. Mr. President, I make the point of order that the Senator from Louisiana has not the floor for the purpose of making a motion.

The VICE PRESIDENT. No motion can be made by the Senator. The Senator from Louisiana has not the floor, and cannot make a motion.

Mr. LONG. Mr. President, a point of order. Cannot the concurrent resolution be referred to a committee?

The VICE PRESIDENT. It cannot. The question is on agreeing to the concurrent resolution.

Mr. LONG. Mr. President, I have not finished my speech. I had the floor.

Mr. ROBINSON. I make the point of order that the Senator has spoken twice on the same subject during the present day.

The VICE PRESIDENT. The Senator from Louisiana has had the floor twice in one legislative day upon the pending concurrent resolution, and the rules of the Senate provide that he cannot have the floor again. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. NYE (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. He is unavoidably absent because of illness in his family. I am informed that if he were present he would vote as I am prepared to vote, and therefore I shall vote. I vote "yea."

The roll call was concluded.

Mr. BARKLEY. I desire to announce that my colleague the junior Senator from Kentucky [Mr. LOGAN] is unavoidably absent from the Senate. If present, he would vote "yea."

Mr. McKELLAR (after having voted in the affirmative). I inquire if the Senator from Delaware [Mr. TOWNSEND] voted?

The VICE PRESIDENT. He has not.

Mr. McKELLAR. I have a general pair with that Senator. I transfer that pair to the senior Senator from Florida [Mr. FLETCHER], and will allow my vote to stand.

Mr. McNARY. I am advised that the Senator from Vermont [Mr. AUSTIN], the Senator from Michigan [Mr. VANDENBERG], the Senator from Minnesota [Mr. SHIPSTEAD], and the Senator from Kansas [Mr. CAPPER] are necessarily absent. If present, they would vote "yea."

I also announce the following general pairs:

The Senator from Delaware [Mr. HASTINGS] with the Senator from Washington [Mr. BONE];

The Senator from Wyoming [Mr. CAREY] with the Senator from Ohio [Mr. BULKLEY]; and

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS].

I further wish to announce the necessary absence of the Senator from Michigan [Mr. COUZENS], the Senator from Vermont [Mr. GIBSON], the Senator from California [Mr. JOHNSON], the Senator from South Dakota [Mr. NORBECK], and the Senator from Maine [Mr. WHITE]; and that the Senator from Pennsylvania [Mr. DAVIS] is absent on account of illness.

Mr. CONNALLY. Mr. President, is it in order to ask for a recapitulation of the vote?

The VICE PRESIDENT. Yes.

Mr. CONNALLY. I ask that the vote be recapitulated.

The vote was recapitulated.

Mr. NYE. My colleague [Mr. FRAZIER] is unavoidably absent. If present, he would vote "yea."

Mr. BYRD. The Senator from West Virginia [Mr. NEELY] is unavoidably absent. Were he present, he would vote "yea."

Mr. SCHWELLENBACH. I desire to announce that my colleague [Mr. BONE] is unavoidably absent. If he were present he would vote "yea."

Mr. ASHURST. My colleague [Mr. HAYDEN] is detained from the Chamber on important matters. If present he would vote "yea."

Mr. DIETERICH. I desire to announce that my colleague, the senior Senator from Illinois [Mr. LEWIS], is unavoidably absent. If present he would vote "yea."

Mr. MURRAY. The senior Senator from Montana [Mr. WHEELER] is unavoidably absent. If he were present he would vote "yea."

Mr. RADCLIFFE. The senior Senator from Maryland [Mr. TYDINGS] is necessarily absent. If present he would vote "yea."

Mr. MINTON. The senior Senator from Indiana [Mr. Van Nuys] is unavoidably detained. If present he would vote "yea."

Mr. ROBINSON. I regret to announce that the Senator from Louisiana [Mr. OVERTON] is detained from the Senate on account of illness.

I also desire to announce that the following Senators are necessarily detained from the Senate: The Senator from Colorado [Mr. ADAMS], the Senator from Nebraska [Mr. BURKE], the Senator from Arkansas [Mrs. CARAWAY], the junior Senator from New Mexico [Mr. CHAVEZ], the junior Senator from Massachusetts [Mr. COOLIDGE], the senior Senator from New York [Mr. COPELAND], the Senator from Ohio [Mr. DONAHEY], the senior Senator from Florida [Mr. FLETCHER], the Senator from Rhode Island [Mr. GERRY], the Senator from Oklahoma [Mr. GORE], the Senator from Mississippi [Mr. HARRISON], the senior Senator from New Mexico [Mr. HATCH], the Senator from California [Mr. McADOO], the Senator from Nevada [Mr. McCARRAN], the Senator from Iowa [Mr. MURPHY], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. SMITH], the junior Senator from Florida [Mr. TRAMMELL], the junior Senator from New York [Mr. WAGNER], and the senior Senator from Massachusetts [Mr. WALSH].

I am advised that if present and voting these Senators would vote "yea."

The result was announced—yeas 43, nays 4, as follows:

YEAS—43

Ashurst	Clark	Lonergan	Pittman
Bachman	Connally	McGill	Pope
Bailey	Costigan	McKellar	Radcliffe
Barbour	Dieterich	McNary	Robinson
Barkley	Duffy	Maloney	Russell
Bilbo	George	Minton	Schwollenbach
Black	Guffey	Moore	Sheppard
Brown	Hale	Murray	Thomas, Okla.
Bulow	Keyes	Norris	Thomas, Utah
Byrd	King	Nye	Truman
Byrnes	La Follette	O'Mahoney	

NAYS—4

Dickinson	Long	Schall	Steiwer
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NOT VOTING—48

Adams	Copeland	Hatch	Reynolds
Austin	Couzens	Hayden	Shipstead
Bankhead	Davis	Johnson	Smith
Bone	Donahey	Lewis	Townsend
Borah	Fletcher	Logan	Trammell
Bulkley	Frazier	McAdoo	Tydings
Burke	Gerry	McCarran	Vandenberg
Capper	Gibson	Metcalf	Van Nuys
Caraway	Glass	Murphy	Wagner
Carey	Gore	Neely	Walsh
Chavez	Harrison	Norbeck	Wheeler
Coolidge	Hastings	Overtown	White

The VICE PRESIDENT. A quorum is not present. The clerk will call the roll.

Mr. ROBINSON. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will request the attendance of absent Senators.

Mr. BANKHEAD entered the Chamber and voted "yea."

The VICE PRESIDENT. On this question the yeas are 44 and the nays are 4. The concurrent resolution is agreed to.

Mr. ROBINSON. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. McKELLAR. I move to lay that motion on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Tennessee to lay on the table the motion to reconsider the vote by which the concurrent resolution was agreed to.

The motion to lay on the table was agreed to.

The concurrent resolution, as agreed to, is as follows:

House Concurrent Resolution 22

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, the 22d day of May 1935 at 12:30 o'clock in the afternoon, for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow. Pending the motion, I wish to take the floor.

The VICE PRESIDENT. The Senator from Arkansas is recognized.

Mr. ROBINSON. Mr. President, I will defer my remarks until tomorrow.

I move that the Senate take a recess at this time.

The VICE PRESIDENT. The question is on the motion of the Senator from Arkansas.

The motion was agreed to; and (at 7 o'clock and 45 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 22, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 21 (legislative day of May 13), 1935

PROMOTIONS IN THE NAVY

Lt. Comdr. John M. Creighton to be a commander in the Navy from the 1st day of November 1934.

Lt. Comdr. Charles E. Rosendahl to be a commander in the Navy from the 1st day of February 1935.

Lt. Comdr. John G. Moyer to be a commander in the Navy from the 1st day of April 1935.

Lt. Comdr. William A. Corn to be a commander in the Navy from the 1st day of May 1935.

Lt. Norman E. Millar to be a lieutenant commander in the Navy from the 1st day of January 1934.

Lt. Alexander J. Couble to be a lieutenant commander in the Navy from the 1st day of September 1934.

Lt. Walter H. Roberts to be a lieutenant commander in the Navy from the 1st day of October 1934.

Lt. Leo B. Schulten to be a lieutenant commander in the Navy from the 27th day of January 1935.

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of May 1935:

Robert E. Melling

Frederick B. Kauffman

Lt. (Jr. Gr.) James C. Landstreet to be a lieutenant in the Navy from the 1st day of June 1934.

Lt. (Jr. Gr.) Sidney King to be a lieutenant in the Navy from the 30th day of June 1934.

Lt. (Jr. Gr.) Thomas M. Brown to be a lieutenant in the Navy from the 1st day of July 1934.

Lt. (Jr. Gr.) Claude A. Dillavou to be a lieutenant in the Navy from the 1st day of January 1935.

Lt. (Jr. Gr.) John S. Blue to be a lieutenant in the Navy from the 1st day of March 1935.

Lt. (Jr. Gr.) Merle Van Vetre to be a lieutenant in the Navy from the 1st day of April 1935.

The following-named paymasters to be pay inspectors in the Navy, with the rank of commander, from the 30th day of June 1934:

Spencer E. Dickinson

Robert W. Clark

Lawrence A. Odlin

Civil Engineer Ralph M. Warfield to be a civil engineer in the Navy, with the rank of captain, from the 8th day of April 1932.

Gunner William C. Batchelor to be a chief gunner in the Navy, to rank with but after ensign, from the 1st day of October 1934.

APPOINTMENTS IN THE COAST GUARD

The following-named young men to be ensigns in the Coast Guard of the United States, to rank as such from May 27, 1935:

Richard Baxter

Loren Edward Brunner

Ernest Anthony Cascini

Charles Ernest Columbus

William Joseph Conley, Jr.

Ralph David Dean

Gilbert Russell Evans

Wallace Leroy Hancock, Jr.

Frank Vincent Helmer

William Joshua Lawrence

Richard Lippincott Mellen

John Montrello

Clayton Magnus Opp

Glenn Leslie Rollins

Bernard Edward Scalan

Joseph Riddick Scullion

Gilbert Fay Schumacher

Robert Frederick Slunk

William Louis Sutter

Charles Tighe

Woodrow Wilson Vennel

Oscar Dillwyn Weed, Jr.

Donald William Weller

Adrian Francis Werner

Fred Laurence Westbrook

Justus Perkins White

The following-named young men to be temporary ensigns in the Coast Guard of the United States, to rank as such from May 27, 1935:

Theodore Francis Knoll

Fred Furst Nichols

Frank Murray McCabe

Walker Howell Rayburn

Nelson Calhoun McCormick

POSTMASTERS

ALABAMA

Charlie L. Harris to be postmaster at Blountsville, Ala., in place of W. L. Power, resigned.

Charles A. Boller to be postmaster at Foley, Ala., in place of J. M. Stapleton, removed.

Julius N. A. Hulsey to be postmaster at Guin, Ala., in place of M. A. Cochrane. Incumbent's commission expired December 16, 1934.

Belvie M. Cooper to be postmaster at Hamilton, Ala., in place of J. L. Shotts. Incumbent's commission expired December 18, 1934.

ARIZONA

Linnie N. Smith to be postmaster at McNary, Ariz., in place of G. W. A. McNary, resigned.

CALIFORNIA

Emma B. Baily to be postmaster at Corte Madera, Calif., in place of E. D. Mahood. Incumbent's commission expired June 24, 1934.

George W. McMurry to be postmaster at Loma Linda, Calif., in place of C. H. Quantock. Incumbent's commission expired February 28, 1933.

Rodney McCormick to be postmaster at Napa, Calif., in place of James Gillies, removed.

Bertha Rooker Dal Porto to be postmaster at Oakley, Calif., in place of I. L. Dal Porto. Incumbent's commission expired June 24, 1934.

Mary M. Wilson to be postmaster at Rio Linda, Calif., in place of P. A. Stenberg. Incumbent's commission expired February 14, 1935.

William C. O'Donnell to be postmaster at San Luis Obispo, Calif., in place of P. A. H. Arata, deceased.

Joyce J. Hunter to be postmaster at Willowbrook, Calif., in place of B. B. Jenks, removed.

COLORADO

Joseph P. Gloga to be postmaster at Aguilar, Colo., in place of H. R. Pilati. Incumbent's commission expired December 18, 1934.

Nina M. Weiss to be postmaster at Del Norte, Colo., in place of W. H. Cochran, Jr. Incumbent's commission expired December 18, 1934.

Harold G. Hawkins to be postmaster at Grand Lake, Colo., in place of F. E. Maker, resigned.

James W. McClain to be postmaster at Manzanola, Colo., in place of Henry Miller. Incumbent's commission expired December 18, 1934.

CONNECTICUT

Joseph H. Driscoll to be postmaster at Branford, Conn., in place of H. G. Linsley, deceased.

Irving H. Charlotte to be postmaster at Short Beach, Conn., in place of F. A. Minnerly, removed.

Frank P. Ablondi to be postmaster at Stony Creek, Conn., in place of R. S. Paine. Incumbent's commission expired December 16, 1933.

FLORIDA

Cullen H. Talton to be postmaster at Daytona Beach, Fla., in place of R. D. L. Graves, transferred.

Faltha Huie to be postmaster at Haines City, Fla., in place of D. A. Flye. Incumbent's commission expired December 18, 1934.

GEORGIA

Leonidas F. Livingston to be postmaster at Atlanta, Ga., in place of E. K. Large. Incumbent's commission expired April 22, 1934.

Wiley H. Johnston to be postmaster at Cordele, Ga., in place of G. B. Wilkes. Incumbent's commission expired February 25, 1935.

John A. Baker to be postmaster at Danielsville, Ga., in place of R. T. Broome. Incumbent's commission expired February 25, 1935.

Edwin M. Lindsey to be postmaster at Lenox, Ga., in place of V. B. Godwin. Incumbent's commission expired June 4, 1934.

Elmer T. Williams to be postmaster at Quitman, Ga., in place of L. Y. Brown. Incumbent's commission expired March 8, 1934.

ILLINOIS

Raymond R. Staibus to be postmaster at Cissna Park, Ill., in place of R. R. Staibus. Incumbent's commission expired December 9, 1934.

Charles W. Sampson to be postmaster at Greenup, Ill., in place of P. H. Conzet, deceased.

Wilber J. Strange to be postmaster at Le Roy, Ill., in place of O. M. Phares. Incumbent's commission expired December 9, 1934.

Forest Vernon McNabney to be postmaster at Menard, Ill., in place of C. L. Oetting. Incumbent's commission expired May 7, 1934.

Dorsey Berry Anderson to be postmaster at National Stock Yards, Ill., in place of L. E. Sheppard, removed.

Roy S. Preston to be postmaster at Pekin, Ill., in place of L. E. Selby, deceased.

James A. Thomson to be postmaster at Ravinia, Ill., in place of E. H. Howe. Incumbent's commission expired December 18, 1933.

Parke Burnham to be postmaster at Ullin, Ill., in place of Frank Gandy, removed.

INDIANA

Quitman J. Van Laningham to be postmaster at Fortville, Ind., in place of John Walker. Incumbent's commission expired December 18, 1934.

Edwin D. Smith to be postmaster at Ligonier, Ind., in place of W. S. Milner, retired.

IOWA

Jurgen B. Boldt to be postmaster at Jesup, Iowa, in place of W. J. Campbell. Incumbent's commission expired February 25, 1935.

Thomas J. Hood to be postmaster at Mallard, Iowa, in place of A. C. Sands. Incumbent's commission expired January 22, 1935.

Anna B. Berry to be postmaster at Marquette, Iowa, in place of E. L. Langlie, resigned.

Reva M. White to be postmaster at Olin, Iowa, in place of O. J. Houstman, resigned.

Chris G. Wiemer to be postmaster at Radcliffe, Iowa, in place of C. E. Myers. Incumbent's commission expired February 25, 1935.

Florence M. White to be postmaster at Riceville, Iowa, in place of Lera Hinzman. Incumbent's commission expired December 9, 1934.

KANSAS

Elsie J. Fuller to be postmaster at Alton, Kans., in place of H. R. Markham. Incumbent's commission expired June 9, 1934.

Everett A. Stephenson to be postmaster at Little River, Kans., in place of A. A. McCutcheon. Incumbent's commission expired February 5, 1935.

KENTUCKY

Newton Sullivan to be postmaster at Burlington, Ky., in place of Everett Hickman, removed.

Claud Brown to be postmaster at Henderson, Ky., in place of J. R. Rash. Incumbent's commission expired February 4, 1935.

Ernest Meek to be postmaster at Paintsville, Ky., in place of D. C. Van Hoose, removed.

J. Wise Higgins to be postmaster at Salyersville, Ky., in place of Phoebe Howard. Incumbent's commission expired December 8, 1934.

Joe C. Cantrell to be postmaster at Wheelwright, Ky., in place of J. B. Lafferty, removed.

MAINE

Eber J. Johnson to be postmaster at Poland, Maine, in place of G. P. Pulsifer. Incumbent's commission expired December 18, 1933.

Velorus T. Shaw to be postmaster at Prouts Neck, Maine, in place of V. T. Shaw. Incumbent's commission expired December 20, 1934.

MARYLAND

Harry A. Coy to be postmaster at Havre de Grace, Md., in place of S. M. Barrett, removed.

Russell B. Hoshall to be postmaster at Parkton, Md., in place of A. S. Calhoun. Incumbent's commission expired December 20, 1934.

B. Frank Dorsey to be postmaster at Woodbine, Md., in place of E. B. Sorflaten, removed.

MASSACHUSETTS

Carl E. Brown to be postmaster at Lunenburg, Mass., in place of C. E. Brown. Incumbent's commission expired March 8, 1934.

MICHIGAN

Carl V. Moody to be postmaster at Copemish, Mich., in place of C. A. Turner. Incumbent's commission expired February 28, 1933.

Vedah W. Halterman to be postmaster at De Witt, Mich., in place of M. A. Norris, resigned.

John S. Courtney to be postmaster at Marquette, Mich., in place of L. W. Biegler, retired.

Michael A. Mahar to be postmaster at Vermontville, Mich., in place of E. J. Loveland. Incumbent's commission expired December 16, 1933.

MINNESOTA

Percy L. Hakes to be postmaster at Brownston, Minn., in place of A. E. Baker. Incumbent's commission expired January 22, 1934.

Robert M. Foster to be postmaster at Buffalo Lake, Minn., in place of C. G. Hurtig, removed.

Alton E. Torgrimson to be postmaster at Grand Meadow, Minn., in place of Albert Myhre. Incumbent's commission expired April 2, 1934.

Delwin B. Clabaugh to be postmaster at Swanville, Minn., in place of G. A. Muske. Incumbent's commission expired December 18, 1933.

MISSISSIPPI

Louise A. Stephenson to be postmaster at Flora, Miss., in place of J. R. Childress, deceased.

Grace M. Williams to be postmaster at Silver Creek, Miss., in place of C. A. Barnette. Incumbent's commission expired May 29, 1934.

MISSOURI

Howard L. Stephens to be postmaster at Eldon, Mo., in place of A. G. Neville. Incumbent's commission expired April 8, 1934.

Carl E. Latimer to be postmaster at Frankford, Mo., in place of Charles Updyke. Incumbent's commission expired June 2, 1934.

Oren Simpson to be postmaster at Richland, Mo., in place of C. A. Bryant. Incumbent's commission expired February 25, 1935.

Thomas W. Withrow to be postmaster at Troy, Mo., in place of L. G. McKay. Incumbent's commission expired April 16, 1934.

MONTANA

Clarence A. Smithey to be postmaster at Hamilton, Mont., in place of A. C. Baker, resigned.

NEBRASKA

Ruben C. Volz to be postmaster at Bloomington, Nebr., in place of E. S. Murray, resigned.

William E. McCaulley to be postmaster at Chappell, Nebr., in place of A. G. Taylor. Incumbent's commission expired June 20, 1934.

Jean D. Hubbard to be postmaster at Ingleside, Nebr. Office became Presidential July 1, 1934.

NEW HAMPSHIRE

Gustave A. Lanoix to be postmaster at Gonic, N. H., in place of E. E. Cossette. Incumbent's commission expired December 16, 1933.

Joseph O. George to be postmaster at Gorham, N. H., in place of F. R. Jennings, deceased.

Elizabeth J. Varney to be postmaster at Littleton, N. H., in place of C. H. Eaton, deceased.

NEW MEXICO

Antonio F. Martinez to be postmaster at Santa Fe, N. Mex., in place of H. A. Delgado. Incumbent's commission expired February 9, 1933.

NEW YORK

Edward P. McCormack to be postmaster at Albany, N. Y., in place of P. S. Kling. Incumbent's commission expired December 18, 1934.

Laura M. Sullivan to be postmaster at Dundee, N. Y., in place of R. H. Coleman, resigned.

Elwyn S. Slough to be postmaster at Ithaca, N. Y., in place of R. C. Van Marter, removed.

Frank J. Ball to be postmaster at Lancaster, N. Y., in place of F. G. Heim, transferred.

Timothy J. Gibson to be postmaster at Lindenhurst, N. Y., in place of Herbert Torns. Incumbent's commission expired July 1, 1934.

Hazel Markle to be postmaster at Minnewaska, N. Y., in place of J. K. Lathrop. Incumbent's commission expired December 18, 1933.

Edgar Griffin to be postmaster at Palenville, N. Y., in place of C. J. Hinman. Incumbent's commission expired April 22, 1934.

Grace M. Dibble to be postmaster at Richmondville, N. Y., in place of G. W. Harris, resigned.

NORTH DAKOTA

Winfield S. Hooper to be postmaster at Fargo, N. Dak., in place of H. C. Corrigan, retired.

Peter L. Freund to be postmaster at Hope, N. Dak., in place of A. B. McLaughlin, removed.

Harry E. Brady to be postmaster at Jud, N. Dak., in place of M. A. Manning, removed.

John D. Leadon to be postmaster at Taylor, N. Dak., in place of C. E. Kempshall. Incumbent's commission expired February 25, 1933.

John H. Case to be postmaster at Wishek, N. Dak., in place of J. W. Ackerman. Incumbent's commission expired February 28, 1933.

OHIO

Clarence N. Greer to be postmaster at Dayton, Ohio, in place of L. C. Weimer. Incumbent's commission expired February 25, 1935.

Calvin S. Prater to be postmaster at Kenton, Ohio, in place of H. H. Harvey, resigned.

Allen E. Owens to be postmaster at Kinsman, Ohio, in place of C. B. Hamilton. Incumbent's commission expired March 22, 1934.

Gloyd G. Russell to be postmaster at Shiloh, Ohio, in place of H. B. Miller. Incumbent's commission expired December 18, 1934.

Loran M. Grooms to be postmaster at West Union, Ohio, in place of B. F. Robuck. Incumbent's commission expired March 1, 1932.

Howard W. McCracken to be postmaster at Zanesville, Ohio, in place of W. C. Ledman. Incumbent's commission expired February 4, 1935.

OKLAHOMA

Mabelene M. Hudspeth to be postmaster at Afton, Okla., in place of F. G. Marsh. Incumbent's commission expired December 18, 1934.

John K. Jones to be postmaster at Blair, Okla., in place of G. L. Taylor, resigned.

Laura A. Plunkett to be postmaster at Gould, Okla., in place of J. J. Atteberry. Incumbent's commission expired March 22, 1934.

Richard L. Hogan to be postmaster at Leedey, Okla., in place of B. A. Hawley, deceased.

Shelby M. Alexander to be postmaster at Lone Wolf, Okla., in place of William Carson. Incumbent's commission expired December 20, 1932.

Belle Huntington to be postmaster at Luther, Okla., in place of David King. Incumbent's commission expired January 28, 1934.

Jesse G. Ford to be postmaster at Roosevelt, Okla., in place of A. S. Gibson, resigned.

Ernest J. Winingham to be postmaster at Sentinel, Okla., in place of W. M. Bennett. Incumbent's commission expired January 28, 1934.

Elam A. Davis to be postmaster at Thomas, Okla., in place of Albert Ross, resigned.

Chester A. Holding to be postmaster at Tipton, Okla., in place of C. O. Payne, resigned.

Garland C. Talley to be postmaster at Welch, Okla., in place of P. Z. Newman. Incumbent's commission expired December 18, 1934.

OREGON

Frank L. Armitage to be postmaster at Eugene, Oreg., in place of D. E. Yoran. Incumbent's commission expired February 20, 1935.

Bessie B. Nunn to be postmaster at Wheeler, Oreg., in place of M. H. Wiebe, resigned.

PENNSYLVANIA

William W. McGinnis to be postmaster at Cochranville, Pa., in place of S. W. Hodgson. Incumbent's commission expired April 2, 1934.

Charles V. Finley to be postmaster at Flourtown, Pa. Office became Presidential July 1, 1932.

Russell E. Reese to be postmaster at Fredericktown, Pa., in place of H. H. Rodgers. Incumbent's commission expired May 16, 1934.

Lester B. Rigling to be postmaster at New Cumberland, Pa., in place of S. M. Smith. Incumbent's commission expired January 19, 1933.

Harold W. Hale to be postmaster at Russell, Pa., in place of J. A. Van Orsdale. Incumbent's commission expired March 18, 1934.

Irvin F. Mayberry to be postmaster at Schwenkville, Pa., in place of S. L. Miller, deceased.

Jacob W. Sutton to be postmaster at Smithfield, Pa., in place of D. A. Whoolery. Incumbent's commission expired December 19, 1932.

Robert R. Lynn to be postmaster at Smithton, Pa., in place of Herman Raithel. Incumbent's commission expired April 28, 1934.

George Ed Reed to be postmaster at Vanderbilt, Pa., in place of W. T. Laird. Incumbent's commission expired September 30, 1933.

Frederick G. Staples to be postmaster at White Haven, Pa., in place of W. H. D. Moyer, removed.

SOUTH CAROLINA

Lewis M. Jones to be postmaster at Alcolu, S. C., in place of J. M. Graham. Incumbent's commission expired December 20, 1934.

James R. Thompson to be postmaster at Andrews, S. C., in place of A. K. Parsons. Incumbent's commission expired June 28, 1934.

Joseph H. Gasque to be postmaster at Marion, S. C., in place of J. S. Meggs. Incumbent's commission expired June 24, 1934.

SOUTH DAKOTA

Harold Hollingsworth to be postmaster at Artesian, S. Dak., in place of Harlyn Hoy. Incumbent's commission expired June 8, 1933.

James A. Nesby to be postmaster at Dell Rapids, S. Dak., in place of G. R. Neher. Incumbent's commission expired December 16, 1933.

Blanche Oldfield to be postmaster at New Underwood, S. Dak., in place of A. P. Shoun. Incumbent's commission expired February 14, 1934.

Bernard Mayer to be postmaster at Roscoe, S. Dak., in place of C. P. Decker. Incumbent's commission expired June 2, 1934.

Cornelius J. Martin to be postmaster at Tripp, S. Dak., in place of P. F. W. Knappe. Incumbent's commission expired June 2, 1934.

TENNESSEE

Jere Gardenhire to be postmaster at Carthage, Tenn., in place of J. W. Alexander. Incumbent's commission expired January 11, 1933.

Joseph E. McCracken to be postmaster at Cumberland City, Tenn., in place of G. L. Landiss. Incumbent's commission expired May 16, 1934.

Walter W. Ryburn to be postmaster at Erwin, Tenn., in place of O. E. Bogart, removed.

Mary E. Watkins to be postmaster at Goodlettsville, Tenn., in place of C. S. Waters. Incumbent's commission expired June 26, 1934.

Coy M. Seal to be postmaster at Sneedville, Tenn., in place of D. H. Wolfe. Incumbent's commission expired February 28, 1933.

Roey D. Shoulders to be postmaster at Westmoreland, Tenn., in place of M. K. Freeman. Incumbent's commission expired February 25, 1935.

TEXAS

Arthur K. Tyson to be postmaster at Calvert, Tex., in place of Lou Gammill. Incumbent's commission expired December 20, 1934.

Walter L. Pickett to be postmaster at Hereford, Tex., in place of E. L. Donner, removed.

Balda J. McMillan to be postmaster at Hughes Springs, Tex., in place of J. C. Hailey. Incumbent's commission expired April 3, 1934.

Walter B. Wilson to be postmaster at McKinney, Tex., in place of W. C. Wilson. Incumbent's commission expired June 20, 1934.

VERMONT

John J. Rock to be postmaster at Ludlow, Vt., in place of L. E. Boyce. Incumbent's commission expired February 4, 1935.

Martha G. Kibby to be postmaster at Randolph Center, Vt., in place of M. G. Kibby. Incumbent's commission expired January 16, 1934.

VIRGINIA

Edwin L. Toone to be postmaster at Boydton, Va., in place of E. L. Toone. Incumbent's commission expired February 25, 1935.

William D. Bowles to be postmaster at Clifton Forge, Va., in place of T. J. Wilson. Incumbent's commission expired December 20, 1934.

Grady W. Garrett to be postmaster at Cumberland, Va., in place of W. C. Stout. Incumbent's commission expired April 8, 1934.

WEST VIRGINIA

Roscoe Cook to be postmaster at Lorado, W. Va., in place of W. M. Lewis. Incumbent's commission expired June 20, 1934.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 21, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, unto whom all hearts are open, all desires known, and from whom no secrets are hid, cleanse the thoughts of our hearts by the inspiration of Thy Holy Spirit, that we may perfectly love Thee and worthily magnify Thy holy name. Through Jesus Christ our Lord. Amen.

THE JOURNAL

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that the reading of the Journal be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

By unanimous consent, the Journal of the proceedings of yesterday was approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 157. An act to amend section 5296 of the Revised Statutes of the United States;

H. R. 972. An act for the relief of John Costigan;

H. R. 1846. An act for the relief of Daniel W. Seal;

H. R. 2192. An act for the relief of Harry B. Walmsley;

H. R. 2294. An act for the relief of Thaddeus C. Knight;

H. R. 3721. An act for the relief of Angelo J. Gillotti;

H. R. 3975. An act for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach;

H. R. 4005. An act to amend section 21 of the Interstate Commerce Act, as amended, with respect to the time of making the annual report of the Interstate Commerce Commission;

H. R. 4239. An act authorizing the Secretary of Commerce to convey to the city of Grand Haven, Mich., certain portions of the Grand Haven Lighthouse Reservation, Mich.;

H. R. 5444. An act to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes;

H. R. 5707. An act to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding \$100,000;

H. R. 6654. An act to increase the White House Police force, and for other purposes; and

H. J. Res. 249. Joint resolution to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 4751. An act to amend section 24 of the Interstate Commerce Act, as amended, with respect to the terms of office of members of the Interstate Commerce Commission;

H. R. 6085. An act to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers, and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding \$40,000; and

H. R. 6114. An act to amend section 128 of the Judicial Code, as amended.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 165. An act for the relief of Robert McFarland;

S. 245. An act for the relief of Charles Wilson;

S. 317. An act to provide for the appointment of 2 additional judges of the District Court of the United States for the Southern District of California, and 1 additional judge for the Circuit Court, Ninth Judicial Circuit, and for other purposes;

S. 363. An act to increase the efficiency of the Veterinary Corps of the Regular Army;

S. 381. An act for the relief of the Confederated Bands of Ute Indians located in Utah, Colorado, and New Mexico;

S. 1066. An act to extend the provisions of section 2 of the act of February 28, 1925, authorizing reservations of timber, minerals, or easements to exchanges of lands in the State of New Mexico, under the act of February 14, 1923, and the act of February 7, 1929;

S. 1383. An act to amend an act entitled "An act to make persons charged with crimes and offenses competent witnesses in United States and Territorial courts", approved March 16, 1878;

S. 1439. An act amending the postal laws to include as second-class matter religious periodicals publishing local information;

S. 1454. An act to authorize the Secretary of War to furnish certain markers for certain graves;

S. 1492. An act to compensate the Chippewa Indians of Minnesota for lands set aside by treaties for their future homes and later patented to the State of Minnesota under the Swamp Land Act;

S. 1504. An act authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes;

S. 1523. An act to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

S. 1528. An act for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

S. 1561. An act to provide relief for disbursing officers of the Army or Navy in certain cases;

S. 1637. An act to extend further the operation of an act of Congress approved January 26, 1933 (47 Stat. 776), entitled "An act relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects";

S. 1696. An act for the relief of Mary Sky Necklace;

S. 1811. An act providing for the publication of statistics relating to spirits of turpentine and rosin;

S. 2097. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon;

S. 2247. An act directing the conveyance of certain lands to the regents of the University of New Mexico;

S. 2306. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States, and for other purposes;

S. 2472. An act to pay an annuity to Frances Agramonte, the widow of Dr. Aristides Agramonte, member of the Yellow Fever Commission;

S. 2533. An act for the relief of the rightful heirs of Tiwastewin or Anna;

S. 2536. An act providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska.

S. 2616. An act for the relief of the estate of Joseph Y. Underwood;

S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishment;

S. 2681. An act to extend the times for commencing and completing the construction of a bridge across Lake Champlain at or near West Swanton, Vt., and for other purposes;

S. 2688. An act to amend an act entitled "An act to regulate the manner in which property shall be sold under orders and decrees of any United States courts", approved March 3, 1893, as amended;

S. 2727. An act to authorize the acquisition of land for military purposes in Bexar County, Tex., for use as an addition to Kelly Field Military Reservation, and to settle certain claims in connection therewith;

S. J. Res. 92. Joint resolution making final disposition of records, files, and other property of the Federal Aviation Commission; and

S. J. Res. 96. Joint resolution to carry out the intention of Congress with reference to the claims of the Crow Tribe of Indians of Montana and any band thereof against the United States.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2276) entitled "An act to authorize participation by the United States in the Interparliamentary Union", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PITTMAN, Mr. ROBINSON, and Mr. BORAH to be the conferees on the part of the Senate.

RECESS

The SPEAKER. Pursuant to House Resolution 201, the Chair declares the House to be in recess for the purpose of holding memorial services as arranged by the Committee on Memorials.

Accordingly, the House stood in recess to meet at the call of the Speaker.

MEMORIAL SERVICE PROGRAM

ORDER OF MEMORIAL EXERCISES IN THE HOUSE OF REPRESENTATIVES
TUESDAY, MAY 21, 1935, AT 12 O'CLOCK MERIDIAN

Prelude, Sacred Selections (11:30 to 12).....United States Navy Band
Presiding Officer.....The Speaker of the House of Representatives
Invocation.....The Chaplain, Dr. James Shera Montgomery
Going Home.....Dvorak

Interstate Male Chorus
Scripture Reading and Prayer.....The Chaplain
Roll of Deceased Members—

The Clerk of the House of Representatives
Devotional silence.

Address.....Hon. CLIFTON A. WOODRUM
Representative from the State of Virginia

Worship of God in Nature.....Beethoven
Interstate Male Chorus

Address.....Hon. CHARLES L. GIFFORD
Representative from the State of Massachusetts

Cornet Solo—The Rosary.....Oscar Short
From the United States Navy Band

Benediction.....The Chaplain

IN MEMORIAM

Senate

Hon. BRONSON CUTTING, a Senator from the State of New Mexico.
Died May 6, 1935.

House of Representatives

Hon. GEORGE F. BRUMM, Thirteenth Congressional District of Pennsylvania. Died May 29, 1934.

Hon. THOMAS C. COFFIN, Second Congressional District of Idaho.
Died June 8, 1934.

Hon. HENRY T. RAINEY, Twentieth Congressional District of Illinois. Died August 19, 1934.

Hon. FREDERICK LANDIS, Second Congressional District of Indiana. Died November 15, 1934.

Hon. ANTHONY J. GRIFFIN, Twenty-second Congressional District of New York. Died January 13, 1935.

HOUSE OF REPRESENTATIVES
Committee on Memorials

SIMON M. HAMLIN, Chairman; MARY T. NORTON, FRANK CROWTHER
MEMORIAL SERVICES

The SPEAKER of the House of Representatives presided.
The Chaplain, Dr. Montgomery:

Our Father who art in heaven, hallowed be Thy name. Thy kingdom come. Thy will be done in earth as it is in heaven. Give us this day our daily bread; and forgive us our trespasses, as we forgive them that trespass against us; and lead us not into temptation, but deliver us from evil; for Thine is the kingdom and the power and the glory forever. Amen.

The Interstate Male Chorus sang, "Going Home", by Dvorak.

The Chaplain, Dr. Montgomery:

The Lord is my shepherd; I shall not want. He maketh me to lie down in green pastures; He leadeth me beside the still waters. He restoreth my soul; He leadeth me in the paths of righteousness for His name's sake. Yea, though I walk through the valley of the shadow of death, I will fear no evil; for Thou art with me; Thy rod and Thy staff they comfort me. Thou preparest a table before me in the presence of mine enemies; thou anointest my head with oil; my cup runneth over. Surely goodness and mercy shall follow me all the days of my life and I will dwell in the house of the Lord forever. Amen.

Let not your heart be troubled: ye believe in God, believe also in me. In my Father's house are many mansions; if it were not so I would have told you. I go to prepare a place for you. And if I go and prepare a place for you, I will come again and receive you unto myself; that where I am, there ye may be also.

O, yet we trust that somehow good
Will be the final goal of ill,
To pangs of nature, sins of will,
Defects of doubt, and taints of blood;

That nothing walks with aimless feet;
That not one life shall be destroy'd,
Or cast as rubbish to the void,
When God hath made the pile complete;

That not a worm is cloven in vain;
That not a moth with vain desire
Is shrivelled in a fruitless fire,
Or but subserves another's gain.

So runs my dream; but what am I?
An infant crying in the night;
An infant crying for the light,
And with no language but a cry.

I falter where I firmly trod,
And falling with my weight of cares
Upon the great world's altar-stairs
That slope thro' darkness up to God,

I stretch lame hands of faith, and grope,
And gather dust and chaff, and call
To what I feel is Lord of all,
And faintly trust the larger hope.

Lead, kindly Light, amid the encircling gloom,
Lead thou me on!
The night is dark, and I am far from home—
Lead thou me on!
Keep thou my feet; I do not ask to see
The distant scene—one step enough for me.

I was not ever thus, nor prayed that thou
Shouldst lead me on;
I loved to choose and see my path; but now
Lead thou me on!
I loved the garish day, and spite of fears,
Pride ruled my will. Remember not past years.

So long thy power hath blest me, sure it still
Will lead me on
O'er moor and fen, o'er crag and torrent, till
The night is gone,
And with the morn those angel faces smile,
Which I have loved long since, and lost awhile.

We praise Thee, our Father in Heaven, for those qualities of soul that bind us together at such a time as this. We are grateful that at each swelling of Jordan comes a vision, each hunger in the wilderness has its angel, and each Gethsemane has its flower. We dedicate this hour to retrospection; let it be sweetened by Thy presence, and may all tremors be calmed. We thank Thee for the glad assurance of immortality. In the glow of this faith, the clouds separate and are lifted. Blessed be the God of all comfort, who giveth peace in the deepest sorrow and in the saddest bereavement. Grant Thy richest blessing upon those whose days are shadowed; the retreating footfalls of their loved ones have died away and they are alone. May they journey on through morning skies within Thy everlasting arms. Help us to learn of that love that casteth out fear. Finally, bring us to that heavenly fellowship with the Master, and with those noble souls clothed in the livery of God's house, Through Jesus Christ our Lord. Amen.

ROLL OF DECEASED MEMBERS

Mr. Patrick J. Haltigan, reading clerk of the House, read the following roll:

BRONSON CUTTING, SENATOR FROM THE STATE OF NEW MEXICO

Editor; publisher; president of the New Mexico Printing Co., 1912-18; treasurer and later chairman of the Progressive State Central Committee of New Mexico; commissioned captain of Infantry, United States Army, August 1917; awarded British Military Cross; regent of New Mexico Military Institute, 1920; appointed December 29, 1927, to fill vacancy in United States Senate; elected in 1928 and reelected in 1934. Died May 6, 1935.

GEORGE FRANKLIN BRUMM, THIRTEENTH CONGRESSIONAL DISTRICT OF PENNSYLVANIA

Soldier; business man; lawyer; attorney for conscription board during the World War; member of the speakers' bureau, Three-Minute Men Association; elected to Sixty-eighth, Sixty-ninth, Seventy-first, Seventy-second, and Seventy-third Congresses. Died May 29, 1934.

THOMAS CHALKLEY COFFIN, SECOND CONGRESSIONAL DISTRICT OF IDAHO

Lawyer; mayor of Pocatello, 1931-33; served in the United States Navy, aviation branch, during the World War; elected to the Seventy-third Congress. Died June 8, 1934.

HENRY THOMAS RAINEY, TWENTIETH CONGRESSIONAL DISTRICT OF ILLINOIS

Farmer; lawyer; graduated from Amherst College, Massachusetts, in 1883; 3 years later this same institution conferred upon him the degree of master of arts; graduate of the law department of Northwestern University; master in chancery for Greene County, Ill., from 1887 to 1895; received degrees of doctor of laws from Illinois, Grove City, and Amherst Colleges; engaged in agricultural pursuits; Member of the Fifty-eighth to Sixty-sixth Congresses, inclusive, and of the Sixty-eighth and each succeeding Congress. Majority leader of the House of Representatives during the Seventy-second Congress; elected Speaker of the Seventy-third Congress. Died August 19, 1934.

FREDERICK LANDIS, SECOND CONGRESSIONAL DISTRICT OF INDIANA

Historian; author; lecturer; admitted to the bar in 1895; temporary chairman of the first State convention of the Progressive Party in 1912; candidate for Governor of Indiana 1912; Member of the Fifty-eighth and Fifty-ninth Congresses and elected to the Seventy-fourth Congress. Died November 15, 1934.

ANTHONY JEROME GRIFFIN, TWENTY-SECOND CONGRESSIONAL DISTRICT OF NEW YORK

Soldier; lawyer; publisher; graduated in law from New York University with honors as prize essayist of the year; elected to the State senate in 1910 and again in 1912; member of the New York State Constitutional Convention of 1915; Member of the Sixty-fifth and each succeeding Congress. Died January 13, 1935.

Mrs. NORTON, a Representative from the State of New Jersey, standing in front of the Speaker's rostrum, placed a

memorial rose in a vase as the name of each deceased Member was read by the Clerk.

Then followed 1 minute of devotional silence.

Hon. CLIFTON A. WOODRUM, a Representative from the State of Virginia, delivered the following address:

ADDRESS OF HON. CLIFTON A. WOODRUM

Mr. Speaker, once again we pause to linger for a season in memory of our late colleagues "whom we have loved and lost awhile." On this day the sword of partisan conflict is sheathed; political differences and contests of opinion are laid aside; weighty and vexing problems of state are for the moment forgotten; and we meet as comrades to turn back the pages of memory and live over again those days with our friends of yesterday.

It is with mixed emotions of joy and sadness that we gather upon this occasion—joy because we have known and loved these great men; sadness because we miss them. We call their names. We seek them in familiar places. They are not here. They have gone. Only memory is left.

Where is now the merry party
I remember long ago,
Laughing 'round the Christmas fireside
Brightened by its ruddy glow;
Or in summer's balmy evening
In the field upon the hay?
They have all dispersed and wandered,

Far away.

Some have gone to lands far distant,
And with strangers made their home;
Some upon the world of waters,
All their lives are forced to roam;
Some have gone from us forever,
Longer here they might not stay,
They have reached a fairer region,

Far away.

As name after name of our departed colleagues has been called here today, our memories have been traveling back to many scenes and incidents connected with our associations and their service in this body. We look back down the years perhaps to a day when amid the glamour of freshly won political laurels a bright-eyed youth, with agile step and a heart beating high with ambition and hope, walked down the aisle of this Chamber to receive the oath of office from the Speaker of this House. The years have come and gone. We saw him again here in this Chamber in victory and in defeat; we have seen the flash of his steel and heard the clang of his armor in battle. We felt the impression of his activities and watched his labor in the interest of the cause he espoused. But, my brethren, imperceptibly at times, silently often, but always surely and inevitably, the passing years take their toll. Under the heavy load and strain we saw that once agile form bend under its burdens; the eye that once sparkled with ambition grow dim with the strain, and the raven locks yield to the biting frosts of passing winters; and one day we were saddened by the news that this friend, this comrade, this collaborer, had answered the last roll call, had embarked upon life's greatest adventure. We had witnessed, my friends, the drama and tragedy of life, with its sunshine and shadows, its hopes and disappointments, its victories and defeats, its life and death.

How happy we are that it was our privilege to know, to love, and to labor with these comrades of yesterday, each with his own characteristic vices and virtues, each with his own philosophy and his own viewpoint, often as widely separate and apart from our own as the North from the South, and yet they were our friends. I have often thought that perhaps there was no place or no body of men where associations were so remarkable or friendships quite so close as in this body. In the years that I have served in the Congress I can think of many outstanding instances of remarkable friendship, often strange and unaccountable. There comes to my mind at the moment the great personal friendship, which was in reality a deep-seated affection, that existed between the distinguished and beloved former Speaker, Nicholas Longworth, and the present distinguished Vice President, John N. Garner. In political battle that called for keen wit, ingenious strategy, and indefatigable

labor, these two great men never gave quarter, nor expected it. Yet, personally, it was "Jack" and "Nick", and I am sure some of my hearers today, like myself, number among their most precious recollections those rare and delightful occasions when after the labor of the day was over, Jack and Nick and their intimate friends met for a season in social contact.

There is no more honorable mission than to be chosen to represent a constituency in the United States House of Representatives. It is an honor that may well be coveted by our fellow citizens. The Congress is the most distinctly representative legislative body in the world. Here we find literally and actually a cross section of the American people. Every school of thought, every political philosophy has in this Hall its representative, as it has the right to have. If we at times seem to be in confusion and wandering in a wilderness of conflicting objectives, then it is largely because the American people are unsettled and undetermined. This Congress is just what the American people wish it to be. Individually and collectively, its Membership compares most favorably with any other group of American citizens. Upon the roster of the Congress we find the names of men who have been leaders in the business and the commercial life of the Nation as well as those who have served their communities and their States and the Nation in places of high honor and great responsibility, both in the judicial and the executive branches of government. Every type and every calling is represented here. Let us not forget for an instant that every Member of this House holds his commission only because a majority of the citizens of his district, entitled to suffrage, desired that he represent them. He will be kept here or retired, rewarded or condemned, according to whether that same constituency shall feel that he has served them well or ill. This is representative government in its truest sense. So long as that continues, the Republic is safe. It seems to be a popular pastime to ridicule and criticize the national legislative body. It is always open season on Congress. I suppose this is no different today from what it has been in other days; nor do I make any complaint. Undoubtedly, we often deserve and merit criticism.

Unquestionably, the casual visitor in our galleries, noting a scarcity of attendance, a lack of interest, and oftentimes bedlam and confusion will form a very erroneous and unjustifiable opinion of this body and its work. He perhaps has not taken into consideration the fact that the speeches being made upon the floor, under the rule of general debate, have little relation to the legislation under consideration, and that the particular bill or resolution, which will ultimately pass, and probably without contest, has been the subject of weeks and months of careful thought and patient study by a responsible committee of the House. He does not take into account the fact that the real work, the determining battles are in committee work, and that often the issues are settled before the legislation comes up for consideration. There may be found in this Membership some of the most conscientious and hard-working men I have ever known—men who literally grind out and spend their very life's energy in an effort to serve. We are made up of just plain human beings, with all of the frailties and imperfections of the race. I do say, however, that the Membership of this House individually are men of honor and capacity, striving, according to their own individual opinions and the understanding that they have, to serve their constituencies and their country; and I say very deliberately and emphatically that if you give this House the true facts, and sufficient time for deliberate and orderly consideration, its ultimate determinations will generally be in keeping with American ideals and for the best interests of our people.

As I meditated upon this occasion, my mind went back 10 years to a day when a great man stood upon the Speaker's rostrum, about to relinquish voluntarily the high robes and office of the Speaker of the House of Representatives. The day was March 4, 1925, and Mr. Speaker Gillett was leaving the House of Representatives after 32 years of service to accept a commission as a Member of the United States Senate. I commend to you, my colleagues, that you read the

entire remarks of Mr. Speaker Gillett on that occasion. For the purposes of this ceremony, however, I desire to quote briefly from his address:

It is the fashion to sneer at Congress, as it always has been the fashion, and I have no doubt always will be, because Congress is expected by legislation to put into concrete and definite form the hazy and contradictory ideals of the people, and as realization generally falls short of expectation, as "man never is but always to be blest", so congressional action must always be disappointing.

This House becomes in time a pretty infallible judge of a Member's merit. It learns to appraise motives. It discriminates between the modest men who with sincerity are trying to render service and the men who are working only for display and self-advancement.

And it is refreshing to note that although the home folks may often be deceived by the fake statesman who is always playing to the gallery, yet here the sincere and industrious and modest man has his recognition and his reward. I would deem the genuine esteem and respect and confidence of this body the highest tribute a man could earn.

You may remember when first elected Speaker I said that I had attained the goal of my desires and my ambition was completely satisfied. I feel exactly now as I did then. Thanks to you, my friends, my enjoyment of it has been equal to my anticipation. I would rather be Speaker of this House than hold any other position in the world, and it was no ambition or initiative of my own that led me to relinquish it.

Such, my colleagues, were the sober reflections of a great man who had rendered a great service to his country. Not only did Mr. Speaker Gillett prize and value his service in this body, but I am thinking of another great Speaker and of his last remarks in this body. On March 4, 1931, Mr. Speaker Longworth adjourned the Seventy-first session of Congress and walked out of this Chamber never to enter again. I read you his remarks because they were prophetic:

The SPEAKER. Mr. Byrns, Mr. Crisp, and you, my colleagues, I need not say that I am profoundly grateful for this demonstration of your affection. Perhaps this is the last time I will address you from this rostrum. [Laughter and applause.] I do not mean to insinuate I regard it as a probability, but I must admit it is a possibility. The decision lies with none of us here. It is a decision that lies with an All-Wise Providence. It is only an All-Wise Providence who is going to determine which of the two great political parties will organize the next House of Representatives.

With whatever Providence may decree I am abundantly satisfied. [Applause.] I ought to be, for but three Speakers of the House in all history will have had a longer term of consecutive service than I have had.

I have enjoyed practically every minute of it, except a few minutes last night. [Laughter and applause.] But even during those few minutes when some Members struck me as being, perhaps, a trifle bothersome, I esteemed them all, as I have esteemed every Member here during my service of 6 years, without one single exception. [Applause.] If I am to retire from this office, I do so with profound gratitude to my colleagues, not so much for having elevated me to this, the greatest office in any legislative branch in any government in the world, but more for the evidence of the esteem and confidence you have had in me.

And now, the hour of 12 o'clock having arrived, I declare this Congress adjourned sine die. [Applause.]

In all of my experience I do not know of any incident that more tragically demonstrates the uncertainty of our existence. Today we are here, gathered together in strength and happiness. Not a man among us can tell when the flying shaft of death will find its mark and add his name to the list of those who have gone before. How careful, therefore, we should be that in the heat of conflict there be no word or act that will leave its personal sting or an unhappy memory.

Our colleagues whose names we call and whose services we honor today lived and served as best they could, each according to his own light and ability. An ancient Grecian legend tells us that once a year the Goddess of Thebes came to visit her city and land; that if she sat upon the log that had been blasted by the lightning stroke, behold! green vines sprang up to cover its blackness and decay; if she stepped in murky waters wherein lurked death and disease, lo! springing fountains of life-giving waters sprang up wherever her feet pressed upon the slimy soil; little children sang and danced for joy as she passed by; and all the world was brighter and better because of her coming. The world has been a better place and our lives have been brightened and sweetened because of the coming, the knowing, and the serving of these our absent comrades.

Dr. Henry Van Dyke, in his fascinating and charming volume, *Camp Fires and Guide Posts*, tells the story of an ancient legend which says that at the beginning of the sixth

century after Christ the Island of Britain was popularly believed to be the country of the dead; that on the opposite coast from Brittany there were some villages occupied by fishing people and farmers. These simple people were not required to pay tribute or taxes because, according to their legend, they were under obligation to serve as the ferryman of souls. According to the ancient legend, at the darkest hour of some night these simple folk were aroused by loud knocking at their doors, and an invisible voice called them to their task. They repaired to the beach and to their boats—not their own boats, but stranger boats—loaded down to the sinking point, though they appeared to be empty, and an hour later with their invisible load they reached an island. The invisible passengers disembarked upon the mysterious island and their invisible conductor assigned them to their places, to their tasks, to their rewards, to their punishment. The simple fisher folk returned to their villages, there to take up their routine life until the next knocking at the door by night, or until the time should come when they would be among the mysterious and invisible passengers. What of the voyage and where the island? Who was the pilot and what was the hereafter? My friends, I cannot tell you the answer to these questions. I do not know how long the voyage, when we shall embark, or what awaits us on the other shore, but I do know there is a pilot who knows the way, and I have an abiding faith and confidence that for those who keep the faith there will be another day when the broken ties of friendship and love will be welded together in a chain of eternal life.

Sometime at eve, when the tide is low,
I shall slip my moorings and sail away,
With no response to the friendly hall
Of kindred craft in the busy bay.
In the silent hush of the twilight pale,
When the night swoops down to embrace the day,
And the voices call in the water's flow—
Sometime at eve, when the tide is low,
I shall slip my moorings and sail away.

Through purple shades that darkly trail
O'er the ebbing tide of the unknown sea,
I shall fare me away with a dip of sail
And a ripple of waters to tell the tale
Of a lonely voyager, sailing away
To mystic isles, where at anchor lay
The craft of those who have sailed before,
O'er the unknown sea to the unseen shore.

A few who have watched me sail away
Will miss my craft from the busy bay;
Some friendly barks that were anchored near,
Some loving souls that my heart held dear,
In silent sorrow will drop a tear.
But I shall have peacefully furled my sail
In moorings sheltered from storm and gale,
And greeted the friends who have sailed before
O'er the unknown sea to the unseen shore.

The Interstate Male Chorus sang "Worship of God in Nature", by Beethoven.

HON. CHARLES L. GIFFORD, a Representative from the State of Massachusetts, delivered the following address:

ADDRESS OF HON. CHARLES L. GIFFORD

Mr. Speaker, a fitting custom sets aside this hour to pay loving tribute and affectionate remembrance to those Members who, during the past 12 months, have passed the Great Divide. We wish to commune with them today. What the wavelengths? What the power to use that they may hear and understand? This occasion should mean more than the mere paying of respect to their memory. It reminds us that it is still possible for men of many minds, gathered from every section of a wide-flung nation, men of divergent interests, different faiths and conflicting theories of government, to meet on common ground, with complete unanimity of thought and purpose to do them honor. We should go forth from this Chamber inspired by a new determination to put aside personal prejudice, to be more understanding and patient regarding the opinions which march contrary to our own and to strive more earnestly for a similar meeting of mind on every occasion affecting that other common task, the service of the best interests of our beloved country.

In troubled times such as these, when we, who are charged with a major share in the making of the Nation's laws, heal-

ing her ills, and preserving her cherished institutions, are beset by extraordinary difficulties, there must come to each of us moments when the burden seems heavy, indeed. Are we not sometimes tempted to look ahead to the end of all this earthly strife and striving, especially when we recall religion's comforting assurance that there is another and far-better life beyond for those who have here earned the right to enjoy it? At least we can rejoice in the attainment thereof by those who have won their way after having given their best to the public service as we face the tasks left for us to carry on.

We cannot know what may be beyond the world's horizon. But if, as so many confidently believe, death is but the gateway to a richer, more abundant life, where the spirit form may go on, freed from the limitations imposed by human nature and the conflicts bred of the nationalism, sectionalism, and inherited prejudices of earth, then those who have made their escape by that door may in truth be regarded as fortunate. For who would not gladly be free from the personal prejudices of inherent inhumanity; free to chart his course by a fine ideal unswayed by all those conflicting influences? If what we believe is true, how happy are they who have no longer the necessity of shaping their conduct to the exigencies of this life, who never know the bitterness of defeat in battle for a cause on which their hearts were set, who never have the dissatisfaction of soul which comes from yielding to compromise.

It is for them, we hope, to be what all of us would wish to be—completely honest. It is for them to follow their own true desires and high ideals, freed from the restricting influences of earth. If statecraft was here their chosen pursuit, they may follow it there in its truest sense, unswayed by thought of material reward or mundane honors. In that better land there may be no new laws to frame, but they have become a part of the universal laws which have endured, and shall endure, through time. Theirs it is to learn at last what constitutes perfection in the giving and administration of law. They are now like the artists described with the imagery of the poet in the lines:

And only the Master shall praise us, and only the Master shall blame;

And no one shall work for money, and no one shall work for fame,
But each for the joy of the working, and each, in his separate star,
Shall draw the thing as he sees it for the God of things as they are.

A famous philosopher once remarked that if there were no God it would have been necessary for mankind to invent one. Similarly, if we had no positive assurance of an after-life it would have been necessary for humanity to create an imaginary one to serve as a goal and a reward for mortal life well lived and an incentive to honest endeavor here on earth. But we have that assurance. And whether an individual regards the hereafter as typified by heavenly choirs and streets of gold, the peace of green pastures and still waters, or celestial spheres for new and wider endeavor, the thought of immortality cannot but bring comfort to those who are left behind whenever the silver cord has been broken and loved ones have gone on ahead.

May the relatives and friends assembled here receive comfort and take honest pride in the knowledge of how greatly we honor their dead. May their faith in a further reunion be confirmed and strengthened as they listen to our confession of that faith and belief. May they feel assured that their loved ones now gone ahead have been assigned the promised mansions and are making them ready for their coming. Let them not fear the future.

It is not death to die,
To leave this weary road,
And midst the brotherhood on high
To be at home with God.

It is not death to close
The eye long dimmed with tears,
And wake in glorious repose
To spend eternal years.

No, no, it is not dying
Heaven's citizen to be;
A crown immortal wearing,
And rest unbroken sharing,
From care and conflict free.

Thoughts of this nature must come to all of us during moments like the present. Nevertheless it is essential that we turn from them to rededicate ourselves to the tasks that we are called upon to perform here while we yet remain.

How heavy those tasks are! How grave the problems with which we are today confronted! We are Americans. In most of us has been instilled the firm belief that our form of government is the best that has yet been devised. Liberty under law is our heritage, and any form of absolute dictatorship or political system under which the State is everything, the individual nothing, is distasteful or abhorrent to us. Our republican democracy is now being weighed in the balance. The scales are not counterbalanced by reason, but by a confusion of fears, hostilities, and passions born of prejudice and demagogic appeals, all resulting from unsettled economic conditions and the changing pattern of society. Should we allow ourselves to be swept off our feet by a flood of hysterical fears, of temporary character, into the abandonment of political theories and institutions which have stood the test of a century and a half of peace and storm alike? Which have proved their worth repeatedly under the vicissitudes of our national life and helped to make and keep our Nation great?

St. Paul's words of advice spoken to the Thessalonians are still sound: "Prove all things; hold fast that which is good."

The gravest danger with which our land is faced is the tendency of people who have known misery and want, and grown discouraged or bitter in consequence, to run after false prophets who offer them cure-alls appealing to the imagination, regardless of what judgment pure reason may pass upon their panaceas. It is true that we are the people's Representatives, chosen to give expression to their collective will; yet at crucial times like these we have a duty far transcending that—a duty to employ all the power of intellect and strength of character with which we may have been individually endowed, to stand firmly against the pressure of passion and prejudice, to the full extent of our ability proving all things with conscientious care and holding fast to that which time has shown to be good.

This, O departed colleagues, is our supreme test today. We are the trustees of American democracy and American institutions, and their preservation for posterity, unimpaired, depends on how we administer that trust.

While the fundamentals of human nature change but little and the innate characteristics of individual men can rarely be altered to any great extent, there do seem to come brief periods of stress in the course of history when—by the grace of God—mortals are enabled to rise above their normal selves. We are mere men, representative in more than one sense of the average citizens who sent us here, with all their good and bad qualities, their strength, and their weaknesses. Yet at this hour it is incumbent upon us to make ourselves, so far as possible, like those officials described in the Book of Exodus as "able men, such as fear God, men of truth hating covetousness, wise men, and understanding." For upon us and what we may do, or fail to do, our cherished institutions and our country's well-being in the future to a large degree today depend.

Surely the eyes of our departed comrades and that whole unseen multitude who gave their best, and often life itself, to preserve our Nation and its institutions, are now upon us. If we yield a jot to the clamor of the demagogue or to the fallacious appeal of those who love not our democracy, we shall be guilty of a breach of faith with them.

To many, impatient for change and who seem to believe that any change would be for the better, the word "conservatism" is seemingly a term of derision and reproach. True conservatism is not reactionary. Life itself is change. To move forward is good so long as that progress is toward a true and not a false ideal. The Great Lawgiver has taught mankind that the path of evolution from chaos to completion is one on which man moves slowly, oh so slowly; one little step at a time. "Rome was not built in a day"—but it was almost destroyed in a night! God grant that the political system painfully and painstakingly builded by our fathers and courageously sustained by our departed col-

leagues may be protected by us, who are now charged with its preservation. May our solemn oath to support and protect the Constitution be uppermost in our minds during these trying hours. Departed brothers, we feel the pressure of your admonition that we do not falter.

It sometimes seems that there is an inescapable analogy between the present cynicism, bred of the existing disturbances within our social and economic order, and that which existed among the self-styled advanced thinkers who had acquired that dangerous thing, "a little knowledge" of science. Those who now cannot, or will not, see below the surface of things and who sneer at the past, asserting that the social and governmental philosophies of our forefathers are now antiquated and worthless, are like the cult that said the same of what has been called the "ancient" truths of religion. Modern science, they declared, had exploded them, demonstrating that the Bible was largely a collection of folklore and allegories akin to fairy tales; at most, a book of outgrown superstitions and symbols. According to them, the present was the age of pure reason, when facts were indisputable and the material things all that really counted in life.

Yet now the onward sweep of true science has in its turn confounded them. Month by month, almost day by day, it is alike probing forward and outward into space, discovering more and more proofs that there must be a great and single purpose behind the universe. Archeologists, delving back into the past, are constantly bringing to light new positive evidence to establish the fundamental accuracy of Biblical literature, which the scoffers had declared to be myths. Far from being the enemy of religion, science is slowly but surely demonstrating the essential truth of these old verities. And so will history and political science eventually again pronounce that our own American institutions were fundamentally sound; that our Constitution—the rock upon which we have been bulld—still stands as one of the greatest single achievements of the mind and purpose of mankind. Have we not claimed that God himself has ever directed our destinies?

To the self-styled "rationalists" the spiritual life was another religious myth. Man was mere matter that had, through evolution, been endowed with a material instrument with which to think. But now science has established the fact that matter itself—even in its most solid form—is not simply substance but, in reality, just one form of the same sort of energy which pervades all things, not only on the earth but throughout the ever-widening universe. There is a kinship between the clod of earth and the cosmic ray; and each new advance of pure science more and more conclusively establishes the essential continuity and unity of all things in the heavens above, the earth below, and the waters under the earth. What mankind first merely imagined, moved by faith, science is now establishing as fact. The poet was not greatly exaggerating when he wrote the lines—

All things by immortal power
Near and far, hiddenly,
To each other link-ed are;
That thou canst not pluck a flower
Without trembling a star.

With this thought in mind, can we not well believe that the spirit of man is essentially a part of the cosmos, capable—under proper conditions and in some manner not yet disclosed to us—of making contact with the spirits of those others, whose mortal bodies have been dissolved? At this time, assuredly, we have need of such spiritual communion with those who, on earth, faced problems similar to our own and who now no longer "see through a glass, darkly." Have we not a right to feel that those who, when on this earth, lived in America, loving her the more because of the sacrifices which they made to create and protect her free institutions, still remember her and wish her well? Can we not believe that they stand ready to lend us of their spiritual strength if we will call upon them? Even though our call is no more than grateful remembrance of what they were and what they did and a conscious endeavor on our own part to emulate and keep the faith with them!

With these thoughts invoked by this time and place, let us revert to the present need which we have to be spiritually strong in the face of the dangers with which our beloved country is now beset. It is our present duty by example and counsel to restore confidence and self-control to those whose feet are faltering; to have self-control. I refer to the familiar lines of a beloved American author.

O beautiful for pilgrim feet,
Whose stern, impassioned stress
A thoroughfare for freedom beat
Across the wilderness!
America! America!
God mend thine every flaw,
Confirm thy soul in self-control,
Thy liberty in law!

With self-control confirmed, the present dangers can be safely passed. Flaws which undoubtedly do exist can be eliminated without destroying the whole noble structure. Those who come after, when we shall have gone on to join our departed comrades in the Great Beyond, will behold the fulfillment of the prophecy:

O beautiful for patriot dream
That sees beyond the years
Thine alabaster cities gleam
Undimmed by human tears!
America! America!
God shed his grace on thee
And crown thy good with brotherhood
From sea to shining sea!

A cornet solo, "The Rosary", by Nevin, was played by Oscar Short, of the United States Navy Band.

The Chaplain, Rev. James Shera Montgomery, D. D., pronounced the benediction:

And now, may the grace of our Lord Jesus Christ, the peace of God our Father that passeth all understanding, and the sweetness and fellowship of the Holy Spirit abide with you and keep you always. Amen.

HON. BRONSON CUTTING

Mr. DEMPSEY. Mr. Speaker, it is my sorrowful honor to pay my modest tribute to the memory of a man I knew well and admired much. With that thought in mind, I hope the Membership of the House of Representatives will be indulgent while I address myself to the memory of the late Honorable BRONSON CUTTING. Others today will pay tribute to him, and I shall only add mine from the point of view of one who knew him both inside and outside of his official life.

Announcement of the death of my friend smote heavily with sorrow the hearts of his colleagues and legion of friends and brought to me the shock of personal bereavement.

My purpose in this pronouncement is to voice an humble statement to the memory of a great public official and an honorable statesman whose name will be prominently and permanently engraved in our Nation's history.

A newspaperman, a scholar, a statesman, and, above all, an honest gentleman, BRONSON CUTTING rose rapidly to a career that was only fairly started, and his death is all the more tragic because the career he has carved out promised so much for the future. Young in years, as Senators go, and only beginning his second term, Mr. CUTTING already had established a statesmanlike record.

Taken from his birthplace at Oakdale, Long Island, N. Y., on a stretcher to New Mexico suffering from tuberculosis, he literally rose from the grave in the infant State of this great Union to become a powerful factor in the affairs of the Nation. He did everything that was expected of a man of his sterling characteristics, and he did it like the gentleman he was. I wish I had at my command a vocabulary that would better describe my friend who has answered the last roll call. I am frank to admit that I cannot find words with which to express my feelings other than to say, If there is a senate in the hereafter, BRONSON CUTTING is the floor leader.

With all his wealth, his loyalty to his country, which characterizes his life, he did what all Americans of age, and who were honorable citizens, did—he volunteered his services to his country in the World War. Thank God, he was

spared to champion the cause of the veterans with whom he helped his country defend the flag which draped the casket that was lowered in the sod in the community he trod as a boy. Men seldom think of the great event of death until a shadow falls across their own pathway, and by a strange quirk of fate my friend and colleague went to that Dark Valley when a fog-bound plane crashed while he was returning to vote on a subject close to his heart—the soldiers' bonus.

As we all know life in the Senate, or the House for that matter, is no flowery bed of ease if a man is as sincere as BRONSON CUTTING was, because both Houses are nothing more than great coliseums of statesmanship where all must stand or fall on merit alone. In either of these Houses of Congress wealth will not win nor power prejudice.

The tragedy of our American life is the fact that our wealthy citizens take so little interest in governmental affairs. BRONSON CUTTING, a wealthy man, came to the United States Senate to serve his people, the residents of the State of New Mexico. He undertook the task and to his everlasting credit he did it well.

Besides his immediate family, including his mother, to whom he was most lovingly devoted, he is survived by a constituency whom he served faithfully; a State which he helped to make better; and a Nation which by an act of God he had to leave. He left behind him a career that merits the applause of all good citizens and a fine example which should be emulated by future sons of the well-to-do.

BRONSON CUTTING ingratiated himself in the affections of his people in his adopted State and his associates in the United States Senate by firmly and indelibly imprinting in the minds of his colleagues the fact that he devoted himself to public service with a combination of conscientious zeal, ability, and personal charm which made him one of the most valuable and effective Members of the Senate. To do this a man must have had some inspiring influence behind him, and that influence was his devoted mother, for whom I have the deepest and most sympathetic regard for having reared such an honorable son, and I share the sorrow of his passing with her.

In conclusion, let me say that BRONSON CUTTING has left in the Senate no enemies. Anyone who ever knew him even slightly was his friend. His adopted home city can ill afford to lose him; New Mexico can ill afford to lose him; and his passing is the Nation's loss. It is a matter of universal regret that a tragic death prevented him from rendering many additional years of useful service to New Mexico and the Nation. I will conclude with a factual statement in this eulogy of my friend: BRONSON CUTTING was an honor man at Harvard; BRONSON CUTTING was an honor man in the United States Senate; BRONSON CUTTING was an honor man with me.

Requiescat in pace!

HON. GEORGE FRANKLIN BRUMM

Mr. KINZER. Mr. Speaker, deeply mindful and conscious of a personal loss, I desire to express my tribute to the memory of our late colleague GEORGE FRANKLIN BRUMM. During the term of his distinguished services here as the Representative of the Thirteenth Congressional District of Pennsylvania he exemplified in high degree those qualities of mental attainment, industry, devotion to duty, and friendliness which endeared him to all those privileged to know him.

My acquaintance with Mr. BRUMM dates from the beginning of my service as a Member of the House of Representatives, and our relations as Members of the Pennsylvania delegation in Congress were always most cordial, intimate, and friendly.

He was one of those men it was good to know. Always knightly, generous, and courteous in his contacts with others.

Born and reared in the rich anthracite mining district of his native State and educated under the splendid guidance of his distinguished father, Charles Napoleon Brumm, whose footsteps he followed in his service in the National Congress of his country, GEORGE FRANKLIN BRUMM brought with him to this body those attainments of head and heart which contributed so well to his distinguished service in the Halls of

Congress. He was untiring in his efforts and always sympathetic to the needs and wants of his constituents. Five times they chose him to represent them here, and their confidence in his political judgment never wavered but remained constant to the end. He knew his people as few have known them and was always responsive to their needs and desires. It was his generous spirit of helpfulness that drew the hearts of his people unto him and held their affections.

Mr. BRUMM rendered patriotic military service on the Mexican border and during the World War served on the conscription board and was a member of the speakers' bureau. He knew the soldier, their widows and dependents, and gave them all the aid that was in his power. He knew the miner, the farmer, the worker, and industrialist, and in his service to his home people he knew no political parties, no sects, and no classes.

Useful as he has been in the larger national field, he was of even greater service to his own home people, and in his passing they and we alike feel keenly the loss of a friend whose place cannot be filled.

Mr. RICH. Mr. Speaker, the passing of GEORGE FRANKLIN BRUMM, of the Thirteenth District of Pennsylvania, who died May 29, 1934, was for me a heartfelt personal loss. I desire briefly and humbly to pay tribute to one who served his country well as a Representative. FRANK BRUMM, as we all knew him, was a scholar, kind-hearted, agreeable, and one of the most friendly of our colleagues in Congress. He was loyal to his party and always interested in that which would help to make this country a better place to live.

Many times I enjoyed automobile rides over the country roads near Washington and vicinity with him. I would listen intently to his recitals of American history as he would unfold this knowledge in conversation, from the time the Declaration of Independence was written until the present era. He often talked of the Constitution and those who wrote it; and being a student of law, he extolled its virtue. His loyalty to it and his oath to support it were not a mockery but a reality—a fact which he carried out to the letter.

He was a defender of the Nation in the great World War, interested in the ex-service men who were wounded in service, and desirous that they receive proper compensation for their service dependent on their injury or illness.

FRANK BRUMM was a lover of nature; he enjoyed the woods, the streams, the flowers, and the hills—all things that made up the universe—and anything that God had made he admired.

How he extolled the good in his father, mother, and family, honoring and respecting them for what they were and what they meant to him in his boyhood days.

It is therefore with an unusual depth of feeling that I here express my humble tribute to this good friend. He will always live in the hearts of those with whom he was associated. To them he needs no other monument.

The influence which he exerted out of his experience and judgment and flexible character will live on in the structure of our Government. His personality is the heritage which will be ever treasured in the memory of his friends and associates.

These few lines from an unknown author's work are very appropriate at this time:

Sleep on, dear friend, such lives as thine
Have not been lived in vain,
But shed an influence, rare, divine,
On lives that here remain.

Mr. LANHAM. Mr. Speaker, during the faithful and efficient service of GEORGE FRANKLIN BRUMM in the Congress of the United States, it was my pleasure to know him well and to have frequent opportunity for association with him. Our fathers had served together in the House of Representatives before us, and this was a natural tie which led to a genial friendship.

The worth and ability of this splendid gentleman were known to all who had occasion to observe his service. Blessed with a keen and analytical mind, his private think-

ing and public utterances were characterized by that somewhat rare quality of absolute intellectual integrity. He was a forceful speaker in the legislative halls and an indefatigable worker for the welfare of our country. His one ideal was to be truly helpful, and to this purpose he devoted his talent and energy without stint.

But my own reflections turn today to the genial association it was my privilege to have with this distinguished son of Pennsylvania. We were affiliated with different political parties, but the rancor of partisanship never marked his public or private contacts. His interest was in America and its betterment.

After all, the things which endear men to us are not their conspicuous achievements but their friendly and human traits which make life happier for all who know them. GEORGE BRUMM and I lived for many years at the same hotel. Often we had our evening meal together and would prolong our chat far beyond the dinner. His kind heart was in keeping with his keen mind. I can never forget our most pleasant association. It was a real joy to know him and have him for a friend. I mourn with his loved ones at his passing. His example will remain as a benediction and inspiration to us all.

Mr. DARROW. Mr. Speaker, a pall of sadness and visible grief was in pronounced evidence when we were advised of the passing of our beloved friend and colleague Hon. GEORGE FRANK BRUMM.

It can truly be said that saddened hearts were not confined to his colleague in Washington, who had enjoyed his intimate acquaintance and who were able by observation, as well as contact and labor with him, to place a high estimate on his ability and worth as a legislator and public servant but by a loyal constituency which he had served so faithfully and energetically.

Mr. BRUMM was born in Minersville, Schuylkill County, Pa., being the son of Charles N. and Virginia Brumm, the former having represented his constituency in eight different Congresses. He was educated in the common schools of Minersville, Washington, and Pottsville, and graduated from the University of Pennsylvania with a bachelor of science degree in 1901. Following his graduation from college he was employed in the insurance business in Pittsburgh, during which time he also studied law. He graduated from the law school of the University of Pennsylvania in 1907 and was admitted to the Pennsylvania bar in January 1908. He engaged in the practice of law as a profession since that time. FRANK BRUMM also served in the military service of his country, enlisting in 1916 as a private, and served as a corporal in Company C, Pennsylvania Engineers, on the Mexican border. During the period of the World War he was attorney for the conscription board, as well as a member of the speakers' bureau of the Three-Minute Men Association.

Mr. BRUMM served as a Member of the Sixty-eighth, Sixty-ninth, Seventy-first, Seventy-second, and Seventy-third Congresses, and within a very short period prior to his death on May 29, 1934, had been renominated by the Republican Party of his district as its candidate for election to the Seventy-fourth Congress.

I was closely associated with FRANK BRUMM during the period of his congressional service, and enjoyed his friendship. I found him to be loyal to his friends, and most enthusiastic and energetic in any cause which he espoused. He was a strong and vigorous American, too soon removed from those who loved him, and from an opportunity to render further patriotic service to his constituency, our State, and country.

Mr. TABER. Mr. Speaker, the Honorable GEORGE F. BRUMM entered the House of Representatives at the same time I did, in the Sixty-eighth Congress. He was a man of a great deal of force and character and an able debater, and rendered very valuable service to the country.

I always liked him and admired him very much. I regret exceedingly that a man of his character should be stricken down so young.

Mr. HAINES. Mr. Speaker, to know Hon. GEORGE F. BRUMM was to love him.

It was my privilege to serve with this fine gentleman in the Seventy-second and Seventy-third Congresses of the United States, where I became intimately acquainted with him and learned to appreciate his fine qualities of manhood and his worth as a legislator.

In his passing away his district suffered a loss, for he was an efficient, honest, public servant of proven worth.

It was indeed a shock to me to learn of his death and it brought sadness into my heart, as must have been true with the host of his friends.

Born in the great Keystone State, educated in the public schools of that State, and graduated from one of its outstanding universities, the University of Pennsylvania, he later practiced law, entered the military service of his country in the Mexican conflict, and was discharged with honor. During the World War he gave of his time and efforts toward a successful termination.

I found him to be a loyal friend and most enthusiastic and energetic in any cause he was interested in and which had for its objective a better land in which to live.

His passing away was most unfortunate and I desire to join with others in paying tribute.

Mr. WOLFENDEN. Mr. Speaker, the passing of my esteemed friend and colleague, the Honorable GEORGE FRANKLIN BRUMM, brought to a close the career of a most worthy Representative from the Thirteenth District of Pennsylvania, whose record of service in his district will stand as a perpetual monument to his memory.

We mourn the loss of a man of fine character, of a friendly, gentle nature, a man of broad human sympathy, whose heart was full of love and charity for his fellow men. He was not given to display, but from the very beginning observed in his manner of living a certain simplicity which won for him the confidence and esteem of everyone. He was an ardent champion of whatever cause he espoused; straightforward, courageous, and honest in his views. He was an interesting speaker, and his direct and forceful presentation of a subject commanded the respect and attention of his audience. His capacity for work was apparently unlimited. He was tireless in his services to the people. The request of the humblest constituent received as prompt and faithful response as that of the highest.

GEORGE FRANKLIN BRUMM was an attorney of ability, but enlisted in the military service in 1916 as a private. During the World War he was an attorney for the conscription board, later running for Congress, where he ably represented his district until his untimely death. He was a strict party man and had the confidence of his party associates.

We have assembled here today to do honor to his memory. Congressman BRUMM has gone from our midst, but he is not forgotten, though the voice of my friend is hushed and a familiar face missing. He was a true patriot and a most efficient public servant, devoted to the interest and welfare of the people of his district. His life, character, and public service are indeed an inspiration and may well be emulated by those who come after him.

Mr. BOLAND. Mr. Speaker, I desire to pay reverence to our departed colleague, Hon. GEORGE FRANKLIN BRUMM, who was not only a credit to the Thirteenth Congressional District of Pennsylvania, which sent him to Congress, but as well to the body in which he served.

Mr. BRUMM was first sent to Congress in 1923, and during his years of service made a host of friends who honored and respected him for his steadfast ideals and for his earnest support of that which he felt to be right and just.

He was an ardent lover of sports and often took part in games with his friends.

I think the most admirable characteristic of GEORGE BRUMM was the closeness in which he had patterned his life after that of his famous father, the Honorable Charles N. Brumm, who was also a member of this great body, and represented the same district in Pennsylvania, as early as the

Forty-third Congress. Both having served their country in time of war and as outstanding attorneys and great statesmen.

Born from the common folks whom he loved and served so well, he kept the faith with them and followed the best traditions of his State, serving them not unlike his father had during his long and admirable career.

He participated in the civic activities of his State and served as a private in Company C, Pennsylvania Engineers, on the Mexican border in 1916, and during the World War was an attorney for the conscription board.

In 1923 he was elected as a Republican to the Sixty-eighth Congress, and although an unsuccessful candidate for renomination in 1926 after serving for two terms, he returned to Congress again in 1928, serving his people until his untimely death near the close of the last session, May 29, 1934.

As a Member of Congress he served numerous committees, always endeavoring to put forth the best of his abilities. It may be said that those who had the good fortune to work with GEORGE BRUMM were more than pleased with his unstinted efforts and admired him for his earnest and willing desire to accomplish those duties which were before him.

His is a record of accomplishment and success based on a determination and a sincerity of purpose which comes to those who not only have the ability to see clearly but are alive to their responsibilities to their fellow men. He has left a record of achievement and public service which is not only a credit to his State but another example of devotion to his country, for which our Nation is noted.

In closing, may I trust those members of his innermost home life may be consoled by the consciousness that GEORGE F. BRUMM has left behind with them a heritage of honorable service to his profession, to his city, to his State, to his Nation, and to his friends; and that his death found him in the midst of duty not yet completed and still striving for accomplishments hoped for.

Statesman, yet friend of truth of soul sincere,
In action faithful and in honor clear,
Who broke no promise, served no private end,
Who gained no title and who lost no friend.

Mr. SNELL. Mr. Speaker, our late friend and colleague from Pennsylvania, GEORGE FRANKLIN BRUMM, was a dependable legislator. He combined the gift of oratorical ability with that of constructive ability, an unusual combination. He was a logician. As an excellent lawyer he would argue upon the basis of the law and the facts, and when necessary could embellish both with equities and sentiment. His mind was trained in the art of public speaking, an art doubtless inherited from his father, Charles N. Brumm, long a Member of the House, whose forceful eloquence, I am told, often rang through this Chamber.

The younger BRUMM was a devoted student of the Constitution and was recognized as an authority on constitutional questions. He regarded that instrument as the yardstick by which he measured and analyzed every proposed enactment; and if he detected in a proposal either a plain or a covert violation of the supreme law, he felt it to be his bounden duty to oppose such legislation in obedience to his oath "to support and defend the Constitution." Being a man of strong sympathies and possessed of an abundance of the milk of human kindness, it was not always an easy task for him to submerge his inclinations and oppose unconstitutional measures for so-called "social welfare", but he would not compromise his convictions; he would not violate his oath of office, even where there existed a reasonable doubt.

We could not detain him here, but we can emulate his example of courage and fidelity to duty and principle.

Mr. GILDEA. Mr. Speaker, the Thirteenth District of Pennsylvania lost a devoted public servant when, on May 29, 1934, Congressman G. FRANKLIN BRUMM, of Pottsville, was called to his heavenly reward.

The American Legion and all ex-service men lost a devoted friend and champion. A veteran himself, the welfare

of those who served our common country was always his foremost consideration.

Anthracite-coal miners lost a representative who never failed to interest himself and express himself in matters pertaining to the welfare of the mine workers or the mining industry.

Independent voters lost a man who was truly independent.

Congressman G. FRANKLIN BRUMM paid allegiance to the party of his choice; but while a Republican in the truest sense of the word, his independence appealed to the entire electorate of the thirteenth district to the end that in the campaign of 1932—a Presidential year—he was elected to his fifth term in Congress by almost the unanimous vote of the district, 92,065 men and women showing their confidence in him by endorsing his candidacy.

Congressman BRUMM grew up in the shadow of the National Capitol. His father, the late Charles Napoleon Brumm, represented the home district in eight different Congresses. His was a proud record of devotion to public service, and of the son it can be truly said he proved himself a worthy son of a worthy father.

In Schuylkill County the name BRUMM stands for courage, loyalty, and intense patriotism.

The highest ideals of citizenship and patriotism are exemplified by the Brumm family, and it is of the man, not the politician or statesman, I would speak in bringing to a close these few words of tribute to a friend.

As a man he had no false conception of his own importance. Truly great in the sense that he always tried to pay the obligation of complete service to his people, he added to his stature by the ease with which he made and kept friends. Friendship proven in the crucible of service was his outstanding characteristic.

Those of us who knew him best mourn his loss. Being called to fill his seat in the Seventy-fourth Congress, I can conceive of no greater honor that might befall me than the ability to follow humbly in the footsteps of my predecessor, secure in the knowledge that he was a man whose service and example are well worth emulating.

Mr. DITTER. Mr. Speaker, on May 29, 1934, GEORGE FRANKLIN BRUMM was called to his eternal reward. On that day the Commonwealth of Pennsylvania lost one of its stalwart sons, one who had written his name into the record of noteworthy achievements for the State and for the Nation.

Mr. BRUMM was a lawyer, a soldier, and a statesman. In his chosen profession of the law he enjoyed the confidence of the court and of a large and influential clientele. He was ever mindful of the interests of those who committed their problems to him, and discharged with utmost fidelity his obligations to all whom he represented. As a soldier Mr. BRUMM carried out the splendid traditions of Pennsylvania on the field of battle. A love for country and a devotion to its institutions were the challenge to our colleague to render a service of loyalty and sacrifice for the Nation. Mr. BRUMM served as a distinguished Member of the House of Representatives in the Sixty-eighth, Sixty-ninth, Seventy-first, Seventy-second, and Seventy-third Congresses.

The interests of his constituents and the advancement of the merits of Pennsylvania were his constant care. His geniality and good fellowship won him a wide circle of friends in the House. On the floor and in committee he manifested an unusual ability which commanded the respect of all his colleagues. He championed causes which he believed to be right with earnestness, and fortified his opinions on disputed questions with accurate facts, which he presented with conviction. The record of his life is the record of a learned advocate, a courageous soldier, a sound statesman, and a faithful public servant. He exemplified the highest type of American manhood.

GEORGE FRANKLIN BRUMM had as his motto the declaration of President Lincoln when he said, "Stand with anybody that stands right. Stand with him while he is right and part with him when he goes wrong."

HON. THOMAS COFFIN

Mr. WHITE. Mr. Speaker, in the time of stress, uncertainty, and insecurity, during the dark days of 1932, the people of the Second Congressional District of Idaho chose from among themselves a native son, THOMAS C. COFFIN, to send as their representative to the seat of government at Washington, to cooperate with their chosen leader, our great President, to plan and put into operation a recovery program to halt the ravages of the depression and promote the general welfare by insuring to our people the principles of liberty and security upon which our Government was founded.

The record that was made by Representative COFFIN in the trying period of rebuilding this Government is a bright page in the history of the illustrious sons of Idaho.

By the death of Mr. COFFIN we have lost one of our valuable Members in the House of Representatives. As a new Member, he has made an enviable record for effective work in support of the great recovery program formulated and being carried into operation by the present administration. By his devotion to the interests of our people and by his industry and application to his duties at the Capitol he has made a record which will endear him to the people of Idaho and will be cherished with increasing appreciation as time passes.

HON. HENRY T. RAINEY

Mr. SMITH of Washington. Mr. Speaker, I deeply appreciate this opportunity to express my tribute to the memory of the late lamented Speaker, HENRY T. RAINEY, who was my friend and mentor. I had formed a high regard and admiration for him long before my election to this body, as I have for many years been interested in the proceedings of Congress and been a reader of the daily RECORD of its deliberations. Consequently, during the past twenty-odd years I had read Speaker RAINEY's addresses and his contributions in the debates in the House and become impressed with his ability and qualities of leadership. When I came to the Capital early in the year 1933, he was one of the first Members with whom I became acquainted and I shall always remember the kindness and courtesy with which he greeted me and his many acts of assistance to smooth the path of a new Member of the House. The fact that I was born in Illinois, which was also his native State, and very dear to him, was probably one of the reasons for his kindly interest in me. He was also more or less familiar with the State of Washington and the southwestern portion, which comprises my district, for during the 2 years, from 1921 to 1923, when he was not a Member of the House, the only interruption of his long period of service which caused him to become the dean of the House in the Seventy-third Congress, he had lectured on the Chautauqua course in southwest Washington and learned to know our people and their local problems. It was for the latter reason that he sympathized with my desire to attain membership on the Rivers and Harbors Committee; and when he was elected Speaker, I was able to realize my ambition.

Speaker RAINEY was one of the scholars in politics, possessed a liberal education, and a mind enriched with the treasures of knowledge. He had studied and knew the history of the past. He was a trained parliamentarian, and as the presiding officer of the House was fair and just in all his rulings.

HENRY T. RAINEY was a very pleasing and forceful speaker and an orator who swayed his audiences. On March 4, 1911, which was Robert Emmet's birthday, he delivered in the House a eulogy on the life and services of that great champion of Irish liberty, which, in my opinion, is one of the most eloquent speeches of modern times. His concluding words on that occasion were:

The time has almost come to write his epitaph—the time he dreamed of so long ago as he stood before his judges. His motives are known now, and his patriotism is understood in all the nations. When that time comes I would erect above his modest grave a monument of whitest marble piercing the skies, catching and reflecting back the first rays of the morning sun, gilded by the last rays of the setting sun, and on each of its four sides, high up above

the habitations of men, up toward the stars, I would emblazon in letters of fire, so that all might read this simple epitaph: "Here lies Robert Emmet, who died for liberty."

His farewell address to his colleagues on March 4, 1921, when he had been defeated for reelection after 18 years of service is very touching and a gem of purest eloquence. Two years later, in 1923, his constituents returned him to the House and he served here continuously until the time of his death in the summer of 1934, when the entire Nation was shocked by the sad news of his sudden demise after a brief illness.

I shall always prize a letter which I received from our late beloved Speaker, bearing date June 12, 1934, shortly before Congress adjourned, conveying to me a generous message of approval from our leader, which was simply another evidence of his thoughtfulness and helpfulness, "Your record has been fine", which was praise from Sir Rupert. It was another expression of the same generous spirit which prompted Speaker RAINEY to write me from his home in Carrollton, Ill., on October 3, 1933, the previous year, the following letter:

You must have made a splendid speech at the national convention of district postmasters. I hear from it even in Illinois. One of my postmasters, who heard your address, considers it one of the best he has ever heard and the best made at the convention. I hope you are getting a vacation. I am not. I expect to return to Washington early in November.

Busy and occupied as he was, this great man and holder of the third highest position in the American Government took the time and trouble to thus write to a new and unknown Member of Congress in order to encourage and inspire him to nobler efforts.

These incidents are in harmony with HENRY T. RAINEY's philosophy of life, which is set forth in a biographical article describing his long, distinguished public career. We are informed that a friend once asked him, "What is your philosophy of living, your idea of the aspirations a man should entertain and the rewards he should desire?" Speaker RAINEY replied earnestly, according to the writer, as follows:

The whole thing is covered by the phrase "service of others." My idea of right living is to do as much for others as I possibly can, consistent with the recreation or amusements that I should have. No life can be sanely lived without the contact of recreation or amusement. I remember Woodrow Wilson telling me soon after he became President: "RAINEY, if it were not for these opportunities for public service, I shouldn't care to be in public life; I shouldn't dream of attempting a second term in the White House." I think any man who is worth his salt feels that way. He has a sense of worth and achievement; he establishes his self-respect only as his ambitions and efforts are for the good of others.

We can truthfully say that Speaker RAINEY translated this philosophy of life into actual practice in his daily living and his contacts with his fellow men. He has gone from among us and we no longer behold his tall, stately figure, his classic but kindly features, with his locks of beautiful white hair which caused him to resemble the elder statesmen of a former day, nor do we hear the soft tones of his silvery voice. He has joined the invisible, voiceless assembly of the other living whom we commonly call the "dead", and we shall not see or hear him again until we, too, answer to the roll call which summoned him away. We are reminded of the exclamation of Charles XII of Sweden at the tomb of Sobieski, at Cracow: "What a pity that so great a man should ever die." And we reply: "He has not died, nor shall we ever die, for the human soul is immortal and we live forever."

Mr. ADAIR. Mr. Speaker, under the leave granted me to extend my remarks in the RECORD, I include the following address delivered by Hon. WILLIAM H. DIETERICH, Senator from the State of Illinois, in memory of Hon. HENRY T. RAINEY, former Speaker of this House:

During the early part of August this day was determined upon as a day of homecoming in honor of HENRY T. RAINEY, then Speaker of the National House of Representatives.

His friends and neighbors looked forward to this day as the time when they could meet and, by their presence, express their appreciation of the services he was rendering and had rendered to the people not only of this Twentieth Congressional District and the State of Illinois but the people of the Nation.

By his untiring effort, by his constant attention to the duties of the office he had been honored with, he had so impressed himself upon his colleagues in the Congress that in recognition of his energy, his ability, his character, and his worth, they had elevated him to the highest position within their gift.

This man of yesterday, whose childhood was spent around these scenes, whose character was formed amid these people, had risen to a position of power and influence second only to that of the Chief Executive of the Nation.

He reached those heights not by the chance of fortune, not by the utterance or act of a moment as some are raised to sudden prominence, but by faithful, loyal service he slowly climbed to the pinnacle, step by step.

And so HENRY T. RAINEY, while his friends were busy planning for this day in his honor, was called from his field of labors, and his friends are denied the privilege of his presence.

His passing was tragic; he was called at the high noon of his life's activities, when he was most needed and could least be spared.

But thus it ever is with all human plans and schemes, with all human aspirations and dreams; all are subject to the will of Him who rules the universe and holds in His hands the destinies of men and nations.

However uncertain human life may be, however bitter the disappointments and sorrows that we meet, the good we do continues and carries on, and so today the memory and the works of HENRY T. RAINEY are still a living force in the constitutional government with whose legislative activities he had been so long and intimately associated.

This day was to mark the beginning of a campaign in this congressional district for the advancement of those principles championed by HENRY T. RAINEY during the long years of his life, which principles had caused his fellow citizens to send him as their Representative to the Halls of the American Congress for so many years.

Nothing that I can say here today will add honor to his memory. The life he lived, the principles for which he fought, the things he achieved have done him honor far beyond any measure that could be expressed in language.

While his passing at this particular time, when new and untried policies of government were meeting the first test, the first expression of approval or disapproval from the citizenship of this Nation was tragic, and in such passing those principles and policies that he had fought so long to bring about lost a great champion, a fearless defender, he passed with a confidence that his friends would carry on and that the citizenship would approve.

HENRY T. RAINEY lived a full and useful life, his activities began at an early age and continued past the allotted time of 3 score years and 10. His work was energetic and incessant; he was blessed with good health up to the time that death touched his heart, 1 day short of the seventy-fourth anniversary of his birth.

No greater student of not only this Government but the governments of the world ever sat in the Halls of Congress.

No greater champion of the rights of the people to govern themselves and to set up those institutions whereby their will could be translated into law and policies of government ever held a seat in any legislative body.

He was a believer in that Government established by the fathers as expressed in the Constitution of the United States. He jealously guarded its various provisions and fought against all infringement by which the rights of the people might be destroyed.

He was ever an advocate of progressive legislation to meet the changing conditions of human activity.

He was a progressive in the true sense of progressiveness—that is, he was not a theorist—when change in human invention, in mechanisms, in the arts, and the sciences took place, when improved methods were adopted, he ever stood for those reasonable changes in those laws directing the manner in which the people's Government should be administered to meet those changes.

For more than a quarter of a century, a quarter of a century that marked the greatest advancement in inventive science, when transportation, communication, and mechanical production were entirely revolutionized, and when those improvements could be employed to bless or oppress mankind, HENRY T. RAINEY stood in the Halls of Congress fighting against monopoly and battling for the people's rights.

HENRY T. RAINEY was a legislator in the true sense of the word; he knew his Government, its people, and their problems; he was acquainted with the activities of the citizens, and he was ever watchful that the doors of opportunity were kept open to all the people.

He was more than a legislator, he was an expert; his long service on the Ways and Means Committee of the House, which had to do with the expenditures of the Federal Government, familiarized him with every detail of governmental activity.

He was recognized as an authority on tariffs; he had a more intimate knowledge of the ability to produce, the quantity produced, and the cost of production of every import that found its way to our ports of entry than any other Member of the Congress. This knowledge enabled him to determine intelligently the proper tariffs to be levied in order to enable our own industries to meet the competition and yet not oppress the consuming citizenship.

He took his place as Speaker of the National House of Representatives better equipped for the duties of that office than any predecessor since the founding of the Republic.

He presided over that body during the most critical peace-time period in the Nation's history.

As such Speaker he had more to do with carrying out the legislative program of the administration than any other Member of either legislative branch.

He not only had to do with carrying out the legislative program but he was in almost daily conference with the President and the Cabinet in formulating the legislation to be presented to the Congress.

Franklin D. Roosevelt had no stronger supporter of his policies and no more loyal friend than the late Speaker of the National House of Representatives.

When President Roosevelt laid down his work and took up his journey from Washington to Carrollton to be present at the funeral, he did so not only to pay the Nation's respect to the memory of the deceased but to pay his personal tribute and respect to one who had been his loyal friend and adviser.

While his public life and character are the inspiration of much eulogy, and the memory that in the performance of his public service he was not wanting is a consolation to his friends, his private character known only to those with whom he was the more intimately associated leaves the tenderest memories.

He was everything that you could admire in a friend. He had every attribute that endeared him to his associates.

He was the soul of honor and integrity. He had more virtues and less vices than perhaps any man in public life.

He appreciated and enjoyed the association of his friends, he was companionable and courteous, at times careless about his own but ever thoughtful of the welfare of those who by the ties of friendship had claims upon him.

And so today when we meet to pay our tribute of respect to his memory we are happy in the thought that this community and the Nation have been enriched by his life, that he has contributed his full share to human advancement and the sum of human happiness.

That while the ideals for which he fought have lost a leader, those ideals will live on and will find expression in the future policies of government.

By his death progressive government has lost a champion, the Nation has lost a leader, the State a servant, and the district a friend.

He sleeps amid the scenes of his childhood, by the side of those he loved, near the people he served.

Mr. MEEKS. Mr. Speaker, I became acquainted with HENRY T. RAINEY in 1902, during his first campaign for Congress. This acquaintance continued uninterrupted until his death. I probably knew him longer than any other Member of this House. In order to understand any public career, one must know much of the factors influencing the formative years. I do not think HENRY T. RAINEY's career can be clearly understood without such knowledge.

He was born at Carrollton, Ill., county seat of Greene County, a little city now with a population of about 3,000. His parents were pioneers of that region, and aided materially in its development. For a time he practiced law. The courthouse stands in a public square, such as is found in many midwestern counties. It is a two-story building, where folks of the town and countryside come to hear the important happenings in the general vicinity, a place where almost everybody knows everybody else, and calls them by their first names. There is little of the conventional about the associations of the people in that country.

The congressional district he represented so many years was a long time regarded as the most reliably Democratic of any in Illinois. He served it continuously from the beginning of his first term, in the Fifty-eighth Congress, until his death, with the exception of one term. I think I am responsible for the first mention of his name as Speaker of the House of Representatives. It was in 1928 during an address I delivered at Jacksonville, the largest city of his district. I urged the importance of his reelection because I thought that, with his continuance in office, he had the best chance of becoming Speaker of any man in the Middle West. He was on the platform. In a few days I received from him a note of thanks for coming into his district and speaking so kindly of him.

For some years he and I served together as trustees of Illinois College, the oldest in Illinois, located at Jacksonville. This institution is an offshoot of Yale, and its founders made history in Illinois and the Nation. Its first president was Edward Beecher, a brother of Henry Ward Beecher, of pulpit fame throughout the world. One of the earliest graduates was Richard Yates, war Governor of the State when Lincoln was President. His son, Richard Yates, Jr., was

later Governor and Representative at Large from Illinois to the Congress. Stephen A. Douglas, known as the "Little Giant", and a great rival of Lincoln, practiced law in Scott and Morgan Counties in Mr. RAINNEY's district. There are many reminiscences and traditions of these great men still circulating in this territory. The district he represented lies in that portion of southwestern Illinois where the great prairies merge into the extensive timber section of the southern part of the State. Through it flows the Illinois River to the Mississippi, upon both of which came the Jesuit explorers who gave a color of romance to the history of their discoveries. In the vicinity of Carrollton was timber with fertile bottoms bordering the smaller streams, flowing toward the Illinois and westward, other streams making their way into the Mississippi. From his home he could see across the valley of the Illinois and by a short journey could easily reach the Mississippi. Settlers came into this country from Kentucky, Ohio, Virginia, and other States of that general region—hardy pioneers who planted civilization in that historic land.

Much of the urban population is in small towns and cities. Jacksonville, the largest, a center of learning and culture, has a population of some 17 or 18 thousands. A people, sturdy, fearless, determined, honest, and progressive, carved their homes out of this country. They were not accustomed to the artificialities of life, or of the means of making a livelihood, other than the essential implements of labor. The greatest industry, of course, then as now was agriculture. Carrollton is on the main highway leading from Chicago south through Springfield, the capital, to St. Louis. The town was proud of its most eminent citizen. At its four entrances, made by two improved highways through it, was a large sign bearing the inscription, "Home of HENRY T. RAINNEY, Speaker of the House of Representatives." A mile or so off the junction of these highways was the imposing home where he spent the last years of his life, except when in Washington or in travel. Knowing him and his home, one can easily understand how they were adapted to each other. It is a farm of some 500 acres with majestic trees spreading their branches about the house and other buildings. The mansion is of brick, large and commodious, and seems to extend a friendly and cordial welcome to those who call. It bespeaks the occupant as an influential character in community life. It was at Carrollton where RAINNEY spent his life, except the years at Amherst College, of which he was an alumnus, the period of his law studies, and subsequent years of service for his people in Washington.

Such surroundings, such distances, such unobstructed outlooks give men broad views. They come to maturity in full activity without the restrictions imposed upon them in densely populated centers. There was plenty of room, air, and the gifts of nature all about to provide him space in which to move and grow and to become acquainted with the world and its people. There is something about spaces of land, streams, and bountifulness of a rich country which inspires man's vision. It was from this kind of environment that he came to Washington to spend 30 or more years in the House of Representatives, and in which he was to rise to its highest place of influence and power, the Speakership. He came as a man with strong views, aggressive and militant in spirit in defense of them. To his mind there was a strong natural appeal of his constituents as he knew them in the broad expanses of southwestern Illinois. He came to the Capital of his country as a crusader, his soul attuned to the hopes and aspirations of his neighbors on the prairie lands of his native State. He raised his voice in their behalf. He fought his way into the notice and respect of his colleagues. They discovered he was honest and rugged, that he had a point of view, that he was fearless, that he was for his constituents always, but nonetheless for the whole country. The oldest of his colleagues watched his growth through the years. He strengthened as the oak resists and battles the elements. He stood erect against all storms, all attacks, and never faltered in his attitude toward what he considered the right. His was the tongue of HENRY T. RAINNEY; the thoughts and sentiments were those of the people on the broad ranges of his district. He never forgot them.

He traveled much, but never forgot the intimate touch of the country of his birth and life. He was unspoiled by strange and artificial contacts. To all who lived in the region he served he was a neighbor, known to them always as HENRY T. RAINNEY. The outlook of his youth and early manhood never lost its influence upon him. He became one of the country's famous men, but never ceased to be a friend and neighbor among those whence he came. All these things shaped and influenced the course of his life. They inspired him in the course he pursued. Like Joan of Arc, he never forgot those voices. They came to him wherever he was and moved him to action in the forum of the Nation.

The story of his life is not complete without including something of his faithful wife, Ellen McBride Rainey, associated with him not only in early manhood but throughout all official life. Official Washington knows of the devoted and faithful efforts she joined to his. The extent of help she gave him during all the years she was his companion cannot be fully appreciated. Hers was a life of unselfish devotion and labor. Her life is the kind which makes a story in which the mutual cooperation of one man and one woman leads to sublime heights. It was as if they were engaged in a joint enterprise of mutual endeavor, with their goal the attainment of a greater and more useful purpose. I could not close this brief narrative without this tribute to her. I cannot express all that is due to her efforts in the notable career of this man, which has become a part of her own, justice giving her an ample share. She now occupies the home at Carrollton, where the neighbors came, where the neighbors' children came, to enjoy the pleasures provided for them during his life.

He lies at rest in the town cemetery along the great highway between Chicago and St. Louis upon an eminence overlooking the countryside he knew so well as a boy and young man, and from which came much of the spirit directing most of his life's course. There came to his funeral in the summer of 1934, the President of the United States and many other notables, men and women from various parts of the land, and most impressive of all, there came many thousands of his neighbors and friends to say farewell.

The records disclose his official acts. I trust this brief narrative throws light upon some of the reasons of such acts.

Mr. PARSONS. Mr. Speaker, on August 19, 1934, the soul of our beloved colleague and friend, Hon. HENRY T. RAINNEY, Speaker of the House of Representatives, passed into the Great Beyond. His sudden death brought a great shock, much grief, and sorrow not only to the great State of Illinois, which he served but also to the entire Nation.

I shall not undertake to dwell upon the educational accomplishments and the legislative achievements of the late Speaker RAINNEY. That has been well stated by other speakers, and his claim to fame is written in the legislative records of the Congress of the United States.

But I wish to say that from the day I became a Member of the House of Representatives I loved and respected HENRY RAINNEY. He impressed me as a gentleman of the highest character. His unimpeachable integrity, sublime courage, and sincerity of purpose were known to every colleague with whom he served. He was a lover of truth, a statesman in the finest and technical sense of the word, and it can be truthfully said that he never deserted a friend or struck foully at an enemy. His record of service is unapproachable and will live forever in the annals of American history.

He was truly the leading spirit of the memorable Seventy-third Congress, and most of the credit of achievement in that Congress is due Mr. RAINNEY.

Though he has left us, may we with the poet say:

There is no death! What seems so is transition;
This life of mortal breath
Is but a suburb of the life elysian,
Whose portal we call Death.

In the words of Speaker RAINNEY, uttered at the bier of his late colleague, the Honorable Edward W. Pou, I say with fondest memories, "Good-bye, old friend, and farewell."

Mr. MASON. Mr. Speaker, as an intimate social friend and close political associate of the late Speaker, HENRY T. RAINY, I count it a privilege to contribute a few words at this time that may endear his memory.

In the belief that this purpose will in no manner be better served, I desire to offer the appended from the pen of Mr. King Hostick, Mr. RAINY's influential friend and my friend:

Even as President Roosevelt has his stamp albums that he may turn to during the few quiet moments that he may chance to get, so had the late HENRY T. RAINY, who was considered the second most important man in the land, something to which he might turn, relieving and refreshing his mind, so troubled with affairs and cares of state.

It may well and truly be said that Speaker RAINY had many hobbies, but narrowing the field, I think, the most outstanding to him were his home and his collection of Currier & Ives prints.

Of the home alone, nothing short of a large volume could be written. Practically every piece of furnishing in the home itself had its own personal story. The clock in the hall entrance . . . why that was in historic Monticello, the home of Thomas Jefferson in "ole Virginia." Notice the little desk. It was used by that eminent son of Illinois, "Stephen A. Douglas" . . . and the chandelier in the front reception room . . . it is magnificent . . . why to be sure, it came from none other than the White House, removed from there in remodeling by Mrs. Theodore Roosevelt . . . a chest, also in the front room, magnificently bound in beaten brass, picked up by the Speaker on his historic visit to Russia a few years ago . . . a huge plaque, bearing the seal of the United States, in fact the very one which hung on the inaugural stand when the oath of office was administered to Franklin D. Roosevelt . . . a painting here and there showing the stately Speaker with his snowy white locks, adding dignity and strength to the portraits . . . the next room to the north is the dining room, neatly adorned by a framed caricature of Mr. RAINY on the floor of the House . . . close by hangs a framed symbol of the Rainey coat of arms . . . and countless other articles too numerous to mention . . . it was here in these rooms that Franklin D. Roosevelt, the President of the United States, came to Carrollton to pay silent tribute to HENRY T. RAINY, in death.

His home could not be mentioned without note being made of his reindeer. The Speaker had a large penned enclosure provided for them to the east of Walnut Hall, in which he kept these pet deer, a small species known as "Japanese deer." He spent many restless minutes, turning to hours, with these pets.

The garden, just west of the home, could well be elaborated on also, with its beautifully shrubbed paths and pedestals mounted with bits of unique statuary, occasionally a basin with the water therein literally bronzed with goldfish. Who could but want to spend his entire time out here with God!

Probably the interest closest the Speaker's heart was his Currier & Ives print collection. Some 50 of these covered two sides of Mr. RAINY's bedroom. Here in the quietness of his own room, away from rushing people, the Speaker was able to enjoy these prints.

It was my favor and pleasure to visit the Speaker in his bedroom a number of times, where I listened to him tell again and again, about this print or that print, and the particular significance of certain ones. Some of them were rare. Nearly all were collected from old homes the Speaker and Mrs. Rainey visited during their travels throughout the country.

Here, too, in Mr. RAINY's bedroom still stands another piece of furniture worth note, a full-length golden mirror, at the top of which are 13 tiny balls, representing the Thirteen Original States of the Union. One finds upon closer inspection that it bears a tiny plate engraved stating the mirror was presented to Martha Washington, wife of the Father of Our Country at the inaugural ball held in New York City. In the Rainey home, yet today, this magnificent piece of craftsmanship still stands in as fine condition as the day it was presented, truly a fine symbol of the birth of our Government.

HON. ANTHONY J. GRIFFIN

Mr. FITZPATRICK. Mr. Speaker, I am indeed grateful for this opportunity to raise my voice in brief tribute to the life, character, and public service of my warm friend and colleague the Honorable ANTHONY J. GRIFFIN, late a Representative from my State of New York. No words of mine can adequately and fully describe the high esteem in which our departed colleague was held by all who knew him. It is said the richest possession a person may acquire is the confidence, respect, and esteem of our friends and acquaintances. He had all of these, and his memory is enshrined in the hearts of the people of his district, his former colleagues in this House, and his host of friends in Washington and throughout the country.

He was earnest, eloquent, and convincing in debate, possessing a good stock of sound, common sense, and was a fine judge of human nature.

Congressman GRIFFIN was an able lawyer, statesman, writer, and soldier. He left a record behind which any man could be proud of. To his friends he was affectionately known as "TONY" GRIFFIN.

Mr. TABER. Mr. Speaker, the Honorable ANTHONY J. GRIFFIN was a Member of Congress and a member of the Committee on Appropriations at the time I entered Congress. It was my privilege to work beside him for 12 years. He was a man of great sincerity of purpose and a prodigious worker. He gave the best that was in him to the problems of the country.

He was always especially interested in the human side of things and was probably responsible more than anyone else for the investigation that was conducted into the submarine situation after the sinking of a submarine off Portsmouth several years ago. The result of that investigation has been the development of many devices for the protection of those who are operating submarines. In the last session of Congress he performed notable service during consideration of the permanent appropriations bill, and the confidence in which he was held by the House was indicated by the fact that not a single vote was cast against the bill when it came to passage.

Mr. GRIFFIN will be greatly missed and our sympathy goes out to his family.

Mr. CULLEN. Mr. Speaker, ANTHONY J. GRIFFIN died January 13, 1935. He had been in public life for many years, serving his district in the New York State Legislature and then as a Member of this body since the Sixty-fifth Congress. This brief statement shows that he was an unusual man. But, Mr. Speaker, he deserved this recognition at the hands of his fellow men, by the faithful manner in which he discharged his duties.

The position which he held on the Committee on Appropriations for so long is ample evidence of his great ability in handling intricate problems of legislation. He was held in high esteem by the Membership of the House and his views on public matters were greatly respected.

During the Spanish-American War he served with honor and distinction as a captain in Company F, Sixty-ninth New York Regiment, and during his many years in public life he endeared himself to the veterans of this country through his tireless efforts in behalf of their welfare.

I feel that I have lost a very dear personal friend in ANTHONY GRIFFIN. I knew him for many years and served with him in the Senate of the New York State Legislature as well as the Congress of the United States. Through our many years of personal friendship and close association, I learned on countless occasions the true warmth of his heart and the kindness of his spirit.

Our friend and colleague has passed on to a better world. He was a good man, a good citizen, a loyal friend, and an able legislator.

Mr. BOYLAN. Mr. Speaker, on Friday, January 18, 1935, on a hillside in beautiful Arlington Cemetery, facing the Capitol, the scene of his principal life's work, we laid to rest the mortal remains of our dear friend and colleague, ANTHONY J. GRIFFIN.

My first acquaintance with him dated back some 20 years when we served together in the Senate of the State of New York. I can well remember during those years the same indefatigable industry and close conscientious attention to his legislative duties that were always characteristic of him. On every question presented he gave careful, conscientious study, and his vote on its passage was always dictated alone by the merits of the proposition. He was considered one of the outstanding members of the senate.

The acquaintanceship formed at our capital city, Albany, N. Y., continued during the years until we found ourselves working together in the Congress of the United States.

We were both assigned to the important Appropriations Committee. I can truthfully say from my experience that no man on that committee gave more attention to the study

of the departmental estimates presented to us than he did. He was peculiarly equipped for this work owing to the fact that he held a degree not only in law but also in engineering.

We are all familiar with his work during the last 3 years of his life in regard to the permanent Appropriations Committee. Only last year the House unanimously passed the bill bearing his name restoring to the Congress the right to make annual appropriations for many items instead of permitting them to be covered in permanent appropriations. I do not think there is another man in the House who would have given these matters the time and study that he did.

Our colleague was noted for his brilliant accomplishments as a citizen, a soldier, an editor, an engineer, a lawyer, a legislator, and a statesman. In his passing his home State of New York lost a devoted son, and the Nation an able and accomplished legislator whose work will long be remembered by his colleagues.

Peace be to his soul, rest to his ashes.

Mr. O'CONNOR. Mr. Speaker, my friend and colleague, ANTHONY J. GRIFFIN, has gone, but not gone out of the memory of his colleagues and friends who loved him as I did.

I did not know him when he was a senator in the State of New York, but I first met him in the New York State Constitutional Convention of 1915, and I know what men, like Mr. Elihu Root, president of that convention, and Mr. Alfred E. Smith, its outstanding personality, thought of my friend. TONY GRIFFIN was not a politician. He hated the lowliness of politics, as that word is popularly interpreted. Nor was he ever a demagogue. He had a mind of his own and took orders from no boss and from no group. His votes proved that.

As one of the leading members of the important Committee on Appropriations of the House of Representatives of the United States, he had found his place in the sun. No Member of the House worked harder or for longer hours during 2 decades than he. He was servile to his duty but to nothing else.

With his lovely wife, he spent a worth-while life, loved by his friends and sought for his intelligent contributions to any gathering.

Tony had his hobbies as all great men have. Astronomy was his chief one. He not only studied it but wrote about it, not in an amateurish but in a scientific manner.

In the Congress of the United States, Representative GRIFFIN, of New York, has left his mark, which can never be eradicated. If it were only for his work as Chairman of the Committee on Permanent Appropriations, in which tireless task he was responsible for saving to his Government hundreds of millions of dollars every year, his name and fame will survive in the annals of his Government, which he not only loved but served.

Mr. KENNEDY of New York. Mr. Speaker, I can add but little to the tribute that has been paid by my fellow Members to the memory of my departed friend and colleague, ANTHONY J. GRIFFIN.

Born in New York City, Representative GRIFFIN was admitted to the bar in 1892, served as a soldier during the Spanish-American War, was elected to the New York State Senate in 1910, and was a Member of the House of Representatives from 1918 until his death on January 13, 1935.

It would be impossible here to present in more than briefest outline the principles which guided and controlled the conduct of our late comrade in both his public and private life. The excellencies of mind and heart which characterized him in his more intimate personal relations were truly reflected in his larger relation as a public man and servant of the people. Loyalty, not only to friend and fellow man but to ideal and conviction, was the great directing force of his energies. He was a man of lofty ideals, competent to resist evil in the restricted sphere of his private dealings and relations, and was able to cope with the far more complex forces which beset a man in public life and too often tempt him to sacrifice honest conviction to political expediency. On every hand we hear that good men are prone to be weak

in the open advocacy of that which they truly believe to be right, and that the bold and courageous efforts of men are most frequently directed to the service of quite selfish ends.

Mr. Speaker, as a complete refutation of this notion, so often expressed nowadays, that the man in public life must run counter to his own truest thought and conviction, let me point to the life of our departed friend, replete as it was with good deeds performed for the public welfare under conditions requiring the exercise of moral courage of the very highest order. Here was a man who never compromised the truth as he saw and believed it, and never did he enlist his splendid talents in a cause that did not command his truest thought and sympathies.

From early manhood his naturally combative mind had been trained in that severest of all forensic schools, the courtroom; and when he reached the House of Representatives, he was an intellectual foeman worthy of the most seasoned debater's steel. To him political virtue consisted in something more than mere subscription to the tenets of his party's faith; to him it meant action—ceaseless and dynamic action—to bring his fellow men the actual and present realization of the blessings of good government; to him it meant the putting on of the full armor of righteousness and uncompromising warfare on the cohorts of special favor and privilege. Public office and station represented something more to him than the mere realization of personal ambition; it represented to him opportunity to serve his fellow men, and I need not say how well that opportunity was improved.

May the breezes of summer blow softly where the remains of my dear friend, ANTHONY J. GRIFFIN, lie buried in the National Cemetery at Arlington; may the snows of winter be light on his grave; and over his last resting place may the birds sing their sweetest songs.

May God, in His mercy, command that his soul be received by the holy angels and be conducted to Paradise.

Mr. DICKSTEIN. Mr. Speaker, ANTHONY J. GRIFFIN has been gathered to his fathers. A lovely and charming personality, he was a Member of this body since March 5, 1918. Always in the forefront of the active workers of this House, he served on the most imposing committees of the House of Representatives, being a member of the Committee on Appropriations and Chairman of its Subcommittee on Permanent Appropriations.

ANTHONY J. GRIFFIN was a lawyer of standing and his eminent legal ability served him in good stead in the transaction of his official duties in this House, where legal ability is so greatly desired. He also was an experienced legislator before he came to this House, having served in the State senate for 4 years and being actively engaged in promoting important legislation in the State of New York, including the final draft of the law organizing the new municipal court of the city of New York, which almost revolutionized the practice before that tribunal, and made the municipal court of the city of New York a model for other courts throughout the United States for the trial and settlement of "small causes", and also established a norm for legal procedure in the "poor man's court."

ANTHONY J. GRIFFIN was also a member of the constitutional convention of the State of New York held in 1915, and as such pledged a draft of the judiciary article of the State constitution, which in due course became enacted into law.

We mourn the loss. He was one of the most outstanding Members of this House, and through the charm of his personality and the sweetness of his life endeared himself to each Member of this body, and he will long be remembered, and his memory will always remain green with us.

Mr. SULLIVAN. Mr. Speaker, once again death stills the hand and mind of one of the most beloved members of the New York delegation, and my cherished friend and colleague, ANTHONY J. GRIFFIN—affectionately known to his legion of friends as "Tony"—has been called to render an account of his stewardship. Words are mere phrases and meaningless to me in attempting to say that which comes to my heart

in the death of him whom I have known most intimately for many years.

It was my privilege to serve with TONY GRIFFIN as a member of the Senate of the State of New York for two terms—1910–14. Our legislative paths again crossed in the National House of Representatives, to which he was elected in 1918.

As a member of the New York State Senate, TONY GRIFFIN displayed the same untiring energy and devotion which characterized his service to the Nation during his 17 years as a Member of the House of Representatives, a devotion to duty which in a large measure contributed to his passing on before his time. During his service as senator he sponsored much legislation for the betterment of the people of the State of New York; following his retirement from the senate he continued his interest in civic affairs, and among his greatest achievements and accomplishments was his service on the widows' pension fund commission, which drew up the widows' pension law now on the statute books of New York State.

On his work here in Congress there is no need for me to dwell. We are all familiar with his untiring energy, his fine grasp of legislative procedure, his devotion to the principles of his party, and his ever-constant desire to do that which would be for the betterment of mankind.

Soldier, lawyer, statesman; in time of war he served his country with distinction and honor on the field of battle; in time of peace, he died in the service of his country, leaving to those who mourn him the record of a distinguished legislator and the memory of a lovable character; he was a man's man. It was an honor and privilege to know him and call him "friend."

To his good wife who was his companion and helpmate for so many years, we offer our loving sympathy and extend our condolence. In our prayers let us beseech for her that full measure of strength and fortitude necessary to bear her loss, in the spirit in which he would have her bear it, until such time as she may be called to join him in the Great Beyond and share with him that eternal reward vouchsafed to those who follow in the footsteps of the Lord.

Green be the turf above you,
Friend of my better days!
None knew thee but to love thee,
None named thee but to praise.

AFTER RECESS

At the conclusion of the recess the Speaker called the House to order, and then, pursuant to House Resolution 201, as a further mark of respect to the memory of the deceased, declared the House adjourned.

ADJOURNMENT

Accordingly (at 1 o'clock and 20 minutes p. m.), in accordance with its previous order, the House adjourned until tomorrow, Wednesday, May 22, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

350. Under clause 2 of rule XXIV a letter from the Secretary of War, transmitting a recommendation for the early enactment of S. 557, H. R. 4841, and H. R. 4842 was taken from the Speaker's table and referred to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CONNERY: Committee on Labor. S. 1958. An act to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a national labor relations board, and for other purposes; with amendment (Rept. No. 972). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 6468. A bill to promote the development of Indian arts and crafts and to create a board to assist therein, and for other purposes; with amendment (Rept. 973). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIRKSEN: A bill (H. R. 8158) to amend the act of Congress approved May 28, 1924, to regulate the practice of optometry in the District of Columbia; to the Committee on the District of Columbia.

Also, a bill (H. R. 8159) to repeal section 239 of the Criminal Code of the United States; to the Committee on the Judiciary.

Also, a bill (H. R. 8160) to amend section 601 (c) (2), title IV, of the Revenue Act of 1932, as amended; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial by the Legislature of the Territory of Hawaii, requesting the Congress of the United States to authorize the issuance of certain Territorial bonds; to the Committee on the Territories.

Also, memorial by the Legislature of the State of Illinois requesting Congress to enact legislation for the printing of a stamp commemorating Commodore John Barry; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MURDOCK: A bill (H. R. 8161) granting a pension to Jacob A. Tuft; to the Committee on Pensions.

By Mr. RUSSELL: A bill (H. R. 8162) granting a pension to Cora M. Higgins; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8549. By Mr. ANDREW of Massachusetts: Petition of the General Court of Massachusetts, urging the enactment of legislation to substitute another tax for the discriminatory tax on cigarettes selling at a low price; to the Committee on Ways and Means.

8550. By Mr. BELL: Petition of the Southwestern Bell Telephone Co. employees, protesting against the enactment of the Wagner labor-disputes bill; to the Committee on Labor.

8551. Also, petition of the P. B. X. Installation Plant Chapter of the Southwestern Bell Telephone Employee Association, protesting against enactment of the Wagner labor-disputes bill; to the Committee on Labor.

8552. Also, petition of employees of the Southwestern Bell Telephone Co., St. Louis, Mo., protesting against the enactment of the Wagner labor-relations bill; to the Committee on Labor.

8553. By Mr. KENNEY: Petition of members of the Palisades Park Woman's Club, urging the support of House bill 6472; to the Committee on Interstate and Foreign Commerce.

8554. Also, petition of the chamber of commerce of the city of Newark, N. J., opposing the transfer of the air mail terminus from Newark Metropolitan Airport to any other airport in the New York metropolitan area; to the Committee on the Post Office and Post Roads.

8555. By Mr. LAMNECK: Petition of Howard McClanen, legislative agent Blendon Grange, of Westerville, Ohio, requesting support of House Joint Resolution No. 212, directing the Federal Trade Commission to investigate the abnormally high price of farm machinery, to the end that it might be reduced; to the Committee on Interstate and Foreign Commerce.

8556. By Mr. MURDOCK: Resolution of Uintah Lodge, No. 1223, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, urging enactment of House Joint Resolution No. 219; to the Committee on Interstate and Foreign Commerce.

8557. By Mrs. ROGERS of Massachusetts: Petition of the General Court of Massachusetts, favoring the enactment of Federal legislation to substitute another tax for the discriminatory tax on cigarettes selling at a low price; to the Committee on Ways and Means.

8558. By the SPEAKER: Petition of the Farmer-Labor and Progressive League, Racine, Wis.; to the Committee on Ways and Means.

8559. Also, petition of the Townsend Club of St. Louis, Mo.; to the Committee on Ways and Means.

8560. Also, petition of the city of Milwaukee, Wis.; to the Committee on Ways and Means.

8561. Also, petition of the Montana Society, S. A. R., requesting the Congress of the United States to make the 17th of September, known as "Constitution Day", a national legal holiday; to the Committee on the Judiciary.

8562. Also, petition of the convention of Building Service Employees' International Union, favoring the Wagner disputes bill (S. 1958); to the Committee on Labor.

SENATE

WEDNESDAY, MAY 22, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, May 21, 1935, was dispensed with, and the Journal was approved.

JOINT MEETING OF TWO HOUSES

Mr. ROBINSON. I ask unanimous consent that at the hour of 12 o'clock and 15 minutes p. m. the Senate proceed in a body to the Hall of the House of Representatives pursuant to Concurrent Resolution 22.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

INCREASE OF NATIONAL REVENUE

Mr. ROBINSON. Mr. President, there is an Associated Press report which has come to my attention, published in today's Washington Post, relating to the increase in internal-revenue receipts. The article referred to is headlined:

Tax income up \$549,150,374 in 10 months—\$2,664,853,327 collected in internal revenue, says Treasury.

The article then proceeds:

The Treasury last night reported internal-revenue collections of \$2,664,853,327 during the first 10 months of the fiscal year, an increase of \$549,150,374 over the same 1934 period.

In April, the tenth month, \$194,083,458 was received. This was \$40,719,662 more than in April 1934.

Agricultural adjustment taxes continued to lead the way in showing gains, both for the month and for the year. April's income of \$46,889,684 was 35 percent more than April of last year, swelling the 10-month total for this class of revenue to \$453,007,693, or an upturn of 57 percent over 1934.

Miscellaneous internal revenue collections jumped 24 percent in April to \$122,808,927, bringing the year's total to \$1,389,339,257, or 14 percent greater than last year. This main classification included \$33,249,450 in liquor taxes collected during April and \$333,517,841 received during the 10-month period, representing a gain of 70 percent over 1934.

Income taxes have produced \$822,506,376 thus far in the year, to run 35 percent ahead of 1934.

The Treasury statement showed 10,696,782,123 small cigarettes were sold during April, an increase of 1,400,000,000 over the same month of last year.

This statement, Mr. President, which it is assumed is correct, shows the marked increase in the revenues of the Government. It indicates very clearly and forcefully, in spite of the contentions to the contrary made in this Chamber from time to time by Members of the Senate, that the country is well on the road toward recovery. An increase of \$549,000,000 plus in the income taxes shows a rapid growth in income or in earnings.

I do not care to consume time of the Senate; but, before taking my seat, let me state that under the order of the

Senate, at the hour of 12 o'clock and 15 minutes p. m., this body will proceed to the Hall of the House of Representatives to attend the joint session provided for in House Concurrent Resolution 22.

SUPPLEMENTAL ESTIMATES, LEGISLATIVE ESTABLISHMENT (S. DOC. NO. 63)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, pertaining to the Architect of the Capitol, for the fiscal year 1936, in the sum of \$42,650, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Assistant to the Secretary of Labor, reporting, pursuant to law, that there is in the files of the Department of Labor an accumulation of miscellaneous documents and papers which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. WALSH and Mr. BORAH members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter from the board of directors of the Los Angeles (Calif.) Chapter of the National Association of Cost Accountants, signed by its president, Thomas D. Lindholtz, transmitting a proposed draft of an amendment, relative to the extension of credit, to section 206 of pending legislation known as the "Banking Act of 1935", which, with the accompanying papers, was referred to the Committee on Banking and Currency.

He also laid before the Senate a petition signed by the president and members of the Capital City Townsend Club, Lansing, Mich., praying for the inclusion in pending social-security legislation of the so-called "Townsend old-age revolving pension plan", which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Council of the City of Cleveland, Ohio, praying for the prompt enactment of the so-called "Costigan-Wagner anti-lynching bill", which was ordered to lie on the table.

He also laid before the Senate a telegram in the nature of a memorial from William J. Wheeler, of Ottawa, Ill., remonstrating against the enactment of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which was ordered to lie on the table.

He also laid before the Senate telegrams in the nature of petitions from several citizens of the United States, praying for the enactment of the so-called "Patman bonus bill", which were ordered to lie on the table.

Mr. COPELAND presented a resolution endorsed by the Kings County District Council, Steuben Society of America, Brooklyn, N. Y., favoring the prompt adoption of the so-called "Ludlow amendment to the Constitution", to the effect that before any declaration of war shall be made by Congress the people of the country shall have an opportunity to declare by referendum their decision on the question, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Women's Republican Club, of College Point, N. Y., favoring the adoption of the so-called "equal-rights amendment" to the Constitution, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Common Council of the City of Pulaski, N. Y., favoring the enactment

of legislation proclaiming October 11 in each year as General Pulaski's Memorial Day, which was ordered to lie on the table.

Mr. WALSH presented petitions of Local Union No. 4, United Association of Journeymen Plumbers and Steam Fitters, of Worcester, and the Central Labor Union, of Haverhill, both in the State of Massachusetts, praying for the enactment of legislation imposing a graduated tax on cigarettes, which were referred to the Committee on Finance.

He also presented a resolution adopted by Lady Garfield Council, No. 3, Sons and Daughters of Liberty, of Springfield, Mass., protesting against the passage of the so-called "Kerr bill", pertaining to deportation of aliens, which was referred to the Committee on Immigration.

He also presented the petition of David W. Wright Lodge, No. 549, Brotherhood of Locomotive Firemen and Engineers, of Greenfield, Mass., praying for the enactment of pending legislation extending the effective period of the Emergency Railroad Transportation Act for 1 year, which was ordered to lie on the table.

He also presented a petition of sundry citizens of Worcester, Mass., praying that the Supreme Court of the United States grant a rehearing in the so-called "Railroad Retirement Act case", which was ordered to lie on the table.

He also presented petitions of sundry citizens of the State of Massachusetts, praying for the enactment of the so-called "Patman bonus bill", which were ordered to lie on the table.

Mr. FLETCHER presented a petition of several citizens of St. Petersburg, Fla., praying for the enactment of legislation to control the medium of exchange and regulate the value thereof, and to pay all debts and obligations of the Government with legal tender, etc., which was referred to the Committee on Banking and Currency.

PROPOSED AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT

Mr. FLETCHER presented a letter from B. E. Squires, assistant secretary, Control Committee Florida Celery Industry, Sanford, Fla., with accompanying resolutions signed by about 140 farmers of Seminole County, Fla., which were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, without the signatures attached, as follows:

[Control Committee Florida Celery Industry, authorized by Agricultural Adjustment Administration marketing agreement no. 42, license no. 51]

SANFORD, FLA., May 21, 1935.

Senator DUNCAN U. FLETCHER,
Washington, D. C.

DEAR SENATOR: Attached is a resolution with reference to the A. A. A. amendments about to be voted on.

You will find that this list represents about 140 actual dirt farmers of Seminole County. These growers represent approximately 75 percent of the vegetables grown in this county.

You will receive a similar resolution from growers from the Sarasota and Manatee sections.

We urge your support of these amendments and also request you to communicate the information herein to the other Florida Congressmen.

Farmers and producers throughout the country are keeping a watchful eye on the activities of their representatives with reference to agricultural legislation.

Trust you advise us results of the vote on these amendments as soon as possible.

Very truly yours,

B. E. SQUIRES, Assistant Secretary.

Whereas we are about to complete marketing and distributing this season's celery crop, which, in our opinion, has been the most profitable and successful deal we have experienced in the past several years; and

Whereas all shippers and growers have been operating under Agricultural Adjustment Administration marketing agreement no. 42, license no. 51, we feel that a large share of the credit for our success should be passed on to the effectiveness and control of the marketing agreement and license: Therefore be it

Resolved, That we, the undersigned growers, hereby urge each of you to support the amendments to the Agricultural Adjustment Administration program which will come to your attention in the near future for final action; be it further

Resolved, That we urge the incorporation of the licensing of all parties who are not actual parties to the agreement.

We further urge your cooperation and support of the Agricultural Adjustment Administration program in full for the benefit of growers and producers of agricultural commodities throughout the country.

REPORTS OF COMMITTEES

Mr. JOHNSON, from the Committee on Commerce, to which was referred the bill (S. 2811) to authorize and adopt certain public-works projects for controlling floods, improving navigation, regulating the flow of certain streams of the United States, and for other purposes, reported it without amendment and submitted a report (No. 644) thereon.

Mr. GIBSON, from the Committee on Civil Service, to which was referred the bill (S. 2405) to provide for a special clerk and liaison officer, reported it with amendments and submitted a report (No. 645) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the resolution (S. Res. 136) relative to gratuities charged in settlements with the Eastern and Western Cherokee Indians, reported it without amendment and submitted a report (No. 647) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1521. A bill to provide funds for cooperation with Harlem School District No. 12, Blaine County, Mont., for extension of public-school buildings and equipment to be available for Indian children (Rept. No. 648); and

S. 2094. A bill to provide funds for cooperation with the school board at Medicine Lake, Mont., in construction of a public-school building to be available to Indian children of the village of Medicine Lake, Sheridan County, Mont. (Rept. No. 649).

REGULATION OF TRAFFIC IN FOOD, DRUGS, AND COSMETICS

Mr. COPELAND. Mr. President, I ask unanimous consent that a revised report, which I now submit from the Committee on Commerce, may be printed in the stead of and substituted for the report (Rept. No. 361) previously submitted by the committee to accompany Senate bill 5, the food, drugs, and cosmetics bill.

I am asking this permission because all those actively concerned in the debate on the bill are now united in certain amendments, which will be offered at the appropriate time in the hope that the bill may be passed; and the new report (Rept. No. 646) is to cover the bill as we hope it will be enacted.

The VICE PRESIDENT. Without objection, it is so ordered.

COINAGE OF MEDALS—BILL RECOMMITTED

Mr. COPELAND. Mr. President, I ask unanimous consent that Order of Business 619, being the bill (S. 1874) to provide for the coinage of medals to be presented to Senator A. Harry Moore, certain officers of the New Jersey National Guard, Capt. John Bogan, Sr., and the members of the crew of the fishing boat *Paramount*, be recommitted to the Committee on Commerce. The author of the bill, the senior Senator from New Jersey [Mr. BARBOUR], is anxious that the bill shall be returned to the committee for certain purposes.

The VICE PRESIDENT. Without objection, the bill is recommitted to the Committee on Commerce.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 21st instant that committee presented to the President of the United States the enrolled bill (S. 1803) to authorize the Secretary of War to pay certain expenses incident to the training, attendance, and participation of the equestrian and modern pentathlon teams in the Eleventh Olympic Games.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McADOO:

A bill (S. 2880) to authorize and approve the donation to the State of California, the city of Los Angeles, and the

county of Los Angeles, by the organizing committee of the Olympic Games held in California in 1932, of moneys derived from said games free of Federal taxes, and for other purposes; to the Committee on Finance.

By Mr. BURKE:

A bill (S. 2881) creating the Decatur-Onawa Bridge Board of Trustees and authorizing said board and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River between the towns of Decatur, Nebr., and Onawa, Iowa; and

A bill (S. 2882) to create the South Sioux City Bridge Board of Trustees and to authorize said board and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River between the cities of South Sioux City, Nebr., and Sioux City, Iowa; to the Committee on Commerce.

By Mr. GEORGE:

A bill (S. 2883) to provide for the further development of vocational education in the several States and Territories; to the Committee on Agriculture and Forestry.

By Mr. WALSH:

A bill (S. 2884) giving superintendents at classified post-office stations credit for substitutes serving under them; to the Committee on Post Offices and Post Roads.

By Mr. BYRD:

A bill (S. 2885) for the relief of Capt. Karl Minnigerode; to the Committee on Claims.

REFUNDING BONDS OF GOVERNMENT OF PUERTO RICO

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Acting Secretary of the Interior dealing with proposed legislation relating to Puerto Rico, together with a bill which he has asked that I introduce and which I introduce at this time.

The VICE PRESIDENT. Without objection, the bill will be received and appropriately referred, and the letter and bill will be printed in the RECORD.

The letter presented by Mr. TYDINGS is as follows:

DEPARTMENT OF THE INTERIOR,
Washington, May 22, 1935.

The Honorable MILLARD E. TYDINGS,
Chairman Committee on Territories and Insular Affairs,
United States Senate, Washington, D. C.

MY DEAR SENATOR TYDINGS: I am enclosing a draft of a bill temporarily to exempt refunding bonds of the government of Puerto Rico from the limitation of public indebtedness under the Organic Act.

Section 3 of the Organic Act for Puerto Rico, the act of Congress of March 2, 1917, as amended by the act of March 4, 1927, limits the public indebtedness of the insular government to an amount not in excess of 10 percent of the aggregate tax valuation of its property. The insular bonded indebtedness is now very close to the limit, partly because of shrinkages in the tax valuation of property during the present depression and since the two terrific hurricanes that visited the island, one in 1928 and the other in 1932. It is desirable at this time to refund a number of insular bond issues which have not yet matured, but are callable, and bear relatively high rates of interest. Puerto Rico's credit stands very high, and the time seems opportune to refund its bonds at lower interest rates in order to lighten its tax burden.

However, since the present outstanding indebtedness of the insular government is so close to the limit permitted by the Organic Act, some question appears to have been raised of its legal power to carry through such refunding of its bonds because it would necessarily entail an apparent increase of the total authorized public indebtedness for a brief period of time, pending the call and actual retirement of the old bonds. The enclosed bill is drafted with a view to obviating any such question. Its passage will not result in really increasing the public indebtedness of Puerto Rico in any way. The money received as the proceeds of sales of refunding bonds from time to time will, of course, be used only for retiring bonds to be called in the refunding operations, and for which the refunding bonds will be substituted. The bill has no purpose other than to facilitate refunding outstanding insular government bonds at lower interest rates.

Its early favorable consideration is recommended.

Sincerely yours,

T. A. WALTERS,
Acting Secretary of the Interior.

The bill (S. 2886) temporarily to exempt refunding bonds of the government of Puerto Rico from the limitation of public indebtedness under the Organic Act was read twice by its title and referred to the Committee on Territories and Insular Affairs, as follows:

Be it enacted, etc., That any bonds or other obligations of Puerto Rico hereafter issued for the purpose of retiring previously outstanding bonds or obligations shall not be included in computing the public indebtedness of Puerto Rico under section 3 of the Organic Act approved March 2, 1917, as amended, until 3 months after their issue.

AMENDMENT OF THE AGRICULTURAL ADJUSTMENT ACT

Mr. BYRD submitted amendments intended to be proposed by him to the bill (S. 1807) to amend the Agricultural Adjustment Act, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENTS TO NAVAL APPROPRIATION BILL

Mr. POPE submitted an amendment intended to be proposed by him to House bill 7672, the naval-appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 52 to insert, after the first complete paragraph, the following paragraph:

"That none of the appropriations provided by this act or by later acts shall be available for the expenses of any naval missions to foreign countries or of any person acting as a teacher or instructor in foreign countries."

Mr. BONE submitted two amendments intended to be proposed by him to House bill 7672, the naval-appropriation bill, which were ordered to lie on the table and to be printed, as follows:

On page 54, line 2, after the word "plants", to strike out the period and insert in lieu thereof a semicolon and the following: "it being the intent and purpose of such acts that the Government shall, insofar as practicable, develop its navy yards, arsenals, and other plants and facilities, to the end that it may—"

"(a) At all times hereafter be able to construct, maintain, and repair its authorized vessels and naval equipment;

"(b) As speedily as possible become self-sufficient in time of war; and

"(c) Insofar as may be possible, eliminate private profit in war and in the preparation therefor."

On page 43, line 6, of H. R. 7672 as reported to the Senate, strike out the period and insert a colon and the following: "Provided further, That not less than 25 percent of each succeeding lot of aircraft, including the engines for such aircraft, the procurement of which is authorized by this act and hereafter undertaken, shall be constructed and/or manufactured in Government aircraft factories and/or other plants or factories owned and operated by the United States Government.

"The foregoing proviso is subject to the further condition that if it shall be determined by the President that present plants, factories, and equipment owned and operated by the Government are not such as to permit the construction and/or manufacture of the said aircraft and/or engines in such Government plants and factories in the proportions therein specified and required, then and in that event the President may by proclamation suspend such requirement in whole or in part, to the extent that capacity in such plants, factories, and equipment is insufficient to meet such requirement.

"Whenever any such proclamation is made the President shall, at the opening of the next succeeding session of the Congress, submit to the Congress a detailed estimate of (1) the expansion of existing plants, factories, and facilities owned and operated by the Government, and (2) the increase in personnel required to operate the same, necessary for the meeting of the requirement specified in the foregoing proviso. The funds necessary for the enlargement and expansion of existing plants and facilities owned by the Government, for the construction and acquisition by condemnation or otherwise of plants, factories, facilities, and equipment, for the construction and manufacture of naval aircraft, and for the personnel required to operate the same, are hereby authorized to be appropriated."

ACADIA NATIONAL PARK, MAINE

Mr. WHITE. Mr. President, on the last call of the calendar on May 20 there was passed Senate bill 1148, to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to the Acadia National Park.

The bill involves the transfer of certain lands in the State of Maine from the jurisdiction of the Department of Commerce to the jurisdiction of the Department of the Interior. Later on in the same day the House passed a similar House bill.

I ask unanimous consent that the vote by which Senate bill 1148 was passed may be reconsidered and that the House bill, being the bill H. R. 6954, of similar title, may be presently considered.

The bill (H. R. 6954) to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to Acadia National Park, was read twice by its title.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maine? The Chair hears none, and lays before the Senate House bill 6954.

The Senate proceeded to consider the bill (H. R. 6954) to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to the Acadia National Park, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Commerce be, and he is hereby, authorized and directed to transfer to the control and jurisdiction of the Secretary of the Interior as an addition to the Acadia National Park, established under the act of February 26, 1919 (40 Stat. 1178), and acts supplemental thereto, all that tract of land containing 820 acres, more or less, with improvements thereon if any, comprising the abandoned Green Lake Fish Cultural Station, in Hancock County, Maine, said tract being no longer needed for fish-cultural purposes: *Provided,* That such action shall be in full recognition of any outstanding lease, license, or permit affecting said land.

The VICE PRESIDENT. Without objection, Senate bill 1148 will be indefinitely postponed.

IMPROVEMENT OF NEW YORK STATE BARGE CANAL

Mr. VANDENBERG. Mr. President, I desire to note a brief observation in the RECORD.

The President's Advisory Committee on Allotments issued a newspaper release on May 17, 1935, reading, in part, as follows:

Under date of May 16, 1935, the Advisory Committee on Allotments approved the allotment of \$112,186,500 to the following 47 river and harbor projects from the funds provided in the Emergency Relief Appropriation Act of 1935.

Among the 47 projects thus listed is the following:

New York State Barge Canal, dredging and bridge alterations, Oswego to Hudson River section, \$5,000,000.

I wish very respectfully to call the attention of the President's Advisory Committee on Allotments to the Rivers and Harbors Act of July 3, 1930, which, in respect to the Erie and Oswego Canals, among other limitations in respect to their development, contained the following language:

Provided further, That no project for the widening or deepening of these canals, or for the elevation of bridges in connection therewith, shall proceed without subsequent authorization of Congress.

Mr. President, I respectfully call the attention of the President's Advisory Committee on Allotments to the fact that it probably is violating the law in connection with this particular allotment. I make no point, at the moment, of other limitations in the act of 1930 in respect to the Erie and Oswego Canals, intended to require general federalization of the canals prior to any Federal investment in them. I point only to the specific prohibition in the law of 1930 which seems to be ignored by the proposed allocation.

ADDRESS BY POSTMASTER GENERAL FARLEY AT DEDICATION OF POST OFFICE, MONTICELLO, N. Y.

Mr. COPELAND. Mr. President, I ask unanimous consent to have inserted in the RECORD a notable speech made by the Postmaster General at the dedication of the post office at Monticello, N. Y., on May 20, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My friends and fellow citizens, I desire first of all to express my appreciation of the privilege of participating with the people of Monticello in the dedication of their new post office—the first to be erected by the Federal Government in Sullivan County.

This occasion not only inspires patriotic remembrances of the past but it inspires us to renew our allegiance to our common country. We here dedicate ourselves once more to the great principles of liberty for which the founders of your community so valiantly fought and so nobly sacrificed. This Federal post office erected by all the people, for the use of all the people, stands as a memorial to their courage and virtue.

The name "Monticello" is a most fitting one. Here you have the "heavenly hill", the magnificent valleys and picturesque streams which combine to make this locality one of scenic grandeur. It was pleasing to me to learn that the founders of Monticello desired to honor the immortal Jefferson and named their new village after his beautiful Virginia home.

Those were the stirring times, when men contended with each other to do honor to that great Democrat who laid down as his political platform:

"Equal and exact justice to all men of whatever state or persuasion, religious or political; peace, commerce, and honest friendship with all nations, entangling alliances with none; the support of the State government in all their rights; the preservation of the established government in its whole constitutional vigor; a jealous care of the right of election by the people; absolute acquiescence in the decisions of the majority; the supremacy of the civil over the military authority; economy in the public expense; the honest payment of our debts, and sacred preservation of the public faith; encouragement of agriculture and of commerce; freedom of religion; freedom of the press; and freedom of person."

As Jefferson truly said, the wisdom of our sages and the blood of our heroes have been devoted to the attainment of these principles. They should be the creed of our political faith; the text of civic instruction, and the standard by which to try the services of those we trust.

The postmasters of Monticello have always been your representative citizens. Their very names tell of the sturdy Knickerbocker and New England families from which they originated.

Samuel F. Jones, the first one, established the office in his store early in 1811. He was succeeded March 31, 1813, by his brother, John Paul Jones. These men, who named your town, were the sons of a soldier of the Revolution and admirers of Thomas Jefferson. John Paul Jones served for over 29 years, the longest term of any of your postmasters. The election of the Whig candidate, President William Henry Harrison, in 1841, brought about his displacement.

Harrison Beecher served the next longest term, from 1898 to 1915. Mrs. Amanda Quinlan was the only woman to hold the office, which she did from 1885 to 1890. Prominent newspapermen also served as postmasters—Frederick A. DeVoe in 1853 and 1856, and John Eldridge Quinlan in the late 1850's.

Such prominent family names as Bennett, St. John, Burnham, Hamilton, Waller, Terwilliger, Allen, Hammond, Oakley, Niven, Stratton, and Kelly are numbered among your postmasters. William W. Carpenter, your present postmaster, has served you since May 19, 1924.

In 1811 Monticello received its mail on a route from Newburg to Chenango Point, now Binghamton. Chester Clark, of Kingston, was the contractor. One hundred years ago business had greatly increased, and there was a daily service started in four-horse post coaches between Newburg and Monticello. There was also weekly service on a route to Delhi, on another to Wawarsing, and another to Goshen. Rural mail service was established November 12, 1912, and city delivery service October 1, 1920.

There have been many changes from those times when mail was carried by foot and horse to the little store and post office to now when it is carried by steam, gas, and electricity through the air, sea, and land to your new post office.

It gives me no little satisfaction to have been connected with the first Government-owned post office in your town, and I have been interested in seeing the happy result. The site cost \$20,000 and the building \$46,460, allotted November 18, 1933.

The Corrado Co., of Newark, who erected the building, and all the workmen who were associated with them are to be congratulated on their good work.

I have no doubt that you are proud of this handsome structure which has been erected with such careful attention to the handling of the mails. As a matter of fact, the Government did you no favor in putting up this building to keep pace with the industrial progress that is so closely related to the volume of the mail. The people of the United States insist, and have a right to insist, that their Government shall function efficiently. They have a right to be impatient at delays in delivery and other slipshod things that interfere with effective service. Consequently, the Government is forced to keep pace with progress and, as experience teaches what is necessary and what falls short of speed and convenience in handling the mails, it becomes its duty to build post offices that meet the growing needs of communities and that embrace all the facilities requisite for the business.

I speak of it as a business, because it is really the biggest business in the world—the handling of mail for 130,000,000 people.

I think that the Post Office Department, ever since the day of the first Postmaster General of the United States, has given more general satisfaction than any department in the Government. Of course, there have been times when the service has not been all that it should have been, but, by and large, your letters have been carried safely and efficiently. This was true when the post office was in the little shop around the corner and one boy and a pony was all the force required to move the letters of the people of Monticello to the next point. It was true later on when the four-horse post coaches carried your mail to Newburg and brought the incoming mail there, and it was in response to the demands of your forefathers that weekly side routes were established to neighboring towns. It is true today, I hope, in this era of granite and marble post offices and the transmission of mail across the continent between daylight and dark.

There is no department of the Government which comes into such intimate contact with the people. Indeed, I should say that 100,000,000 out of the 130,000,000 people of this country have no direct contact with any Government official other than the postmaster and his representative, the carrier. It is my belief that the progress of the country has been more influenced by the post office than by any other branch of the Government. In the old days when everybody had to call at the post office for their mail, that

post office became the common meeting place for every community. There was an almost daily convention of neighbors in these stations. There the policies that were finally enacted into law had their birth. People voiced their approval or disapproval of everything the Government did or thought of doing. It speaks well for the character of men who were appointed to handle the mails in each town and city that from these early gatherings, over which the postmaster unconsciously presided, developed the principle that the postmaster should be eminent in his own community and not infrequently the leader of its political thought. I know, of course, there is a theory that the postmasters are appointed merely as a matter of political expediency. Actually a large proportion of them come from the civil-service rolls, and the others must be recommended by people of standing in their communities before their names are considered.

At this time I want to pay tribute to one of the sons of Sullivan County, who for 45 years served ably and well in the Postal Service. I find he is well known throughout the United States by all postal men and women. The last 35 years of his career he served as a post-office inspector, loved by all good people within and without the Service with whom he came in contact, feared by all who violated the people's mail. I refer to your fellow townsman, Moses C. Durvea. I wish for him happiness and contentment in his retirement.

It gave me a great deal of pleasure some months ago to appoint as a post-office inspector Harold A. Urban, also of your county. He served in the Liberty office for a number of years. I hope he will keep up, as he now bids fair to, the good record made by Mr. Durvea, who recommended him.

My friends, I cannot tell you how good it is to be back in New York State and meet with people who truly support the Government, people whose thoughts are what they can do for it rather than what they can get out of it.

There is grave danger of forgetting what the American people are really thinking when one stays in Washington and listens to the barrage from special interests and organized minorities.

The people as a whole have no paid lobbyists. They must depend upon their elected Representatives to protect the public. Government officials must be honest and able and their courage must rise above pettiness and vote catching. In their work for you they should be constructive rather than critical, helpful rather than obstructive.

There are many lobbyists and powerful influences to mislead legislators and circumvent the interests of the people for the benefit of the few. There are but few to speak in the interests of economy in Government expenditures; few to speak in the interests of the people.

For instance, when I first stated my policy of establishing the Post Office Department on a business basis and wiping out the postal deficit, I was surprised to be informed by some that the way to become a popular Postmaster General was to spend the peoples' money and not to save it.

Well, regardless of this advice, we wiped out the tremendous postal deficit the first full year of President Roosevelt's administration. It was wiped out without sacrificing the job of a single regular postal employee. It was wiped out without impairing the service to the people. And today we have a highly efficient Service with a minimum of complaints.

You must understand that in reckoning a post-office surplus I refer only to the actual balance between what it costs to handle and carry the mails and what the people pay for postage. This is outside of matters in which the Post Office Department is merely the disbursing agent of the Government—such as ship and air subsidies, awarded by acts of Congress for the encouraging of the merchant marine and the development of aviation. These are things over which the Postmaster General has neither authority nor discretion.

I shall endeavor to continue to give the people an efficient and economical administration. I shall endeavor to carry it on without any deficit. Careful management and increasing receipts will, I trust, enable us to balance the postal budget again this year. Holding public office, I expect criticism, but I am willing to take my chances with the American people in being criticized for saving their money.

Fortunately, or unfortunately, under our two-party system it is accepted that the function of the party out of power is to find fault with the current administration. Far be it from me to complain of that habit, even where it goes beyond the bounds of honest criticism. The opposition party feels bound to find an unworthy motive for everything that is done. In every situation it resolves all doubts against the Government. It is trying, of course, for a Government official to be accused of all manner of evil where no evil exists, by all manner of irresponsible people, but after all this is part of the game of politics, and he must grin and bear it, I suppose. In some aspects it is a healthy thing for those entrusted with the conduct of the people's affairs to know that they are under surveillance all the time. It keeps us on our toes, and it does not take long in the Government service for an official to learn to avoid even the appearance of anything questionable, because he soon finds out that the worst interpretation will be placed on his every act by his political foes. This goes for everybody from the President down, and I would urge on every postmaster to keep the fact in mind.

We have tried to give, and are trying to give, the humble citizen without wealth and without individual influence a fair chance to make a decent living. This administration has boldly taken the stand that when private agencies and local governments have proved unable to meet the dire problems of an unparalleled de-

pression, that the Federal Government must assume the duty of saving multitudes from starvation until such time as industry can again absorb the unemployed.

Of course, everybody is not satisfied with the measures necessary toward progressing to this goal. Certain interests clamor that they are getting the worst of it in this period of readjustment. We all know that at no time in our history has this class of people failed to protest every measure of popular progress. It kicked at the income-tax law. It kicked at the Sherman Antitrust Law; it kicked at the establishment of the Interstate Commerce Commission; it kicked at the Federal Reserve System, which has been our salvation in many fiscal crises. For that matter, we can go way back in our history and find it vehemently declaring that the country was going to the dogs because Andrew Jackson refused to stand for the domination of our finances by a Philadelphia banker. So it is perfectly understandable that we should find this same group calling every measure that has to do with the welfare of the plain citizen, communistic, socialistic, and anarchistic.

Despite the croakings of those who prophesy chaos with the advent of anything new in legislation or administration, this country is steadily getting back to normal conditions. On every side we see the evidence of business recovery, which means, of course, the increasing welfare of the working people as well as the employers. It is rather amusing to hear the reactionary noise-makers charging the administration with being hostile to big business while their Republican spokesmen are insisting that the emergency bureaus are crushing the small dealer and favoring the big ones. Obviously, if there was any truth in one of these absurd charges, there must be utter falsity in the other. We have come a long way since the 4th of March 1933, when President Roosevelt had to close all the banks in order to save our whole financial and industrial structure from collapsing in ruin. The balance sheets of every business in the country record the difference between that day and this. How has the change been brought about? It was brought about through the courage, the wisdom, and the far-sightedness of Franklin D. Roosevelt, beginning with the day when he took over the helm of the Ship of State from the hands of the wavering, wobbling administration which had permitted us to drift into the worst economic catastrophe in all our history. I have said before, and I repeat now and here, that the one great fault of the emergency measures is that they were inaugurated 3 years too late. Had the course on which we embarked with the advent of the Roosevelt administration been undertaken in 1929 we would not be worrying today about the size of the relief roll or the number of unemployed.

The past 2 years have been years of tremendous strain. The administration of the public service has required resourcefulness and intelligence. But greater than that has been the patience in adversity required of the people of the United States. With sublime faith in the soundness of their Government and the permanency of their institutions, they have stood united.

We have seen dictatorships throughout the rest of the world with riots, revolutions, and all their attendant evils. But our own country has steadfastly adhered to the principles of democratic government. Our revolution has been a peaceful one. We have returned to the fundamental principles of Jefferson and Lincoln so long forgotten.

The post office we are dedicating today is your local monument to the leader who got this country off of the reefs of despondency and disaster and is steering it toward the final haven of prosperity. We are still among the shoals, of course. Economic illness comes suddenly. Recovery is always slow. But I think you will agree with me that the genius of our great President, who has led us so far out of the swamp of depression, will carry us the rest of the way.

In closing I want to tell you once more how good it has been to be with you. Your kindness and your friendship will long be remembered. Not the least of the things that give me satisfaction is that I am a citizen of New York State and a near neighbor of the people of Sullivan County.

PHILIPPINE INDEPENDENCE

Mr. GIBSON. Mr. President, sometime ago I presented to the Senate a report as a member of the special commission investigating conditions in the Philippine Islands. That report has been the subject of editorial comment in the Philippine press. As showing the Philippine view, I ask unanimous consent to have printed in the RECORD an editorial which appeared in the Philippine Herald.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philippine Herald]

TALKING PLAINLY

Senator GIBSON's report to Congress, while written from the perspective that the United States should retain the Philippines, gives both sides of his Government's case in a frank and honest spirit. He tries to hide nothing in an effort to go straight to his point.

He holds, to begin with, that the Philippines is acquired territory, the United States paying \$20,000,000 at the Treaty of Paris for the transfer of sovereignty from Spain. "The right", he maintains, "of Congress to alienate sovereignty of the United States over land and peoples to which it has become attached is extremely doubtful."

Against this claim of the inalienable position of the Philippines as a possession of his people, Senator GIBSON offers the testimony of America's Chief Executives who have maintained at least the implied obligation of the American Nation to prepare the Filipinos for self-government and eventually withdraw from this country.

Senator GIBSON is frank in stating that America should remain here. In so stating his point he does not commit the usual hypocrisy of stating it all as a proposition of altruism. He declares that the islands constitute a very rich spot of the earth—"the land of opportunity."

Among the facts he brings out are that the Philippines ranked ninth in importance as a market for American goods in 1933—"60 percent more important as market for American textiles than Cuba, 30 percent more important than Belgium, and more important than Argentina, Colombia, and Mexico combined." He adds: "Only eight countries purchased more of our products than the Philippine Islands."

Senator GIBSON further points out that the industrialization of such vast countries as India and China will inevitably create higher purchasing power and thus allow them to increase their demands for cotton, wheat, and foodstuffs. "The United States", he holds, "should be in a position to claim its share in their markets. The Philippine Islands hold the key to our Pacific trade."

It is not, as will be seen, a one-sided proposition. Senator GIBSON presents the selfish aspect of the question with admirable frankness and he cannot therefore be called a biased thinker on the Philippine problem. He is not only entitled to his views but he persuades us to ponder the points he brings out in his report, where those points involve our security in the international scheme of the Pacific area.

The geographical situation of the Philippines, in his view, places them between Japan and Britain "contending for the trade of the Orient and athwart the lanes of trade which supply the needs of more than half the peoples of the world." Whether we like it or not, that is the plain fact. Now, it is entirely up to us to appreciate or not to appreciate the value of American influence in our favor in the midst of such cross-purposes.

Again, whether we like it or not, severance of relations with the United States will compel us to look for other markets for our products, which have heretofore enjoyed free entry into the United States. "In securing these markets", says Senator GIBSON, "the Filipinos must compete with other oriental countries where the scale of living is much lower and the prices paid for labor only a fraction of that now paid in the Philippines."

What would it profit us to dismiss these questions with a shrug of the shoulder? Nothing. And would it be enough to say that we will face these facts courageously, that we are not the people to run away from danger? That would be but one dimension of our historic attitude in the face of our international problems; the other dimension is action dictated by a policy of long-range vision and practical statesmanship.

The flaw in Senator GIBSON's thesis is the hopeless picture it conjures up for an independent Philippines. Such a picture should not discourage us, but we should do something more than merely be enthusiastic; we must know now definitely what we want and concentrate all our energies upon it. An independent Philippines, on intimate terms with the United States, is within the range of possibility. It is the one practical goal to which we should direct our undivided efforts.

HISTORY OF THE ADJUSTED-SERVICE COMPENSATION

Mr. O'MAHONEY. Mr. President, Mr. Harold D. Hantz, of the library staff, under the direction of the Senate librarian, Mr. James D. Preston, has compiled a history of the adjusted-service certificate legislation, which I think will be found very valuable to Members of the Senate, and I ask unanimous consent that it may be printed in the CONGRESSIONAL RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

HISTORY OF THE ADJUSTED-SERVICE COMPENSATION OR BONUS

1920 (66TH CONG., 2D SESS.)

H. R. 14157. To provide adjusted-compensation for veterans of the World War; to provide revenue therefor, and for other purposes.

Provided for—

1. Adjusted-service pay at rate of \$1 a day for service in United States and \$1.25 for overseas service, with a maximum of \$500 for home service and \$625 for overseas service to be paid in 10 equal quarterly installments if more than \$500 or in quarterly installments of \$50 if less than \$500.

2. Or the veteran may accept an adjusted-service certificate. Face value determined by increasing adjusted-service pay 40 percent, carrying 4¼-percent interest for 20 years.

3. Or the veteran may receive vocational-training aid.

4. Or the veteran may accept farm or home aid.

5. Or the veteran may receive land-settlement aid.

6. Revenue provided by victory taxes: Additional surtax on incomes; stock and bond tax; produce-exchange tax; real-estate tax; tax on cigars, tobacco, and manufactures thereof.

Introduced by Representative Fordney. Passed House 289-91, May 29, 1920. Referred to Senate Finance but not reported back.

1921 (67TH CONG., 1ST SESS.)

S. 506. To provide adjusted compensation for veterans of the World War and for other purposes.

Provisions the same as H. R. 14157 above with the tax provisions omitted. Senator McCumber in his speech of June 23, 1921, said that there would be adequate revenue from the interest on the debts of Great Britain, France, Italy, and Belgium alone to cover the necessary appropriations.

Introduced by Senator McCumber. While the bill was before the Senate, President Harding appeared before the Senate July 12 urging that the bill be not passed. Accordingly the bill was recommitted July 15, 1921—yeas 47, nays 29.

1922 (67TH CONG., 2D SESS.)

H. R. 10874. To provide adjusted compensation for veterans of the World War, and for other purposes.

Provided—

1. Adjusted-service certificate determined on basis of \$1 for home service and \$1.25 for overseas service with \$60, the amount paid the soldiers when leaving the service, deducted and a credit of 25 percent added instead of 40 percent, as in the two previous years. If adjusted-service credit \$50 or less, it was to be paid immediately; for a greater amount the 20-year-endowment policy was given.

2. Veteran may borrow up to 50 percent from bank until September 30, 1925, at rate of 2 percent, or borrow 85 percent from the Government after September 30, 1925.

3. Provided also the vocational education, etc.

Introduced by Representative Fordney March 13, 1922, and passed House 333 to 70 March 23, 1922. Passed Senate 47 to 22 August 31, 1922. Vetoed by President Harding September 19, and House overrode veto 258 to 54 September 20. Senate sustained veto 44 to 28 September 20.

1924 (68TH CONG., 1ST SESS.)

H. R. 7959. To provide adjusted compensation for veterans of the World War, and for other purposes. (Public, No. 120.)

Provided—

1. Payment in cash to veterans with adjusted-service credit of \$50 or less.

2. The issuance of an endowment insurance certificate to the veterans applying, this being equivalent to a paid-up 20-year policy for the amount of the adjusted-service credit plus 25 percent and interest at 4 percent compounded annually.

3. The privilege to borrow after 2 years, the interest not to be higher than 2 percent more than Federal Reserve rate.

4. In case of death before the 20 years the veteran's beneficiary received the full value of the policy.

5. Authorized annual appropriations for a fund to provide for payment of the policies in 1945.

Introduced by Representative Green of Iowa, March 15, 1924. Passed House, 355 to 54, March 18. Passed Senate, 67 to 17, April 23. Vetoed by President Coolidge on May 15. Passed House over veto, 313 to 78, May 17. Passed Senate over veto, 59 to 16, May 19.

1926 (69TH CONG., 1ST SESS.)

H. R. 10277. To amend the World War Adjusted Compensation Act.

This is a clarifying act in regard to negotiation of loans and payment of service credits on death of veteran before applying for certificate.

Introduced by Representative Green of Iowa, March 12, 1926. Passed House 291 to 138, July 1. Passed Senate viva voce, July 3. Approved July 3, 1926.

1927 (69TH CONG., 2D SESS.)

H. R. 16886. To amend the World War Adjusted Compensation Act. (Public, No. 762.)

Provided for loans on certificates from the United States Treasury in same manner as loans from banks.

Introduced by Representative Green of Iowa, February 2, 1927. Passed House viva voce, February 7, 1927. Passed Senate, 75 to 0, February 23, 1927. Approved March 4, 1927.

1931 (71ST CONG., 3D SESS.)

S. 5060. To provide for the immediate payment to veterans of the face value of their adjusted-service certificates.

Introduced by Senator Caraway but not reported from Finance. One of the first bills providing for immediate payment of face value of present certificates.

H. R. 17054. To increase the loan basis of adjusted-service certificates, or the emergency adjusted compensation act, 1931. (Public, No. 743.)

Provided that the loan basis be increased to 50 percent of the face value of the certificate.

Introduced by Representative Hawley, February 12, 1931. Passed House, 363 to 39, February 16. Passed Senate, 72 to 12, February 19. Vetoed by President Hoover, February 26. Passed House over veto, 328 to 79, February 26. Passed Senate over veto, 76 to 16, February 27.

1932 (72D CONG., 1ST SESS.)

Twenty bills providing for immediate payment of the face value of the certificates were reported adversely. Among these was Representative PATMAN's first bill; however, it received the following action:

1932 (72D CONG., 1ST SESS.)

H. R. 7726. To provide for the immediate payment to veterans of the face value of their adjusted-service certificates.

Introduced by Representative PATMAN January 14, 1932. Reported adversely, but passed House 211 to 176 June 15. Failed in the Senate—yeas 18, nays 62, June 17.

1933 (73D CONG., 1ST SESS.)

Senator Robinson of Indiana offered the immediate payment of the face value of the adjusted-service certificates as an amendment to the inflation amendment of Senator THOMAS of Oklahoma, to the Agricultural Adjustment Act, April 27. Senator Robinson's amendment was rejected 28 to 60, April 28.

1934 (73D CONG., 2D SESS.)

H. R. 1. To provide for controlled expansion of the currency and the immediate payment to veterans of the face value of the adjusted-service certificates.

Introduced by Representative PATMAN March 9, 1933. Petition filed with 145 signatures in House February 20. Motion to discharge committee from further consideration passed 313 to 104 March 12. Passed House 295 to 125 March 12. Not reported from Senate Finance committee.

In the Senate immediate payment of the bonus was offered three times in the form of amendments:

1. Senator Robinson of Indiana, as an amendment to the monetary bill, but amendment rejected without record vote January 27, 1934.

2. Senator LONG, as an amendment to the independent offices appropriation bill, and the amendment was rejected 24 to 64 February 27, 1934.

3. Senator SHIPSTEAD, as an amendment to the silver bill, but the amendment was rejected 31 to 51, June 11, 1934.

1935 (74TH CONG., 1ST SESS.)

H. R. 3896. To provide for the immediate payment of World War adjusted-service certificates.

Introduced by Representative VINSON of Kentucky, January 14, 1935, and reported in the House March 13. The Patman bill, providing for payment through the issuance of non-interest-bearing Treasury notes, was accepted as a substitute amendment, 207 to 204, March 22. Patman bill passed House 318 to 90, March 22.

In the Senate the Harrison bill, in the nature of a compromise, was reported from the Finance Committee as a substitute for the Patman bill, April 25. The Vinson bill was then substituted for the Harrison bill 54 to 30, May 7. The question was then whether the Vinson bill should be substituted for the Patman bill, and on the vote the yeas were 35, the nays 52, this vote thus leaving the Patman bill as the question before the Senate. The Patman bill then passed the Senate 55 to 33, May 7.

On May 22 President Roosevelt vetoed the bill and established a precedent by reading his message before a joint session of the Congress. The House then overrode the veto 322 to 98, May 22; but the Senate sustained the veto 54 to 40, May 23.

JOINT MEETING OF THE TWO HOUSES

Mr. McNARY. Mr. President, in view of the statement of the Senator from Arkansas that the Senate is to proceed in a body to the Hall of the House of Representatives at 12 o'clock and 15 minutes p. m., I think we should have a quorum.

Mr. ROBINSON. I rose for the purpose of suggesting the absence of a quorum, and I now make that suggestion.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Reynolds
Ashurst	Copeland	La Follette	Robinson
Austin	Costigan	Logan	Russell
Bachman	Couzens	Lonergan	Schall
Bailey	Davis	Long	Schwellenbach
Bankhead	Dickinson	McAdoo	Sheppard
Barbour	Dieterich	McCarran	Shipstead
Barkley	Donahay	McGill	Smith
Bilbo	Duffy	McKellar	Steiwer
Black	Fletcher	McNary	Thomas, Okla.
Bone	Frazier	Maloney	Thomas, Utah
Borah	George	Metcalf	Townsend
Brown	Gerry	Minton	Trammell
Bulkley	Gibson	Moore	Truman
Bulow	Glass	Murphy	Tydings
Burke	Gore	Murray	Vandenberg
Byrd	Guffey	Neely	Van Nuys
Byrnes	Hale	Norris	Wagner
Capper	Harrison	Nye	Walsh
Caraway	Hastings	O'Mahoney	Wheeler
Carey	Hatch	Overton	White
Chavez	Hayden	Pittman	
Clark	Johnson	Pope	
Connally	Keyes	Radcliffe	

Mr. DIETERICH. I desire to announce that my colleague the senior Senator from Illinois [Mr. Lewis] is unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from South Dakota [Mr. NORBECK] is unavoidably detained from the Senate.

The VICE PRESIDENT. Ninety-three Senators having answered to their names, a quorum is present.

The hour of 12 o'clock and 15 minutes p. m. having arrived, the Senate will proceed in a body to the Chamber of the House of Representatives.

Thereupon the Senate, preceded by the Sergeant at Arms, the Vice President, and the Secretary, proceeded to the Hall of the House of Representatives.

The Senate having returned to its Chamber (at 1 o'clock and 14 minutes p. m.), it reassembled, and the Vice President took the chair.

CALL OF THE ROLL

Mr. McKELLAR. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Reynolds
Ashurst	Copeland	La Follette	Robinson
Austin	Costigan	Logan	Russell
Bachman	Couzens	Lonergan	Schall
Bailey	Davis	Long	Schwellenbach
Bankhead	Dickinson	McAdoo	Sheppard
Barbour	Dieterich	McCarran	Shipstead
Barkley	Donahay	McGill	Smith
Bilbo	Duffy	McKellar	Steiwer
Black	Fletcher	McNary	Thomas, Okla.
Bone	Frazier	Maloney	Thomas, Utah
Borah	George	Metcalf	Townsend
Brown	Gerry	Minton	Trammell
Bulkley	Gibson	Moore	Truman
Bulow	Glass	Murphy	Tydings
Burke	Gore	Murray	Vandenberg
Byrd	Guffey	Neely	Van Nuys
Byrnes	Hale	Norris	Wagner
Capper	Harrison	Nye	Walsh
Caraway	Hastings	O'Mahoney	Wheeler
Carey	Hatch	Overton	White
Chavez	Hayden	Pittman	
Clark	Johnson	Pope	
Connally	Keyes	Radcliffe	

The VICE PRESIDENT. Ninety-three Senators have answered to their names. A quorum is present.

ARE THE VETERANS WORTHY OF THEIR HIRE?

Mr. SCHALL. Mr. President, when the President demands of Congress a lump sum of \$5,000,000,000 subject to his own allocation for work relief and vetoes the demand of Congress to cash an outstanding debt of \$2,200,000,000 to the veterans for war service at less than half the minimum wage for workers in other fields, these questions naturally arise before the minds of the American people:

First. Are the veterans who fight for Uncle Sam, and drafted by the Government to fight for allied powers in Europe, worthy of their hire?

Last week the carpenters of this Capital City received an allowance of \$1.37½ an hour for future work, or \$11 a day. Why is not the veteran who lay in the trenches and faced the shells of the enemy worth at least, including so-called "bonus", a wage of \$2.25 a day, or one-fifth of a carpenter's pay and less than half the minimum wage of common labor?

Second. What can we say of the sincerity of an Executive who demands \$5,000,000,000 for his campaign emergency of 1936 under the pretext of work relief and then vetoes an act of Congress to afford relief to 3,500,000 veterans for work done 17 years ago and still half unpaid?

Third. Why must veterans only among those who serve the Government have to wait till 1945, when most of them will then lie in Flanders' fields?

Did Vincent Astor, the President's rear admiral of the *Nourmahal*, have to wait till 1945 to collect his \$1,000,000 a year in war profits in the years 1915 to 1919, inclusive?

Have we heard the international bankers and their organs complain about the violation of contracts, by which American investors were swindled of billions, and the administration lifting not a hand to adjust these foreign investments, notwithstanding the Security Act of 1933, in which Congress, under title II thereof, directed the President to create a commission for collection of these international debts to American investors?

Where is the sincerity of an administration pretending that the veterans are bound by a 1945 contract, to which they were not a legal and willing contractual party, and then lifting no voice against the defalcation by foreign powers of

\$12,000,000,000 due the Treasury and \$15,000,000,000 due American investors?

If contractual relations bother the President, what about the 70 cash loans made to France since the war and the total \$5,000,000,000 of principal and interest on which France has defaulted without a protest from the White House?

The President has no contractual basis for that \$5,000,000,000 subject to his allocation. He simply demanded it, and a party majority granted it. Unless Members of Congress granted the White House demand, their elections were imperiled in the national campaign of 1936.

If Congress is not a free agent to do justice to its veterans, if it is not free to pay a debt owed since Armistic Day 1918, if Congress is not a free agent to authorize a currency issue, let us ask ourselves this question:

Under what provision of the Constitution, which in article I places the purse strings of Government in congressional control, does Congress get the power to delegate the allocation of that \$5,000,000,000 to the Executive during the period of the next Presidential campaign?

Did Barney Baruch, Wall Street contact man, whose income from war was so large that he had the Government record thereof suppressed, have to wait till 1945?

Did Baruch's assistant, Gen. Hugh S. Johnson, who directed the Wall Street lobby to draft the 4,000,000 young men into European service, have to wait for his till 1945?

Did the Allied Powers who defaulted on their Treasury debts have to wait for their \$12,000,000,000 till 1945?

Did the international bankers, who fleeced American investors of the major part of \$15,000,000,000, have to wait for theirs till 1945?

Did any of the war profiteers—the 3 members of the Astor family, the 3 Rockefellers, the 5 Du Ponts, the Vanderbilts, and the rest of the \$1,000,000-a-year income class, and the 20,000 new millionaires created by the World War—have to wait for their pay for patriotic service till 1945?

Did any of the salaried army of Government and corporate propagandists opposing this just measure have to wait for their salary checks till 1945?

Did any of the tax-exempt bondholders and coupon shearers now opposing this currency issue—which weans a few of them from the Federal cow—have to wait for their \$112,000,000 a year at 4 percent till 1945?

Fourth. What is the validity of that alleged "1945 contract" forced upon the veterans by a lobby of bondholders and life-insurance companies and war profiteers—that hold-up agreement in which 99 percent of the veterans had no voice, and few or none of them a willing voice, or even a definite knowledge?

Have we heard this administration complaining about violation of contract in connection with the default of European war powers on their debts to the United States Treasury?

In looking for the contractual mote stuck in the veteran's eye by the coupon shearers, let not Candidate Roosevelt forget the \$5,000,000,000 beam in his own eye, placed there at his own command.

If sauce for the goose is sauce for the gander, then \$5,000,000,000 of sauce for Roosevelt in his campaign emergency should at least warrant that less than one-half a minimum common-labor wage amounting to \$2,200,000,000, now in justice due for 16 years, should be paid to 3,500,000 national relief workers on the battlefield.

Where is the justice in tossing out \$5,000,000,000 in one lump sum to the Executive, and further billions to his alphabetical bureaus, and denying the doughboys their petty wage for service and sacrifice?

There is no argument in the mooted inflationary propaganda about the effects of a currency issue. Government high authorities—Jones, the head of R. F. C., and Eccles, Governor of the Federal Reserve—have blown that stuff to the winds.

The statement of the statesman who was Secretary of the Treasury during 6 years of the Wilson Administration, the distinguished junior Senator from California [Mr. McAdoo], killed that Wall Street propaganda in one sentence, when he

declared that the issuance of new currency to pay the certificates would have about as much of an adverse effect upon national credit as a spadeful of sand thrown upon the beach would influence the incoming tide.

During the 6 years when the junior Senator from California was Secretary of the Treasury, Franklin D. Roosevelt was Assistant Secretary of the Navy. By what subsequent experience has Franklin D. Roosevelt become a greater authority on national finance than the man who was Secretary of the Treasury for 6 years, or than the man who is now head of the Reconstruction Finance Corporation, and, furthermore, than the Governor of the Federal Reserve System, and all these trained financiers combined?

On what hath this our Assistant Secretary of the Navy fed, that he has grown so great as a financier? Is it his financial record as Governor of New York? What Franklin Roosevelt did to the finances of New York State is not a record of which New York is proud. I may be deemed guilty of the crime of lese majesty when I allude to it. It is a subject which is no longer deemed fit for publication. I am told by New York authorities that the mountain of public debt piled up by this political financier in 4 years as Governor has no parallel, except only the new deal debt of \$15,000,000,000 piled up here since March 4, 1933, for bold experiments.

Neither his New York record as Governor, nor his new-deal record here—his demonitization of gold, his knocking the gold dollar down to 59 cents, his financial irresponsibility in demanding billions and still more billions to put over his bold experiments, his world record in creating Treasury deficits and piling up mountains of peace-time debt—is sufficient to entitle our one-time Assistant Secretary of the Navy to a financial standing greater than that of the 6-year Secretary of the Treasury, the head of the Reconstruction Finance Corporation, the Governor of the Federal Reserve Board, and all these three trained financiers combined.

If there is anything in the financial record of Franklin D. Roosevelt to warrant his veto of a financial measure of justice to our 3,500,000 veterans, it is time for those sustaining the veto to point it out.

As a dramatic figure on the screen, as a star actor in political hullabaloo, he is an outstanding authority. His executive staff of 600 news reporters appointed by him to the alphabetical bureaus, his White House staff of newspapermen supplemented by Charles Michael, of the Democratic National Committee, and Raymond Moley, of the brain trust, make him an excellent publicity authority; but as a national financier, qualified to tell Congress how to handle the purse strings, his bold experiments with the public funds, with the legislative powers of Congress, with the Budget and the Constitution, are sufficient in themselves to destroy his claim to financial responsibility.

Among the wild inconsistencies of the White House during the two years of its new deal in finance, we are confronted with the following faux pas:

First. Half the measures of the 1933 session were proclaimed from the White House, both in press notices and in messages to Congress, as "inflation" or "reflation" measures to boost the price level and the purchasing power of the country. Both the A. A. A. and the N. R. A. and the gold bonus of \$35 an ounce, and the devaluation of the dollar to 59 cents, were advertised far and wide as price-boosting "inflationary" measures, and now we find that the chief argument of the administration against the Patman bill is that it is inflationary.

Second. The new deal has forced a bond inflation of \$15,000,000,000—a kind of inflation which Thomas Jefferson denounced as "ruinous"—and the administration guilty of this bond inflation of \$15,000,000,000 denounces this reduction of \$2,200,000,000 in veteran debt as an inflation fraught with national peril to Government credit. It is fraught with peril only to a small bunch of coupon clippers.

Third. The demonitization of gold and withdrawal of \$8,000,000,000 from circulation was the greatest monetary

contraction in world history. The restoration of \$2,200,000,000 in currency meets only a little over one-fourth of the amount of monetary contraction by gold withdrawal.

Fourth. How can the administration claim with any degree of financial responsibility that the payment of \$2,200,000,000 to meet the veteran debt is unsound finance in the face of its Treasury daily statement of May 14 that the total emergency funds for new-deal experiments aggregated \$17,671,000,000?

The astounding financial record of new-deal experiments—now aggregating \$17,671,000,000—is nearly nine times the full amount voted by Congress to wipe out the veteran debt.

The Treasury tells us that over \$3,000,000,000 for emergency has been expended in the present fiscal year, 1935.

The Treasury tells us that over \$6,000,000,000 was expended for emergency in the fiscal year 1934 and prior thereto.

The Treasury tells us that \$8,423,000,000 of emergency funds are still unexpended, including \$3,488,000,000 of funds unallocated by the President.

How can \$2,200,000,000 to take up the veteran debt prove a danger to national credit, demanding a White House veto, in the face of these repeated White House demands, resulting in the wholesale dysentery of bond inflation and deficits and doles spread all over the national barnyard and pasture to a height of \$17,671,000,000—a world record in financial stench and discredit?

This \$2,200,000,000 of currency to take up the veteran debt and save the taxpayers future interest burdens aggregating over \$1,000,000,000 by 1945 is, in fact, the most conservative and constructive recovery act during the 2-year history of the new deal.

We know that it will reduce by \$2,200,000,000 our mountainous interest-bearing public debt; and God knows that debt reduction must begin soon to save the national credit and cut down the chief obstacle to business expansion.

We know that it will cut off \$112,000,000 a year in interest coupons and taxes, or more than \$1,000,000,000 by 1945.

We know that direct currency payment of \$2,200,000,000 to 3,500,000 veterans and dependents will stimulate the local trade of 48 States and 3,000 counties, help the farmers and country stores, pay the doctors and drug stores, the local landlords and the country banks, and help pay the delinquent taxes in every State, county, town, and school district, and eventually come back to the Treasury in part as revenue to the Federal Government.

These \$2,200,000,000 in greenbacks, which go in the first instance to the veterans and their dependents, then to the stores and banks, then to the farms and factories, then to the tax-collection districts and unpaid teachers, then again to the stores and banks, will be liberating frozen assets all through the home trade of the Nation, restoring closed banks to solvency, giving employment in every local industry, and before a year of this daily circulation has expired the aggregate volume of its debt-paying and trade-revival service will amount to billions beyond computation. It may reach, in total circulation transactions, \$5,000,000,000, or \$10,000,000,000, or even \$20,000,000,000, in the aggregate of its stimulating volume of home trade.

It will bring joy to every nook and corner of the Republic. It will help trade and employment and build up public hope and public confidence in every hamlet in the land. It will save 3,500,000 patriotic citizens from despondency and increase their faith in Uncle Sam. Moreover, it comes with no taint of partisanship and campaign politics in 1935, a year before the elections, and has the support of the majority of all political parties represented in Congress; for I have no doubt the President is irked at having it paid now, but next year it will be O. K., for then it will accrue to his campaign and reelection. If passed over his veto, it will be the first positive and real recovery step of a new deal which thus far has experimented and struck down industrial production and trade with no tangible result, except a mountain of debt and taxes.

Instead of cutting down both agricultural and industrial production, this veteran act will stimulate all industry. It

will thaw frozen assets. It will add to country-wide productive employment.

In April 1935 the American Federation of Labor found 11,500,000 unemployed against only 7,000,000 in April 1932—a 3-year unemployment gain of 4,500,000, due to crack-down experiments with productive industries employing labor.

This veteran currency issue may be the first true and positive national recovery step aiding employment and wages in all local industries, which are the natural feeders to the large industries engaged in interstate and foreign commerce.

In the end this currency issue to the veterans may largely come back to the Federal Government in numerous ways—by increase of Federal revenue, by reducing the number of 22,000,000 people on Federal doles, by aid in balancing the Federal Budget, by reducing interest payments on the adjusted-service certificates, and by economies in the expenditure of the 27 emergency funds, now rising to the alarming total of nearly \$18,000,000,000.

It is financially conservative and sound. It is constructive in its economic stimulus. It will reduce outstanding debt and future taxes. It will strengthen the faith of the people in Uncle Sam. It will help everybody, including every branch of Government, from the school district up to the great Federal machine.

Moreover, it is justice. It tells the boy who fights for Uncle Sam that God and the Government are behind him, and will not forget him in the day of his emergency, when he returns home in rags and with shell shock from the battlefield where he fought to save democracy. He will know that he is worthy of his hire, even though a private in the ranks under the flag of Uncle Sam.

NAVY DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes.

The PRESIDING OFFICER (Mr. GIBSON in the chair). The clerk will state the next amendment of the Committee on Appropriations.

The next amendment of the Committee on Appropriations was, on page 4, line 4, after the word "exceed", to strike out "\$510,000" and insert "\$511,500", so as to read:

Provided, That no part of any appropriation contained in this act shall be available for the expense of any naval district in which there may be an active navy yard, naval training station, or naval operating base, unless the commandant of the naval district shall be also the commandant of one of such establishments: *Provided further*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$511,500.

The amendment was agreed to.

The next amendment was, under the subhead "Naval Research Laboratory", on page 5, line 7, after the name "Secretary of the Navy", to strike out "\$310,000" and insert "\$210,000"; in line 9, after the word "That", to strike out "\$50,000" and insert "\$20,000"; and in line 16, after the word "exceed", to strike out "\$120,000" and insert "\$90,000", so as to read:

For laboratory and research work and other necessary work of the naval research laboratory for the benefit of the naval service, including operation and maintenance of a laboratory, additions to equipment necessary properly to carry on work in hand, maintenance of buildings and grounds, temporary employment of such scientific and technical civilian assistants as may become necessary, and subscriptions to technical periodicals, to be expended under the direction of the Secretary of the Navy, \$210,000: *Provided*, That \$20,000 of this appropriation shall be available for the temporary employment of civilian scientists and technicians required on special problems: *Provided further*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$90,000, in addition to the amount authorized by the preceding proviso.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Navigation—Training, education, and welfare, Navy", on page 7, line 21, after the name "Rhode Island", to strike out "\$103,059" and insert "\$115,559", so as to read:

Newport, R. I., \$115,559.

The amendment was agreed to.

The next amendment was, on page 8, line 25, after the word "than", to strike out "two" and insert "five", so as to read:

Instruction: For postgraduate instruction of officers in other than civil government and literature, and for special instruction, education, and individual training of officers and enlisted men at home and abroad, including maintenance of students abroad, except aviation training and submarine training otherwise appropriated for, \$178,000: *Provided*, That no part of this or any other appropriation contained in this act shall be available for or on account of any expense incident to giving special educational courses or postgraduate instruction to officers with view to qualifying them or better qualifying them for the performance of duties required to be performed by or in pursuance of law by officers of the Supply Corps, Construction Corps, or Corps of Civil Engineers, except present students and except such officers who are commissioned in such corps or who have not been commissioned in the line of the Navy more than 5 years.

The amendment was agreed to.

The next amendment was, on page 9, line 4, after the word "for", to strike out "\$55,000" and insert "\$58,000", so as to read:

Libraries: For libraries, professional books, textbooks, religious books, periodicals, and newspaper subscriptions for ships and shore stations not otherwise appropriated for, \$58,000.

The amendment was agreed to.

The next amendment was, on page 9, line 12, after the word "prescribe", to strike out "\$279,000" and insert "\$282,200", so as to read:

Welfare and recreation: For welfare and recreation of the Navy, including periodicals and newspaper subscriptions, and not exceeding \$2,400 for care and operation of schools at naval stations at Guantanamo Bay and Tutuila, for the children of naval and Marine Corps commissioned, enlisted, and civilian personnel, to be expended in the discretion of the Secretary of the Navy, under such regulations as he may prescribe, \$282,200.

The amendment was agreed to.

The next amendment was, on page 10, line 2, after the name "Navy", to strike out "\$1,510,122" and insert "\$1,528,622", and in line 12, after the word "Libraries", to strike out "\$22,000" and insert "\$24,000, so as to read:

In all, training, education, and welfare, Navy, \$1,528,622: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department, exclusive of temporary services, shall not exceed the following amounts, respectively: Naval War College, \$77,000; naval training station, San Diego, \$7,500; naval training station, Newport, \$10,000; naval training station, Great Lakes, \$14,500; naval training station, Norfolk, \$5,500; instruction, \$26,000; libraries, \$24,000; welfare and recreation, \$2,500.

The amendment was agreed to.

The next amendment was, under the subhead "Ocean and lake surveys, Bureau of Navigation", on page 12, line 13, after the word "assigned" to insert "to", so as to read:

For hydrographic surveys, including the pay of the necessary hydrographic surveyors, cartographic draftsmen, and recorders, and for the purchase of nautical books, charts, and sailing directions, \$70,000, of which \$8,000 shall be available immediately: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$27,400.

The amendment was agreed to.

The next amendment was, under the subhead "Naval Reserve", on page 14, line 14, before the word "officers", to strike out "twenty" and insert "nineteen"; in line 16, after the word "respectively", to insert "the pay and allowances of their grade"; in line 19, after the word "duties", to strike out "and/or" and insert "and"; and in line 20, after the word "duty", to insert a comma "and other officers above such grades employed on such class of active duty shall not be entitled to be paid a greater rate of pay and

allowances than authorized by law for a lieutenant of the Navy or a captain of the Marine Corps entitled to not exceeding 10 years' longevity pay" so as to read:

For expenses of organizing, administering, and recruiting the Naval Reserve and Naval Militia; pay and allowances of officers and enlisted men of the Naval Reserve when employed on authorized training duty; mileage for officers while traveling under orders to and from training duty; transportation of enlisted men to and from training duty, and subsistence and transfers en route, or cash in lieu thereof; subsistence of enlisted men during the actual period of training duty; subsistence of officers and enlisted men of the Fleet Naval Reserve while performing authorized training or other duty without pay; pay, mileage, and allowances of officers of the Naval Reserve and pay, allowances, subsistence, and transportation with subsistence and transfers en route, or cash in lieu thereof of enlisted men of the Naval Reserve when ordered to active duty in connection with the instruction, training, and drilling of the Naval Reserve; pay of officers and enlisted men of the Fleet Naval Reserve for the performance of not to exceed 48 drills per annum or other equivalent instruction or duty, or appropriate duties, and administrative duties, exclusive, however, of pay, allowances, or other expenses on account of members of any class of the Naval Reserve incident to their being given flight training unless, as a condition precedent, they shall have been found by such agency as the Secretary of the Navy may designate physically and psychologically qualified to serve as pilots of naval aircraft, \$7,352,825, of which amount \$122,306 shall be available immediately; not more than \$150,000 shall be available for maintenance and rental of armories, including pay of necessary janitors, and for wharfage; not more than \$81,000 shall be available for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department; not less than \$2,277,945 shall be available, in addition to other appropriations, for aviation material, equipment, fuel, and rental of hangars, and not more than \$397,914 shall be available, in addition to other appropriations, for fuel and the transportation thereof, and for all other expenses in connection with the maintenance, operation, repair, and upkeep of vessels assigned for training the Naval Reserve, and of such total sum \$5,062,396 shall be available exclusively for and on account of Naval and Marine Corps Reserve aviation: *Provided*, That no appropriation contained in this act shall be available to pay more than 19 officers of the Naval Reserve and 1 officer of the Marine Corps Reserve above the grade of lieutenant or captain, respectively, the pay and allowances of their grade for the performance of active duty other than the performance of drills or other equivalent instruction or duty, or appropriate duties, and the performance of 15 days' active training duty, and other officers above such grades employed on such class of active duty shall not be entitled to be paid a greater rate of pay and allowances than authorized by law for a lieutenant of the Navy or a captain of the Marine Corps entitled to not exceeding 10 years' longevity pay.

The amendment was agreed to.

The next amendment was, under the subhead "Naval Academy", on page 15, line 12, after the word "than", to strike out "\$22,800" and insert "\$25,100", so as to read:

Pay, Naval Academy: Pay for professors and others, Naval Academy: Pay of professors and instructors, including one professor as librarian, \$265,400: *Provided*, That not more than \$25,100 shall be paid for masters and instructors in swordsmanship and physical training.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Engineering—engineering", on page 19, line 21, after the words "in all", to strike out "\$19,550,000" and insert "\$19,662,000, and in addition, \$500,000 of the unobligated balance on June 30, 1935, of the appropriation 'General expenses, Marine Corps, 1933', is hereby reappropriated and made available for the purposes of this paragraph", and on page 20, line 5, after the word "exceed", to strike out "\$1,662,000" and insert "\$1,667,000", so as to read:

For repairs, preservation, and renewal of machinery, auxiliary machinery, and boilers of naval vessels, yard craft, and ships' boats, distilling and refrigerating apparatus; repairs, preservation, and renewals of electric interior and exterior signal communications and all electrical appliances of whatsoever nature on board naval vessels, except range finders, battle order and range transmitters and indicators, and motors and their controlling apparatus used to operate machinery belonging to other bureaus; searchlights and fire-control equipments for anti-aircraft defense at shore stations; maintenance and operation of coast signal service; equipment, supplies, and materials under the cognizance of the bureau required for the maintenance and operation of naval vessels, yard craft, and ships' boats; purchase, installation, repair, and preservation of machinery, tools, and appliances in navy yards and stations, accident prevention, pay of classified field force under the bureau; incidental expenses for naval vessels, navy yards, and stations, inspectors' offices, the engineering experiment station, such

as photographing, technical books and periodicals, stationery, and instruments; services, instruments, machines and auxiliaries, apparatus and supplies, and technical books and periodicals necessary to carry on experimental and research work; maintenance and equipment of buildings and grounds at the engineering experiment station, Annapolis, Md.; payment of part time or intermittent employment in the District of Columbia or elsewhere of such scientists and technicians as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding \$20 per diem for any person so employed; in all, \$19,662,000, and in addition, \$500,000 of the unobligated balance on June 30, 1935, of the appropriation "General expenses, Marine Corps, 1933", is hereby reappropriated and made available for the purposes of this paragraph: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$1,667,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Construction and Repair", on page 21, line 6, after the word "materials", to strike out "\$18,050,000" and insert "\$18,288,000, and in addition \$500,000 of the unobligated balance on June 30, 1935, of the appropriation 'General expenses, Marine Corps, 1933', is hereby reappropriated and made available for the purposes of this paragraph"; and in line 15, after the word "exceed", to strike out "\$1,800,000" and insert "\$1,805,000", so as to read:

For designing naval vessels, including services, instruments, apparatus, and materials necessary for experimental and research work; payment of part time or intermittent employment in the District of Columbia, or elsewhere, of such scientists and technicians as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding \$20 per diem for any person so employed; maintenance, repairs, and alterations of vessels; care and preservation of vessels out of commission; docking of vessels; salvage and salvage services for naval floating property; construction and repair of district and yard craft; purchase and manufacture of equipment, appliances, supplies, and materials at home and abroad as required for the maintenance, repair, alteration, and operation of naval vessels and district and yard craft; carrying on work of the experimental model basin and wind tunnel; tools and appliances for all purposes in navy yards and naval stations; labor in navy yards and naval stations and elsewhere at home and abroad; accident prevention; pay of classified field force, including employees in material inspection and superintending constructors' offices; incidental expenses at navy yards and naval stations and in material inspection and superintending constructors' offices such as photographing, technical and professional books and magazines, plans, stationery, drafting instruments and other materials, \$18,288,000, and in addition \$500,000 of the unobligated balance on June 30, 1935, of the appropriation "General expenses, Marine Corps, 1933", is hereby reappropriated and made available for the purposes of this paragraph: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$1,805,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Ordnance—Ordnance and ordnance stores, Bureau of Ordnance", on page 22, line 24, after the figures "\$21,200,000", to insert a comma and "and in addition \$500,000 of the unobligated balance on June 30, 1935, of the appropriation 'Fuel and transportation, Bureau of Supplies and Accounts, 1934', is hereby reappropriated and made available for the purposes of this paragraph", so as to read:

For procuring, producing, preserving, and handling ordnance material, for the armament of ships; for the purchase and manufacture of torpedoes and appliances; for the purchase and manufacture of smokeless powder; for fuel, material, and labor to be used in the general work under the cognizance of the Bureau of Ordnance; for furniture at naval ammunition depots, torpedo stations, naval ordnance plants, and proving grounds; for technical books; plant appliances as now defined by the "Navy classification of accounts"; for machinery and machine tools; for accident prevention; for experimental work in connection with the development of ordnance material for the Navy; for maintenance of proving grounds, powder factory, torpedo stations, gun factory, ammunition depots, and naval ordnance plants, and for target practice; not to exceed \$15,000 for minor improvements to buildings, grounds, and appurtenances of a character which can be performed by regular station labor; for payment of part time or intermittent employment in the District of Columbia, or elsewhere, of such scientists and technicians as may be contracted for by the Secretary of the Navy in his discretion at a rate of pay not exceeding \$20 per diem for any person so employed; for the maintenance, repair, and operation of horse-drawn and motor-propelled freight and passenger-carrying vehicles, to be used only

for official purposes at naval ammunition depots, naval proving grounds, naval ordnance plants, and naval torpedo stations; for the pay of chemists, clerical, drafting, inspection, and messenger service in navy yards, naval stations, naval ordnance plants, and naval ammunition depots, and for care and operation of schools at ordnance stations at Indianhead, Md.; Dahlgren, Va.; and South Charleston, W. Va., \$21,200,000, and in addition \$500,000 of the unobligated balance on June 30, 1935, of the appropriation "Fuel and transportation, Bureau of Supplies and Accounts, 1934", is hereby reappropriated and made available for the purposes of this paragraph: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the Schedule of Wages for Civil Employees in the Field Service of the Navy Department shall not exceed \$1,275,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Supplies and Accounts—Pay, subsistence, and transportation of naval personnel", on page 23, line 13, after the word "pay", to insert "and"; on page 25, line 6, after the word "competitions", to strike out "\$73,872,972" and insert "\$74,621,779"; on page 26, line 3, after the words "in all", to strike out "\$146,790,040" and insert "\$147,538,847", and in line 18, after the word "expeditions", to insert "and in addition not to exceed 40 in number at such places as shall be designated by the Secretary of the Navy", so as to read:

Pay of naval personnel: For pay and allowances prescribed by law of officers on sea duty and other duty, and officers on waiting orders (not to exceed 908 officers of the Medical Corps, 186 officers of the Dental Corps, 556 officers of the Supply Corps, 83 officers of the Chaplain Corps, 233 officers of the Construction Corps, 109 officers of the Civil Engineer Corps, and 1,461 warrant and commissioned warrant officers: *Provided*, That if the number of warrant and commissioned warrant officers and officers in any staff corps holding commission on July 1, 1935, is in excess of the number herein stipulated, such excess officers may be retained in the Navy until the number is reduced to the limitations imposed by this act), pay—\$32,948,940, including not to exceed \$1,628,858 for increased pay for making aerial flights, no part of which shall be available for increased pay for making aerial flights by more than three rear admirals nor by nonflying officers or observers at a rate in excess of \$1,440 per annum, which shall be the legal maximum rate as to such nonflying officers or observers; rental allowance, \$6,685,447; subsistence allowance, \$4,257,791; in all, \$43,892,178; officers on the retired list, \$7,717,150; for hire of quarters for officers serving with troops where there are no public quarters belonging to the Government, and where there are not sufficient quarters possessed by the United States to accommodate them, and hire of quarters for officers and enlisted men on sea duty at such times as they may be deprived of their quarters on board ship due to repairs or other conditions which may render them uninhabitable, \$3,000; pay of enlisted men on the retired list, \$6,050,042; interest on deposits by men, \$3,000; pay of petty officers (not to exceed an average of 7,040 chief petty officers, of which number those with a permanent appointment as chief petty officer shall not exceed an average of 6,150), seamen, landsmen, and apprentice seamen, including men in the engineer's force and men detailed for duty with the Fish Commission, enlisted men, men in trade schools, pay of enlisted men of the Hospital Corps, extra pay for men for diving, and cash prizes (not to exceed \$75,000) for men for excellence in gunnery, target practice, communication, and engineering competitions, \$74,621,779; outfits for all enlisted men and apprentice seamen of the Navy on first enlistment, civilian clothing not to exceed \$15 per man to men given discharges for bad conduct or undesirability or inaptitude, reimbursement in kind of clothing to persons in the Navy for losses in cases of marine or aircraft disasters or in the operation of water- or air-borne craft, and the authorized issue of clothing and equipment to the members of the Nurse Corps, \$2,246,523; pay of enlisted men undergoing sentence of court martial, \$64,400, and as many machinists as the President may from time to time deem necessary to appoint; pay and allowances of the Nurse Corps, including assistant superintendents, directors and assistant directors—pay, \$498,320; rental allowance, \$15,840; subsistence allowance, \$15,152; pay retired list, \$176,424; in all, \$705,736; rent of quarters for members of the Nurse Corps; pay and allowances of transferred and assigned men of the Fleet Naval Reserve, \$12,125,039; reimbursement for losses of property as provided in the act approved October 6, 1917 (U. S. C., title 34, secs. 981, 982), as amended by the act of March 3, 1927 (U. S. C., Supp. VII, title 34, sec. 983), \$10,000; payment of 6 months' death gratuity, \$100,000; in all, \$147,538,847; and no part of such sum shall be available to pay active-duty pay and allowances to officers in excess of eight on the retired list, except retired officers temporarily ordered to active duty as members of retiring and selection boards as authorized by law: *Provided*, That during the fiscal year ending June 30, 1936, no officer of the Navy shall be entitled to receive an addition to his pay in consequence of the provisions of the act approved May 13, 1908 (U. S. C., title 34, sec. 867): *Provided further*, That, except for the public quarters occupied by the Chief of Office of Naval Operations, the Superintendent of the Naval Academy, and the Commandant of the Marine Corps and messes temporarily set up on shore for officers attached to seagoing vessels,

to aviation units based on seagoing vessels including officers' messes at the fleet air bases, and to landing forces and expeditions, and in addition not to exceed 40 in number at such places as shall be designated by the Secretary of the Navy, no appropriation contained in this act shall be available for the pay, allowances, or other expenses of any enlisted man or civil employee performing service in the residence or quarters of an officer or officers on shore as a cook, waiter, or other work of a character performed by a household servant, but nothing herein shall be construed as preventing the voluntary employment in any such capacity of a retired enlisted man or a transferred member of the Fleet Naval Reserve without additional expense to the Government, nor the sale of meals to officers by general messes on shore as regulated by detailed instructions from the Navy Department.

The amendment was agreed to.

The next amendment was, on page 29, line 21, after the words "naval personnel", to strike out "\$168,283,083" and insert "\$169,031,890", so as to read:

In all, for pay, subsistence, and transportation of naval personnel, \$169,031,890, of which sum \$1,000,000 shall be immediately available, and the money herein specifically appropriated for "Pay, subsistence, and transportation of naval personnel", shall be disbursed and accounted for in accordance with existing law and shall constitute one fund: *Provided*, That additional commissioned, warranted, appointed, enlisted, and civilian personnel of the Medical Department of the Navy, required for the care of patients of the United States Veterans' Administration in naval hospitals, may be employed in addition to the numbers appropriated for in this act:

The amendment was agreed to.

The next amendment was, under the subhead "Maintenance, Bureau of Supplies and Accounts", on page 31, line 16, after the words "Naval Establishment" and the comma, to strike out "\$8,300,000" and insert "\$8,350,540", and in line 20, before the word "kitchen", to strike out "and/or" and insert "and", so as to read:

For equipage, supplies, and services under the cognizance of the Bureau of Supplies and Accounts, including stationery for commanding, executive, communication, and navigating officers of ships, boards and courts on ships, and chaplains; commissions, interest, and exchange; ferrage and bridge tolls; including street-car fares; rent of buildings and offices not in navy yards except for use of naval attachés and recruiting officers; accident prevention; services of civilian employees under the cognizance of the Bureau of Supplies and Accounts; freight, express, and parcel-post charges, including transportation of funds and cost of insurance on shipments of money when necessary, and ice for cooling drinking water on shore (except at naval hospitals and shops at industrial navy yards), pertaining to the Navy Department and Naval Establishment, \$8,350,540.

The amendment was agreed to.

The next amendment was, on page 32, after line 21, to strike out:

NAVAL SUPPLY ACCOUNT FUND

Not exceeding \$7,500,000 in the aggregate of the unobligated balances on June 30, 1935, of the appropriations "Maintenance, Bureau of Yards and Docks, 1934", "Ordnance and ordnance stores, Bureau of Ordnance, 1934", "Construction and repair, Bureau of Construction and Repair, 1934", "Engineering, Bureau of Engineering, 1934", and "Maintenance, Bureau of Supplies and Accounts, 1934", are hereby reappropriated and transferred to the credit of the Naval Supply Account Fund.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Medicine and Surgery—Medical Department", on page 36, line 4, after the words "in all", to strike out "\$2,100,000" and insert "\$2,179,400", so as to read:

For surgeons' necessities for vessels in commission, navy yards, naval stations, and Marine Corps; and for the civil establishment at the several naval hospitals, navy yards, naval medical supply depots, Naval Medical School and dispensary, Washington, and Naval Academy; for tolls and ferrages; purchase of books and stationery; hygienic and sanitary investigation and illustration; sanitary, hygienic, administrative, and special instruction, including the issuing of naval medical bulletins and supplements; purchase and repairs of non-passenger-carrying wagons, automobile ambulances, and harness; purchase of and feed for horses and cows; maintenance, repair, and operation of three passenger-carrying motor vehicles for naval dispensary, Washington, D. C., and of one motor-propelled vehicle for official use only for the medical officer on out-patient medical service at the Naval Academy; trees, plants, care of grounds, garden tools, and seeds; incidental articles for the Naval Medical School and naval dispensary, Washington, naval medical supply depots, sick quarters at Naval Academy and

marine barracks, dispensaries at navy yards and naval stations, and ships; and for minor repairs on buildings and grounds of the United States Naval Medical School and naval medical supply depots; rent of rooms for naval dispensary, Washington, D. C., not to exceed \$1,200; for the care, maintenance, and treatment of the insane of the Navy and Marine Corps on the Pacific coast, including supernumeraries held for transfer to St. Elizabeths Hospital; for dental outfits and dental material; and all other necessary contingent expenses; in all, \$2,179,400.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Aeronautics—Aviation, Navy", on page 40, line 21, after the word "equipment", to strike out "\$10,755,150" and insert "\$11,285,750"; on page 41, line 13, after the word "accessories", to strike out "\$26,770,000" and insert "\$26,715,660"; and in line 19, after the words "in all", to strike out "\$40,521,350" and insert "\$40,997,610", so as to read:

For aviation, as follows: For navigational, photographic, aerological, radio, and miscellaneous equipment, including repairs thereto, for use with aircraft built or building on June 30, 1935, \$498,200; for maintenance, repair, and operation of aircraft factory, air stations, fleet air bases, fleet and all other aviation activities, accident prevention, testing laboratories, for overhauling of planes, and for the purchase for aviation purposes only of special clothing, wearing apparel, and special equipment, \$11,285,750, including \$120,000 for the equipment of vessels with catapults and including not to exceed \$10,000 for the procurement of helium, which sum of \$10,000 shall be transferred to and made available to the Bureau of Mines on July 1, 1935, in addition to which sum the Bureau of Mines may use for helium plant operation in the fiscal year 1936 the unexpended balance of funds transferred to it for such operation in the fiscal year 1935, and the Bureau may lease, after competition, surplus metal cylinders acquired for use as helium containers; for continuing experiments and development work on all types of aircraft, including the payment of part-time or intermittent employment in the District of Columbia or elsewhere of such scientists and technicians as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding \$20 per diem for any person so employed, \$2,498,000; for new construction and procurement of aircraft and equipment, spare parts and accessories, \$26,715,660, of which amount not to exceed \$8,500,000 shall be available for the payment of obligations incurred under the contract authorizations carried in the Navy Appropriations Acts for the fiscal years 1934 and 1935 and \$17,475,000 shall remain available until June 30, 1937; in all, \$40,997,610; and the money herein specifically appropriated for "Aviation" shall be disbursed and accounted for in accordance with existing law and shall constitute one fund.

The amendment was agreed to.

The next amendment was, on page 42, line 7, after the words "excess of", to strike out "\$5,000,000" and insert "\$8,180,000", so as to make the further proviso read:

Provided further, That in addition to the amount herein appropriated, the Secretary of the Navy may, prior to July 1, 1937, enter into contracts for the production and purchase of new airplanes and their equipment, spare parts, and accessories, to an amount not in excess of \$8,180,000.

The amendment was agreed to.

The next amendment was, under the heading "Marine Corps—General expenses, Marine Corps", on page 48, line 21, after the words "For clothing" to insert "including clothing for aviation cadets", and in line 23, after the word "expenses", to strike out "\$120,860" and insert "\$224,238", so as to read:

Marine Corps Reserve: For clothing, including clothing for aviation cadets, subsistence, heat, light, transportation, and miscellaneous expenses, \$224,238.

The amendment was agreed to.

The next amendment was, on page 48, line 24, after the words "In all", to strike out "\$6,805,160" and insert "\$6,908,538", so as to read:

In all, \$6,908,538, to be accounted for as one fund: *Provided*, That the sum to be paid out of this appropriation for employees assigned to group IV (b) and those performing similar services carried under native and alien schedules in the schedule of wages for civil employees in the field service of the Navy Department shall not exceed \$80,000.

The amendment was agreed to.

The next amendment was, under the heading "Increase of the Navy", on page 49, line 18, after the figures "\$88,310,000", to strike out "to" and insert "and in addition \$11,690,000 in the aggregate of the unobligated balances on June 30, 1935, of the appropriations "Maintenance, Bureau of Yards and Docks, 1934", "Ordnance and ordnance stores,

Bureau of Ordnance, 1934", "Construction and repair, Bureau of Construction and Repair, 1934", "Engineering, Bureau of Engineering, 1934", "Maintenance, Bureau of Supplies and Accounts, 1934", "Construction and repair, Bureau of Construction and Repair, 1933", "Pay, subsistence, and transportation, Navy, 1933", "Fuel and transportation, Bureau of Supplies and Accounts, 1933", and "Aviation, Navy, 1933", are hereby reappropriated and made available for the purposes of this paragraph, and the total sum herein made available shall", so as to read:

Construction and machinery: On account of hulls and outfits of vessels and machinery of vessels heretofore authorized, including (1) the expenses in connection with continuing the construction of 14 destroyers and 6 submarines which were commenced in the fiscal year 1935 under funds made available from the "Emergency Appropriation Act, fiscal year 1935", and (2) for the commencement of 2 cruisers of subcategory (b) authorized by the act approved February 13, 1929 (45 Stat. 1165), and 1 aircraft carrier, 15 destroyers, and 6 submarines authorized by the act approved March 27, 1934 (48 Stat., pp. 503-505), \$88,310,000, and in addition \$11,690,000 in the aggregate of the unobligated balances on June 30, 1935, of the appropriations "Maintenance, Bureau of Yards and Docks, 1934", "Ordnance and ordnance stores, Bureau of Ordnance, 1934", "Construction and repair, Bureau of Construction and Repair, 1934", "Engineering, Bureau of Engineering, 1934", "Maintenance, Bureau of Supplies and Accounts, 1934", "Construction and repair, Bureau of Construction and Repair, 1933", "Pay, subsistence, and transportation, Navy, 1933", "Fuel and transportation, Bureau of Supplies and Accounts, 1933", and "Aviation, Navy, 1933", are hereby reappropriated and made available for the purposes of this paragraph, and the total sum herein made available shall remain available until expended.

Mr. NYE. Mr. President, will the Senator from South Carolina permit this amendment to go over until other committee amendments have been acted on?

Mr. BYRNES. I have no objection.

The VICE PRESIDENT. Without objection, the amendment will be passed over, and the clerk will state the next amendment.

The next amendment was, on page 50, line 24, after the word "vessels", to strike out "heretofore authorized and herein or heretofore appropriated for in part" and insert "which have been, or may hereafter be authorized", so as to make the proviso read:

Provided, That of the appropriations contained in this act under the head of "Increase of the Navy", there shall be available such sums as the Secretary of the Navy may from time to time determine to be necessary for the engagement of technical services, and the employment of personnel in the Navy Department and in the field, the purchase of plans, drafting and other supplies, and the expenses of printing and travel, in addition to those otherwise provided for, owing to the construction of vessels which have been, or may hereafter be authorized.

The amendment was agreed to.

The next amendment was, on page 53, line 21, after the word "category", to insert "except the 15,000-ton aircraft carrier", so as to read:

No part of the appropriations made in this act shall be available for the salary or pay of any officer, manager, superintendent, foreman, or other person or persons having charge of the work of any employee of the United States Government while making or causing to be made with a stop watch or other time-measuring device a time study of any job of any such employee between the starting and completion thereof, or of the movements of any such employee while engaged upon such work; nor shall any part of the appropriations made in this act be available to pay any premiums or bonus or cash reward to any employee in addition to his regular wages, except for suggestions resulting in improvements or economy in the operation of any Government plant; and no part of the moneys herein appropriated for the Naval Establishment or herein made available therefor shall be used or expended under contracts hereafter made for the repair, purchase, or acquirement, by or from any private contractor, of any naval vessel, machinery, article or articles that at the time of the proposed repair, purchase, or acquirement can be repaired, manufactured, or produced in each or any of the Government navy yards or arsenals of the United States, when time and facilities permit, and when, in the judgment of the Secretary of the Navy, such repair, purchase, acquirement, or production would not involve an appreciable increase in cost to the Government; *Provided*, That nothing herein shall be construed as altering or repealing the provisos contained in the acts to authorize the construction of certain naval vessels, approved February 13, 1929, and March 27, 1934, which provide that the first and succeeding alternate vessels in each category, except the 15,000-ton aircraft carrier, upon which work is undertaken, together with the main engines, armor, and armament shall be constructed or manufactured in the Government navy yards, naval gun factories,

naval ordnance plants, or arsenals of the United States, except such material or parts as are not customarily manufactured in such Government plants.

The amendment was agreed to.

The next amendment was, on page 55, line 6, to increase the appropriation for personal services in the District of Columbia under the Bureau of Aeronautics, Navy Department, from \$282,660 to \$337,000.

The amendment was agreed to.

The next amendment was, on page 55, at the end of line 7, to increase the total appropriation for personal services in the District of Columbia under the Navy Department from \$3,840,799 to \$3,895,139.

The amendment was agreed to.

The next amendment was, under the subhead "Printing historical and naval documents", on page 57, line 23, after the numerals "1935", to strike out "\$15,000" and insert "\$20,000", so as to read:

For continuing the printing of historical and naval documents, including composition, clerical copying in the Navy Department, and other preparatory work, in accordance with the provisions of the appropriation made for the commencement of this work as contained in the Naval Appropriation Act for the fiscal year 1935, \$20,000, together with the unexpended balance for this purpose for the fiscal year 1935.

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments, with the exception of the reservation made by the Senator from North Dakota.

Mr. BYRNES. Mr. President, I offer an amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 61, after line 7, it is proposed to insert a new section, as follows:

Sec. 3. During the fiscal year 1935 and thereafter, the words "permanent change of station" as used in section 12 of the act approved May 18, 1920 (41 Stat. 604), as amended, shall be held to include the home of an officer or man to which he is ordered in connection with his retirement.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. NYE. Mr. President, I am under obligation, in view of the fact that there is but one committee amendment left to be acted on, of suggesting the absence of a quorum, since I know there are other Senators who desire to be present when that amendment is considered.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Pope
Ashurst	Coolidge	King	Radcliffe
Austin	Copeland	La Follette	Reynolds
Bachman	Costigan	Logan	Robinson
Bailey	Couzens	Loneragan	Russell
Bankhead	Dickinson	Long	Schall
Barbour	Dieterich	McAdoo	Schwellenbach
Barkley	Donahey	McCarran	Sheppard
Bilbo	Duffy	McGill	Shipstead
Black	Fletcher	McKellar	Smith
Bone	Frazier	McNary	Steiwer
Borah	George	Maloney	Thomas, Okla.
Brown	Gerry	Metcalf	Thomas, Utah
Bulkley	Gibson	Minton	Townsend
Bulow	Glass	Moore	Trammell
Burke	Gore	Murphy	Truman
Byrd	Guffey	Murray	Tydings
Byrnes	Hale	Neely	Vandenbergh
Capper	Harrison	Norris	Van Nuys
Caraway	Hastings	Nye	Wagner
Carey	Hatch	O'Mahoney	Walsh
Chavez	Hayden	Overton	Wheeler
Clark	Johnson	Pittman	White

The PRESIDING OFFICER (Mr. TOWNSEND in the chair). Ninety-two Senators having answered to their names, a quorum is present.

EXTENSION OF THE N. R. A.

Mr. NYE. Mr. President, for just a moment before proceeding to the consideration of the pending appropriation bill I should like to call attention to certain facts which are of considerable interest in light of the persons who are visiting Washington today who are calling upon Senators

and Members of the House of Representatives, urging them unqualifiedly to support a 2-year extension of N. R. A.

The N. R. A. records reveal that Mr. George J. Lincoln, Jr., of Philadelphia, is the executive secretary of the paper-disk milk-bottle-cap industry, drawing from that industry and its code authority a salary of \$9,000 a year; that he is the executive secretary of the cylindrical liquid type paper container industry, paying him a salary of \$9,000 a year; that he is the manager of the sanitary milk-bottle-closure industry, paying him a salary of \$6,000 a year; that he is the executive secretary of the paper-napkin division of the paper and pulp industry, paying him a salary of \$9,000 a year; that he is manager of the crepe-paper division of the paper and pulp industry at a yearly compensation of \$6,000; and, in addition, he directs the activities of the National Association of Drinking Straw Manufacturers at a yearly compensation of \$9,000. The total salary paid to this man by reason of the operation of these codes is \$48,000 per year.

This man, Mr. Lincoln, is in Washington today attending the conference which, it is expected, will urge upon Congress the great importance of continuing for 2 years this racket—for racket it is.

NAVY DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes.

Mr. NYE. Mr. President, I revert to the committee amendment on page 49 of the bill, which the chairman of the committee consented should go over. That committee amendment, which appears under the head of "Increase of the Navy", is as follows:

And in addition \$11,690,000 in the aggregate of the unobligated balances on June 30, 1935, of the appropriations "Maintenance, Bureau of Yards and Docks, 1934", "Ordnance and ordnance stores, Bureau of Ordnance, 1934", "Construction and repair, Bureau of Construction and Repair, 1934", "Engineering, Bureau of Engineering, 1934", "Maintenance, Bureau of Supplies and Accounts, 1934", "Construction and repair, Bureau of Construction and Repair, 1933", "Pay, subsistence, and transportation, Navy, 1933", "Fuel and transportation, Bureau of Supplies and Accounts, 1933", and "Aviation, Navy, 1933", are hereby reappropriated and made available for the purposes of this paragraph, and the total sum herein made available shall—

Originally, the Appropriations Committee of the House provided in its bill this \$11,000,000 additional for construction in the Navy. The House struck out the provision. The Senate committee has written it back in the bill. If there were no better reasons than those which were afforded by Members of the House for striking out that \$11,000,000, I should surely feel that the representation had been adequate. It seems to me no further reasons than were there given are required for striking the item from the bill.

Next year will witness the expiration of the naval treaty. There is not a soul here, there is not a soul within the ranks of our Army or our Navy, who will today undertake to say what the need is going to be in the way of naval construction after that treaty shall have expired.

Mr. President, I have just been advised that the House of Representatives has overridden the President's veto by a vote of 322 to 98; and I wish to serve notice now that if there is any desire on the part of the leaders to lay aside the pending business in order to consider the President's veto, I shall be glad to stand aside.

Mr. BARKLEY. The subject is not before the Senate, because the veto has not as yet been transmitted to the Senate.

Mr. McNARY. Mr. President, I wish to call attention to the fact that the veto has not as yet been transmitted to the Senate.

Mr. NYE. Mr. President, I understand that it has not been transmitted to the Senate and is not officially before us; but I assumed that the leaders might wish to speak upon the subject this afternoon.

I repeat that there is no one within the Army or the Navy who will undertake to say what our needs after the expiration of the present treaty are going to be; yet we are appro-

priating hundreds of millions of dollars for construction which will be undertaken now, and which cannot possibly be completed in anything short of 3 or 4 or perhaps 5 years. I do not see why we do not exercise now the same concern about balanced budgets that we have exercised in considering appropriation bills for other departments of the Government, and trim down, so far as we can, the pending appropriations calling for naval construction during the next fiscal year.

Day before yesterday I was undertaking to lay before the Senate my views concerning the madness which at the present time is upon the world—ourselves included—for larger armaments. I said, if I remember correctly, that the world had never witnessed in peace times any such armament race as is under way today. Sixteen brief years after the war to end wars we find ourselves participating in a way which is calling for treble the appropriations in preparation for more wars that were occasioned in preparation for war the year before we entered the World War.

Our appropriations for the Army and Navy for the next year call for more money than it cost to run every department of Government, including the Army and the Navy, in 1914; yet, as I previously said, some of us have the audacity at times to rise in our places and remark upon the great misfortune that the other nations of the world do not follow our example in the cause of peace.

I said day before yesterday that the madness which is upon the world and upon our own country and people is occasioned in no small part by the fact that there are industries and there are individuals who have come to learn that there is tremendous profit in programs of preparing for war.

The World War created in America alone 22,000 new millionaires, men and women who could not have had their millions except as men were giving their lives and giving of their blood upon fields of battle, upon fields of honor. It is not surprising that people who learned that there was much profit in the last war should be among those who today are found saying that perhaps what our country now needs in order to overcome the depression is another little war. They learned that there was much profit and no depression for them during our participation in the World War.

That there is profit in preparing for war I think is best revealed by a statement attributed by Mr. Eugene Schneider, the head of the great Schneider-Creusot Munitions Works, who last year, in addressing the annual meeting of stockholders of his company, eloquently portrayed the great income which his company had enjoyed during the year, and then concluded his report with the remark:

The defense of our country has brought us satisfactions which cannot be ignored.

So long as men will look upon national defense and the defense of their country as a cause which is holding rewards for those who are in the position of producing and selling what a nation needs in the way of national defense, so long, I suppose, will we have upon us these annual urges for larger and larger and ever larger and more adequate national defense.

The facts are that, though we are today spending three times as much in the name of national defense as we were spending the year before we went into the World War, we have no more adequate defense today than we then had. Why? Simply because others against whom we have been preparing to defend ourselves are providing a defense for themselves; and I think today it may fairly be said to those who are constantly cautioning us to be on our guard and to be looking out for Japan that among those so urging are American merchants and manufacturers who are producing munitions of war and selling them to Japan and prevailing upon the people of Japan at one and the same time to believe that Japan has got to look out for the United States and be more adequately prepared for the war that is coming to them. We need but revert to statistics which are a matter of record to discover that during the years of the depression there has been one American business that has increased its domestic and foreign trade, and that business is the business of manufacturing and selling munitions of war.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Texas?

Mr. NYE. I yield to the Senator.

Mr. CONNALLY. Did the Senator from Texas understand correctly the Senator from North Dakota to say that there are certain American citizens who are carrying on propaganda in Japan to create the impression in Japan that the Japanese must arm as against the United States?

Mr. NYE. I am saying that citizens of the United States who are among those warning us to look out for Japan are largely the ones who are selling to Japan American-made munitions of war. Our statistics of exportations today reveal larger exports of munitions to Japan than have ever before gone forth from our shores.

Mr. CONNALLY. Let me ask the Senator another question. Did not the Senator furthermore say that they were selling goods to Japan and at the same time were creating the impression in Japan among her people that they should arm against the United States?

Mr. NYE. No; I do not think I said anything of that kind.

Mr. CONNALLY. I should like to have the Official Reporter read the notes.

Mr. NYE. I am perfectly willing that they be read.

Mr. CONNALLY. I want to be informed, because, if the Senator has information of that kind—

Mr. NYE. I might say to the Senator, however, that there would not be anything unusual about it if such an assertion were made.

Mr. CONNALLY. If the Senator from North Dakota has information of that kind about citizens of the United States, he ought to give it to the Senate; he ought to give their names to the Senate, so that they could be placarded somewhere as enemies of their own country for gain. I think the Senator ought not to make a general statement such as that unless he has the information.

Mr. NYE. I will say to the Senator that I do not think I made any such statement.

Mr. CONNALLY. I so understood the Senator.

Mr. NYE. I think if the Senator will read the RECORD he will find that I have not made any such statement.

Mr. CONNALLY. If the Senator denies it, I accept the denial.

Mr. NYE. There would not be anything surprising if a statement of that sort should be made here, because American manufacturers of munitions are engaged in other lands, notably in South America, in stirring up one nation against another, one people against another, selling them both the same identical machinery of national defense and profiting by reason of the fear and hate and suspicion they can engender.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield further to the Senator from Texas?

Mr. NYE. I yield.

Mr. CONNALLY. That may be true. I hold no brief for any munitions maker. Personally, I think the Government of the United States ought to make its own munitions.

Mr. NYE. I am delighted to hear the Senator's statement.

Mr. CONNALLY. It ought to make its own armor plate, in order to dissociate itself absolutely from any profit so far as the manufacture of munitions is concerned; but the statement of the Senator does not present a parallel. He says the munitions makers are selling munitions to South and Central America and are inciting those people one against the other. What I understood the Senator to say was that American citizens, for profit, were selling munitions to Japan, and were impressing among the Japanese people the idea that they, in turn, must arm against the United States. That is treason, if I understand what treason is; and if the Senator has such information, the names of those "patriots" ought to be placarded somewhere, in order that the Congress of the United States might enact legislation, if need be, to stop that kind of thing. I think

if we had more legislation on munitions and less talk about the subject we would be better off.

Mr. NYE. I have heard the Senator previously make that statement. I am delighted to hear him make the statement this morning that he is one of those—and their number is growing—who believe that the proper thing is for the Government to manufacture its own national-defense machinery.

Mr. CONNALLY. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from North Dakota yield further to the Senator from Texas?

Mr. NYE. Yes.

Mr. CONNALLY. The Senator from Texas has not undergone any change of mind on that subject; he has always favored such action.

Mr. NYE. Nor did I say that the Senator from Texas had undergone any change of mind. It seems to me that the Senator from Texas is overly sensitive today about some matter or other.

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield further to the Senator from Texas?

Mr. NYE. I yield.

Mr. CONNALLY. If being sensitive to the interest of one's own country, and having a mind to bring about peace between it and other countries is oversensitiveness, then I plead guilty to the charge. The Senator from North Dakota, according to my understanding, was making a very grave and serious charge, and naturally the Senator from Texas was sensitive and wanted to know if the charge is true. If it be true, he thinks the Senator from North Dakota ought to tell the Senate about it.

Mr. NYE. I hope the Senator and I are going to continue to move in the same direction in remedying conditions which we seem to be in agreement are wrong.

The Senator from Texas awakens a thought which I think ought to be represented in the Senate, the thought which was involved in the campaign of one American munitions firm which had its salesmen work in South America for years. Sensing that there might be a better market for the moment in Cuba this American company sent its representative, Mr. Frank Jonas, to Cuba with instructions to sell its munitions to the rebels who were trying to overthrow the Cuban Government, and for all he sold to the rebels the company paid him a very handsome commission; but when the same salesman sold the same company's supplies to the Cuban Government, which was trying to put down the rebellion, the company paid him a little higher rate of commission; and this particular salesman, Mr. Jonas, when he was before our committee, was made to reveal that there was a time when he thought that he was engaged, to use his own expression, in "one hell of a business." One perhaps would be apt to forget that story were it not for the fact that our Government is in cooperation, in partnership, aiding wherever it can American munitions firms in their sales of munitions in other lands.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Michigan?

Mr. NYE. I am glad to yield to the Senator from Michigan.

Mr. VANDENBERG. Mr. President, in connection with the Cuban exhibit which the Senator has just presented, I think it is particularly important that he should emphasize the fact that at the very moment when the representative of this American munitions firm was dealing, first, with the Cuban rebels and then with the Cuban Government, it was at the moment when the Platt amendment was still in effect, and the Government of the United States was virtually responsible for the maintenance of peace in Cuba.

Mr. NYE. Which, in the minds of some Senators, constitutes treason.

Mr. VANDENBERG. It is a pretty good parallel.

Mr. NYE. The fact of the matter is, Mr. President—

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Louisiana?

Mr. NYE. I am glad to yield to the Senator.

Mr. LONG. Who was it who said it constituted treason?

Mr. NYE. I did not understand the Senator's question.

Mr. LONG. The Senator from North Dakota stated that some Senator thought that the action he described constituted treason. I might not have been paying close attention, and will inquire what Senator so stated.

Mr. NYE. The Senator from Texas [Mr. CONNALLY] alluded to activities of the kind as constituting treason; and I quite agree with him.

Mr. LONG. I am glad it was the Senator from Texas.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Texas?

Mr. NYE. I yield.

Mr. CONNALLY. May I ask the Senator from Louisiana what his remark was?

Mr. LONG. I just said, having been informed that it was the Senator from Texas who thought it was treason, that I was glad it was the Senator from Texas.

Mr. CONNALLY. The Senator from Louisiana will find that the sentiments of the Senator from Texas on matters of that kind are usually sound.

Mr. LONG. In this instance they are sound.

Mr. NYE. Mr. President, of course, we are now engaging in a wild shipbuilding program in the name of national defense. We always had national defense, but we must have more ships; and yet today there are no military or naval authorities in our land who would undertake to say how many ships America needs in order, in their opinion, to provide an adequate national defense. There is no limit. There seems to be no knowledge—at least, no will—on the part of military authorities to say how many men we must have in our Army and how many ships we must have in our Navy before we can feel thoroughly secure in our national defense.

If America were to be content strictly with an adequate national defense in name and in every particular, I dare say we could have such national defense for hundreds of millions of dollars a year less than we are now spending in the name of national defense. Today the plans of the American military experts are calling, not for battles at home or in our own waters or on our own shores, but for the transportation of 3,000,000 men across thousands of miles of ocean. If it were left to the people of America to determine the question, I am satisfied that to the extent of nearly 100 percent they would say that never, never again, in the light of past experience, should we ask our men and our boys to leave their own waters or their own shores to engage in war. But these are the kinds of plans upon which we base our annual appropriations in the name of national defense.

There are those who are wont to say that, while it is nice to contemplate strictly a national defense which would contemplate only war near to our shores or upon our own land, there might easily arise an occasion which would find us very regretful that we did not have that larger ability to go a long distance away from home in order to chastise people who in some manner or another might have insulted our flag or challenged our rights upon the high seas.

The question is asked, What would we do if, in the event of an engagement between Germany and France, the German submarines should espy out on the Atlantic a vessel carrying an American cargo of munitions of war destined to France, Germany's enemy? What then, spying it, if Germany sank that vessel and sent to the bottom, along with this American merchantman and its cargo, valued at perhaps at \$25,000 or \$50,000, the American flag? Would not we then wish for the adequacy of so-called "national defense and preparation" that would let us go a long distance from home to do honor to the flag, to show our resentment to an insult which had been inflicted upon it and upon our country? I presume that would be the reaction here at home, because it is our policy to defend our rights upon the high seas wherever our merchantmen may go, in whatever

time they go, quite irrespective of war zones. But I have always thought that simply because that has been our policy and may be our policy today is no good reason why we should continue to embrace that sort of policy forevermore, especially when, with ease and with honor, we may change that policy simply by providing that it shall be unlawful for the American flag to be flown on any cargo whose destination is a nation engaged in war. By the adoption of such policy or law we would say to belligerents, "While we are ready to sell you anything you want, from now on you are going to have to come and get it and take your own chances of getting it to where you want it."

It seems to me the most sincere advocate of national defense would at once, in the event of another outburst upon this earth such as occurred 20 years ago, become an advocate of a stronger, stricter neutrality than that which then prevailed.

The senior Senator from Missouri [Mr. CLARK] and I have sponsored and have pending before the Foreign Relations Committee at this time what we consider to be a well-rounded program looking to the strengthening of our neutrality laws. For the purpose of identity, the three resolutions are known as Senate Joint Resolutions Nos. 99, 100, and 120. One of the three resolutions does precisely what I have just outlined and might be an advantageous policy for our Government to adopt.

A second resolution has to do with the strict regulation of the exportation of contraband from our country to nations engaged in war.

A third, which I consider the most important of all, is a joint resolution forbidding the issuance of any credit or the making of any loan by any American individual or corporation to any belligerent or the nationals of any belligerent in time of war. That, it seems to me, would constitute at once not only a program insuring more adequately against our being drawn into other peoples' wars but, at one and the same time, a more adequate national defense, because it would more strictly confine our needs for preparation for wars in the future.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Idaho?

Mr. NYE. I yield.

Mr. BORAH. Does the Senator's joint resolution contemplate the prohibition of loans after war begins?

Mr. NYE. It does.

Mr. BORAH. And only that?

Mr. NYE. No; there is authority provided for restricting loans even before the war is begun.

Mr. BORAH. The Senator will recall that prior to the beginning of the great World War heavy loans had been made by firms and business associations of this country to foreign governments, or to their nationals, which went to foreign governments. Those parties were most active in urging the United States to enter the war. In other words, the obligations had been created, their interest had been created, and they were already interested in drawing the Nation into war before the United States entered into war. Does not the Senator think that kind of condition ought to be dealt with?

Mr. NYE. That condition would be dealt with by the particular joint resolution to which I have referred, because once a nation goes to war, whether with us or with anyone else, such loans and credits are at once estopped.

Mr. BORAH. But the difficulty is that loans have already been made prior to the time of belligerency. Loans have already been made before we enter war or before any other nation enters the war. They were made, in the instance of the World War, for the preparation of war upon the part of foreign nations. The first money we obtained after we began to sell Liberty Loan bonds was to pay off some of the obligations to those people who had made loans to foreign governments.

Mr. NYE. Exactly; but would the Senator say that at this time we should stop loans to any one particular country because it might some day in the future be going to war or

might be using part of what we are loaning in preparation for war?

Mr. BORAH. I do not know just exactly how to reach the matter, but I am clear upon the proposition that if we prohibit loans and the prohibition takes place alone after the war starts, after belligerency exists, we have not met the real evil, and that is the preparation for war or loans for the purpose of preparing for war loans which create an interest upon the part of people in this country to draw us into war. That is the situation which, to my mind, is just as serious as any that can arise after war begins.

Mr. NYE. I quite agree with the Senator. The joint resolutions to which I have referred have contemplated a situation like that which existed in 1914, 1915, and 1916. Had those joint resolutions been in effect then they would have prevented loans which I agree with the Senator were largely responsible for our being finally drawn into the conflict as we were.

National defense, shipbuilding in the name of national defense, more men for the Army in the name of national defense, a ship subsidy in the name of national defense! We have seen appropriations for national defense mount from \$340,000,000 in 1913 up to a round \$1,000,000,000 now, and yet those who constantly are urging a more adequate national defense are no more satisfied with the adequacy of our defense of today than they were satisfied with the defense of 1914 and 1915, which was then available to us.

There is profit in the game of preparing for war, and those who profit from it have made national defense a racket—a racket that is international in its scope; a racket that finds munitions makers with understandings the world over; understandings which accomplish the division of territory so that they are not stepping upon each other's toes in a competitive way; understandings which actually afford a division of profits among these racketeers of the world, regardless of which one of them may sell a particular order of munitions.

This kind of racket—and there is nothing at all new about it; it is as old as war itself—leads to but one thing. There never has been a mad race in armaments that has not been followed by war. History does not record a single instance where these mad races have led to other than war.

During the years preceding the World War there was at work abroad a man who rather stumbled by accident upon a discovery which made him a very wealthy individual. He discovered upon one occasion that by selling one submarine to Greece today, tomorrow he could sell two submarines to Turkey, and the following day he could go back to Greece and sell two more submarines there, because Greece never would countenance Turkey moving ahead of her in the possession of submarines. Learning this, he extended his operations into all fields of munitions sales. He extended his field of operations to all Europe, and was arming all Europe with the same identical instruments of warfare.

That man was Sir Basil Zaharoff. His program, or a program in which he had so leading a part, made him, as I have said, the richest man in all Europe. It led to war. Strangely, after the war was over, every crowned head in Europe paid tribute to Sir Basil Zaharoff for his great service, pinned badges upon his breast, decorations for his marvelous service to the cause of one country and to the cause of another country; and for the sake of the Record let it be known that the President of the United States publicly paid tribute to Sir Basil Zaharoff. His work led—if it can be said that the work of any one man led to it—to the 4 years of conflagration in which we participated for 2 years.

We like to say that we are fortunate in not having in this country men like Sir Basil Zaharoff. I venture to say that we have some who come very close to rivaling Sir Basil Zaharoff in ability to sell to both sides engaged in conflict, or to both sides preparing for conflict against one another. But, be that as it may, Sir Basil Zaharoff—with whom, we say, we should be happy that we do not have to deal—is, or was until very recently, a stockholder in the business of manufacturing American munitions, taking his profit when his company or companies sold to the American Government

those things called for in the way of national-defense machinery; taking his profit when his American company or companies sold the same kind of supplies to other countries, including those most apt to be our foes in the event of another war.

International is this racket in almost every particular; and it is only fair to anticipate that the men who find large profit in these mad programs of preparing for war are going to be the first and foremost in insisting constantly in every land that there is an inadequacy of national defense.

When these rackets get into our blood, when these national-defense calls take hold of us, civilization seems to open up its purse and shut its eyes to all costs and all consequences, with a result which is reflected today in what I like to picture as being our Uncle Samuel stretched out across a barrel, his pockets turned inside out, and shipbuilders and other munitions makers looting him to the last penny, always in the name of national defense.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House, having proceeded to reconsider the bill (H. R. 3896) to provide for the immediate payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes, returned by the President of the United States, with his objections, to the House of Representatives, in which it originated; it was

Resolved, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES VETO MESSAGE

Mr. BYRNES. Mr. President, will the Senator yield to me?

Mr. NYE. I yield to the Senator from South Carolina.

Mr. BYRNES. I suggest the absence of a quorum.

Mr. NYE. Mr. President, do I understand that I have the floor if a quorum is called?

Mr. BYRNES. I understood that the Senator from North Dakota was yielding to me solely for the purpose of making the point of no quorum.

Mr. NYE. Very well.

The PRESIDING OFFICER. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Reynolds
Ashurst	Copeland	La Follette	Robinson
Austin	Costigan	Logan	Russell
Bachman	Couzens	Loneragan	Schall
Bailey	Davis	Long	Schwellenbach
Bankhead	Dickinson	McAdoo	Sheppard
Barbour	Dieterich	McCarran	Shipstead
Barkley	Donahey	McGill	Smith
Bilbo	Duffy	McKellar	Steiwer
Black	Fletcher	McNary	Thomas, Okla.
Bone	Frazier	Maloney	Thomas, Utah
Borah	George	Metcalf	Townsend
Brown	Gerry	Minton	Trammell
Bulkeley	Gibson	Moore	Truman
Bulow	Glass	Murphy	Tydings
Burke	Gore	Murray	Vandenberg
Byrd	Guffey	Neely	Van Nuys
Byrnes	Hale	Norris	Wagner
Capper	Harrison	Nye	Walsh
Caraway	Hastings	O'Mahoney	Wheeler
Carey	Hatch	Overton	White
Chavez	Hayden	Pittman	
Clark	Johnson	Pope	
Connally	Keyes	Radcliffe	

The VICE PRESIDENT. Ninety-three Senators having answered to their names, there is a quorum present.

The Chair lays before the Senate the veto message of the President of the United States.

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. Is the veto message a privileged matter?

The VICE PRESIDENT. It is.

Mr. THOMAS of Oklahoma. A second parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. THOMAS of Oklahoma. Can the Senator from North Dakota be taken from the floor without his consent for the consideration of the veto message?

The VICE PRESIDENT. He cannot be.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from North Dakota yield?

Mr. NYE. I yield to the Senator.

Mr. THOMAS of Oklahoma. I ask unanimous consent that the veto message be laid before the Senate at 12 o'clock noon tomorrow.

Mr. ROBINSON. Mr. President, pending action on the request of the Senator from Oklahoma, I should like, with the indulgence of the Senator who has the floor, to make a brief statement.

Mr. NYE. I yield for that purpose.

Mr. ROBINSON. A number of Senators who desire to vote on this subject, many who expect to support the veto, many who expect to pursue a contrary course, have inquired whether a time can be fixed for a vote on the issue. I think it would serve the convenience of Senators if an arrangement could be effected definitely fixing a time for a vote. I would not object to proceeding at the time suggested by the Senator from Oklahoma to consider the veto message, provided a definite time could be fixed for the vote. Otherwise, I should think that the Senate must retain the right to proceed whenever it chooses.

I invite an expression of opinion from the Senator from Oregon [Mr. McNARY] on the subject.

Mr. McNARY. Mr. President, I had cherished the hope that we might proceed with the consideration of the veto message this afternoon, and dispose of it. The request of the Senator from Oklahoma is a reasonable one, and I should not object to it, but I concur in the view of the Senator from Arkansas that some definite time, some reasonable hour, should be fixed for taking a final vote. I ask the Senator from Oklahoma whether that could be arranged.

Mr. THOMAS of Oklahoma. Will the Senator from North Dakota yield?

Mr. NYE. I yield.

Mr. THOMAS of Oklahoma. Speaking for no one excepting myself and for those with whom I have conferred, I think I should advise the Senate that the Senator from California [Mr. McAdoo] will probably desire to occupy some time in discussing the veto message and the subject of the message, as will also the Senator from West Virginia and the Senator from Idaho. I think I shall take some little time myself, but no unusual length of time.

I think perhaps if we can agree to have the matter set for 12 o'clock tomorrow, and let the debate proceed for 2 or 3 hours, then, so far as I am concerned, I should be only too glad to try to fix a time for a vote. Speaking for no one but myself, I could not at this time agree to fix any time at which a vote should be taken.

The VICE PRESIDENT. Objection is heard.

Mr. ROBINSON. Very well, Mr. President. In view of the statement of the Senator from Oklahoma, I think I shall want to reserve the right to move that the Senate proceed to the consideration of the message.

Mr. GLASS. Mr. President, will the Senator from North Dakota yield to me?

Mr. NYE. I yield.

Mr. GLASS. Might not the matter be adjusted to the satisfaction of all concerned by agreeing to take the message up tomorrow at 12 o'clock and pursue the subject to its conclusion tomorrow?

Mr. ROBINSON. The only difficulty about that is that I have been advised by two or three Senators that they wish to be absent part of tomorrow. I do not see any reason why we should not proceed at once, if the Senator from North Dakota is willing to yield the floor for that purpose.

Mr. NYE. Mr. President, I have no objection to the veto message being laid before the Senate at this time, except

that I understand there are those who are urgently hoping that there be no decision on the issue today.

Mr. ROBINSON. There are others who hope there will be a decision on the issue today. That is the difficulty under which some of us labor. Always, when questions of this kind are presented, we have the difficulty of trying to reach an agreement about them. If the Senator will yield for that purpose, I will make a motion.

Mr. NYE. I yield for that purpose.

Mr. ROBINSON. I move that the Senate proceed now to consider the veto message.

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which is a highly privileged matter, if the Senator from North Dakota will yield.

Mr. NYE. I yield for that purpose.

Mr. HARRISON. Mr. President, I ask unanimous consent that the reading of the message be dispensed with and that the message be printed in the RECORD without being read. I make this request because the Senate has already heard the message read.

The VICE PRESIDENT. The Constitution provides that the message shall be spread upon the Journal.

Mr. THOMAS of Oklahoma. Mr. President, no purpose will be served by forcing this matter upon the Senate this afternoon. It is unreasonable, in my judgment, to expect the Senate to proceed to the consideration of matters contained in a veto message which took upwards of an hour to read, without any opportunity to study the message. There are substantial matters in the veto message which should be considered by the Senate, especially in the light of the vote heretofore had upon the bill disapproved by the President, and I think I make no unusual request when I ask that the consideration of the message go over until 12 o'clock noon tomorrow, because no good purpose can be served by forcing the matter at this time, and if a motion to proceed to the consideration of the message is urged by the Senator from Arkansas, I hope it will be voted down. I object to the request made by the Senator from Mississippi.

Mr. ROBINSON. I do not wish to get into any controversy about the matter.

Mr. THOMAS of Oklahoma. The Senator will get into one if he insists on proceeding now.

Mr. ROBINSON. The Senator need not proceed in that spirit. If he does, of course, we can have a controversy. But I am not proceeding in a controversial spirit, and I hope the Senator so understands. Quite naturally, a number of Senators come to me and submit suggestions and requests, and always it is my purpose to try to serve their convenience.

I ask unanimous consent that when the Senate convenes tomorrow it proceed to the consideration of the veto message, and that at the hour of 3 o'clock on Friday the Senate proceed to vote on the subject.

Mr. BYRNES. Mr. President, I suggest to the Senator from Arkansas that if he will fix a definite hour tomorrow I think the Senator from Oklahoma and others will probably agree. I suggest 5 o'clock tomorrow.

Mr. ROBINSON. Very well.

Mr. BORAH. Mr. President, I do not know that I shall speak on the subject at all, but I do not desire to have a definite time fixed. I am perfectly willing that debate be limited and that the time each Senator may consume shall be limited.

Mr. ROBINSON. Then, Mr. President, I ask unanimous consent that at 12 o'clock noon tomorrow the Senate proceed to the consideration of the veto message, and that after that hour no Senator shall speak more than once or longer than 30 minutes on the veto message.

Mr. THOMAS of Oklahoma. Mr. President, speaking for only one Senator who has spoken to me, this particular Senator wants 45 minutes. I think that if a limitation of 45 minutes were agreed to, perhaps only one or two would occupy that much time.

Mr. LONG. Mr. President, let me make a suggestion to both the Senator from Arkansas and the Senator from Oklahoma. We can agree not to vote on the message today. There will be only a couple of hours remaining during the session today, and the Senator from North Dakota is making a speech which he desires to complete. Let us simply agree that we will not vote today but take the measure up and go along with it, instead of limiting time for one and not limiting it for others.

I am not so sure that we will not decide, before we get through today, that we are willing to vote this evening. I disagree with my colleague in this matter. I do not see any use in prolonging it. However, there are others who might not look at it that way, who want to study the message. Why not let us take the matter up and go along with it from now on?

Mr. ROBINSON. That was my suggestion originally.

Mr. LONG. I think the Senator is right for once.

Mr. ROBINSON. But I was warned by the Senator from Oklahoma that I would get into trouble if I did that.

Mr. LONG. We will not vote today.

The VICE PRESIDENT. It seems to the Chair that the parliamentary situation is different from the way Senators understand it. Under the Constitution the Senate shall proceed to reconsider the bill. The Senator from Mississippi has asked unanimous consent to dispense with the reading of the message. This is all by unanimous consent. The Chair is compelled to lay the message before the Senate.

Mr. ROBINSON. Very well; let the message be laid before the Senate.

Mr. HARRISON. Is there objection to my unanimous-consent request?

Mr. ROBINSON. There was objection.

Mr. HARRISON. Does the Senator from Oklahoma object?

Mr. THOMAS of Oklahoma. Unless we can have consideration of the whole matter postponed to 12 o'clock tomorrow.

Mr. HARRISON. I withdraw the request, in order that the message may be read.

The VICE PRESIDENT. The clerk will read.

The legislative clerk read as follows:

THE PRESIDENT'S MESSAGE

Mr. Speaker, Members of the House of Representatives, 2 days ago a number of gentlemen from the House of Representatives called upon me and, with complete propriety, presented their reasons for asking me to approve the House of Representatives bill providing for the immediate payment of adjusted-service certificates. In the same spirit of courtesy I am returning this bill today to the House of Representatives. As I told the gentlemen who waited upon me, I have never doubted the good faith lying behind the reasons which have caused them and the majority of the Congress to advocate this bill. In the same spirit I come before you, dispassionately and in good faith, to give you, as simply as I can, the reasons which compel me to give it my disapproval.

And I am glad that the Senate, by coming here in joint session, gives me opportunity to give my reasons in person to the other House of the Congress.

As to the right and the propriety of the President in addressing the Congress in person, I am very certain that I have never in the past disagreed, and will never in the future disagree, with the Senate or the House of Representatives as to the constitutionality of the procedure. With your permission, I should like to continue from time to time to act as my own messenger.

Eighteen years ago the United States engaged in the World War. A nation of 120,000,000 people was united in the purpose of victory. The millions engaged in agriculture toiled to provide the raw materials and foodstuffs for our armies and for the nations with whom we were associated. Many other millions employed in industry labored to create

the materials for the active conduct of the war on land and sea.

Out of this vast army, consisting of the whole working population of the Nation, four and three-quarter million men volunteered or were drafted into the armed forces of the United States. One-half of them remained within our American continental limits. The other half served overseas, and of these, 1,400,000 saw service in actual combat.

The people and the Government of the United States have shown a proper and generous regard for the sacrifices and patriotism of all of the four and three-quarter million men who were in uniform no matter where they served.

At the outbreak of the war the President and the Congress sought and established an entirely new policy, in order to guide the granting of financial aid to soldiers and sailors. Remembering the unfortunate results that came from the lack of a veterans' policy after the Civil War, they determined that a prudent and sound principle of insurance should supplant the uncertainties and unfairness of direct bounties. At the same time their policy encompassed the most complete care for those who had suffered disabilities in service. With respect to the grants made within the lines of this general policy, the President and the Congress have fully recognized that those who served in uniform deserved certain benefits to which other citizens of the Republic were not entitled, and in which they could not participate.

In line with these sound and fair principles, many benefits have been provided for veterans.

During the war itself provision was made for Government allowances for the families and other dependents of enlisted men in service. Disability and death compensation was provided for casualties in line of duty.

The original provisions for these benefits have been subsequently changed and liberalized many times by the Congress. Later generous presumptions for veterans who became ill after the termination of the war were written into the statute to help veterans in their claims for disability. As a result of this liberal legislation for disability and for death compensation, 1,140,000 men and women have been benefited.

During the war the Government started a system of voluntary insurance at peace-time rates for men and women in the service.

Generous provision has been made for hospitalization, vocational training, and rehabilitation of veterans. You are familiar with this excellent care given to the sick and disabled.

In addition to these direct benefits, Congress has given recognition to the interest and welfare of veterans in employment matters through veteran preference in the United States civil service, in the selection of employees under the Public Works Administration, through the establishment of a veterans' employment unit in the Department of Labor, and through provisions favoring veterans in the selection of those employed in the Civilian Conservation Corps. Many States have likewise given special bonuses in cash and veterans' preferences in State and local public employment.

Furthermore, unemployed veterans as a group have benefited more largely than any other group from the expenditure of the great Public Works appropriation of \$3,300,000,000 made by the Congress in 1933, and under which we are still operating. In like manner the new \$4,000,000,000 Work Relief Act seeks to give employment to practically every veteran who is receiving relief.

We may measure the benefits extended from the fact that there has been expended up to the end of the last fiscal year more than \$7,800,000,000 for these items in behalf of the veterans of the World War, not including sums spent for home or work relief. With our current annual expenditures of some \$450,000,000 and the liquidation of outstanding obligations under term insurance and the payment of the service certificates, it seems safe to predict that by the year 1945 we will have expended \$13,500,000,000. This is a sum equal to more than three-fourths of the entire cost of our participation in the World War, and 10 years from now most of the

veterans of that war will be barely past the half-century mark.

Payments have been and are being made only to veterans of the World War and their dependents, and not to civilian workers who helped to win that war.

In the light of our established principles and policies let us consider the case of adjusted compensation. Soon after the close of the war a claim was made by several veterans' organizations that they should be paid some adjusted compensation for their time in uniform. After a complete and fair presentation of the whole subject, followed by full debate in the Congress of the United States, a settlement was reached in 1924.

This settlement provided for adjustment in compensation during service by an additional allowance per day for actual service rendered. Because cash payment was not to be made immediately, this basic allowance was increased by 25 percent, and to this was added compound interest for 20 years, the whole to be paid in 1945. The result of this computation was that an amount two and one-half times the original grant would be paid at maturity.

Taking the average case as an example, the Government acknowledged a claim of \$400 to be due. This \$400, under the provisions of the settlement, with the addition of the 25 percent for deferred payment and the compound interest from that time until 1945, would amount to the sum of \$1,000 in 1945. The veteran was thereupon given a certificate containing an agreement by the Government to pay him this \$1,000 in 1945, or to pay it to his family if he died at any time before 1945. In effect, it was a paid-up endowment policy in the average case for \$1,000 payable in 1945, or sooner in the event of death. Under the provisions of this settlement, the total obligation of \$1,400,000,000 in 1924 produced a maturity or face value of \$3,500,000,000 in 1945.

Since 1924 the only major change in the original settlement was the act of 1931 under which veterans were authorized to borrow up to 50 percent of the face value of their certificates as of 1945. Three million veterans have already borrowed under this provision an amount which, with interest charges, totals \$1,700,000,000.

The bill before me provides for the immediate payment of the 1945 value of the certificates. It means paying \$1,600,000,000 more than the present value of the certificates. It requires an expenditure of more than \$2,200,000,000 in cash for this purpose. It directs payment to the veterans of a much larger sum than was contemplated in the 1924 settlement. It is nothing less than a complete abandonment of that settlement. It is a new straight gratuity or bounty to the amount of \$1,600,000,000. It destroys the insurance protection for the dependents of the veterans provided in the original plan. For the remaining period of 10 years they will have lost this insurance.

This proposal, I submit, violates the entire principle of veterans' benefits so carefully formulated at the time of the war and also the entire principle of the adjusted-certificate settlement of 1924.

What are the reasons presented in this bill for this fundamental change in policy? They are set forth with care in a number of "whereas" clauses at the beginning of the bill.

The first of these states as reasons for the cash payment of these certificates at this time: That it will increase the purchasing power of millions of the consuming public; that it will provide relief for many who are in need because of economic conditions; and that it will lighten the relief burden of cities, counties, and States. The second states that payment will not create any additional debt. The third states that payment now will be an effective method of spending money to hasten recovery.

These are the enacted reasons for the passage of this bill. Let me briefly analyze them.

First, the spending of this sum, it cannot be denied, would result in some expansion of retail trade. But it must be noted that retail trade has already expanded to a condition that compares favorably with conditions before the depression. However, to resort to the kind of financial practice provided in this bill would not improve the conditions nec-

essary to expand those industries in which we have the greatest unemployment. The Treasury notes issued under the terms of this bill we know from past experience would return quickly to the banks. We know, too, that the banks have at this moment more than ample credit with which to expand the activities of business and industry generally. The ultimate effect of this bill will not in the long run justify the expectations that have been raised by those who argue for it.

The next reason in the first "whereas" clause is that present payment will provide relief for many who are in need because of economic conditions. The Congress has just passed an act to provide work relief for such citizens. Some veterans are on the relief rolls, though relatively not nearly as many as is the case with nonveterans. Assume, however, that such a veteran served in the United States or overseas during the war; that he came through in fine physical shape, as most of them did; that he received an honorable discharge; that he is today 38 years old and in full possession of his faculties and health; that like several million other Americans he is receiving from his Government relief and assistance in one of many forms—I hold that that able-bodied citizen should be accorded no treatment different from that accorded to other citizens who did not wear a uniform during the World War.

The third reason given in the first "whereas" clause is that payment today would lighten the relief burden of municipalities. Why, I ask, should the Congress lift that burden in respect only to those who wore the uniform? Is it not better to treat every able-bodied American alike and to carry out the great relief program adopted by this Congress in a spirit of equality to all? This applies to every other unit of Government throughout the Nation.

The second "whereas" clause, which states that the payment of certificates will not create an additional debt, raises a fundamental question of sound finance. To meet a claim of one group by this deceptively easy method of payment will raise similar demands for the payment of claims of other groups. It is easy to see the ultimate result of meeting recurring demands by the issuance of Treasury notes. It invites an ultimate reckoning in uncontrollable prices and in the destruction of the value of savings, that will strike most cruelly those like the veterans who seem to be temporarily benefited. The first person injured by skyrocketing prices is the man on a fixed income. Every disabled veteran on pension or allowance is on fixed income. This bill favors the able-bodied veteran at the expense of the disabled veteran.

Wealth is not created, nor is it more equitably distributed by this method. A government, like an individual, must ultimately meet legitimate obligations out of the production of wealth by the labor of human beings applied to the resources of nature. Every country that has attempted the form of meeting its obligations which is here provided has suffered disastrous consequences.

In the majority of cases printing-press money has not been retired through taxation. Because of increased costs, caused by inflated prices, new issue has followed new issue, ending in the ultimate wiping out of the currency of the afflicted country. In a few cases, like our own in the period of the Civil War, the printing of Treasury notes to cover an emergency has fortunately not resulted in actual disaster and collapse, but has nevertheless caused this Nation untold troubles, economic and political, for a whole generation.

The statement in this same second "whereas" clause that payment will discharge and retire an acknowledged contract obligation of the Government is, I regret to say, not in accordance with the fact. It wholly omits and disregards the fact that this contract obligation is due in 1945 and not today.

If I, as an individual, owe you, an individual Member of the Congress \$1,000 payable in 1945, it is not a correct statement for you to tell me that I owe you \$1,000 today. As a matter of practical fact, if I put \$750 into a Government savings bond today and make that bond out in your name, you will get \$1,000 on the due date, 10 years from now. My debt to you today, therefore, cannot under the remotest possibility be considered more than \$750.

The final "whereas" clause, stating that spending the money is the most effective means of hastening recovery, is so ill-considered that little comment is necessary. Every authorization of expenditure by the Seventy-third Congress in its session of 1933 and 1934 and every appropriation by the Seventy-fourth Congress to date for recovery purposes has been predicated, not on the mere spending of money to hasten recovery, but on the sounder principle of preventing the loss of homes and farms, of saving industry from bankruptcy, of safeguarding bank deposits, and, most important of all, of giving relief and jobs through public work to individuals and families faced with starvation. These greater and broader concerns of the American people have a prior claim for our consideration at this time. They have the right-of-way.

There is before this Congress legislation providing old-age benefits and a greater measure of security for all workers against the hazards of unemployment. We are also meeting the pressing necessities of those who are now unemployed and in need of immediate relief. In all of this every veteran shares.

To argue for this bill as a relief measure is to indulge in the fallacy that the welfare of the country can be generally served by extending relief on some basis other than actual deserving need.

The core of the question is that a man who is sick or under some other special disability because he was a soldier should certainly be assisted as such. But if a man is suffering from economic need because of the depression, even though he is a veteran, he must be placed on a par with all of the other victims of the depression. The veteran who is disabled owes his condition to the war. The healthy veteran who is unemployed owes his troubles to the depression. Each presents a separate and different problem. Any attempt to mingle the two problems is to confuse our efforts.

Even the veteran who is on relief will benefit only temporarily by this measure, because the payment of this sum to him will remove him from the group entitled to relief if the ordinary rules of relief agencies are followed. For him this measure would give, but it would also take away. In the end he would be the loser.

The veteran who suffers from this depression can best be aided by the rehabilitation of the country as a whole. His country with honor and gratitude returned him at the end of the war to the citizenry from which he came. He became once more a member of the great civilian population. His interests became identified with its fortunes and also with its misfortunes.

Some years ago it was well said by the distinguished senior Senator from Idaho that—

The soldier of this country cannot be aided except as the country itself is rehabilitated. The soldier cannot come back except as the people as a whole come back. The soldier cannot prosper unless the people prosper. He has now gone back and intermingled and become a part of the citizenship of the country; he is wrapped up in its welfare or in its adversity. The handing out to him of a few dollars will not benefit him under such circumstances, whereas it will greatly injure the prospects of the country and the restoration of normal conditions.

It is generally conceded that the settlement by adjusted-compensation certificates made in 1924 was fair and it was accepted as fair by the overwhelming majority of World War veterans themselves.

I have much sympathy for the argument that some who remained at home in civilian employ enjoyed special privilege and unwarranted remuneration. That is true—bitterly true—but a recurrence of that type of war profiteering can and must be prevented in any future war.

I invite the Congress and the veterans with the great masses of the American population to join with me in progressive efforts to root a recurrence of such injustice out of American life. But we should not destroy privilege and create new privilege at the same time. Two wrongs do not make a right.

The herculean task of the United States Government today is to take care that its citizens have the necessities of life. We are seeking honestly and honorably to do this, irrespec-

tive of class or group. Rightly, we give preferential treatment to those men who were wounded, disabled, or who became ill as a result of war service. Rightly we give care to those who subsequently have become ill. The others—and they represent the great majority—are today in the prime of life, are today in full bodily vigor. They are American citizens who should be accorded equal privileges and equal rights to enjoy life, liberty, and the pursuit of happiness—no less and no more.

It is important to make one more point. In accordance with the mandate of the Congress our Budget has been set. The public has accepted it. On that basis this Congress has made and is making its appropriations. That Budget asked for appropriations in excess of receipts to the extent of \$4,000,000,000. The whole of that deficit was to be applied for work relief for the unemployed. That was a single-minded, definite purpose. Every unemployed veteran on the relief rolls was included in that proposed deficit and he will be taken care of out of it.

I cannot in honesty assert to you that to increase that deficit this year by \$2,200,000,000 will in itself bankrupt the United States. Today the credit of the United States is safe. But it cannot ultimately be safe if we engage in a policy of yielding to each and all of the groups that are able to enforce upon the Congress claims for special consideration. To do so is to abandon the principles of government by and for the American people and to put in its place government by and for political coercion by minorities. We can afford all that we need, but we cannot afford all that we want.

I do not need to be a prophet to assert that if these certificates, due in 1945, are paid in full today every candidate for election to the Senate or to the House of Representatives will in the near future be called upon in the name of patriotism to support general pension legislation for all veterans regardless of need or age.

Finally, I invite your attention to the fact that solely from the point of view of the good credit of the United States, the complete failure of the Congress to provide additional taxes for an additional expenditure of this magnitude would in itself and by itself alone warrant disapproval of this measure.

I well know the disappointment that the performance of my duty in this matter will occasion to many thousands of my fellow citizens. I well realize that some who favor this bill are moved by a true desire to benefit the veterans of the World War and to contribute to the welfare of the Nation. These citizens will, however, realize that I bear an obligation as President and as Commander in Chief of the Army and Navy which extends to all groups, to all citizens, to the present and to the future. I cannot be true to the office I hold if I do not weigh the claims of all in the scales of equity. I cannot swerve from this moral obligation.

I am thinking of those who served their country in the Army and in the Navy during the period which convulsed the entire civilized world. I saw their service at first-hand at home and overseas. I am thinking of those millions of men and women who increased crops, who made munitions, who ran our railroads, who worked in the mines, who loaded our ships during the war period.

I am thinking of those who died in the cause of America here and abroad, in uniform and out; I am thinking of the widows and orphans of all of them; I am thinking of 5,000,000 of Americans who, with their families, are today in dire need, supported in whole or in part by Federal, State, and local governments who have decreed that they shall not starve. I am thinking not only of the past, not only of today, but of the years to come. In this future of ours it is of first importance that we yield not to the sympathy which we would extend to a single group or class by special legislation for that group or class, but that we should extend assistance to all groups and all classes who in an emergency need the helping hand of their Government.

I believe the welfare of the Nation, as well as the future welfare of the veterans, wholly justifies my disapproval of this measure.

Therefore, Mr. Speaker, I return, without my approval, House of Representatives bill no. 3896, providing for the immediate payment to veterans of the 1945 face value of their adjusted-service certificates.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 22, 1935.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. ROBINSON. Mr. President, I should prefer to proceed with this matter now and reach a conclusion, but in view of what has been stated I believe it is practicable to enter into an agreement. I therefore submit the following request:

That when the Senate meets tomorrow it resume consideration of the veto message and that no Senator shall speak more than once or longer than 30 minutes on the subject matter.

The PRESIDING OFFICER. The Senator from Arkansas asks unanimous consent that when the Senate meets tomorrow the discussion of the veto message be resumed and that after the meeting of the Senate tomorrow no Senator shall be permitted to speak more than once or longer than 30 minutes on the subject matter. Is there objection to the request of the Senator from Arkansas?

Mr. WAGNER. Mr. President, may I ask the Senator a question? I do not want to be an obstructionist in this situation, but is there any probability of reaching an agreement to vote on Friday? I can state to the Senator frankly what my difficulty is. Sometime ago—

Mr. ROBINSON. I am apprised of the difficulty of the Senator from New York and had that in mind when I made the suggestion that a definite time be fixed to vote on Friday, but I find that such an agreement cannot be entered into.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. ROBINSON. I yield.

Mr. LONG. I was just wondering if the Senator from New York and myself, being on opposite sides of the question, might both absent ourselves; I just making a swap with him and we both leave?

Mr. WAGNER. I do not want, Mr. President, to leave the Senate in any mystery as to what my difficulty is.

Mr. ROBINSON. Mr. President, under the arrangement of pairs, I will say to the Senator from Louisiana, that the Senator from Louisiana counts only a half vote, strange as it may seem to him; it will require a pair of one to two.

Mr. LONG. I did not remember as to that.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

Mr. HARRISON. May I suggest to the Senator from Arkansas that the Senate meet at 11 o'clock tomorrow? It may be that we then would get through in time to accommodate the Senator from New York.

Mr. WAGNER. Frankly, that would not help me, because I have accepted an invitation to address a very large gathering. My embarrassment is that I accepted the invitation sometime ago for tomorrow at 5 o'clock in New York.

Mr. ROBINSON. Mr. President, I inquire, informally, would there be objection to meeting in the morning at 10 o'clock, with a limitation of 30 minutes on debate? I think that that would afford the Senator from New York an opportunity to keep his engagement.

Mr. NYE. Mr. President, is it understood that we are going to have the usual recess this afternoon, or is there going to be an effort to accomplish the final passage of the pending naval appropriation bill?

Mr. ROBINSON. I assume that we will proceed until the usual hour of recess.

I ask unanimous consent, Mr. President, that when the Senate concludes its labors today it take a recess until 10 o'clock tomorrow morning; that upon assembling tomorrow the Senate proceed with the consideration of the veto mes-

sage to its final disposition, and that no Senator shall speak more than once or longer than 30 minutes on the subject matter.

The PRESIDING OFFICER. The Senator from Arkansas asks unanimous consent that when the Senate concludes its work today it take a recess to meet at 10 o'clock tomorrow morning; that at 10 o'clock tomorrow morning the Senate shall proceed to the consideration of the veto message to its final disposition; and that thereafter no Senator shall speak oftener than once or more than 30 minutes. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

The unanimous-consent agreement was reduced to writing and entered, as follows:

Ordered, That at not later than 5 o'clock p. m. today the Senate take a recess until 10 o'clock a. m. tomorrow (Thursday, May 23); that at said hour the Senate resume the consideration of the veto message on H. R. 3896, the soldiers' adjusted compensation bill, and continue same to its final disposition; and that no Senator shall speak more than once or longer than 30 minutes on the subject matter.

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. NYE. Mr. President, I should like to suggest, in all seriousness, that if we were to proceed this afternoon with such amendments as individual Senators are prepared to offer to the naval appropriation bill the session would undoubtedly run over until after the usual hour of taking a recess.

Mr. President, I inquire what is the pending matter before the Senate?

The PRESIDING OFFICER. The Chair is of the opinion that the veto message of the President of the United States is before the Senate. The provision of the Constitution is that the Senate shall proceed to the consideration of the veto message.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KING. Would not the unanimous-consent agreement just entered into supersede the constitutional provision?

The PRESIDING OFFICER. The unanimous-consent agreement, as the Chair understands it, was that the Senate should proceed to the consideration tomorrow of the veto message, but there was no inclusion of an agreement not to consider the veto message this afternoon.

Mr. ROBINSON. Mr. President, in good faith, I think it was understood that it was not expected that the veto message should be considered this afternoon. I should like to have it known that in all my service here no sharp practice has ever been indulged. I ask unanimous consent that the veto message be temporarily laid aside and that until the hour of 5 o'clock the Senate proceed with the consideration of the naval appropriation bill, at which hour it shall take a recess until 12 o'clock tomorrow.

The PRESIDING OFFICER. The Senator from Arkansas asks unanimous consent that the veto message be temporarily laid aside and that until the hour of 5 o'clock—

Mr. ROBINSON. Not later than the hour of 5 o'clock.

The PRESIDING OFFICER. And that until not later than the hour of 5 o'clock the Senate shall proceed with the consideration of the naval appropriations bill.

Mr. WHEELER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHEELER. I inquire if the Constitution of the United States may be set aside by a unanimous-consent agreement of the Senate?

The PRESIDING OFFICER. The Chair will state to the Senator from Montana that, of course, the Constitution of the United States may not be set aside by unanimous consent, but under the precedents in both the Senate and the House that provision of the Constitution which requires consideration of the veto message is met by action taken in having the message read and an agreement entered into for its consideration.

Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

NAVY DEPARTMENT APPROPRIATIONS

The Chair lays before the Senate the unfinished business. The Senate resumed the consideration of the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes.

Mr. NYE. Mr. President, when I was interrupted in my remarks upon the naval appropriation bill, I was about to suggest how easy it is for civilization, when it is stirred up by the thought that it is without adequate national defense to embark upon large military and naval expenditures. Yet I think no one will deny the part which war has played in this depression. I think it is practically universally agreed that the present difficulties, in an economic way, in this world, are traceable to the 4 years of the World War. We have had depression in one degree or another ever since that war. In more recent years we have been striving to conquer the depression by large appropriations in the name of national recovery, and in the effort to accomplish a restored economic balance, we have poured millions, yea, billions of dollars into channels which we hoped would accomplish reemployment and bring back something resembling the economic balance we had prior to the war.

Speaking of the strange things that happen when a nation fears that its national defense is not adequate, let me remark that in our national recovery program we conceived that the thing to do, among other things, was to appropriate billions of dollars for public works, which, it was presumed, would afford employment for men without employment. Congress provided for the public-works program; and the very first allocation of money from the public-works fund was in the sum of millions of dollars for the United States Navy with which to build more ships.

Let us have this clearly in mind. The public-works program was designed to accomplish recovery from the depression caused by the war. Then the very first dollars of public-works money expended were given to the Navy for use in building more ships in order to get ready for more war, so we could have more war, to be followed by another depression, as war is always followed by a depression; so we may have another national-recovery program, another public-works program, to get more money to build more ships to get ready for more war. Senators may smile, and yet I have not exaggerated what are the facts in every particular.

When we plunged into this gigantic naval building program, what did the shipbuilders think of it? What did the shipbuilders call it? What did those who profit from these mad armament races say about this program? I think one agent, representative of the Westinghouse Co., spoke the mind of the entire industry very definitely when he referred to the public-works money for naval building as "plunder"—"p-l-u-n-d-e-r!" In writing to another one he referred to it as such "plunder" and made reference in his letter to how the shipbuilders were here "with their tongues hanging out waiting for their share of the 'plunder.'" "Plunder" is what it was in many respects as regards the shipbuilding program.

There is good reason to believe that the shipbuilders knew before the Congress knew that there was going to be a public-works program which was going to afford funds for shipbuilding.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Does the Senator from North Dakota yield to the Senator from Utah?

Mr. NYE. I yield.

Mr. KING. I have not the figures in mind, and desire to ask a question for information. What amount was taken out of the appropriation of \$3,300,000,000, which Congress provided for the purpose of relieving unemployment, and used for military and naval purposes? Speaking for myself, if not for others, when that stupendous appropriation was made I did not understand that any considerable amount from that fund to relieve unemployment was to be diverted in order to build up a navy or contribute to the Military Establishment of the Government.

Does the Senator know, and, if so, will he advise me, as to the amount which was taken from the \$3,300,000,000 and appropriated for military and naval purposes, and how much it is contemplated will be taken from the \$4,000,000,000 fund, notwithstanding the enormous appropriations which we are called upon to make to be utilized for naval purposes and for maintenance and for expansion of the Army?

Mr. NYE. I should not want to undertake to be accurate without the figures being available, but it seems to me there was a total of something like \$400,000,000 of the entire public-works allocation given to the Army and the Navy. As to the present public-works effort, I think there has been a pretty definite understanding accomplished in a legislative way that there is to be no shipbuilding provided by the new public-works appropriation.

Mr. VANDENBERG. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Michigan?

Mr. NYE. Certainly.

Mr. VANDENBERG. I can give the Senator from Utah certain accurate information in connection with his inquiry. As of December 31, 1934, or New Year's Day of this year, a total allocation of \$277,409,459 had been made to the United States Navy out of the employment fund. That was for the Navy.

I do not have the accurate figures in respect to the Army, but I share the opinion of the Senator from North Dakota that the grand total then becomes about \$400,000,000.

If the Senator from North Dakota will permit me while I am on my feet, it is interesting to note, and it should be noted for the purposes of the Record, that when we survey the extent to which the naval shipbuilding jobs were completed or rather were not completed on last New Year's, it becomes immediately evident that the use of these funds did not contribute primarily to meeting the unemployment problem, but contributed in paramount degree to the building of the Navy.

I invite attention to the fact that as of January 1, 1935, for example, the two aircraft carriers, contracts for which had been awarded in 1933, were only 24 percent completed; that the light cruisers ordered in 1933 and being constructed by the New York Shipbuilding Co. were only 14 percent completed. The figures run all the way from 14 percent to the highest efficiency, which was 76 percent in connection with two submarines; but I should say that the average completion was not more than 30 percent at the end of more than a year when the funds were originally dedicated by Congress to the relief of unemployment. Yet when diverted to naval construction—and I do not use the word "diverted" invidiously, because there was warrant of law for it—the funds ceased to function in any major fashion for the purpose for which they were originally dedicated by Congress and functioned in major fashion only for the purpose of building up the Navy outside of and beyond the regular naval appropriations made by Congress.

Mr. KING. Mr. President, will the Senator from North Dakota yield further?

Mr. NYE. Certainly.

Mr. KING. It seems to me that we may scarcely defend the action of Congress or of the executive department, when appropriations are sought for the relief of unemployment, based upon the alleged hunger and poverty of the people, in diverting any part of such appropriations to the Navy or to the Army. I think not only honesty but frankness compels us, when we build up the Army or the Navy, to avow the purposes for which we are making the appropriations before indicating the amount we intend to appropriate for the Army and for the Navy. To use funds for the Army and for the Navy which have been appropriated for unemployment may not be defended, whether that action be by the Congress or by the executive branch of the Government.

Mr. NYE. Mr. President, I thank the Senator from Utah. He overlooks the fact, however, that there was tremendous pressure on the part of the shipbuilders to afford employment in their yards, to swell their own bank accounts, and

that when they stressed the importance of a more adequate national defense—and if I speak with some sarcasm the Senator will forgive me—it was reasonable to expect that when we could accomplish national defense by satisfying the shipbuilders at the same time, that was the way to spend our public-works money.

There is no doubt that, with the public-works money available, the shipbuilders of the country put their heads together, took out their pencils, compared their accounts, and jobbed the United States Government, kiting the prices on the Navy. I am satisfied in my own mind that the Navy itself knew and realized that it was being jobbed.

Mr. A. R. Homer is a representative in Washington of a number of the shipbuilders. Less than 2 weeks after public-works began to take shape, on March 14, 1933, to be accurate, Mr. Homer wrote Mr. W. S. Newell, at Bath, Maine, the president of one of the large shipbuilding companies, as follows:

We are on our way and all of the nations had better watch their step because we have found ourself again.

He was referring in this letter to the public-works appropriation for shipbuilding.

From what I can gather we are going ahead to a full treaty strength Navy, and we are going to do it quick.

I think it would be very wise for you—

Said Mr. Homer in this letter to Mr. Newell—

to come down to Washington in the near future and talk to the gang.

"Talk to the gang."

When Mr. Homer was before our committee under oath he was asked just whom he meant by "the gang." For a long time he hesitated, declined to answer, and answered finally only after he had had a chance to confer with his counsel; and when he did answer, he named as those to whom he referred as "the gang" admirals in the Navy Department here in Washington. Here he was, inviting the shipbuilders to come in and talk things over with "the gang"; he meant with the authorities in the Navy Department. Of course, the shipbuilders do not always refer to those who seem to cooperate with them as "the gang."

Mr. Bardo, the president of the New York Shipbuilding Co., after weeks—yes; months—here in Washington, getting his share of the plunder, or arranging for bids upon the ship contracts that were to be advertised, reported in June of 1933 what was to be expected in the way of awarding the contracts for shipbuilding by the Navy Department in a letter to the chairman of the board of directors of his corporation. I read but two paragraphs from his letter:

I know from my talks with some of the representatives of the Navy—

And it turned out that they were the same men to whom Mr. Homer referred as "the gang"—

I know from my talks with some of the representatives of the Navy, who are keenly interested in this work, that they are desirous of finding some substantial reasons for awarding this work to the largest possible extent to private yards upon whom they must rely for the necessary engineering to complete the ships.

There was also expressed to us the desire that the builders themselves should get together and agree, as far as we could, on what each would bid, and then bid on nothing else.

Mr. BONE. Mr. President, will the Senator yield?

Mr. NYE. I am glad to yield to the Senator from Washington.

Mr. BONE. In the polite vernacular of the Chicago underworld, that might be characterized as "taking the Government for a ride"; and I assume my friend from North Dakota will agree with me that that is just about what happened to our poor old Government. It was taken for a good ride by those gentlemen.

Mr. NYE. By those gangsters.

Mr. BONE. Well, I wanted to be restrained.

Mr. NYE. By those for whom we are now appropriating more money for building more ships, of course in the name of national defense. But the Senator from Washington has not forgotten, has he, this very letter by Mr. Bardo to the chairman of his board of directors, in which Mr. Bardo un-

dertook to say just what ships would be awarded to the Newport News Co., just what ships would be awarded to the Bethlehem Shipbuilding Co., and just what ships would be awarded to the New York Shipbuilding Co., 10 days before the bids were opened? No, indeed; the Senator has not forgotten that, and none of us who sat and heard the testimony ever will forget it. Mr. Bardo did undertake to tell the chairman of his board of directors, 10 days before the bids were opened, just what ships each of these "big three" shipbuilders would get; and then, to make it clearer to his chairman, he undertook in the same letter to show what the break-down, the division between the three companies, would mean in dollars; and he said:

This new work would amount approximately to the following values:

Newport News—\$30,000,000.

Bethlehem and New York Ship—\$28,000,000 each, although the final estimates may slightly change these figures.

I defy any Senator, upon reaching his home tonight, to take a pie or a cake and cut it into three more equal parts than that pie or cake was cut into by the shipbuilders 10 days before the bids were opened; and when, 10 days later, the bids were opened, it was revealed that Mr. Bardo had not missed his guess by a single, solitary ship! To the last ship he knew which company was going to be awarded the contract.

Mr. LONG. Mr. President, who was awarding the contracts?

Mr. NYE. The Navy Department.

Mr. LONG. Was that done under the P. W. A.?

Mr. NYE. That was done with funds allocated from the P. W. A. I am afraid the Senator from Louisiana was not here when I read the shipbuilder's reference to the men in the Navy who were responsible for awarding these contracts. Mr. Homer, the representative of some of these shipbuilders, wrote to the president of one of the companies on March 14, 1933, and said:

I think it would be very wise for you to come down to Washington in the near future and talk to the gang.

Mr. LONG. Why, sure!

Mr. NYE. And when he was asked who "the gang" was, he named the men in the Navy Department who had in their hands the granting of these contracts.

Mr. LONG. The Senator from North Dakota does not think those men could stay in the Navy and do this without some higher political influence allowing them to do it, or protecting them, does he?

Mr. NYE. The Senator from Louisiana will have to draw his own conclusions.

Mr. LONG. It would be mighty hard for anybody, unless he just put his head in a tow sack and refused to see anything, to think those men were doing that down there unless somebody higher up was protecting them. That sounds pretty natural to me. That sounds regular. Since I have looked into the Farley case, that sounds about like I should expect it to be.

Mr. BONE. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. BONE. May I suggest to the Senator—and I think he will agree with me—that there is not anything novel in this idea. The suggestion of the Senator from Louisiana might have some weight if this had occurred only once, but this has occurred over a long period of years. The Government has been "trimmed" right along under this sort of a process.

Mr. LONG. Certainly.

Mr. NYE. I said this afternoon that poor old Uncle Sam was stretched across a barrel, and was being looted to the last penny in the name of national defense.

Mr. LONG. I hope the Senator from Washington understands that I did not intend to characterize this as anything new. It is just a little bit thicker than usual.

Mr. BONE. No; it is not a little bit thicker. The difference is not in kind, but merely in degree. There is merely a little better opportunity now to get a shovel into the

United States Treasury, and take out everything that is loose.

Mr. LONG. That was about what they were doing—taking everything that was not nailed down.

Mr. NYE. The point of which I think most ought to be made is that this is the kind of men we are having to deal with, this is the kind of institutions we are having to deal with, when we are appropriating hundreds of millions of dollars for shipbuilding. I make that point because there are going to be offered here, as we proceed, amendments looking to the tightening-up of whatever possibilities the Government has of defending itself against those gangsters who are looting the Treasury in the name of national defense.

Mr. BYRNES. Mr. President—

Mr. NYE. I yield to the Senator from South Carolina.

Mr. BYRNES. I did not hear all the Senator said upon that subject, but I understand he referred to a letter written by a man named Homer, in which he referred to certain officers of the Navy.

Mr. NYE. Yes.

Mr. BYRNES. Were the names of the officers given in the letter?

Mr. NYE. They were, and they are now a matter of record.

Mr. BYRNES. Did the committee call the officers before it and give them an opportunity to say whether or not the statements made by this lobbyist or representative were true?

Mr. NYE. Yes; they were called and given that opportunity.

Mr. BYRNES. I should like to know what their response was.

Mr. NYE. And days and weeks in advance of their being called before the committee they were furnished with a transcript of all the hearings, and were asked to give heed to them, so that when they did appear before the committee they could give answer to any charges that had been made there. They came before the committee and said they had not read the record!

Mr. BYRNES. When it was read to them the Senator will certainly state whether they admitted or denied the statements made about them. Will the Senator be good enough to state whether they admitted or denied the statements?

Mr. NYE. Their whole answer was that they had not read the charges.

Mr. BYRNES. And the committee did not read the charges and ask the officers whether or not they were true? Did the committee allow the officers to come before the committee and say nothing other than that they had not read the charges?

Mr. NYE. I think I recall the committee having stated to the witnesses what had been charged, and asking what they had to say about it, and their answer was that they had not read the transcript.

Mr. LONG. Mr. President, let me ask the Senator how long they had the transcript to read?

Mr. NYE. For a matter of weeks.

Mr. LONG. This matter of not having read the charges and not caring to answer the charges seems to be getting pretty well standardized here by this time. That was the same thing we got in the Farley case. It seems as if we are getting down to a regular standard in this country.

Mr. NYE. All these people who refer to themselves as coming here to Washington, when bids are being invited, as plunderers with their tongues out, as being in conference with "the gang", naturally resent any charge that they are taking an attitude and showing a spirit that is un-American. They would not for a minute plead guilty to a charge that they were unpatriotic. Indeed, there are those in the industry who are constantly striving to make a showing that their urge for a larger national defense, their urge for these governmental programs of more military strength, is a patriotic urge on their part, and that their institutions are patriotic alone by reason of being in a position to furnish what the Government needs in the name of national defense. The Senate ought never to forget, when it considers in the future appropriations for military supplies, that it is not

always dealing with patriots; that in a very general way it can be said that the Government in those cases is dealing with men whose patriotism is measured by the dollars their patriotism will bring to them.

During the war, while the Senator from Maryland [Mr. Tamm] and others were offering and giving their very all upon fields of battle, this Government of ours, through the War Department, went to the same New York Shipbuilding Co., which now pretends to be the great patriotic institution it would like to have us believe it is, and said, "We must have additional shipbuilding capacity. Outside of your door here are acres of vacant ground. We will buy or lease that ground from you. We, the Government, will furnish the money with which to build the additional capacity, but we want you to build it for us. We will reward you well for doing it. After that capacity is completed, we will pay you well for operating the additional capacity for the Government." The New York Shipbuilding Co. quibbled for weeks, in that urgent hour, about what their margin of profit would be for doing what the Government was asking them to do.

I do not want to measure the patriotism of men. I do not desire to undertake to declare the grade of patriotism that may be mine or that may be someone's else. But for weeks there sat before our committee the members of the Du Pont Corporation, burning under the accusation, smarting under the lash that was being administered to the effect that the profits they had made out of 4 years of war were unreasonable.

After paying larger salaries to their executives, after dividing about \$15,000,000 among themselves in the form of bonuses during the war, there was still enough profit left to the Du Ponts from 4 years of war to represent a return of over 400 percent upon their invested capital. They do not like to have that 400-percent profit called "unreasonable"; they insist it was ability and efficiency which enabled them to make that profit.

One of them, Felix du Pont, in effect declared that if it had not been for the service of the Du Ponts which earned that money, if it had not been for their service to the cause of the Allies before and after the United States went into the World War, the United States today would be a German colony. And the sad thing about it, I want to say to the Senator from Maryland, was that as we sat there and looked at Mr. Du Pont we knew that in his heart and in his mind he meant what he was saying, and we sensed that he felt that somehow we could have saved ourselves from Germany without the men in the trenches, but that if we had not had the services of the Du Ponts, we should today be a German colony.

The Du Ponts, who saved us from becoming a German colony, are the same corporation to which the Government went during the war while men were giving their lives upon fields of battle. The Government went to the Du Ponts and said, "We are without capacity adequate to produce the powder we need, and we want an additional plant built. We will furnish to you, who know about powder-factory construction, the money with which to build it for us. We will reward you for doing that, and then we will pay you for operating the plant for us after it is completed." That was the "Old Hickory" powder plant.

For over 3 months, while we were at war—I remind the Senate—for over 3 months, the Du Ponts refused to do what their Government asked them to do. Why? One needs but to go to the records of the board of directors of the Du Pont Corporation to find the reason. We need but to go to the records of the War Department, the memoranda written by the Secretary of War, to find the reason.

After we had developed this case before our committee, we turned to Colonel Harris, of the War Department, whose help to the committee has been splendid all the way through, yet a man who entertains no such ideas as some of us entertain concerning nationalizing the munitions industry, certainly not a man who holds any grudge against the munitions makers. We turned to him, and we said:

Colonel, was there a time during all the war more critical than these particular times?

He replied:

It would be difficult to determine what was the most critical hour during the war, but surely there was none more critical than this.

Then to what one thing are we to attribute this refusal or delay on the part of the Du Ponts in responding to the request of their Government in time of war?

Colonel Harris without any hesitancy, in the presence of the Du Ponts, who never answered and who never denied what he said, replied:

Senator, it was a difference of opinion between the Du Ponts and the Government as to what the Du Pont margin of profit should be for constructing that plant and what the Du Pont margin of profit should be for operating the plant after it was constructed.

These, I remind the Senate again, are the people who saved us from becoming a German colony. It was they and they alone.

Are we to let them go on playing these games year in and year out, first building up a fear in the country that our defense is not adequate, then driving the appropriation bills through?

I have been in the Senate for 9 years, and I do not know of a single year that has not witnessed an annual scare about war with Japan. Those scares invariably arise in the fall, just before the appropriation bills are taking shape. The scares are dissipated immediately after the appropriation bills are passed.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. NYE. I yield.

Mr. KING. I recall that when I was a member of the Naval Affairs Committee, from which I later resigned because of the jingoistic attitude of some members of the committee, though I do not want to appear to be critical, we were considering a certain appropriation bill. There was a determined effort to force through the 1916 naval measure, which called for the construction of battleships and battle cruisers which would have cost, when completed, together with the necessary auxiliary craft, more than \$1,500,000,000.

For the purpose of inducing or frightening the committee into reporting the bill favorably, an admiral, an officer high up in the Navy, came before the committee and stated that the Navy Department had irrefragable proof that war with Japan was imminent, and that it was imperative, if that war was to be averted and our country was to be put into a position of defense, that we immediately pass the pending bill, which carried the enormous appropriation to which I have referred.

I am glad to say that Admiral Sims and Admiral Fullam—though the committee was considering the matter in executive session—failed to approve the position taken by the naval authorities to whom I have adverted.

Be it said to the credit of the administration of President Harding that they took the necessary steps to call an international conference, which has been known as the "disarmament conference", and, while it failed to accomplish all we had hoped it would accomplish, certainly it prevented the execution of the program which was then supported by the Navy and saved to the United States hundreds of millions of dollars.

I wish to pay tribute now to President Harding and to Secretary Hughes. While they have been condemned by many of the navalists and militarists for calling that conference, we can attribute to them whatever benefits—and there were some benefits—resulted from the disarmament conference held here in 1921 and 1922.

Mr. NYE. I thank the Senator. I think I am just as sincere in my belief in a national defense as is anyone else. I certainly do not want my country unprepared, so that in any emergency we should find ourselves unable to repulse a foe who might be so foolish as to make an attack upon us; but, Senators, those who are preaching national defense from the standpoint of the shipbuilders are preaching something which to them means a profitable racket. The wilder they can make the competition which makes one country feel that its defense is inadequate, and makes another coun-

try feel that its defense also is inadequate, or that one country is getting ready to make trouble for another, the greater the market they are creating for themselves; for without the hates and the fears and the suspicions thus engendered they would not have the lucrative market which is theirs.

To promote the ends of their racket, in the name of national defense they run all over the earth selling their wares here, there, and anywhere they can, stirring up hates and fears and suspicions, bribing where they have to, paying commissions to men who stand close to the public officials of one government and another, who must buy the national-defense machinery for their nation.

I do not know just what constitutes bribery or just where the line can be drawn. I have said repeatedly that I do not believe Members of Congress are submitting to any offers by shipbuilders or other munitions makers. We may as well face certain facts when we encounter them, and I am certainly ready to believe that a fact which I now wish to present is in nowise reflective of Congress as a whole, but it does indicate rather clearly some things which are going on.

One witness before our committee—I have forgotten who it was—made reference to the pleasure that was his, and that of his company, in granting requests or complying with recommendations which were made by members of committees of Congress dealing with military affairs. He said a request from a member of a committee in behalf of some constituent would get far quicker action than would be the case if a request came from a Member of Congress who was not a member of the Military or the Naval Affairs Committee, which may or may not mean anything at all. I think it does not mean much.

However, here is a letter written on the heels of the effort to accomplish this huge appropriation for shipbuilding—a letter written by a Member of Congress to the president of one of the shipbuilding yards. Similar letters were written by the same Member of Congress to the presidents of other yards. Of course, this Member of Congress had been a very ardent friend and a very ardent advocate of a large national defense and a greater shipbuilding program; but on October 11, 1933, this particular Member of the House of Representatives, who is no longer there, wrote to the president of one of the shipbuilding yards as follows:

Mr. WILLIAM S. NEWELL,

President Bath Iron Works, Inc., Bath, Maine.

DEAR Mr. NEWELL: As you perhaps know, a Congressman must derive some of his income from other sources than being a Member of the House, and in this connection I would like to bring to your attention the fact that my secretary and myself have a company in Philadelphia trading under the name of Edmonds & Heldler.

Incidentally, they were trading in those things which shipbuilders could buy. I do not know that there is any advantage in offering for the Record the name of that particular former Member of Congress, and I desire to repeat my conviction that this letter is not reflective of the Congress or of the Members of Congress, but does go to show that a reward is not always beyond reach, when a man is thus inclined, for favoring the mad competitive armament races which have us today spending what may constitute so great a burden that we shall not be able to bear up under it long enough to wait for the next war.

Mr. COSTIGAN. Mr. President—

The PRESIDING OFFICER (Mr. GUFFEY in the chair). Does the Senator from North Dakota yield to the Senator from Colorado?

Mr. NYE. I am delighted to yield to the Senator.

Mr. COSTIGAN. Did the testimony before the committee disclose whether the proposal implied in the letter just read was accepted?

Mr. NYE. As nearly as we could ascertain, it was not accepted.

These racketeers in national defense maintain their lobbies all over the earth, in the capitals of the earth, watching, guarding against anything being done which is going to hurt their business. They maintain lobbies which have as their purpose the prevention of anything which is going to hurt the business of munitions production.

A year ago last February a resolution was offered by the Senator from Michigan [Mr. VANDENBERG] and myself calling for the investigation of the munitions industry. The record of the inquiry now reveals letters written by the munitions makers to their lobbyists in Washington telling them whom to see and telling them what to do to prevent the adoption of that resolution calling for an investigation.

Likewise, the record reveals letters which the munitions makers have written to their representatives in Washington, their lobbyists in Washington, telling them what to do to prevent the imposition of embargoes against the shipment of their wares to other lands engaged in war, as in the case of the South American countries fighting in the Chaco region, where a year ago we were striving to prevent continued hostilities by withholding from them the implements of war.

In spite of opposition on the part of the munitions makers the embargo was imposed; but for a long while the gunmakers, and other munitions makers, got around the embargo and shipped the stuff they wanted to ship down there and obtained their profit from it. Then, when they had to cease making shipments of arms for fear of having their actions brought to light, they made propositions to the munitions makers over in Europe asking them to take over the Chaco field for the time being. They stated that the situation here was rather embarrassing, and they could not continue to fill the orders which they had from the South American countries.

The record reveals those propositions.

Of course, these merchants, shipbuilders, gunmakers, and what not, are all against war. Every one of them is opposed to war. They do not want any more war. They do not understand why anyone should want war. Mr. Eugene Grace, of the Bethlehem Steel Corporation and the Bethlehem Shipbuilding Corporation, before our committee, very seriously said he believed there was not a business man in the United States who was not wishing we could get out from under the terrible burden of armament. If only we could get out from under that burden, what a great relief it would be. These armament programs seemed to him so wasteful. He said he felt that way about it. Whereupon we asked him why it was that, feeling as he did, he undertook, through his corporation, to pay one-third of the cost of sending Mr. William Shearer over to Geneva some years ago to wreak destruction upon any effort to accomplish disarmament there. When these men talk of their desire for peace, and yet do that which has the world heading straight into the jaws of another war, why should we call them other than racketeers? Men who cannot resist the temptation of dollars of profit from the sale of guns or other arms which may some day be turned upon us, and which may some day be turned upon the very men who work in the factories which produce the guns and munitions sold elsewhere.

It will be remembered that Mr. Grace said that war was to him a very distasteful thing. His salary during 2 years of war was limited to \$12,000 a year. Incidentally, in addition to that salary he had a bonus over those 2 years amounting, as I remember the figure now, to about \$2,800,000. The man really felt badly about the part of that which the Government took away from him in the way of war-time taxes, leaving him a paltry \$1,000,000 with which to try to get through 2 years.

I have talked about the munitions makers creating war scares in order to create a market for themselves. Do they do it? Assuredly they do. All over the world their agents engage in the program of stirring up strife, because that creates a market for their wares; and they do not overlook the people of the United States in their undertaking to create war scares here at home, so that there can be a response in Washington to the apprehensions of and demands from the country that will occasion larger shipbuilding programs, larger national defense programs.

The RECORD more recently was made to include exhibits which revealed one shipbuilder writing to newspaper publishers asking them to publish stories about the danger of war with Japan, so that there would be newspaper clippings to send to their representatives in Congress to indicate a

large public demand for a larger shipbuilding program here at home.

There is not one particle of doubt, Senators, that a very large part of our effort in the direction of national defense is an effort of waste, is an effort intended alone—not by us, assuredly, but by those who urge it and sponsor it in its inception—to bring dollars into the pockets of men who can get those dollars only by keeping the world afraid of itself.

I think I have told the Senate of the man Jonas who insisted that his business, that of selling munitions of war, was "a hell of a business" because they had to depend upon the troubles of other people in order to make a living. A hell of a business! In this hellish business is your Government and mine, you and I, as the cooperators with or partners of the munitions makers, helping them sell their wares all over the earth, including those nations which some of us look upon to be most apt to be our foes in the event of another war.

Only a few years ago our American munitions makers went to work in Peru and caused the people of Peru to become much agitated about the inadequacy of their national defense. Peru turned to her good friend and adviser, Uncle Sam, and said, "Will you help us plan a national defense?" Good old accommodating Uncle Sam sent down to Peru a commission of naval experts who labored with the authorities down there, and finally came forth with the recommendation that Peru ought to have a fleet of destroyers and submarines to insure herself an adequate national defense. The orders for those destroyers and submarines were placed. It did not cause any weeping in American shipbuilding yards which received some of the orders, but when the submarines were delivered to Peru, her action was quite natural when she went out into her harbor and neighboring waters on parade with this new muscle of which she had just come into possession.

It cannot be proven that there were any munitions makers or salesmen from America in Colombia at the time, but it is a well-recognized fact that Colombia with a start awakened one morning to discover that she did not have an adequate national defense against Peru's new submarines. Colombia appealed to her good friend and neighbor, Uncle Sam, for cooperation in planning a national defense against Peru's national-defense submarines, and we sent some more experts down to Colombia to help Colombia plan a national defense against Peru's national-defense submarines which we had helped to sell to Peru.

Some day, just as surely as not, things being in the future as they have in the past, we are going to be called upon to send some ships, some men, some sailors, some marines down into troubled waters for creating which no one is more responsible than are we ourselves by these programs of helping American munitions makers and merchants to sell their wares all over the earth—always, of course, in the name of national defense.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. NYE. I yield.

Mr. KING. The Senator will recall a number of years ago that we had upon the statute books—and I think it is still there—a law under the terms of which we could send, and under which we did send to many countries, naval and military officers for the purpose of training in the art of war the troops and the naval establishments of those nations. I introduced a bill in the Senate a number of years ago to repeal that law, but I could not obtain any affirmative action.

I denounced our policy then and I denounce it now. I think it is improper for our Government to send naval and military men to other countries to aid them in developing plans for war, whether upon land or upon sea. We ought to be more interested in sending representatives to promote peace than in sending representatives for the purpose of teaching the peoples of other countries the art of war.

Mr. NYE. I thank the Senator.

Continuing to show the urge that seems to be upon us as a Government to run all over the earth with our manufac-

turers of national-defense machinery and help them sell in other lands, there is one instance which might be recalled which would be amusing except as it reveals the folly of what is taking place in the name of national defense.

The Driggs Ordnance Co. some few years ago produced a brand new type of gun for mounting upon naval vessels, an unusually efficient instrument, a very heavy instrument. Our Navy thought so much of it that they bought enough to equip a number of our vessels. Following that time the Driggs Ordnance Co. sent its men to Europe to sell the same identical gun over there. Incidentally, the record also reveals that when American gunmakers have difficulty in selling their guns to the Army and Navy here, the Army and Navy authorities advise them to sell their guns in Europe first and then they will have a better chance of selling them here.

But in this case the Driggs Ordnance Co. sent its representatives to Europe after selling the gun to us, but Europe would not do business with its salesmen. They wanted guns badly enough, and if the gun was what it was said to be they ought to have it, but they would not buy without seeing what they were asked to buy. They would not buy without having a demonstration or seeing a sample at least. The result was that the salesmen could not do any business in Europe, and so they said in effect, "We will go down to Turkey. They are not so particular down there. We will sell guns to them down there."

Down to Turkey they went. Night after night those salesmen staged party after party for the admirals and generals of the Turkish Navy and Army, and for the minister of war of Turkey; but they could not break down the sales resistance. The Turkish authorities wanted improved guns more than they wanted anything else, but they could not spend public money for something they had not seen; so there was not any business to do with those Turkish authorities.

Of course, it is a stretch of the imagination, but a warranted one, to observe that one day, after they had given up hope of getting together and doing any business, down on the docks in Constantinople, were these salesmen from America, the admirals and generals of the Turkish Navy and Army, the Minister of War of Turkey, sitting there on the dock, kicking their heels against the posts underneath, consoling one another with the thought that they could not do any business simply for want of a sample or demonstrator. While they were thus consoling themselves, into the harbor came none other than the good American cruiser *Raleigh*, one of the very few American ships equipped with the new type of Driggs gun. Senators can imagine the surprise of those salesmen when they came to find this happening right before their eyes. The ship dropped anchor, sent a boat ashore, picked up the salesmen and the Turkish emissaries, and took them back to the good ship *Raleigh*, where they had a chance to see what the gun was, and the salesmen wrote out an order for the same kind of guns for the Turkish Navy.

If anyone can show me why our Navy in that and other instances which might be recited should be nothing more than a salesman's sample case, I should like to have the effort made. It is a pretty expensive type of sample case, but we go on building them year after year, always in the name of the national defense and not as sample cases.

Mr. President, I have detained the Senate as I have and to the extent that I have because I desired the Senate to know what kind of folk we are having to deal with when we appropriate money for a larger naval strength or for national defense.

I desired, if it were possible for me to do so, to convey to the Senate the conviction which has become that of many of us that national defense in too many instances is what I have called it, a racket. We are appropriating at the present time, in the pending naval appropriation bill, hundreds of millions of dollars for new construction, more ships, more loot—no, not loot; that is not fair; they themselves call it "plunder"—more plunder for the shipbuilders.

When are we going to quit paying homage to that kind of a racket? How long are we going to keep up this mad race

which finds us today, as a year or 2 years ago, authorizing an additional billion dollars to build up our naval strength, which was followed by an insanity in Japan which had the people of Japan wondering how in the world they could ever keep up with Uncle Sam if he insisted upon taking such long steps as a billion-dollar step? How long are we going to keep up these mad races? We might as well resign ourselves to them. Japan is going to keep up with us if that is what we are striving for. They will manage to keep up with us, and do without some of the barest necessities in order to do it. That is their patriotism, as we have and entertain our own patriotism.

It seems to me that the call is upon us now, first of all, to stop increasing appropriations for larger naval construction. Let us confine it to a reasonable level. When the House reduces the item for construction in the naval appropriation bill, let us uphold the hand of the House. The House did, in this bill, reduce the appropriation for increase of the Navy. The Senate committee has written back \$11,000,000 of that increase. I should like—and I could be very sincere in proposing an amendment to that effect—to cut away far more than \$11,000,000 for naval construction; but it seems to me it is wholly reasonable to ask, as I have asked, that this particular amendment restoring the \$11,000,000 for increase of the Navy should be rejected by the Senate.

Mr. BONE. Mr. President, will the Senator yield?

Mr. NYE. I am glad to yield.

Mr. BONE. In view of its very frequent demands upon the Congress of the United States to quit spending money, I am wondering if there is any evidence that the United States Chamber of Commerce has asked the Congress to reduce the amount of military and naval appropriations, or if the Senator can advise me if that has ever been done? I myself am not aware of it; but in view of the fact that the Chamber of Commerce of the United States has so urgently and insistently, in and out of season, yelled about the appropriations that were being made by Congress, I wonder if the United States Chamber of Commerce, of which the gentlemen whom the Senator has been discussing are members, has ever so much as come down here and asked us to trim or prune any of the naval or military budgets.

Mr. NYE. I have yet to find a single instance where those who have advocated, for example, great reductions in the appropriations for the State Department, the Department of Justice, the Department of Labor, this, that, and the other department, have ever asked for reductions in the Army and Navy appropriations. It has not been done.

Mr. BONE. Does the United States Chamber of Commerce want us to cut out appropriations provided for the purpose of feeding the hungry? The naval appropriation is probably the largest single appropriation outside of relief for the unemployed and the poor and the hungry. What does the United States Chamber of Commerce want us to cut out? Does it want us to reduce expenditures by lessening the amount that is to be contributed to the support of the poor and the hungry, or are we to prune some other of the items in our Budget? We are appropriating now close to a billion dollars for war, which is more than it cost us to run the entire Government a few years ago.

Mr. NYE. That is true. The only answer I can make is that we seem to be doing what they have been wanting us to do all these years.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. NYE. Gladly.

Mr. VANDENBERG. If the Special Committee on Munitions, of which the able Senator from North Dakota is chairman, has its way, and we succeed in writing a formula which requires hereafter that we shall pay for wars as we fight them, instead of charging the bill to our grandchildren, is it not calculated that the net result will be to create a psychology in America which will sharply lessen the urge not only for war but for needless preparation in that direction?

Mr. NYE. I think the Senator's conclusion is inescapable, that if that sort of a program were enacted into law, we

should be saved from much of the unnecessary urge which seems to be upon us and which is causing such burdens as we are trying to bear.

Mr. BONE. Mr. President, will the Senator yield again?
Mr. NYE. Gladly.

Mr. BONE. My brethren who served on that committee with me—the Senator from North Dakota [Mr. NYE] and the Senator from Michigan [Mr. VANDENBERG]—will recall that at one stage of the inquiry Mr. Baruch, who was a witness before the committee, was asked if he did not deem it a possibility, if not a probability, that in the event of a declaration of war any of the legislation which the munitions committee might propose would be immediately repealed. The moment we hear the voices of the bugles and the tramp of feet, and see the waving of flags, and hear the martial music, another effort will be made to come down to Congress and remove from the statute books any of the legislation which we are now going to propose.

I think all Members of the Senate, or certainly some Members of the Senate, have seen what amounted almost to an intellectual lynching of men in public life who dared propose a thing which was very mild compared to the suggestion which the munitions committee is now tendering to the Senate in the form of legislation. At my right sits the able Senator from Wisconsin [Mr. LA FOLLETTE]. His father, one of the most brilliant and able men who ever graced this body with his presence, knew what it meant even to suggest taxation which did not begin to approach the taxation which is to be proposed in the formula embodied in the munitions committee bill.

It will be recalled, I think, that Mr. Baruch's statement in answer to that question was that the interrogator did not have as much confidence in Congress as he had. I am frank to say that I do not have that much confidence in Congress. I think the same gentlemen who have come down here and put over this kind of a crooked program of what they themselves characterize as "plunder" would be able to create in this country such a psychology of bitterness and hatred toward this sort of legislation that they might be successful in sweeping it from the statute books in the event of war.

The Senator from North Dakota knows that the passions engendered by war are of such a character that it might be the easiest thing in the world to come here and find a flabby, spineless Congress that would be willing again to turn over this country to the 100-percent flag wavers whose only god is greed and who do not care anything more about the boys of the country than the average man does about a yellow cur dog of the streets, so long as they can make money out of war.

So I think we are confronting a serious situation, and one that may ultimately necessitate the preparation and submission of a constitutional amendment which will automatically clamp on taxes of this character in the event of war, and not leave the subject to mere legislation. I know perhaps my brethren on the committee do not share my fears in that respect; but I will say to my colleague from North Dakota that I have a very wholesome fear that in the event of another declaration of war we shall have a resumption of this intellectual lynching, if you please, this brutal assault upon men who dare propose the very thing we are now attempting to discuss on the floor of the Senate; that is, the seizure of these profits by taxation.

Mr. NYE. I am not in entire disagreement with the Senator from Washington. I see the ground, I see the reasoning which causes him, and at times causes me, to wonder what a Congress might do in the heat of another hour of war; but I think perhaps I am entertaining a little more confidence in the insistence of the American people in the event of another war, in view of the advantage of the experience they will have had by reason of the last war.

I do not think it would be the easiest kind of a matter for Congress to set aside a war-time tax program that was written in peace time. But suppose they should do it; would that excuse us from now making the effort to place upon the statute books the tightest kind of a law we could

pass? Yes; if a constitutional amendment is necessary I will go with the Senator in trying to accomplish that sort of an amendment to our Constitution.

Mr. BONE. I think perhaps the Senator may have misunderstood the implication of my remarks. I am very heartily in accord with the proposal to clamp on these taxes.

Mr. NYE. I am sure the Senator is.

Mr. BONE. I would even go beyond that; I would make war so tragic in an economic and financial way that the people of this country would fully understand what war meant when it came. I certainly would put profiteering in the category of treason.

I am not certain that I would stop with mere taxation as affecting war profiteers, but I would give them the same dose we give the men who try to betray their country in time of war. I think my friends in the Senate can understand what I mean. I could make it very plain if there were need.

I think a man who would pile up vast profits out of war, out of the sacrifices of the boys who die on the field of battle, has the blood of treason in his veins, and he deserves the same treatment we would give to a man who would turn over supplies to the enemy. He would be shot without any hesitation.

If the son of any Senator were in the Army and were charged with giving away a pair of shoes to the enemy, they would take that boy out, stand him up against a stone wall, and shoot him. But, unfortunately, a man can remain here at home, lay a pipe line into the United States Treasury and siphon out, not a pair of shoes, but siphon out millions of pairs of shoes in the form of profits, and the gentleman is respected, he gets war decorations, and if he were in England he would be dubbed "Sir", be made a Knight of the Bath, or whatever is done in England to distinguish that type of citizen. It is perhaps unfortunate for those gentlemen who have appeared before our munitions committee that we do not have titles of distinction and nobility which we might confer over here so that we could give some of them titles and what not.

Mr. NYE. I assume the Senator from Washington would like to design their decoration.

Mr. BONE. I would like to design the decoration. I think I could get up a heraldic device that would last through all eternity.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator.

Mr. VANDENBERG. The Senator from Washington has referred, in connection with his remarks about intellectual lynching, to the distinguished father of the present able senior Senator from Wisconsin [Mr. LA FOLLETTE], and I think I should like to say one thing which I never expected to say, but which I shall feel better for saying.

On the basis of information already possessed by our committee—and I leave the matter there, because I am not permitted to go into it—I venture the prophecy that when history shall have completely written the story of 1917 to 1918, in the light of all the disclosures, the position taken by the late Senator from Wisconsin, the father of my friend who sits across from me, will be substantially vindicated by the facts.

Mr. LA FOLLETTE. I thank the Senator.

Mr. NYE. In conclusion, Mr. President, while we have diverted for the moment and dealt with the profits of war, the immediate urge is upon us to do something about the profits of preparing for war.

Mr. CLARK. Mr. President, before the Senator concludes will he yield to me?

Mr. NYE. I yield.

Mr. CLARK. Does not the Senator think it is a tragic anomaly that on the very day when the President of the United States delivers a message to the Congress in which he professes that it is impossible, without serious injustice or serious hazard to the credit of the United States, to pay the debts of the last war to the men who fought the war, the Congress of the United States has under consideration a bill to squander approximately a billion dollars for the purpose

of starting another naval building race, which will simply encourage competition abroad in naval building, which can only result in further expenditures of that sort on our part?

Mr. NYE. Precisely.

Mr. CLARK. In other words, it seems to me that instead of squandering additional millions on preparation for another war, which can end only in disaster whether we win the war or lose it—and, of course, we will win it if we have one—this stupendous appropriation, which can only result in economic disaster, no matter what the result of a war might be, might well be postponed until the debts to the men who fought the last war, which have been overdue since 1918, have been paid.

Mr. NYE. Mr. President, my reason for urging that the committee amendment on page 49 be rejected is my desire to strike out the increase of \$11,690,000 which the Senate committee has written into the bill over the House provision for increase in the Navy. With this committee amendment out of the way, I wish to give notice that there are numerous amendments which are to be offered looking primarily to a control over the awarding of contracts and the paying by the Navy of money under contracts under the naval building program. I hope the Senate will reject the Senate committee amendment.

Mr. BYRNES. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LONERGAN in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Reynolds
Ashurst	Copeland	La Follette	Robinson
Austin	Costigan	Logan	Russell
Bachman	Couzens	Loneragan	Schall
Bailey	Davis	Long	Schwellenbach
Bankhead	Dickinson	McAdoo	Sheppard
Barbour	Dieterich	McCarran	Shipstead
Barkley	Donahay	McGill	Smith
Bilbo	Duffy	McKellar	Steiwer
Black	Fletcher	McNary	Thomas, Okla.
Bone	Frazier	Maloney	Thomas, Utah
Borah	George	Metcalf	Townsend
Brown	Gerry	Minton	Trammell
Bulkley	Gibson	Moore	Truman
Bulow	Glass	Murphy	Tydings
Burke	Gore	Murray	Vandenberg
Byrd	Guffey	Neely	Van Nuys
Byrnes	Hale	Norris	Wagner
Capper	Harrison	Nye	Walsh
Caraway	Hastings	O'Mahoney	Wheeler
Carey	Hatch	Overton	White
Chavez	Hayden	Pittman	
Clark	Johnson	Pope	
Connally	Keyes	Radcliffe	

The VICE PRESIDENT. Ninety-three Senators have answered to their names. A quorum is present. The question is on agreeing to the committee amendment on page 49 of the bill.

The amendment was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the bill (S. 2311) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 378) for the relief of Gerald Mackey.

The message further announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 2045. An act to set aside certain lands for the Chippewa Indians in the State of Minnesota; and

H. R. 7131. An act to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 82. An act to authorize the disposal of surplus personal property, including buildings, of the Emergency Conservation Work;

S. 1222. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

S. 1342. An act to revive and reenact the act entitled "An act granting the consent of Congress to Board of County Commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn.";

S. 1680. An act to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof;

S. 1987. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.;

H. R. 157. An act to amend section 5296 of the Revised Statutes of the United States;

H. R. 972. An act for the relief of John Costigan;

H. R. 1846. An act for the relief of Daniel W. Seal;

H. R. 2192. An act for the relief of Harry B. Walmsley;

H. R. 2294. An act for the relief of Thaddeus C. Knight;

H. R. 3721. An act for the relief of Angelo J. Gillotti;

H. R. 3975. An act to provide for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach;

H. R. 4005. An act to amend section 21 of the Interstate Commerce Act, as amended, with respect to the time of making the annual report of the Interstate Commerce Commission;

H. R. 4239. An act authorizing the Secretary of Commerce to convey to the city of Grand Haven, Mich., certain portions of the Grand Haven Lighthouse Reservation, Mich.;

H. R. 5444. An act to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes;

H. R. 5707. An act to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding \$100,000;

H. R. 6021. An act to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes;

H. R. 6654. An act to increase the White House Police Force, and for other purposes; and

H. J. Res. 249. Joint resolution to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935.

EXECUTIVE SESSION

Mr. BYRNES. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. DIETERICH, from the Committee on the Judiciary, reported favorably the nomination of William P. McDermitt, of New Jersey, to be United States marshal, district of New Jersey.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mrs. CARAWAY, from the Committee on Commerce, reported favorably the following nominations:

William Gerig, of Arkansas, for appointment as a member of the Mississippi River Commission, as provided for by law, vice Charles H. West, deceased; and

Albert L. Culbertson, of Illinois, for appointment as a member of the Mississippi River Commission, as provided for by law, vice Lawrence A. Glenn, resigned.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

DEPARTMENT OF AGRICULTURE

The legislative clerk read the nomination of Milburn L. Wilson, of Montana, to be Assistant Secretary of Agriculture.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

THE JUDICIARY

The legislative clerk read the nomination of Frederick V. Follmer to be United States attorney, middle district of Pennsylvania.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Ben J. McKinney to be United States marshal, district of Arizona.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

THE TREASURY

The legislative clerk read the nomination of James R. Landy to be collector of internal revenue, district of Minnesota.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, it is so ordered, and the nominations are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that the Army nominations on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, it is so ordered, and the nominations are confirmed en bloc.

COAST GUARD

The legislative clerk proceeded to read sundry nominations in the Coast Guard.

Mr. SHEPPARD. I ask unanimous consent that the Coast Guard nominations on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, it is so ordered, and the nominations are confirmed en bloc.

Mr. SHEPPARD. I ask unanimous consent that the President be notified of the confirmation of the nominations in the Coast Guard, because it is necessary that the work of preparing the diplomas be begun immediately, so that the young men may have them when they graduate on next Monday.

The VICE PRESIDENT. Without objection, it is so ordered, and the President will be notified.

RECESS

Mr. BYRNES. Pursuant to the unanimous-consent agreement, I move that the Senate take a recess until 10 o'clock a. m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 32 minutes p. m.) the Senate, under the order previously entered, took a recess until tomorrow, Thursday, May 23, 1935, at 10 a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 22 (legislative day of May 13), 1935

ASSISTANT SECRETARY OF AGRICULTURE

Milburn L. Wilson to be Assistant Secretary of Agriculture.

UNITED STATES ATTORNEY

Frederick V. Follmer to be United States attorney, middle district of Pennsylvania.

UNITED STATES MARSHAL

Ben J. McKinney to be United States marshal, district of Arizona.

COLLECTOR OF INTERNAL REVENUE

James R. Landy to be collector of internal revenue, district of Minnesota.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

First Lt. Roy Madison Foster to Quartermaster Corps.
First Lt. Leslie Alfred Skinner to Ordnance Department.
Second Lt. Ephraim Melmoth Hampton, to Chemical Warfare Service.

APPOINTMENTS IN THE COAST GUARD

TO BE ENSIGNS

Richard Baxter	Glenn Leslie Rollins
Loren Edward Brunner	Bernard Edward Scalan
Ernest Anthony Cascini	Joseph Riddick Scullion
Charles Ernest Columbus	Gilbert Fay Schumacher
William Joseph Conley, Jr.	Robert Frederick Shunk
Ralph David Dean	William Louis Sutter
Gilbert Russell Evans	Charles Tighe
Wallace Leroy Hancock, Jr.	Woodrow Wilson Vennel
Frank Vincent Helmer	Oscar Dillwyn Weed, Jr.
William Joshua Lawrence	Donald William Weller
Richard Lippincott Mellen	Adrian Francis Werner
John Montrello	Fred Laurence Westbrook
Clayton Magnus Opp	Justus Perkins White

TO BE TEMPORARY ENSIGNS

Theodore Francis Knoll	Fred Furst Nichols
Frank Murray McCabe	Walker Howell Rayburn
Nelson Calhoun McCormick	

POSTMASTERS

NORTH CAROLINA

Mary B. Tatham, Andrews.

OKLAHOMA

Claude L. Willis, Canton.
Isaac J. Loewen, Clinton.
Christopher C. Copeland, Cordell.
Tom R. Johnson, Elk City.
Charles V. Gilmore, Stuart.
Robert D. Taylor, Webb City.

PENNSYLVANIA

Albert W. Fritz, Akron.
Mabel G. Collins, Austin.
George R. Meek, Bellefonte.
Donald B. Gardner, Howard.
Virginia G. Kingsley, Pleasantville.
Floyd E. Bashore, Port Royal.
Charles P. Hilty, Saltsburg.
Floyd M. Butz, Tatamy.
John W. Doyle, Waymart.
Thomas M. Hayden, Jr., West Sunbury.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 22, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Unto Thee, O Lord, do we ascribe glory and honor, dominion and power, both now and forever. We wait to be guided by Thy presence, which invites the responsive melody of all hearts. We rejoice that the lights in Thy house are still kindled and shining upon the hilltops of life. In Thee we have a refuge, and not in our goodness nor attainments. Let everything that is selfish, proud, and impure be taken away from us. Give us a growing conviction of fairness and love for human life, however humble. As ours is a sacred ministry, pave the way and make the path plain.

With enthusiasm enable us to give ourselves wholly to Thee and to the truth. Direct us to do the things that love, justice, and patriotism inspire. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had agreed without amendment to a concurrent resolution of the House of the following title:

H. Con. Res. 22. Concurrent resolution relative to the meeting of both Houses in the Hall of the House of Representatives on Wednesday, May 22, 1935, to receive such communications as the President shall be pleased to make to them.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6723. An act to authorize the incorporated town of Valdez, Alaska, to construct a public-school building, and for such purpose to issue bonds in any sum not exceeding \$30,000; and to authorize said town to accept grants of money to aid it in financing any public works.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6954. An act to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to Acadia National Park.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6021) entitled "An act to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes."

RECESS

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that the House stand in recess subject to the call of the Speaker.

The SPEAKER. The gentleman from Colorado asks unanimous consent that the House stand in recess subject to the call of the Speaker.

Mr. RICH. Reserving the right to object—

Mr. O'CONNOR. Mr. Speaker, I demand the regular order.

Mr. RICH. I object.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House take a recess subject to the call of the Chair.

Mr. SNELL. Mr. Speaker, that motion is not in order—

The SPEAKER. Does the gentleman make the point of order?

Mr. SNELL. Mr. Speaker, it is not my purpose to interfere with the program today, but I want to suggest that the motion is not in order. However, I shall not insist on the Speaker's ruling on that point at this time.

The SPEAKER. The question is on the motion of the gentleman from Colorado that the House stand in recess subject to the call of the Speaker.

The question was taken; and the Speaker announced that the ayes had it.

Accordingly (at 12 o'clock and 5 minutes p. m.) the House stood in recess subject to the call of the Speaker.

AFTER RECESS

The recess having expired, the House (at 12 o'clock and 20 minutes p. m.) resumed its session.

JOINT MEETING OF THE HOUSE AND SENATE

At 12 o'clock and 21 minutes p. m. the Doorkeeper, Mr. Joseph J. Sinnott, announced the Vice President of the United States and the Members of the United States Senate.

The Members of the House rose.

The Senate, preceded by the Vice President and by their Secretary and Sergeant at Arms, entered the Chamber.

The Vice President took the chair at the right of the Speaker, and the Members of the Senate took the seats reserved for them.

The SPEAKER. On behalf of the House, the Chair appoints the following committee to conduct the President into the Chamber: Messrs. TAYLOR of Colorado, DOUGHTON, and SNELL.

The VICE PRESIDENT. On the part of the Senate, the Chair appoints as a like committee Senators ROBINSON, FLETCHER, and McNARY.

At 12 o'clock and 22 minutes p. m. the Doorkeeper, Mr. Joseph J. Sinnott, announced the Cabinet of the President of the United States.

The members of the Cabinet of the President of the United States entered the Chamber and took the seats reserved for them in front of the Speaker's rostrum.

At 12 o'clock and 27 minutes p. m. the President of the United States, escorted by the committee of Senators and Representatives, entered the Hall of the House and stood at the Clerk's desk, amid prolonged applause.

The SPEAKER. Senators and Representatives of the Seventy-fourth Congress, I have the distinguished honor and privilege of presenting to you the President of the United States. [Applause.]

VETO MESSAGE OF THE PRESIDENT OF THE UNITED STATES— ADJUSTED-SERVICE CERTIFICATES (H. DOC. NO. 197)

The PRESIDENT OF THE UNITED STATES. Mr. Speaker and Members of the House of Representatives, 2 days ago a number of gentlemen from the House of Representatives called upon me and with complete propriety presented their reasons for asking me to approve the House of Representatives bill providing for the immediate payment of adjusted-service certificates. In the same spirit of courtesy I am returning this bill today to the House of Representatives. As I told the gentlemen who waited upon me, I have never doubted the good faith lying behind the reasons which have caused them and the majority of the Congress to advocate this bill. In the same spirit I come before you dispassionately and in good faith to give you, as simply as I can, the reasons which compel me to give it my disapproval.

And I am glad that the Senate by coming here in joint session gives me opportunity to give my reasons in person to the other House of the Congress.

As to the right and the propriety of the President in addressing the Congress in person, I am very certain that I have never in the past disagreed, and will never in the future disagree, with the Senate or the House of Representatives as to the constitutionality of the procedure. With your permission, I should like to continue from time to time to act as my own messenger.

Eighteen years ago the United States engaged in the World War. A nation of 120,000,000 people was united in the purpose of victory. The millions engaged in agriculture toiled to provide the raw materials and foodstuffs for our armies and for the nations with whom we were associated. Many other millions employed in industry labored to create the materials for the active conduct of the war on land and sea.

Out of this vast army, consisting of the whole working population of the Nation, four and three-quarter million men volunteered or were drafted into the armed forces of the United States. One-half of them remained within our American continental limits. The other half served overseas; and of these, 1,400,000 saw service in actual combat.

The people and the Government of the United States have shown a proper and generous regard for the sacrifices and patriotism of all of the four and three-quarter million men who were in uniform, no matter where they served.

At the outbreak of the war the President and the Congress sought and established an entirely new policy, however, in order to guide the granting of financial aid to soldiers and sailors. Remembering the unfortunate results that came from the lack of a veterans' policy after the Civil War, they determined that a prudent and sound principle of insurance

should supplant the uncertainties and unfairness of direct bounties. At the same time their policy encompassed the most complete care for those who had suffered disabilities in service. With respect to the grants made within the lines of this general policy, the President and the Congress have fully recognized that those who served in uniform deserved certain benefits to which other citizens of the Republic were not entitled, and in which they could not participate.

In line with these sound and fair principles many benefits have been provided for veterans.

During the war itself provision was made for Government allowances for the families and other dependents of enlisted men in service. Disability and death compensation was provided for casualties in line of duty.

The original provisions for these benefits have been subsequently changed and liberalized many times by the Congress. Later generous presumptions for veterans who became ill after the termination of the war were written into the statute to help veterans in their claims for disability. As a result of this liberal legislation for disability and for death compensation, 1,140,000 men and women have benefited.

During the war the Government started a system of voluntary insurance at peace-time rates for men and women in the service.

Generous provision has been made for hospitalization, vocational training, and rehabilitation of veterans. You are familiar with this excellent care given to the sick and disabled.

In addition to these direct benefits, Congress has given recognition to the interest and welfare of veterans in employment matters, through veteran preference in the United States Civil Service, in the selection of employees under the Public Works Administration, through the establishment of a veterans' employment unit in the Department of Labor, and through provisions favoring veterans in the selection of those employed in the Civilian Conservation Corps. Many States have likewise given special bonuses in cash and veterans' preferences in State and local public employment.

Furthermore unemployed veterans as a group have benefited more largely than any other group from the expenditure of the great public works appropriation of \$3,300,000,000 made by the Congress in 1933, and under which we are still operating. In like manner the new \$4,000,000,000 Work Relief Act seeks to give employment to practically every veteran who is receiving relief.

We may measure the benefits extended from the fact that there has been expended up to the end of the last fiscal year more than \$7,800,000,000 for these items in behalf of the veterans of the World War, not including sums spent for home or work relief. With our current annual expenditures of some \$450,000,000 and the liquidation of outstanding obligations under term insurance and the payment of the service certificates, it seems safe to predict that by the year 1945 we will have expended \$13,500,000,000. This is a sum equal to more than three-fourths of the entire cost of our participation in the World War, and 10 years from now most of the veterans of that war will be barely past the half-century mark.

Payments have been and are being made only to veterans of the World War and their dependents, and not to civilian workers who helped to win that war.

In the light of our established principles and policies let us consider the case of adjusted compensation. Soon after the close of the war a claim was made by several veterans' organizations that they should be paid some adjusted compensation for their time in uniform. After a complete and fair presentation of the whole subject, followed by full debate in the Congress of the United States, a settlement was reached in 1924.

This settlement provided for adjustment in compensation during service by an additional allowance per day for actual service rendered. Because cash payment was not to be made immediately, this basic allowance was increased by 25 percent and to this was added at compound interest for 20 years, the whole to be paid in 1945. The result of this com-

putation was that an amount two and one-half times the original grant would be paid at maturity.

Taking the average case as an example, the Government acknowledged a claim of \$400 to be due. This \$400, under the provisions of the settlement, with the addition of the 25 percent for deferred payment and the compound interest from that time until 1945, would amount to the sum of \$1,000 in 1945. The veteran was thereupon given a certificate containing an agreement by the Government to pay him this \$1,000 in 1945 or to pay it to his family if he died at any time before 1945. In effect, it was a paid-up endowment policy in the average case for \$1,000 payable in 1945, or sooner in the event of death. Under the provisions of this settlement, the total obligation of \$1,400,000,000 in 1924 produced a maturity or face value of \$3,500,000,000 in 1945.

Since 1924 the only major change in the original settlement was the act of 1931 under which veterans were authorized to borrow up to 50 percent of the face value of their certificates as of 1945. Three million veterans have already borrowed under this provision an amount which, with interest charges, totals \$1,700,000,000.

The bill before me provides for the immediate payment of the 1945 value of the certificates. It means paying \$1,600,000,000 more than the present value of the certificates. It requires an expenditure of more than \$2,200,000,000 in cash for this purpose. It directs payment to the veterans of a much larger sum than was contemplated in the 1924 settlement. It is nothing less than a complete abandonment of that settlement. It is a new straight gratuity or bounty to the amount of \$1,600,000,000. It destroys the insurance protection for the dependents of the veterans provided in the original plan. For the remaining period of 10 years they will have lost this insurance.

This proposal, I submit, violates the entire principle of veterans' benefits so carefully formulated at the time of the war, and also the entire principle of the adjusted-certificate settlement of 1924.

What are the reasons presented in this bill for this fundamental change in policy? They are set forth with care in a number of "whereas" clauses at the beginning of the bill.

The first of these states as reasons for the cash payment of these certificates at this time that it will increase the purchasing power of millions of the consuming public; that it will provide relief for many who are in need because of economic conditions; and that it will lighten the relief burden of cities, counties, and States. The second states that payment will not create any additional debt. The third states that payment now will be an effective method of spending money to hasten recovery.

These are the enacted reasons for the passage of this bill. Let me briefly analyze them.

First, the spending of this sum, it cannot be denied, would result in some expansion of retail trade. But it must be noted that retail trade has already expanded to a condition that compares favorably with conditions before the depression. However, to resort to the kind of financial practice provided in this bill would not improve the conditions necessary to expand those industries in which we have the greatest unemployment. The Treasury notes issued under the terms of this bill we know from past experience would return quickly to the banks. We know, too, that the banks have at this moment more than ample credit with which to expand the activities of business and industry generally. The ultimate effect of this bill will not in the long run justify the expectations that have been raised by those who argue for it.

The next reason in the first whereas clause is that present payment will provide relief for many who are in need because of economic conditions. The Congress has just passed an act to provide work relief for such citizens. Some veterans are on the relief rolls, though relatively not nearly as many as is the case with nonveterans. Assume, however, that such a veteran served in the United States or overseas during the war; that he came through in fine physical shape, as most of them did; that he received an honorable discharge; that he is today 38 years old and in full possession of his faculties and health; that like several million other

Americans he is receiving from his Government relief and assistance in one of many forms—I hold that that able-bodied citizen, because he wore a uniform and for no other reason, should be accorded no treatment different from that accorded to other citizens who did not wear a uniform during the World War.

The third reason given in the first whereas clause is that payment today would lighten the relief burden of municipalities. Why, I ask, should the Congress lift that burden in respect only to those who wore the uniform? Is it not better to treat every able-bodied American alike and to carry out the great relief program adopted by this Congress in a spirit of equality to all? This applies to every other unit of government throughout the Nation.

The second whereas clause, which states that the payment of certificates will not create an additional debt, raises a fundamental question of sound finance. To meet a claim of one group by this deceptively easy method of payment will raise similar demands for the payment of claims of other groups. It is easy to see the ultimate result of meeting recurring demands by the issuance of Treasury notes. It invites an ultimate reckoning in uncontrollable prices and in the destruction of the value of savings that will strike most cruelly those like the veterans who seem to be temporarily benefited. The first person injured by skyrocketing prices is the man on a fixed income. Every disabled veteran on pension or allowance is on fixed income. This bill favors the able-bodied veteran at the expense of the disabled veteran.

Wealth is not created, nor is it more equitably distributed by this method. A government, like an individual, must ultimately meet legitimate obligations out of the production of wealth by the labor of human beings applied to the resources of nature. Every country that has attempted the form of meeting its obligations which is here provided has suffered disastrous consequences.

In the majority of cases printing-press money has not been retired through taxation. Because of increased costs, caused by inflated prices, new issue has followed new issue, ending in the ultimate wiping out of the currency of the afflicted country. In a few cases, like our own in the period of the Civil War, the printing of Treasury notes to cover an emergency has fortunately not resulted in actual disaster and collapse, but has nevertheless caused this Nation untold troubles, economic and political, for a whole generation.

The statement in this same second "whereas" clause that payment will discharge and retire an acknowledged contract obligation of the Government is, I regret to say, not in accordance with the fact. It wholly omits and disregards the fact that this contract obligation is due in 1945 and not today.

If I, as an individual, owe you, an individual Member of the Congress, \$1,000 payable in 1945, it is not a correct statement for you to tell me that I owe you \$1,000 today. As a matter of practical fact, if I put \$750 into a Government savings bond today and make that bond out in your name, you will get \$1,000 on the due date, 10 years from now. My debt to you today, therefore, cannot under the remotest possibility be considered more than \$750.

The final "whereas" clause, stating that spending the money is the most effective means of hastening recovery is so ill considered that little comment is necessary. Every authorization of expenditure by the Seventy-third Congress in its session of 1933 and 1934 and every appropriation by the Seventy-fourth Congress to date for recovery purposes has been predicated not on the mere spending of money to hasten recovery, but on the sounder principle of preventing the loss of homes and farms, of saving industry from bankruptcy, of safeguarding bank deposits, and, most important of all, of giving relief and jobs through public work to individuals and families faced with starvation. These greater and broader concerns of the American people have a prior claim for our consideration at this time. They have the right of way.

There is before this Congress legislation providing old-age benefits and a greater measure of security for all workers against the hazards of unemployment. We are also meeting the pressing necessities of those who are now unemployed

and in need of immediate relief. In all of this every veteran shares.

To argue for this bill as a relief measure is to indulge in the fallacy that the welfare of the country can be generally served by extending relief on some basis other than actual deserving need.

The core of the question is that a man who is sick or under some other special disability because he was a soldier should certainly be assisted as such. But if a man is suffering from economic need because of the depression, even though he is a veteran, he must be placed on a par with all of the other victims of the depression. The veteran who is disabled owes his condition to the war. The healthy veteran who is unemployed owes his troubles to the depression. Each presents a separate and different problem. Any attempt to mingle the two problems is to confuse our efforts.

Even the veteran who is on relief will benefit only temporarily by this measure, because the payment of this sum to him will remove him from the group entitled to relief if the ordinary rules of relief agencies are followed. For him this measure would give but it would also take away. In the end he would be the loser.

The veteran who suffers from this depression can best be aided by the rehabilitation of the country as a whole. His country, with honor and gratitude, returned him at the end of the war to the citizenry from which he came. He became once more a member of the great civilian population. His interests became identified with its fortunes and also with its misfortunes.

Some years ago it was well said by the distinguished senior Senator from Idaho that—

The soldier of this country cannot be aided except as the country itself is rehabilitated. The soldier cannot come back except as the people as a whole come back. The soldier cannot prosper unless the people prosper. He has now gone back and intermingled and become a part of the citizenship of the country; he is wrapped up in its welfare or in its adversity. The handing out to him of a few dollars will not benefit him under such circumstances, whereas it will greatly injure the prospects of the country and the restoration of normal conditions.

It is generally conceded that the settlement by adjusted-compensation certificates made in 1924 was fair and it was accepted as fair by the overwhelming majority of World War veterans themselves.

I have much sympathy for the argument that some who remained at home in civilian employ enjoyed special privilege and unwarranted remuneration. That is true—bitterly true—but a recurrence of that type of war profiteering can and must be prevented in any future war.

I invite the Congress and the veterans with the great masses of the American population to join with me in progressive efforts to root a recurrence of such injustice out of American life. But we should not destroy privilege and create new privilege at the same time. Two wrongs do not make a right.

The herculean task of the United States Government today is to take care that its citizens have the necessities of life. We are seeking honestly and honorably to do this, irrespective of class or group. Rightly, we give preferential treatment to those men who were wounded, disabled, or who became ill as a result of war service. Rightly, we give care to those who subsequently have become ill. The others—and they represent the great majority—are today in the prime of life, are today in full bodily vigor. They are American citizens who should be accorded equal privileges and equal rights to enjoy life, liberty, and the pursuit of happiness—no less and no more.

It is important to make one more point. In accordance with the mandate of the Congress, our Budget has been set. The public has accepted it. On that basis this Congress has made and is making its appropriations. That Budget asked for appropriations in excess of receipts to the extent of \$4,000,000,000. The whole of that deficit was to be applied for work relief for the unemployed. That was a single-minded, definite purpose. Every unemployed veteran on the

relief rolls was included in that proposed deficit—he will be taken care of out of it.

I cannot in honesty assert to you that to increase that deficit this year by \$2,200,000,000 will in itself bankrupt the United States. Today the credit of the United States is safe. But it cannot ultimately be safe if we engage in a policy of yielding to each and all of the groups that are able to enforce upon the Congress claims for special consideration. To do so is to abandon the principle of government by and for the American people and to put in its place government by and for political coercion by minorities. We can afford all that we need; but we cannot afford all that we want.

I do not need to be a prophet to assert that if these certificates, due in 1945, are paid in full today every candidate for election to the Senate or to the House of Representatives will in the near future be called upon in the name of patriotism to support general pension legislation for all veterans, regardless of need or age.

Finally, I invite your attention to the fact that solely from the point of view of the good credit of the United States the complete failure of the Congress to provide additional taxes for an additional expenditure of this magnitude would in itself and by itself alone warrant disapproval of this measure.

I well know the disappointment that the performance of my duty in this matter will occasion to many thousands of my fellow citizens. I well realize that some who favor this bill are moved to a true desire to benefit the veterans of the World War and to contribute to the welfare of the Nation. These citizens will, however, realize that I bear an obligation as President and as Commander in Chief of the Army and Navy which extends to all groups, to all citizens, to the present and to the future. I cannot be true to the office I hold if I do not weigh the claims of all in the scales of equity. I cannot swerve from this moral obligation.

I am thinking of those who served their country in the Army and in the Navy during the period which convulsed the entire civilized world. I saw their service at first-hand at home and overseas. I am thinking of those millions of men and women who increased crops, who made munitions, who ran our railroads, who worked in the mines, who loaded our ships during the war period.

I am thinking of those who died in the cause of America here and abroad, in uniform and out; I am thinking of the widows and orphans of all of them; I am thinking of five millions of Americans who, with their families, are today in dire need, supported in whole or in part by Federal, State, and local governments who have decreed that they shall not starve. I am thinking not only of the past, not only of today, but of the years to come. In this future of ours it is of first importance that we yield not to the sympathy which we would extend to a single group or class by special legislation for that group or class, but that we should extend assistance to all groups and all classes who in an emergency need the helping hand of their Government.

I believe the welfare of the Nation, as well as the future welfare of the veterans, wholly justifies my disapproval of this measure.

Therefore, Mr. Speaker, I return, without my approval, House of Representatives bill no. 3896, providing for the immediate payment to veterans of the 1945 face value of their adjusted-service certificates.

Thereupon (at 1 o'clock and 10 minutes p. m.) the President retired from the Hall of the House.

At 1 o'clock and 12 minutes p. m., the Speaker announced that the joint session was dissolved.

Thereupon the Vice President and the Members of the Senate returned to their Chamber.

ACTION ON THE VETO MESSAGE OF THE PRESIDENT

The SPEAKER. The objections of the President will be entered at large on the Journal, and the message and the bill printed as a House document.

The question is, Will the House of Representatives, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Mr. DOUGHTON. Mr. Speaker, there is no subject on which the people of America are more fully advised than that of the immediate payment of the soldiers' adjusted-service certificates. That question has been ably debated by the Congress, not only recently but on many previous occasions. The President of the United States has fully and ably expressed his views on the subject. There could be no new light thrown on the subject by further discussion, in my opinion. The facts are all before us. The case is fully made up and ready for our decision.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The Clerk will call the roll.

Those who favor the question will say "aye" when their names are called, and those who are opposed will say "no."

The question was taken; and there were—yeas 322, nays 98, not voting 12, as follows:

[Roll No. 81]

YEAS—322

Adair	Dickstein	Hildebrandt	Meeks
Allen	Dies	Hill, Ala.	Merritt, N. Y.
Amle	Dietrich	Hill, Knute	Michener
Andresen	Dingell	Hill, Samuel B.	Miller
Arends	Dirksen	Hoeppel	Mitchell, Ill.
Arnold	Disney	Hoffman	Mitchell, Tenn.
Ashbrook	Ditter	Hook	Monaghan
Ayers	Dockweiler	Hope	Montet
Bacharach	Dondero	Houston	Moran
Barden	Dorsey	Hull	Moritz
Beam	Doutrich	Imhoff	Mott
Beiter	Doxey	Jacobsen	Murdock
Bell	Driscoll	Jenckes, Ind.	Nelson
Berlin	Driver	Jenkins, Ohio	Nichols
Binderup	Duffey, Ohio	Johnson, Okla.	Norton
Blackney	Duncan	Johnson, Tex.	O'Brien
Blanton	Dunn, Miss.	Johnson, W. Va.	O'Leary
Bloom	Dunn, Pa.	Jones	O'Malley
Bolleau	Eagle	Kahn	Owen
Boylan	Eckert	Kee	Palmisano
Brennan	Edmiston	Keller	Parks
Brewster	Elcher	Kelly	Parsons
Brooks	Ekwall	Kennedy, Md.	Patman
Brown, Ga.	Ellenbogen	Kennedy, N. Y.	Patterson
Brunner	Engel	Kenney	Patton
Buckbee	Englebright	Kerr	Pearson
Buckler, Minn.	Evans	Kimball	Peterson, Ga.
Buckley, N. Y.	Faddis	Kinzer	Pfeifer
Burdick	Farley	Kleberg	Pierce
Caldwell	Fenerty	Kloeb	Pittenger
Cannon, Mo.	Ferguson	Kniffin	Polk
Cannon, Wis.	Fernandez	Knutson	Powers
Carlson	Fitzpatrick	Kopplemann	Quinn
Carmichael	Flannagan	Kramer	Rabaut
Carpenter	Fletcher	Kvale	Ramsay
Carter	Focht	Lambertson	Ramspeck
Cartwright	Ford, Miss.	Larrabee	Randolph
Cary	Fuller	Lee, Okla.	Rankin
Castellow	Fulmer	Lemke	Ransley
Celler	Gambrill	Lesinski	Rayburn
Chapman	Gasque	Lloyd	Reece
Citron	Gassaway	Lord	Reed, Ill.
Clark, Idaho	Gavagan	Lucas	Richards
Clark, N. C.	Gearhart	Luckey	Richardson
Coffee	Gehrmann	Ludlow	Robinson, Utah
Colden	Gilchrist	Lundeen	Robson, Ky.
Cole, Md.	Gildea	McAndrews	Rogers, N. H.
Collins	Gillette	McClellan	Rogers, Okla.
Colmer	Gingery	McCormack	Romjue
Connery	Goldsborough	McFarlane	Rudd
Cooley	Granfield	McGehee	Ryan
Cooper, Ohio	Gray, Ind.	McGrath	Sadowski
Cooper, Tenn.	Gray, Pa.	McGroarty	Sanders, La.
Costello	Greenway	McKeough	Sanders, Tex.
Cravens	Greenwood	McLeod	Sandlin
Crawford	Gregory	McSwain	Sauthoff
Crosby	Griswold	Maas	Schaefer
Cross, Tex.	Guyer	Mahon	Schneider
Crosser, Ohio	Gwynne	Maloney	Schuetz
Crowe	Haines	Mansfield	Schulte
Crowther	Halleck	Marcantonio	Scott
Cullen	Hamlin	Marshall	Scrugham
Cummings	Hancock, N. C.	Martin, Colo.	Sears
Daly	Hart	Mason	Secrest
Deen	Harter	Massingale	Seger
Delaney	Healey	Maverick	Shanley
Dempsey	Hess	May	Short
DeRouen	Higgins, Mass.	Mead	Sirovich

Smith, Wash.	Sutphin	Umstead	Williams
Smith, W. Va.	Sweeney	Underwood	Wilson, La.
Snyder	Taylor, Colo.	Vinson, Ga.	Wilson, Pa.
Somers, N. Y.	Taylor, S. C.	Vinson, Ky.	Withrow
South	Taylor, Tenn.	Wallgren	Wolcott
Spence	Thomason	Walter	Wolfenden
Stack	Thompson	Warren	Wolverton
Starnes	Thurston	Wearin	Wood
Steagall	Tolan	Weaver	Woodruff
Stefan	Tonry	Welch	Zimmerman
Stewart	Truax	Werner	Zioncheck
Stubbs	Turner	Whelchel	
Sullivan	Turpin	White	

NAYS—98

Andrew, Mass.	Doughton	Lehibach	Russell
Andrews, N. Y.	Drewry	Lewis, Colo.	Sisson
Bacon	Duffy, N. Y.	Lewis, Md.	Smith, Conn.
Biermann	Eaton	McLaughlin	Smith, Va.
Bland	Fiesinger	McLean	Snell
Boehne	Fish	McMillan	Summers, Tex.
Boland	Ford, Calif.	McReynolds	Taber
Bolton	Frey	Mapes	Tarver
Brown, Mich.	Gifford	Martin, Mass.	Terry
Buchanan	Goodwin	Merritt, Conn.	Thom
Buck	Green	Millard	Thomas
Bulwinkle	Greever	Montague	Tinkham
Burch	Hancock, N. Y.	O'Connell	Tobey
Cavichia	Harlan	O'Connor	Treadway
Chandler	Hartley	O'Day	Utterback
Christianson	Hennings	O'Neal	Wadsworth
Church	Higgins, Conn.	Perkins	West
Claiborne	Hobbs	Peterson, Fla.	Whittington
Cole, N. Y.	Hollister	Pettengill	Wigglesworth
Corning	Holmes	Plumley	Wilcox
Cox	Huddleston	Reed, N. Y.	Woodrum
Culkin	Kocialkowski	Reilly	Young
Darden	Lambeth	Rich	The Speaker
Darrow	Lanham	Robertson	
Dobbins	Lea, Calif.	Rogers, Mass.	

NOT VOTING—12

Bankhead	Casey	Igoe	Peyser
Burnham	Cochran	Lamneck	Sabath
Carden	Dear	Oliver	Shannon

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. BYRNS, and he voted "nay."

So (two-thirds having voted in the affirmative) the bill was passed, the objections of the President to the contrary notwithstanding.

The Clerk announced the following pairs:

On this vote:

Mr. Dear and Mr. Burnham (override) with Mr. Peyser (sustain).
Mr. Casey and Mr. Shannon (override) with Mr. Oliver (sustain).

Mr. CULLEN. Mr. Speaker, I beg to announce to the House on behalf of my colleague the gentleman from New York, Mr. PEYSER, who has been seriously ill for the past 12 weeks, and who is still under the doctor's care, that if he were able to be present he would vote to sustain the President.

Mr. Speaker, in this connection I ask unanimous consent to extend my remarks by incorporating in the RECORD his letter to the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The letter referred to follows:

MAY 13, 1935.

HON. JOSEPH W. BYRNS,
Speaker House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: Now that the vote is about to be taken to sustain or override the President's veto on the Patman bonus bill I am anxious to signify my approval of the President's action and would appreciate your inserting this letter in the CONGRESSIONAL RECORD.

As you know, I have been ill in bed for the past 12 weeks, otherwise I would cast my vote on the floor of the House for the sustenance of the President's veto on this measure.

In both my campaigns for election I pledged myself to oppose the payment of the soldiers' bonus and I have consistently fulfilled my pledge to my constituents by voting against its immediate payment. I sincerely regret that my illness prevents my voicing my opposition at this time in person.

With kindest regards and assurances of my appreciation of your making note of my desire to sustain the President's veto, I am
Sincerely yours,

THEODORE A. PEYSER.

The result of the vote was announced as above recorded.

VETO MESSAGE—PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. TABER. Mr. Speaker, we would all like to do something for the soldiers, but the bonus bill provides for giving them \$1,300,000,000 more than the certificates which have been issued to them call for.

Democratic Members of Congress have already supported appropriations exceeding \$10,000,000,000, which have passed the House at this session. This is three times more than the revenues in sight. Democratic Members of Congress have voted for the \$4,880,000,000 bill, the 9-percent pay-roll tax bill, and the banking bill, which many of them have felt, and some of them have said, were wrong, but that they were supporting the administration. There they did not have the courage to oppose the administration, when they knew the administration was wrong. Now, when the administration is right, they have not the courage to support it.

The country is truly in a sorry state, with a Democratic majority in Congress unable to support and sustain its own convictions. Truly, it is another proof of the old adage that "the Democratic Party is constitutionally incapable of government."

ANSWER TO PRESIDENT ROOSEVELT'S DEMAND THAT THE VETERAN SHALL REMAIN THE FORGOTTEN MAN

Mr. FENERTY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FENERTY. Mr. Speaker, as I listened to the remarks of the President of the United States in this Chamber a few moments ago, urging the Congress to betray the men who deserve most from the Nation; as I heard him use his mellifluous voice and all the arts of the politician of which he is master in his attempt to arouse American public opinion against the veterans of America's battles, I could scarcely make myself believe that I was listening to a message concerning our veteran soldiers delivered by the man to whom the Army and Navy look as their Commander in Chief. Truly has America fallen upon evil days if a President, elected to be the servant of the people, may thus set aside precedent in order to injure the cause of the hungry and unemployed men who in darker days than those of economic depression were willing, if need be, to die so that the dignity and integrity of the Nation might be preserved untarnished.

The President has no hesitation in recklessly spending million after million of the people's money in seeking to win the votes of the cotton farmers of the South and the hog-raisers of the West. He made no mention of a preferred class in dispensing these moneys, did he? He does not blush at asking Congress to give him a \$5,000,000,000 slush fund so that his election next year may be made possible. His voice utters no protest when our Government pays a bonus to the soldiers of England and France and other European nations. We canceled billions of dollars in debts owed to the United States by foreign powers, thus transferring additional burdens to the shoulders of the American taxpayer, only to find that these ungrateful nations dishonestly defaulted on many billions more. Great Britain, France, Germany, Italy, Australia, Canada, Belgium—each recognized the debt it owed to its war veterans and gave to them some kind of adjusted compensation. Then, with money wrung from the blood of Americans, England balances her budget and boasts that she is on the road to speedy economic recovery. Britain can build great battleships as a threat to European peace, France can equip and train an army of many millions as a menace to other continental nations, and the administration supinely does nothing as these predatory naval and military powers steal our money for their own people and thus indirectly pay an additional bonus to the European soldier at the expense of our own. What a noise English diplomats made a few days ago when it was inadvertently revealed that in the next war with England, our Navy is prepared to capture Bermuda and other English bases now threatening the Panama Canal.

President Roosevelt weakly and apologetically went out of his way to explain that there was nothing serious about

it, but if there had been in the White House a President with the courage of Jackson, or Lincoln, or Cleveland, or Theodore Roosevelt, his answer to the British diplomats would have pointed out that these islands would not even recompense us for the stolen American money now reposing in foreign treasuries and the American blood spilled in the war to make Europe safe for hypocrisy. The Roosevelt administration refuses to sanction payment of its debt to our own impoverished war veterans, but it has no apology to offer for giving our taxpayers' money to foreign nations so that their soldiers may profit while American veterans suffer. There is no doubt that these nations could and can pay. If Finland can pay her debt with 2-percent interest, if the Irish Republic can repay Americans at the rate of \$1.25 for every dollar of the money lent to her, certainly the great militaristic nations can do so without injury to their economic structure.

Eighteen years ago one Democrat in the White House spent millions to wage a European war, as a result of which England became the owner of nearly a third of the world, France filled her pockets and confiscated rich mines and territories, even Japan, which lost but 300 men in the war, gained extensively in land and commerce, while America received the depression and the privilege of paying Europe's bills. That administration did not hesitate to give foreigners staggering sums of American money whenever they requested it, but our American boys who saved the foreigners' unworthy nations from German defeat, received the munificent sum of a dollar a day!

Today another Democrat in the White House comes here to insult the patriotism of real Americans and inferentially assert that a dollar a day was enough. A dollar a day to keep England from becoming a German duchy! A dollar a day to keep France from speaking German! A dollar a day, as Wilson said, to "make the world a better place to live in"! Better for whom? Certainly not for the war veterans who are now condemned by President Roosevelt to the depths of poverty and unemployment, and told that there is no hope of bettering themselves as long as he is in the White House.

In all the annals of American history, Mr. Speaker, has any President ever before so viciously attacked the men without whom that flag would not float so gloriously unsullied behind the Speaker's chair in this House? Mark you well these words by which today the President branded the veteran as no better than the slacker:

* * * Some veterans are on the relief rolls, though relatively not nearly as many as is the case with nonveterans. Assume, however, that such a veteran served in the United States or overseas during the war; that he came through in fine physical shape as most of them did; that he received an honorable discharge; that he is today 38 years old and in full possession of his faculties and health; that like several million other Americans he is receiving from his Government relief and assistance in one of many forms—I hold that that able-bodied citizen, because he wore a uniform, and for no other reason, should be accorded no treatment different from that accorded to other citizens who did not wear a uniform during the World War."

In other words, according to the President, you veterans of America are just as good as the slacker and the profiteer—but no better. In the President's opinion, your sacrifice for our country merits no financial approval greater than that to be extended to the man who shirked his patriotic responsibilities in time of war. And then, to heap additional insult upon the injury inflicted by these words, the President further says:

If a man is suffering from economic need because of the depression, even though he is a veteran, he must be placed on a par with all the other victims of the depression.

What a teaching for the Chief Executive to put into the minds of the dangerous radicals and timid collegians who cowardly assert that they will never defend America against an enemy. You veterans, according to the President's insinuation, must be placed on an equality with the Russian Communist who entered this country during the past few years to find a place on the relief rolls. How the red agitators will roll these words like a sweet morsel from their

tongues! The day will come, Mr. Speaker, when the President will regret their utterance, for through them, as Marc Antony has said:

Now let it work: Mischief, thou art afoot. Take thou what course thou wilt!

Mr. Speaker, if I were a newspaper artist, like Mr. Jerry Doyle, of Philadelphia, whom I consider the brilliant leader of his profession, I would draw a cartoon of the veteran sitting upon the steps of the White House, and above his gaunt face and torn uniform I would place, as if in prophetic vision, a picture of the future, with the veteran in an old men's home for the poor and an image of Franklin D. Roosevelt above him—as the artists are accustomed to picture thought—and beneath the drawing I would place the words of the popular song, "When I grow too old to dream, I'll have you to remember."

Mr. Speaker, it is 18 years since our American boys went forth to the great adventure. With faces turned toward the rising sun, we did not question those who called us to the flag. We would answer as cheerfully again, if America called. To unknown lands and unknowable fates we marched on, to set up those tiny wooden crosses that snowed over in an early winter of white mercy the dead and broken blossoms of young American manhood that lay scattered through the red, untimely harvest fields of war.

Now where is the glory of war to the boys who abandoned all that life then held of success and happiness for the hardships of crowded camps and rain-drenched battle cruisers and mud-filled trenches and broken slumbers beneath the exploding shellfire of the lifted guns? The pomp and circumstance of war can today be seen in the sightless eyes, the torn bodies, the mutilated lungs, the shattered nerves, the weakened hearts. The glory of battle is to be found in the 60 veterans' hospitals with over 50,000 beds, all occupied, and in the long waiting lists numbering practically a fourth of those who answered the call to arms in the stirring days of 1917.

As the President was driven back to the White House this afternoon after his plea that justice be denied to the veterans, he passed down Pennsylvania Avenue, where these boys trod with vigorous step in the month of May of that first year of war. Today the President, if he would but look around, could still see them, but what a contrast he would find! There is now no martial music to keep them swinging along, no cheers greet their approach. They wear no trim uniforms. There is no light gleaming in their eyes. Hungry, with insufficient clothing, many of them without the price of an artificial limb, searching for the employment that will enable them to keep their unfortunate families together, they had turned toward the White House in the vain hope that the inevitable Presidential smile might cloak a heart equally as genial.

Yesterday the man in the White House was looked upon as the potential savior of these heroes who had offered their youth upon the altar of national sacrifice and devotion. Today the veterans know that they have been betrayed; they realize the hollowness and sham of some of our so-called "great men"; they see the hypocrisy of those politicians whom but yesterday they had considered statesmen.

Mr. Speaker, as the President delivered that message today, callously shutting the door of hope in the faces of the men who only a few years ago were hailed as the champions of liberty and democracy, I thought to myself that there are, indeed, men in high places who are so absorbed in their own selfish desire for continued power that they become, so to speak, tone-deaf—they can hear only the sounds of praise and commendation, but fail to hear the voice of Congress, fail to hear the voices of Republicans warning them that the bonus is a sacred obligation long overdue. Yes; they even fail to hear or to heed the piteous plea of the soldier, the heart-breaking cries of his wife and his children. And, as the President made his demand that the veterans be ignored, I thought that if he would only leave the Executive Mansion and the Astor yacht and come down into the

streets of a great city like New York or Philadelphia or Chicago or Detroit or San Francisco or Boston—if he would only gaze for a moment into the startled eyes of the wounded men who, until this hour, had maintained their trust in him, he would realize, as you and I know, that there are some things in life that cannot be waved aside with a gesture; there are hunger and disease and want and distress among men and women and children that cannot be obliterated even by a Presidential laugh.

It is utterly ridiculous and fallacious for the President to insinuate that payment of this just debt would ultimately injure the financial credit of the Nation and impair recovery. He is, himself, a financial czar, having absolute dictatorial control of \$5,000,000,000, not to mention the gigantic sums still left unspent from the last Congress. If he would be just to the veteran, let him take two billions from this huge fund and with it pay the soldiers the debt which the Nation owes them. He could pay every veteran the value of his adjusted-service certificate and still have enough left over to influence half a dozen national elections. Tomorrow I shall introduce a bill directing the President to do this, in the event that his veto be sustained.

As for his utterance that the bonus is not due until 1945 and that payment of the debt to the veterans would violate the contract contained in the adjusted-service certificates, I ask you, Mr. Speaker, when did Mr. Roosevelt become so anxious about the inviolability of contracts? When did this amazing conversion to sanctity take place? What about his own contract with the people, as contained in the Democratic platform upon which he was elected? He has violated every pledge and contract in it save one. He has broken it to plunge the Nation headlong into an unprecedented peacetime indebtedness upon the theory that he can squander our way back to prosperity. He has sanctioned the violation of contracts with the Government payable in gold, he repudiated air-mail contracts, and stubbornly sacrificed the lives of 13 Army fliers to prove that he was right—and then changed his mind again. He has violated the contract written on your paper money—so that today, even if wages were increased 25 percent, you actually receive only 85 percent of your former wage, because the Roosevelt dollar is worth only 60 cents. Violation of the contract! Why, the President has done nothing else since he took office but show his contempt for obligations. But as a matter of fact, the contract with the veteran calls for payment of a debt that is not due in 1945, but that was due in 1919—as soon as the boys doffed the uniforms in which they served the Nation.

Mr. Speaker, I have made these few remarks so that the veterans may know that their cause is not yet lost. As the sun sinks tonight it will take with it, never to rise again, the confidence and the faith which America's war heroes had reposed in their President. He has failed them in their hour of need, he has abandoned their cause to the money-changers who would practice their so-called "economy" at the expense of the veterans' misery.

To the eternal shame of the Roosevelt regime be it known that 2 years ago in the name of the Economy Act it took from the veterans, their widows, and their orphans the pittance that they had received to keep body and soul together. Let the administration go its way into the limbo of forgotten things. Let it cover its shame with the blanket of million-dollar bills wrung from the people for its gigantic \$5,000,000,000 election slush fund. Let the President continue to shout to the skies that the forgotten man of the World War is still to remain forgotten.

There are others who will fight the veterans' battles. There are Republican voices that will not be hushed until complete atonement is made for this disgraceful day. There are men here who will hold aloft the torch that the veterans caught flaming amid the poppies of Flanders Fields.

I call upon all just, far-seeing men to vote to defeat the veto of the President. As a Republican, I presume to summon the Democratic Senator from my own State to change his attitude and stand with us in our plea for justice to the

heroes of the land. I call all real Americans to the veterans' standard, and, as I uplift it on behalf of my fellow veterans today, I remind you that—

By the friends who are lost to us,
By war's tremendous cost to us,
By all we've seen and all we've known,
And by the work we've wrought,
Now that we are back again,
Upon the homeward track again,
God help the men who are not true
To that for which we fought!

EVASION OF PANAMA CANAL TOLLS

Mr. LEA of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEA of California. Mr. Speaker, for over 15 years the organized shipping interests have aggressively blocked every attempt of the Government to establish a business-like and just tolls system for the Panama Canal. In the meantime the unwarranted and manipulated tolls exemptions under a dishonest tolls system have constantly increased.

Over 3,000,000 tons of pay-load space of vessels now using the Canal evade the payment of tolls each year.

The amount of this evasion is constantly increasing and will continue to increase unless Congress passes the pending bill to correct this situation.

Under the present law, by superficial changes in ships, their owners evade tolls on a large part of their cargoes.

In 1933, five shipping companies, in this manner, reduced their tolls on 38 ships from 19 to 26 percent each, with an aggregate evasion of \$710,000.

Only part of the ships using the Canal can or have availed themselves of the evasions the law now permits. So great have been the evasions, however, that the aggregate of all tolls collected from 1917 to 1933 was reduced 10 percent.

Many shelter decks, completely enclosed from the weather and water, are now escaping tolls. A shelter deck, for example, with 3,000 tons or more of cargo space, may be exempted on one ship under the present law. This would equal a train load of about 120 freight cars. Over 2,150,000 tons a year now escape tolls in this way.

Under the present law, the actual tonnage charged on laden ships by the different nations varies from 77 cents to \$1.26, or a variation of 49 cents per ton. As between the six leading nations using the Canal, there is a variation of 18 cents a ton based on the actual earning capacity of the ships.

Of the six leading commercial nations, the ships of the United States pay next to the highest rate of tolls, on the average.

Under the present law, many ships pay 72 cents a ton whether laden or in ballast. In other words, an empty ship pays as much as a laden one, although it was intended the ship in ballast should pay 40 percent less.

Two ships of the same size and carrying the same cargo may pay radically different tolls, \$2,000 difference for instance, one being exempt from tolls on its shelter deck, the other required to pay.

Many foreign vessels pay tolls on a less tonnage than assigned them by their own national registration rules.

WHY THESE ABSURDITIES?

Manifestly Congress never intended these absurdities in the administration of the tolls of the Panama Canal. Then why do they exist?

They exist on account of an inadvertent mistake Congress made in the Tolls Act of 1912. Congress authorized the President, subject to certain limitations, to fix the tolls for the Panama Canal and to change the rates from time to time.

The President was authorized to make rules for the measurement of tonnage of vessels using the canal. One hun-

dred cubic feet is a vessel ton, and tolls are levied on that basis.

Unfortunately, as it subsequently developed, Congress included a proviso that the tolls should not exceed the equivalent of \$1.25 per "net registered ton." The whole trouble in the tolls situation originated out of the use of the one word "registered." That word was subsequently interpreted as meaning a registered ton under the old United States statutes of ship registration and not a registered ton under the Panama Canal rules as Congress had intended. This had the effect of substituting the old registration rules of measurement so far as the maximum tonnage tolls were concerned. In other words, it limited all tolls to the tonnage as measured by the old United States rules instead of by the Panama Canal rules which were designed for that purpose.

All of the absurdities in the administration of Canal tolls have grown out of the inappropriate application of tonnage rules not intended for Canal purposes.

The original purpose of Congress to prescribe uniform rules for commercial ships, tolls to be levied on actual earning capacity was thus defeated. The excessive exemptions of carrying space have occurred under this interpretation.

In cases where there is a difference between the total net tonnage of a ship under the two sets of rules, which is always the case, all load space in excess of the old United States rules is exempt.

Under interpretations of the old United States registration rules, tricky, superficial structural changes not materially affecting the load capacity of a vessel have been resorted to to reduce tolls. This progressive reduction has been going on for over 15 years.

The Suez Canal, the only other great oceanic canal, long ago recognized the impracticability of accepting old national registrations of tonnage and adopted separate rules for measuring vessels for tolls purposes. It was for a similar purpose that the United States authorized the Panama Canal rules of measurement. The unanticipated interpretation of the law has prevented a businesslike and just system of toll levies at the Canal.

In the construction of the Canal the United States excited the admiration of the world. Every person who has seen the Canal marvels at the simplicity and efficiency of its physical operation. As a constructor and operator of the Canal Uncle Sam is a genius. He is, by the inaction of Congress, forced to be a gullible toll keeper.

PURPOSES OF BILL

The main purpose of the Canal tolls bill, H. R. 5292, is to remedy the mistake in the Tolls Act of 1912.

The purpose is to eliminate all unwarranted exemptions and require every ship to pay tolls on its actual earning capacity space.

Under the present law some ships are paying more than they should, others are paying less. This bill would place them on a uniform basis.

The object of this bill is neither to raise nor lower the aggregate amount of tolls now collected. It proposes to fix the tolls on an equal and just basis that will collect practically the same amount of tolls now being collected.

A further and very important purpose is to prevent further evasion of tolls.

When tolls are reduced it should be by the reduction of the unit charge and not by tricky evasions under the technical advantages afforded by the present law. Our Government and not the users of the canal should say when and how tolls are to be reduced.

The nominal rate of tolls on laden vessels is now \$1.20 per ton of 100 cubic feet. In practice the limit of tolls is \$1.25 per ton under the old United States rules on payments based on part only of the actual earning capacity of the ship. While, nominally, laden vessels are paying \$1.20 per ton, in practice they are paying on the average about 90 cents per ton on their actual earning capacity space. Some ships are paying more and some are paying materially less.

A toll honestly levied at a uniform price on the actual earning capacity of the ships using the canal at 90 cents a

ton will raise as much money as is now being collected under the present tricky system at the rate of \$1.20 per ton.

A ship which, through the interpretation of the act of 1912 and by evasion has reduced its tolls 25 percent, would under this proposed legislation pay no more than it is paying at present. A ship which has evaded tolls in excess of 25 percent of its actual load space will be required to pay more.

In any event, any ship required to pay more tolls on account of this legislation will be required to pay only the same amount as the average vessel now using the Panama Canal is paying. If such ships suffer any injustices, it is the injustice of being placed on an equality with other ships.

COMMITTEE ON MODIFICATION OF RULES

Section 2 of the bill authorizes the President to appoint a special committee of three to serve for not more than 6 months to study and investigate the rules for the measurement of vessels using the Canal and the tolls to be charged. This committee is to report directly to the President.

The object of this provision is to give the shipping interests every opportunity to present any facts or make any proposal that may aid the President in levying tolls and in methods of measurement that shall be businesslike and just. This committee is authorized to recommend such changes and modifications in the rules as it finds necessary or desirable to provide a practical, just, and equitable system of measuring such vessels and levying such tolls.

The President will have power from time to time to change the rules as circumstances require. A constant method will be available for the shipping interests or others to secure any meritorious change in the rules or the tolls. The rules for the Suez Canal have been changed on an average of about once a year for the last 15 years.

The President will not adopt the modified rules or levy the new tolls until after the committee has reported.

This bill in effect allows 6 months for investigation, about 2 months for a consideration of the report by the President, and the 6 months' notice of change that the law now requires before the new rates go into effect on September 1, 1936.

This procedure is practically the same as that followed under the original Tolls Act of 1912. In that case a special committee which prepared the rules reported to the Secretary of War, and the President proclaimed the rules as authorized by Congress. Under this bill the special committee will be appointed by the President and report directly to him.

MODIFICATION OF MEASUREMENT RULES

Tolls are levied on pay-load space. The Government is not interested in collecting tolls on space not usable for pay loads.

The whole opposition to the bill is an effort to hold on to unwarranted exemptions.

This bill proposes that measurement of vessels for tolls shall be based on the actual earning capacity. The purpose will be to eliminate from measurement any parts of the ship not usable for earning-load space and to measure and levy tolls for all pay-load carrying space.

Some results of this investigation are practically certain. There will be a moderate decrease in the measurable tonnage under the Panama Canal rules and a substantial increase of the measurable tonnage as now made under the United States rules.

There will be no radical change in the aggregate amount of tolls collected and a toll of not over 90 cents a ton on laden ships will produce substantially the same tolls now produced by \$1.20 a ton on a measurement that includes part only of the ships' earning space.

A ship now escaping tolls on only 25 percent of its pay-load space will not be required to pay a higher toll than at present.

A ship now having an exemption of over 25 percent of its pay-load space may have its tolls increased.

It is safe to predict that certain public spaces on passenger vessels not under exclusive occupancy of passengers, such as library and music rooms, children's play rooms, and so forth, will be relieved from measurement under the Panama Canal rules as revised. Most of the vessels to get the benefit of

this reduction in measurement are American vessels, which more frequently transit the Canal. Therefore the chief benefit of this reduction will go to American passenger vessels, and it will relieve them from the extreme increases in tolls which might otherwise result from the change in the rules.

The exemption of these spaces will total about 300,000 tons.

There are a few other minor situations in which reductions of measurable space will probably be made.

In the main it will doubtless be found that the Panama Canal rules of measurement, based on equality of tolls according to actual earning capacity, are just and satisfactory. The investigation, however, will give full opportunity for consideration of every phase of the measurement problem that may be presented.

After the investigation is over, and with full knowledge of the facts and the recommendations of the committee before him, the President will modify the rules as the facts are found to warrant.

SHIPPING COMPANIES URGE AN INVESTIGATION ONLY

Consistent with the policy of 15 years' opposition of delay certain shipping companies are now proposing the elimination of all but section 2 of the canal tolls bill and that we simply authorize an investigation and report on the tolls question.

It is not suggested what benefit the rules will be without any power to put them into effect. Certainly Congress should not fix unchangeable rules for the measurement of vessels any more than it should fix freight rates unchangeable by administrative action. If rules were fixed by law, every time any injustices developed the only opportunity for correction would be by an amendment of the law by Congress.

To authorize an investigation and report on the revision of the Panama Canal rules without any power to put the proposed changes into effect would be a waste of time and money. It could serve no purpose except that of certain shipping interests to evade the payment of tolls justly due and to encourage further evasions.

THE ATTITUDE OF THE SHIPPING COMPANIES

The shipping interests are not responsible for the mistake in the law of 1912. We cannot blame them for availing themselves of an advantage unjust to the Government but which the law permits. We should not look with favor, however, on the organized tenacious effort to prevent the Government from having a businesslike, just tolls system by those who are receiving unwarranted and special advantages by the continuance of the present law.

I am from a coast State. My district and State are especially interested in seeing that the shipping companies get every encouragement and help that justly belongs to them. I am not interested in aiding the shipping companies to gouge the Government in the evasion of tolls.

I would welcome any modification of measurement rules that justice can dictate, but I am unwilling to oppose the Government in its efforts to require all ships to pay tolls on a just basis of equality.

There is no honest reason in the world why a whole shelter deck carrying hundreds or even thousands of tons of cargo perfectly protected from the weather and storm should go through the Panama Canal without paying tolls.

One of the worst features of the situation is the progressive evasion of tolls under the existing law. The cargo spaces now exempt can be indefinitely increased. Trifling changes in structure have exempted shelter decks; now the height of those decks is being increased and thus further increasing the tolls exemptions. Decks formerly 8 feet in height are being increased as high as 14 feet, thus permitting the exemption of large additional spaces.

The shipping companies are now advocating loans from the Government for ship construction at long-time low-interest rates. If new construction occurs the money so loaned by the Government will be used for tricky construction to evade the payment of tolls to the Government that is trying to aid and encourage the companies. No construction loans should be made until after this legislation becomes a law.

Last year the Government paid \$27,000,000 in excess of open-contract prices as subsidies for mail transportation to our foreign shipowners. The amount of this gift to the shipping companies was \$3,000,000 in excess of the total tolls collected at the Panama Canal. Yet certain shipping companies receiving benefits from the exemptions they now enjoy, seek to prevent the Government from establishing a businesslike and equitable system of tolls, in order that their special advantages may continue. They seek to prevent the Government from charging them the average tolls now paid by ships using the Canal. The little difference between what they are paying and what they should pay inspires the outcry of injustice if an equal tolls system is established.

The construction of the Panama Canal cost the Government \$375,000,000. The Suez Canal, the only other great interoceanic canal, was built at one-third that cost and charges higher tolls than we collect at the Panama Canal.

A few years ago we loaned the shipping companies \$157,000,000 for ship construction. Yet the same companies have for 15 years systematically and tenaciously opposed every effort of Congress to relieve the Government of the unwarranted exemptions under the act of 1912.

In the course of the hearings on this legislation our committee invited and urged every shipping company to submit any proposal or amendment that it thought necessary or desirable to make Canal tolls administration businesslike, and just. The most concrete response was that no plan would be agreed to that would require any ship to pay a greater toll than it is now paying.

HISTORY OF LEGISLATION

The Interstate and Foreign Commerce Committee has had jurisdiction of this legislation ever since the Canal was started. Upon a report from that committee this legislation has four times passed the House. It has had the support of General Goethals and practically every person connected with the Canal administration from the time of General Goethals to the present. It has had the support of each Secretary of War.

This bill is presented with a request from President Roosevelt that it be enacted.

No partisan effort has been made against the bill by either Democrats or Republicans prior to this Congress. It had the support of President Wilson and succeeding Republican Administrations.

Its enactment prior to this time has been blocked in another body.

John Esch and James Parker, former Republican chairmen of our committee, supported this legislation. It was supported by the former Republican leader, Hon. Frank W. Mondell, by Hon. Everett Sanders, who subsequently was secretary to President Coolidge, and by those splendid members of our committee, Congressmen Hoch and Dennison.

So far as I am aware, no member of our committee, Democrat or Republican, who had knowledge of the facts has opposed this legislation in the last 10 years. In the last Republican House it passed by unanimous consent.

The need of this legislation is so obvious that the situation does not, in my judgment, justify the opposition of any Member.

PROCTORS AND MARSHALS' FEES AND BONDS AND STIPULATIONS IN SUITS IN ADMIRALTY

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a copy of the bill H. R. 29.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. Mr. Speaker, the House of Representatives has now passed H. R. 29, introduced by me, relating to fees on appeal and marshals' fees and bonds in admiralty.

Following is the bill as passed by the House:

[H. R. 29, 74th Cong., 1st sess.]

A bill to amend the laws relating to proctors and marshals' fees and bonds and stipulations in suits in admiralty

Be it enacted, etc., That section 824 of the Revised Statutes (U. S. C., title 28, sec. 572) is amended by adding after the first paragraph of such section the following new paragraph:

"On appeals in admiralty, where the amount involved is not over \$1,000 a proctor's docket fee of \$20; where the amount involved is from \$1,000 to \$5,000 a proctor's docket fee of \$50; where the amount involved is over \$5,000 a proctor's docket fee of \$100. On such appeals cost of brief of successful party to be taxed, where amount involved is not over \$1,000 at not exceeding \$25; where amount involved is between \$1,000 and \$5,000 at not exceeding \$50; where amount involved is over \$5,000 at not exceeding \$75."

SEC. 2. Section 829 of the Revised Statutes, as amended (U. S. C., title 28, sec. 574; Supp. VII, title 28, sec. 574), is amended by striking out of such section the paragraph which reads as follows:

"When the debt or claim in admiralty is settled by the parties without a sale of the property, the marshal shall be entitled to a commission of 1 percent on the first \$500 of the claim or decree, and one-half of 1 percent on the excess of any sum thereof over \$500: *Provided*, That when the value of the property is less than the claim such commission shall be allowed only on the appraised value thereof."

SEC. 3. Section 941 of the Revised Statutes, as amended (U. S. C., title 28, sec. 754), is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided*, That the parties may stipulate the amount of the bond or stipulation for the release of a vessel or other property on libel in admiralty to be not more than the amount claimed in the libel, with interest, plus an allowance for libellant's cost: *Provided further*, That in the event of the inability or refusal of the parties to so stipulate the amount of the bond, the court shall fix the amount thereof, but if not so fixed then a bond shall be required in the amount hereinbefore prescribed in this section."

The first section of the bill establishes a uniform schedule of proctors' docket fees on appeals in admiralty cases, and also allows the cost of brief on appeals to the successful party, with a limitation on such fees and cost of brief according to the amount involved in the litigation. The docket fees and cost of brief allowed are moderate and reasonable. Costs fixed by this section apply exclusively to matters on appeal. The provision for such costs will have the salutary effect of preventing appeals solely for vexation or delay.

Section 2 of the bill strikes out the paragraph of present law which requires payment of a commission to the marshal in all admiralty cases where the claim is settled without a sale of property.

The Secretary of Commerce proposed an amendment, accepted by the Committee on the Judiciary and incorporated in the bill, providing that in case a vessel or other property is sold by a public auctioneer or some person other than the marshal or his deputy, the amount of the marshal's commission shall be reduced by the amount paid to the auctioneer.

This section eliminates the heavy charges marshals receive in cases where there has been a settlement of the suit. Admiralty practitioners and maritime interests and those having recourse to the admiralty laws have long thought that the marshal should not receive a commission when there is a settlement, and no sale of the vessel or other property and no money passes through the hands of the marshal.

The third section of the bill permits the parties to a suit in admiralty to stipulate the amount of the bond or stipulation for the release of a vessel or other property on libel, to be not more than the amount claimed in the libel, with interest, plus an allowance for libellant's costs. It further provides that in case the parties are unable to agree the court shall fix the amount of the bond; but if not so fixed, then a bond shall be required in the amount prescribed by the law which this section undertakes to amend. That law requires the bond to be in an amount double the amount claimed in the libel. It is the common practice to furnish surety bonds for the release of libeled property, and the expense of premiums on the bonds are taxed in favor of the successful litigant. The double amount of the bond is far in excess of the amount of probable recovery and this section of the bill will materially reduce the amount of premiums taxed against a litigant in such cases.

The bill as enacted will tend to discourage appeals not taken in good faith and will materially reduce certain of the expenses incident to litigation in admiralty.

FEDERAL DEPOSIT INSURANCE ACTIVITIES IN PENNSYLVANIA, OHIO, AND WEST VIRGINIA

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein

certain remarks made by the Chairman of the Reconstruction Finance Corporation.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SNYDER. Mr. Speaker, when we compare the banking set-up of the Nation today with what it was on March 3, 1933, we are doubly proud of the institutions that Congress has set up during this time to give security to the people with reference to their deposits and money matters. It is most gratifying to go about and learn from the masses that they now have confidence in our banking institutions. It was a group of Congressmen from Pennsylvania, Ohio, and West Virginia who had the pleasure of having as our honor guest around the Speaker's table in the Speaker's dining room on May 9 the Honorable Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation, and the brief talk he gave us was so interesting that I am asking unanimous consent to insert the same in the Record at this point.

Mr. Chairman and gentlemen, first let me thank you for your most kind invitation to be with you this noon. It is not often that we have the privilege of speaking before such a substantial and important group of Representatives. I want you to know that it is a genuine pleasure to be here and that I have enjoyed being with you immensely.

While I wish to confine my remarks principally to those facts relating to banking in West Virginia, Ohio, and Pennsylvania, so far as the Federal Deposit Insurance Corporation is concerned, I would like to point out, with your indulgence, that the consensus of opinion seems to be that the administration and the Federal Deposit Insurance Corporation have been successful in restoring the confidence of the people in banks and have accomplished great results in rebuilding the entire banking structure of the country. It seems to me that insurance of deposits has dispelled the fear that gripped the Nation's depositors, winning at the same time the respect of bankers in rural communities and business centers as well. I think this is borne out by the regular reports received in Washington from the State directors of the National Emergency Council. These reports, I may say, represent an impartial cross section of public opinion throughout the country. A summary of those submitted for the month of March, the last date for which this information is available, indicates that in no State has an unfavorable reaction to the Federal Deposit Insurance Corporation been noted. Thirty-five State directors reported definitely favorable reactions. As a matter of fact, many of them said that the Corporation is generally conceded the most universally helpful of the various recovery measures. I mention this not in the spirit of boastfulness but merely to call your attention to the fact that the principle of Federal insurance of deposits has seemingly worked very successfully and is being well received throughout the country.

I am very happy to be able to tell you that the reports from your own States have been most gratifying. In West Virginia the report was that the public reaction to the Federal Deposit Insurance Corporation quite sympathetic and deposit insurance has stimulated confidence in banking institutions. In Ohio the report to Washington was: "program has been exceptionally beneficial and remains least criticized of all emergency agencies." Of like tenor is the reaction in Pennsylvania. The State director of the emergency council wrote that the principle has functioned very successfully and restored confidence. It would be both selfish and unfair for me to claim that this favorable public opinion was all due to the F. D. I. C. I can tell you in all honesty and sincerity that much credit is due to your own State supervising authorities and a large percentage of the bankers in your own individual States of West Virginia, Ohio, and Pennsylvania. We have had very fine cooperation from the superintendent of banks in West Virginia and Ohio. Their criticisms have been constructive and they have exhibited a genuine desire to be of help. We at the F. D. I. C. are much indebted to them.

Dr. Luther Harr, the new superintendent of banks of Pennsylvania, has made a splendid start and has been assisting us in every way possible.

Coming now to figures and facts in which you are no doubt mostly interested, I think if I were to discuss your individual States separately it would be most satisfactory for all concerned. Unless you have other suggestions I will start with West Virginia.

Our latest figures show that as of October 1, 1934, 168 banks belong to the Temporary Federal Deposit Insurance Fund out of a total of 179 banks licensed to do business in that State. The insured banks are classified as follows: 72 State banks, 78 national banks, 18 State banks members of the Federal Reserve System.

These banks had total deposits of over \$213,000,000, of which \$140,000,000 were insured; 717,411 depositors out of a total number of 722,420 are fully insured. In other words, 99.31 percent were fully covered under the present \$5,000 limit of insurance. You can, therefore, see that there is small justification for raising the coverage of insurance. This comment is applicable for the other States of Ohio and Pennsylvania.

From 1921 to 1934, inclusive, 130 banks with total deposits of over \$77,000,000 suspended operations. Since the insurance of deposits became effective, on January 1, 1934, not one insured bank has closed in West Virginia.

In 1921 West Virginia had 350 active banks with \$316,000,000 in deposits. In 1934 it had 179 banks with \$219,000,000 in deposits. Through the combined efforts of the Reconstruction Finance Corporation and the sacrifices and contributions made by local communities, the F. D. I. C. has been able to assist in the rebuilding of 72 insured banks in West Virginia. The R. F. C.'s investment in these 72 banks amounts to \$5,100,000.

Three hundred and fifty-two thousand dollars has been paid by the West Virginia banks by way of assessments for their deposit insurance.

You gentlemen from West Virginia may well feel proud of the way your banks have cooperated in a movement to protect the money of depositors.

The figures relating to Ohio are equally enlightening and just as reassuring. Out of a total of 686 licensed banks, 672 are insured. Of these, 252 are national banks, 352 are State banks not members of the Federal Reserve System, and 68 are State member banks. The insured banks have total deposits of \$1,512,465,000, of which \$848,932,000 are insured; 2,943,769 out of a total of 2,976,625 depositors are fully insured. In terms of percentage this amounts to 98.90 percent. For the 1921-34 period, 239 Ohio banks suspended, involving deposits of almost \$329,000,000. This is an average suspension per year of 17 banks with deposits of twenty-three and one-half millions. Up to date we have had no failure of any insured bank in Ohio.

There has been a very sizable reduction in the number of active banks in Ohio during the past 14 years. In 1921 there were 1,132 active banks with deposits of \$1,800,000,000. In 1934 there were 686 active banks having deposits of \$1,500,000,000. These facts exclude three mutual savings banks, which are insured, with total deposits of \$110,000,000.

The R. F. C. has put almost \$72,000,000 in 350 insured Ohio banks. Our Corporation collected up to December 31, 1934, \$2,349,000 in assessments from Ohio banks.

I understand that business conditions in Ohio are much improved and that there is a general better feeling throughout the State. If these conditions continue, I would expect to see the Ohio banks, and this is true of West Virginia and the Pennsylvania banks also, start to make money—as it seems to me with a recovery in their bond list they will be in a fine position to make profitable loans.

Pennsylvania has more insured banks than any other State in the Union. I suppose, therefore, I should make a special bow to the Pennsylvania delegation. There are 1,083 licensed banks in Pennsylvania. Of these, 1,072 were insured on October 1, 1934. The insured banks were divided into 704 national banks, 295 State banks, and 73 State banks which were members of the Federal Reserve System. The insured banks had total deposits of \$3,679,542,000. Insured deposits amounted to \$1,718,331,000. Insured depositors numbered 5,581,606; 5,505,143 were fully insured. Putting it another way, 98.63 percent of the depositors were fully covered by the \$5,000 limit.

We have had one insured bank fail in Pennsylvania. We were able to pay the insured depositors their money within 10 days after legal complications involving a State law were removed. The Bank of America Trust Co. had deposits of over \$1,000,000, of which \$318,837 were insured. The Corporation was not appointed a receiver for this bank, and so has not as yet received any dividend. We estimate, however, that there will be an eventual recovery of around \$106,000. This record of failures contrasts sharply with the number of banks which failed from 1921 to 1934 in Pennsylvania. During that time 243 banks shut their doors and had deposits of over \$148,000,000.

In keeping with the tendency elsewhere Pennsylvania had reduced the number of active banks from 1,607 in 1921 to 1,083 in 1934, with comparative deposits of \$3,500,000,000 in 1921 to three and seven-tenths billions in 1934. Mutual savings banks were not included in those figures. There are 7 in Pennsylvania with deposits of \$522,000,000. Of the 7, 2 are insured, with total deposits of \$5,000,000.

I hope that these figures have not bored you and they have given you some idea of the extent and influence of the F. D. I. C. in your own home State.

The following information will help you to complete the entire picture of deposit insurance:

On January 1, 1935, 14,212 banks were members of the temporary-insurance fund. There are only about 1,060 commercial banks in the whole United States which are not members. The membership is made up of the following classes of banks: 7,702 State nonmember banks, 5,462 national banks, 980 State member banks, and 68 mutual savings banks.

As of October 1, 1934, the last date for which these figures are available, 14,125 banks belonging to the fund had 51,250,000 depositors. Fifty million four hundred thousand depositors were fully insured. Only 800,000 were partly insured. The 14,125 banks had total deposits of over \$37,000,000,000, of which \$16,500,000,000 were insured. This tremendous financial liability of the Corporation is equal to more than half of the total debt of the United States Government.

During our examinations we discovered that many banks had a weak capital structure—so we set out to correct this unhealthy condition. As you all know, the deposit liability of a bank should not be grossly out of proportion to its unimpaired capital. In accordance with this principle the yardstick of \$1 of unimpaired capital for every \$10 of deposits was largely used in determining whether banks were safe risks for their depositors and the Corporation. Up to December 31, 1934, 5,451 banks received additional capital amounting to \$851,296,000. Of this number 1,759

were national banks and 3,692 were State banks. The R. F. C. contributed \$440,827,000 to the national banks and \$410,469,000 to the State banks.

I trust that all of you will view our problems with the sympathetic understanding of what we are trying to accomplish for bank depositors everywhere—not only in the big metropolitan centers but also in the small banks in the rural communities. I think you will agree with me when I say that deposit insurance is neither partisan nor political and is interwoven into the economic and financial life of almost half of our population. Naturally, those of us who are charged with its administration are anxious for your support and assistance.

REPLY TO AN ARTICLE IN THE NEWS-WEEK, NEW YORK CITY

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter referring to a news article written by a colleague of mine from Wisconsin.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. O'MALLEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written by my colleague the gentleman from Wisconsin [Mr. CANNON].

The NEWS-WEEK,

Rockefeller Center, New York, N. Y.

GENTLEMEN: My attention has been called to an article concerning me, published in your issue of May 18. The apparent bold attempt of this article to injure me by innuendo and flagrant misstatement of facts is such that I find it necessary to reply.

No. 1. To begin with, you state, among other things, that "Representative CANNON protested to police after being held at jail for 3 hours, posting a bond and forfeiting it by failing to appear in court."

This matter was never presented to any court nor was I requested by anyone to appear in court. It was simply a matter involving what I thought was an excessive and exorbitant charge made by a taxicab driver, who, I honestly believe, has some financial relations with the particular police precinct headquarters he drove me to. No charge was made against me respecting my conduct by anyone in the station until I made the charge that I believed officers of the precinct were cutting in on the exorbitant charges that I was coerced into paying.

Whereupon two or three officers frantically leaped from their chairs saying "Keep him here until the lieutenant arrives!"

You knew that just prior to this incident a District committee, comprised wholly of Congressmen, made a report after a thorough and extensive investigation into the activities of the police in Washington. The report stated that members of the police department were not only inefficient but were corrupt. Leopards do not change their spots overnight.

Of course, when you set out on your orgy of vilification and libel you cannot be expected to inject any matter into your stories that will destroy their prime purpose.

No. 2. Your article also states that last year "Representative CANNON injured three members of the New York Stock Exchange while driving his car. Police claim he hit and ran."

You know that the facts are as follows: Three members of the New York Stock Exchange, after having attended a party, hurried into a taxicab at the Willard Hotel to go to the Union Depot. The taxicab driver made a left-hand turn directly in front of my car when I was so close I could not stop. The damage to my car was trivial. The bumper was wrapped around the front wheel so tightly that I could not drive away if I wanted to. A garage man was called to adjust the bumper, so that my car could be driven. I remained at the scene of the accident for 45 minutes. In fact, I went to the hospital and talked to the only member of the party who was injured, who was suffering from an injured nose. No charge was ever made against me, and, notwithstanding the fact that I carried heavy insurance, the driver of the cab made no claim. Two outstanding lawyers who were riding with me talked at length with a policeman, and the occupants of the cab, and the following day the police requested me to swear to a warrant against the driver, which I refused to do.

No. 4: You state further "Before that he defended Representative Shoemaker, of Wisconsin, against charges of assaulting a taxicab driver. Shoemaker defaulted by failing to appear."

You know that this is deliberately false. Because of the fact that ex-Congressman Shoemaker represented the State of Minnesota, I presume that you thought you would make your story stronger by saying he was a Representative from Wisconsin, as I represent Wisconsin. The only case in which I ever represented Shoemaker he appeared in court, testified before a jury, and after hours of deliberation the jury disagreed. You know this to be a fact.

No. 5: You further state, "Back in 1919 CANNON defended Joe Jackson, of the Chicago White Sox, in the bribery scandals. Later Wisconsin disbarred him, then reinstated him."

Again you deliberately lie. I did not defend Joe Jackson in bribery scandals in 1919. I had no connection with that case whatsoever, and the record bears me out. I did represent Joe Jackson in 1922 in a civil action, in which he was the plaintiff and the Chicago American League Baseball Club were defendants. A jury of 12 men and women, after 6 weeks trial, returned a verdict of

\$19,000. Understand that this case was not prosecuted on the theory that Joe Jackson had no connection with the 1919 scandal, but upon the theory that in the spring following the scandal, Charles A. Comiskey, president and owner of the White Sox, caused Joe Jackson to be signed to a contract for a period of 3 years, well knowing, as the records show, Joe Jackson's participation with the so-called "scandal."

And when you say, "Later Wisconsin disbarred him", you again falsify, because I was merely temporarily suspended. You knew that the people of the State of Wisconsin were so incensed that the State legislature overwhelmingly, in an unprecedented procedure, restored my license, and shortly thereafter the supreme court of the State also restored it. You also know, or ought to have known, when you printed that article, that over 100,000 marched to the polls and cast their ballot for me for the highest judicial office in Wisconsin while I was still under suspension from the practice of law. Why didn't you give your readers these facts instead of studiously leaving a vicious and knowingly false inference?

Then, as conclusive proof of your gross carelessness in handling facts, along with the very same article you print a picture of another Member of the House of Representatives who has no connection with this matter whatsoever, showing him in the act of pouring a glass of beer, and giving him my name by printing "Representative CANNON" under the picture.

In the name of decency, how can you justify such willful economy on the truth? What chance has a public official when unscrupulous news writers send stories from Washington throughout the Nation, such as the one you published concerning me? I can conceive of one or two mistakes being made in the publishing of an article, but your entire story is less than 150 words, and yet you deliberately lied in every sentence.

Yours,

RAYMOND J. CANNON.

THE ECONOMIC REVOLUTION

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a copy of a speech I made recently.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SWEENEY. Mr. Speaker, under leave to extend my remarks in the RECORD I insert the following speech delivered by me May 8, 1935, at a meeting of the National Union for Social Justice at Cleveland, Ohio:

Mr. Chairman and distinguished guests, ladies, and gentlemen, to share this platform with the leader of the National Union for Social Justice and to be accorded the privilege of addressing this magnificent audience of American citizens is a signal honor.

Since the financial debacle of 1929—thanks to the voice from Royal Oak, Mich.—an intellectual ferment never before witnessed in the history of our Nation has been produced among the rank and file of our citizenry. In language simple and understandable indictments have been drawn against our decadent capitalistic system, which is responsible for our domestic ills. Remedies have been suggested, which in their proper application will prevent a recurrence of these artificially created panics, or depressions, which bring untold suffering and distress to millions of innocent victims. A call to arms has been sounded. Thanks to the militant leadership of Father Charles Coughlin, this meeting tonight is the second of a series in a movement to make articulate the voice of the American people—a voice long silenced into subjection by a small group of selfish financial barons, whose control over our monetary system has resulted in the concentration of wealth in the hands of a few, and whose domination, with few exceptions, over the affairs of our local, State, and National Governments has left the unorganized mass of our people in a virtual state of political slavery.

This movement sponsored by the National Union for Social Justice is comparable to the revolution of the early Colonists. On July 4, 1776, our immortal Declaration of Independence was promulgated. In protesting against the despotism of King George III, said the Congress:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness; that to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its power in such form as to them shall seem most likely to effect their safety and happiness."

Physical force was the only weapon available to the Revolutionary forces to insure the establishment of an independent Republic on these shores. Today, thank God, it is not necessary to resort to bloody revolution to attain governmental reforms. We can, through the orderly process of evolution, by indulging in the right of assembly and petition, suggest to the lawmakers of our country remedies to alter or abolish the abuses that have almost destroyed our present capitalistic system.

We emphatically urge the retention of our constitutional form of government. We can in an orderly manner salvage what is good in our so-called "capitalistic system." Now, what do I mean by that? I mean a more equitable distribution of wealth; the opportunity for those who labor to secure a just and saving wage, not a mere living wage. An animal, a beast of the field, is insured through the bounty of nature a living wage. The opportunity to own a home, and have that home protected from the cruel process of foreclosures; the opportunity to send our children to the finest schools in the world and to secure therein the advantage for greater education; the opportunity to protect our beneficiaries by subscribing to life insurance in sound insurance companies; the opportunity to have our savings protected in sound financial institutions owned and supervised by the Government of the United States; and finally the stabilization of agriculture, industry, and commerce.

These remedies are embodied in the 16 principles enunciated by the National Union for Social Justice. These principles are our modern declaration of independence. They remain unchallenged by a hostile subsidized press. They are the antidote of communism, fascism, and dictatorship. The legislative program of our National Union for Social Justice is expounded to you tonight. We are determined not to be diverted from a militant course of action by the editorial comments or the billingsgate of newspapers or periodicals, who only express their master's viewpoint, and who are not disposed to release their strong hold on the wealth and resources of the Nation.

On March 4, this year, the second anniversary of the inaugural of Franklin D. Roosevelt as the thirty-second President of the United States, it was my privilege, on behalf of this organization, to introduce in the House of Representatives what is now known as the "Nye-Sweeney bill", a measure designed to create a central bank, which shall be known as the "Bank of the United States of America", and to restore to Congress its constitutional power to issue money and regulate the value thereof. On that occasion I read to the House, and I now read to you, an excerpt from a courageous address delivered by the distinguished President of the United States on the steps of the Nation's Capitol when he was sworn in as Commander in Chief of this great Nation:

"Yet our distress comes from no failure of substance. We are stricken by no plague of locusts. Nature still offers her bounty, and human efforts have multiplied it. Plenty is at our doorstep, but a generous use of it languishes in the very sight of the supply. Primarily this is because the rules of the exchange of mankind's goods have failed through their own stubbornness and their own incompetence, have admitted their failure, and abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men. The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit. Finally, in our progress toward a resumption of work we require two safeguards against a return of the evils of the old order; there must be a strict supervision of all banking and credits and investments; there must be an end to speculation with other people's money; and there must be provision for an adequate but sound currency."

The Nye-Sweeney bill is designed to end speculation with other people's money. It is designed to provide an adequate and sound currency. It is designed to guard against the return of the evils of the old order, and it is designed to drive "the money changers from the temple of our civilization."

I recognize there is nothing mysterious about the question of money, which is the medium of exchange. We know that 90 percent of all currency is check-book currency or credit money, and not the produce of the mint or Treasury engraver.

In the creation of the Federal Reserve System of 1913 we witnessed an abdication of the power of Congress to issue money and regulate the value thereof, and vested this power in a 100-percent privately owned system.

The Nye-Sweeney bill would create a central bank, which would be a bank of issue and the sole fiscal agent of the Government of the United States, one which would be a central depository of the reserves of all the commercial banks of the United States. Through this measure we aim to establish a uniform system of paper currency in place of the seven types of paper money now in circulation, to wit, Federal Reserve notes, Federal Reserve bank notes, silver certificates, gold certificates, national-bank notes, Treasury notes (1890), United States notes. In this bill we built the principle of democracy in banking. We provide for a management by a board of 48, elected 1 from each State by the people thereof, and modeled after the Senate of the United States. This board will have as active managers an executive committee of seven, and it is contemplated to establish a branch bank of the central bank in every State of the Union.

Frankly, our objective is to break the concentrated power over money and banking which centers in the control of a little group of men in Wall Street. We provide that demand deposits have a 100-percent reserve behind them, thereby destroying the practice indulged by the Federal Reserve System of lending \$1,000 in credit money for every \$100 on deposit in currency.

The American public is no longer mystified by the operation of this unsound banking system. They realized in 1929, when the banks of this Nation boasted they had \$58,000,000,000 in deposits, that this was not money in the sense of currency; that the fifty-eight billion merely represented the right to withdraw fifty-

eight billion; that the fifty-eight billion never existed, for there was never a full billion dollars in actual currency in the banks of this Nation. We aim to stabilize the currency by the control, and the study of the statistical agencies in every branch of the Government, to insure that a dollar of our money, whether currency or credit, will represent from year to year and from generation to generation an equitable and stable buying power, freeing us from those periods of expansion and contraction, of inflation and deflation, such as the present, with their economic and financial destruction.

Time does not permit a more extended survey of this measure, and I yield to the speakers who are to follow. To this movement we ask you to dedicate every ounce of energy that you have. This organization constitutes a people's lobby speaking for those who have felt the lash of the depression, which is still with us, by exercising our constitutional right to urge the Congress of the United States to consider and place on the statute books the same legislative measure discussed here this evening to the end that our Government will be responsive to those who are the very background of its existence.

Many of us will be agreeably surprised if the controlled newspapers of the country even dignify, by publicizing, favorable comment of the activities of the National Union for Social Justice. On the contrary we may expect a torrent of abuse and criticism of this progressive movement. Bandits do not surrender voluntarily only when the strong arm of the law shut off escape do they submit to capture. From this night on the strong arm of public opinion will assert itself. Controlled political parties and political bosses cannot ignore the legitimate demands for governmental reform that come from millions of citizens in distress through no fault of their own. The privileged few have controlled in the past because they have a contempt for the intelligence of the average voter. Their motto has been the motto of King Louis XI of France "divide et impera" ("divide and govern").

Principles transcend party loyalty. Greed and selfishness will only disappear when the zeal for social justice becomes the course of our everyday existence. Cooperation and unity of purpose insures that objective.

THE INSTITUTE OF FOREST GENETICS, PLACERVILLE, CALIF.

Mr. ENGLEBRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on an item in the agricultural appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ENGLEBRIGHT. Mr. Speaker, on page 9 of the House Report of the Agriculture Department and Farm Credit Administration appropriation bill for the fiscal year 1936, just passed, under the title "Forest Management", is set out an appropriation of \$50,000 for the operation of the Institute of Forest Genetics, at Placerville, Calif., an existing institution heretofore maintained by private funds, which the Agriculture Department is acquiring.

On February 27, 1935, I appeared before the Appropriations Committee of the House of Representatives and urged that the Institute of Forest Genetics of Placerville, Calif., be taken over by the United States Department of Agriculture and in the future operated for the good of all of the people of this country. I am, therefore, happy to explain to the House the purpose of the \$50,000 that was included in the bill, which will be approximately the annual cost of maintaining the station, and the valuable results that will accrue therefrom by the Government taking over the institute. It is the only institute of its kind in the world and its location in the United States is of great value to our problem of reforestation.

The institute was first established in 1925 as the Eddy Tree Breeding Station, by James G. Eddy, of Seattle, Wash., whose family for three successive generations has been engaged in the lumbering industry in several parts of the country. Such a broad background gave Mr. Eddy a deep insight into the reforestation problem of the country and an appreciation of the need for increasing the growth rate of forest trees and the technical qualities of their wood. He realized how rapidly the Nation's timber supplies were being depleted and how inferior was the wood from the open stands to that obtained from old-growth timber.

Searching about for ways and means of improving the situation, Mr. Eddy besought the advice of his old friend Mr. Luther Burbank, the famous plant wizard, of Santa Rosa, Calif., as to what should be done. It was natural that out of their discussion came the thought that forest trees

might be improved even as Mr. Burbank had been able to improve potatoes, roses, and berry bushes. Just about this time Mr. Burbank had perfected a marvelously fast-growing walnut which yielded a heavy crop. The idea aroused much enthusiasm in the mind of Mr. Eddy, who saw that by breeding or crossing various forest trees it would be possible for him to do something really new in forestry and to accomplish something outstanding for the forest industries of the country. The more he studied the situation the more the idea appealed to him and the more certain he was that by applying the long-known principles of selection and breeding it would be possible to increase the yield and quality of forest products.

The urgent need for such studies was readily apparent to Mr. Eddy. He knew that there was in excess of 80,000,000 acres of forest land that had been denuded by fire and cutting, and that there were many million acres more of submarginal land available for forest planting. He realized, too, that the task of replanting such a large area was beyond the realm of possibilities in one person's lifetime. The land was ready for reforestation, but natural reforestation takes place slowly, and in the meanwhile communities suffered because the resources on which they had depended had been depleted. Millions of acres of potential forest land lay idle because the growth of plantations established with available species and strains yielded only a low return on the investment.

Mr. Eddy also knew that there was hardly a single field of forestry that did not have a real and urgent need for the results of genetical studies such as the proposed Institute of Forest Genetics would carry on. Because of inferior quality of woods available for many purposes the wood-using industries were more or less dissatisfied with the raw materials furnished by our present forests.

Mr. Eddy appreciated, also, that leaving inferior seed trees was probably reducing the quality growth of the forest. In forestry, as in animals, the poor mothers gave their inferior characteristics to their offspring, resulting in crooked and misshapen growth, knotty lumber, twisted grain, or even in wood of low strength. Young stands from poor seed trees probably resulted also in slow growth and in susceptibility to insects and disease. The young trees probably would not be very resistant to frost or to drought.

Then, too, in common with other men versed in forest lore, Mr. Eddy knew that the resin, tannin, and sugar yields from forest trees could be greatly improved by proper selection. With variations of 200 and 300 percent in the gum and tannin yield from adjoining trees in the same forest it should be possible to breed only the high-yielding trees so as to obtain a race of pines that would produce large quantities of resin of high value.

So, also, the needs were similarly great for figured wood for furniture and for veneers, for wood of outstanding durability, for wood that would withstand termite attacks or decay. Such a wide variety of needs for specialty products as well as for timber of great strength, lent Mr. Eddy the enthusiasm required to put his idea over.

Mr. Eddy, appreciating these problems and convinced not only of the potentialities in genetical research but also of its practical application, decided that the time was ripe for studies such as Mr. Burbank's, which had amazed the world. The financing of the studies he himself assumed, feeling that they merited a substantial portion of the earnings from his lumbering enterprises. He realized, furthermore, that ideally, genetical research with forest trees should be carried on simultaneously in all forest regions of the country.

Since the work was being privately financed, however, this was impossible. Therefore a careful research was made throughout the United States for a location with a climate that would meet the favorable climatic conditions of the country and a deep and uniform soil and adequate moisture supply. Such a location was found at Placerville, Calif., in the foothills of the Sierra Nevada Mountains. In addition to satisfying the exacting requirements this location had the added advantage in that within 50 miles of the institute's

headquarters climatic differences can be found equal to those obtained in a thousand miles of latitude. Here under ideal conditions Mr. Eddy established the Eddy tree breeding station in 1925.

In selecting the species on which to concentrate intensive work Mr. Eddy was confronted with a staggering number of species of trees. The United States alone boasts of over 200 tree species. From this bewildering number the pines were selected. They occur in all the forest regions of the country and represent about 40 species, of which nearly half are to be found in California. Furthermore, the pines are among the world's most valuable trees, because they furnish nearly half of the world's timber consumption.

Having decided on the field of work, the first step undertaken by the station was the collection of pine seed from all over the world. The entire Northern Hemisphere was searched for promising species. The aid of famous botanic gardens, such as those of New York, Madrid, and Moscow, was enlisted. Scientific organizations and societies gave willing help. The United States consuls joined in the quest for exotic species. India, Palestine, Spain, China, Guatemala, the Canary Islands—40 different countries in all—sent seeds of their native pines, and all of the forest regions of the United States. Seed was obtained from localities within the range of many species so that tests could be made of racial varieties.

During the first year of actual seed sowing, 58 species were to be found in the station's nursery. The second year the number had been increased to 87 species, and at the present time there are 100 distinct species of pines growing in the arboretum. This is by far the largest and most complete collection of growing pines to be found anywhere in the world.

After making every effort to grow and maintain the trees under uniform conditions, careful and complete records were started to cover every phase of growth of each tree from seed source, through nursery beds and field planting, to the final maturity. As the trees grow, records are to include the measurement of height, diameter, size, and extent of limbs, form, hardness to frost, flowering, fruiting, and so forth.

The work of the station, however, went much further than the mere collecting of interesting species, the establishment of an arboretum, and observations on the specimens grown. The primary purpose of the arboretum is to provide trees for further studies of hybridization and methods of selection. The very earliest work which the institute undertook along these lines has already yielded valuable results. So striking are the differences noted in vigor and habit of growth that it is apparent general application of even the elementary principles of seed selection will be of incalculable value in the Nation's reforestation program. Progeny of certain individual trees have been found to grow so much more rapidly than the average that it is safe to predict substantial reductions in the growing time of a planted forest as the result of scientific selection of seed sources. Vigorous trees located through the progeny tests provide a seed source of immediate value, and to provide superior seed in large quantities for future reforestation. Plantations of rapid-growing strains will be established in localities where there is no danger of pollination from unselected trees. Hybrids between the fast-growing but tender Monterey pine and the slower-growing but hardy knobcone pine show a great improvement in frost hardness with but a slight loss in growth rate.

Another contribution of early work on hybridization is the knowledge of age of flowering and fruiting. It has commonly been supposed that pines did not bear fertile flowers and seeds until 15 or 20 years old. At the institute, however, Japanese red pines bore fertile seed at 2 years of age. Trees from these seeds are now growing in the arboretum. With such early fruiting it will be entirely possible to reduce by many years the time required in hybrid studies. Once the hybrids have been developed, plantations to be used as sources of seed will be established in locations where cross pollination from other trees is impossible.

While experimental work and the search for fast-growing hybrids and exotics goes on, another phase fully as important is in progress. This is the work dealing with selected parent and progeny tests. For these studies the ponderosa pine of the Western States was selected for first attention. Seed has been collected from carefully measured and described trees. Seedlings grown in nurseries from this pedigreed seed are carefully measured and the growth rates compared. One such test included seeds from 765 individual trees in 12 States. Even in the nurseries, when the seedlings were only 2 years old, great differences were observable. Growth rate of the progeny appears to be linked not only with racial strain of parent but also with the site quality where the parent trees were grown. The hereditary vigor of seedlings from seeds collected on the best sites was 71 percent greater than that of seedlings whose parents grew on poor sites. The results of these studies are of immediate value in indicating desirable sources of seed to be used in reforestation. They have a very great value furthermore in locating the best parents for hybridization work with native forest-grown trees.

At first there were those who, not having a knowledge of the forestry needs of the Nation or a vision of what could be accomplished, did not believe in such an ambitious undertaking as that Mr. Eddy was sponsoring. Some of his friends ridiculed the idea that forest trees could be bettered, that faster growth could be obtained, that better quality wood could be produced through tree breeding. Gradually the criticism gave way to wonder as the work gave promise of new things, of new developments. Foresters and scientists throughout America and from abroad heard of the work and many visitors found their way into Placerville.

Now visitors find a nursery with thousands of little trees, mostly pines, growing in rows. Some are tall, some short, some are stiff and straight, others weak and bushy. There were crossings between the valuable yellow pine or ponderosa pine of the Sierras with the rapid-growing slash pine, the world-famous naval-stores producing tree of Florida. There were crosses between the Monterey pine of the Santa Cruz Mountains with the stout pitch pine of the New Jersey sand plains. Other crosses there are between Asiatic, European, and American forest trees. Some of these crosses produce trees that grow far more rapidly than either parent, and some may produce gums and resins that may revolutionize American uses of these products.

The outstanding results and the potential value of the station made it necessary for Mr. Eddy to obtain outside help. To obtain the best scientific guidance and advice, to procure the best assistance, and to enlist the greatest possible support from scientists and laymen alike, he decided to expand the work on an even greater scale. Consequently, a national board of trustees was selected, and the name changed from the Eddy Tree Breeding Station to the Institute of Forest Genetics. To this board of trustees Mr. Eddy unselfishly gave up all rights he might have in the station, so that it would have full opportunity to develop along the most approved lines and with the utmost freedom. Furthermore, Mr. Eddy continued to give of his resources for its continuance. The soundness of the institute's program and the breadth of interest in the work is attested by the national prominence and the diversity of interest of the outstanding public-spirited citizens who accepted places on the board. These men are listed as follows:

Walter Mulford, professor of forestry and head of the division of forestry, University of California; past president Society of American Foresters, Berkeley, Calif.

Swift Berry, manager Michigan-California Lumber Co.; member of the California State Board of Forestry, Camino, Eldorado County, Calif.

Lloyd Austin, director Institute of Forest Genetics, Placerville, Eldorado County, Calif.

Donzel Stoney, manager Title Insurance & Guaranty Co., San Francisco, Calif.

Dr. Earle H. Clapp, in charge branch of research, United States Forest Service, Washington, D. C.

Dr. William Crocker, director Boyce Thompson Institute for Plant Research, Yonkers, N. Y.

Ralph S. Hosmer, professor of forestry and head of the department of forestry, Cornell University; past president Society of American Foresters, Ithaca, N. Y.

James G. Eddy, lumberman, founder of the Institute of Forest Genetics, Seattle, Wash.

Dr. David Fairchild, president American Genetic Association, plant explorer, author, Coconut Grove, Fla.

H. S. Gilman, manager San Dimas Water Co., member of the California State Board of Forestry, San Dimas, Calif.

Col. William B. Greeley, secretary-manager West Coast Lumbermen's Association; Chief Forester, United States Forest Service, 1920-28, Seattle, Wash.

Dr. Donald Forsha Jones, geneticist, Connecticut Agricultural Experiment Station; editor Genetics, New Haven, Conn.

James A. Irving, president Placerville Fruit Growers' Association; secretary California Fruit Exchange, Placerville, Eldorado County, Calif.

A. Stanwood Murphy, president Pacific Lumber Co., San Francisco, Calif.

Walter A. Starr, Edward L. Eyre & Co.; council member Save-the-Redwoods League, San Francisco, Calif.

Dr. Robert E. Swain, acting president Stanford University, Stanford University, Calif.

Don Tresidder, president Yosemite Park & Curry Co., Yosemite National Park, Calif.

Dr. Thomas Hunt Morgan, president California Institute of Technology, Pasadena, Calif.

The trustees of the institute have announced their willingness to turn the institute over to the Federal Government for continuance. It is their feeling that this work, which is long time in character and for broad public benefit, should be maintained by the Federal Government. They, as well as Mr. Eddy, have announced their willingness to give the property, buildings, and other improvements, as well as all their rights, to the United States. Such a gift, valued at least at \$250,000, gives to the Nation an unparalleled opportunity to avail itself of a research institution with unlimited possibilities and potentialities in a new field of forestry endeavor.

As a Federal undertaking, it will be possible to unify the work in forest genetics and to correlate and coordinate activities so as to prevent overlapping or duplication of effort.

The work is truly national in scope and will return a thousandfold the amount required annually to maintain it. The results will enhance the economic desirability of reforestation and sustained yield management and will make for stabilization of industries and communities.

The taking over of the Institute of Forest Genetics of Placerville, Calif., by the Federal Government, and the provision for appropriations to carry on the work is an important step in this Nation's program of reforestation.

JOHN MARSHALL, JURIST AND STATESMAN

Mr. MONTAGUE. Mr. Speaker, I ask unanimous consent to insert as a part of my remarks a speech by the Honorable James M. Beck, a former Member of this House and former Solicitor General of the United States, delivered at a memorial on the one-hundredth anniversary of the death of John Marshall at Richmond, Va., under the auspices of the Richmond Bar Association, the Virginia Historical Society, and the Association for the Preservation of Virginia Antiquities, at Richmond, Va., May 11, 1935. Accompanying this speech is an estimate from the Public Printer as to the cost to print it as required by the rules of the Joint Committee on Printing.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MONTAGUE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address delivered at the memorial exercises, commemorating the one hundredth anniversary of the death of Chief Justice John Marshall, held under the auspices of the Richmond Bar Association, the Virginia Historical Society, and the Association for the Pres-

ervation of Virginia Antiquities, at Richmond, Va., May 11, 1935, by Hon. James M. Beck, former Solicitor General of the United States, as follows:

We are met today, my fellow citizens, to honor the memory of a very great man. One hundred years ago at Mrs. Crim's boarding house at Fifth and Walnut Streets, Philadelphia, an old man, as full of years as honors, was slowly dying. Years before he had experienced that compensation of long life, of which Prince Bismarck once said that it makes one "indifferent to hatred, insult, and calumny, while one's capacity for good will and love is increased." It did not need the winter of age to give John Marshall this noble serenity of mind, for throughout his long and illustrious career he had been sustained by that conscious integrity of purpose, which made him indifferent to either the censure or praise of his fellowmen.

His mind was clear in those last days, and we can well believe that with mental vigor unimpaired to the very last, he spent the weary days of his last illness in thinking of the past. It is probable that his mind dwelt but little upon his last 35 years, in which he had been the storm center of passionate strife, for the memories of old men generally recur to the events of earlier years. That which met his eye as he looked out of the window of his Walnut Street room would in itself tend to recall the heroic memories of the epic period of America.

Across Independence Square he could see the belfry of the State House, now called "Independence Hall", from which, as from Pharos, the light of liberty had shone to the uttermost parts of the world. From hour to hour he would hear the solemn sounds of the bell in the tower, a bell already sacred to America, for from the very moment of its casting in 1752 it had been a sonorous prophecy of America's destiny. The bell had been cast in England, but the city fathers of Philadelphia had requested the makers to put upon the bell the historic message, "Proclaim liberty throughout the land and unto all the inhabitants thereof." Nobly it had fulfilled that mission, for it had announced the coming of the First and Second Continental Congresses and had sent forth a pean of triumph when the Declaration of Independence was first read to the people. As post riders brought the sad intelligence of the early defeats of Washington's untrained army, the bell would mourn the dead who had fallen in battle, and later sound a note of triumph when the news of Washington's victories at Monmouth and Yorktown came to the historic Capital.

As the dying Marshall witnessed the sun setting in the direction of Valley Forge he must have thought of that dreadful winter in whose privations he had shared when the few soldiers who remained in Washington's army stained the new-fallen snow with the blood of their naked feet. Marshall must have thought, in those last days, of the great leader who had held together the little remnant of the Continental Army at Valley Forge, and whose courage and self-sacrificing devotion to his Nation had left so deep an impression upon Marshall's character.

We cannot doubt that Marshall's mind in those last days went back to his well-loved Virginia, the mother of superlatively great sons, where he desired his remains to rest forever. He was the child of its frontier. His education had been very limited. He had lived close to the heart of nature and its simplicity had formed his character. The dying Marshall in Philadelphia was not among strangers. Much of his life had been spent in Philadelphia, and there he was held in the highest honor. He had fought beyond its gates at Germantown and Brandywine, had seen the sun which set at Valley Forge in dark clouds rise resplendent on the wooded vales of Monmouth. Later he had served as a Member of the First Congress, when the historic city was the Capital of the Nation.

From Philadelphia he had gone to France, and had met the corrupt demands of its government by vindicating the dignity of the infant Republic in the policy of "millions for defense but not one cent for tribute." In Philadelphia he had been received with general acclaim on his return from France. No two cities can have a greater claim to the enduring reputation of John Marshall than Richmond and Philadelphia, and this circumstance may give some propriety to my selection as the speaker of this occasion—an honor of which I am duly sensible—for I am a Philadelphian and proud of my membership in its historic bar, which honored him when he died, accompanied his remains to Richmond and initiated the movement for the erection of a statue in Washington to commemorate his services. A commission was given to William Wetmore Story, an eminent sculptor, who by a happy coincidence was the son of that Justice Story who was Marshall's great yoke-fellow in the Supreme Court. It was my privilege, in turn, to present to the city of Philadelphia a replica of that statue. I mention the fact because one other replica of that statue should be made and presented by the Congress of the United States to the city of Richmond.

In Philadelphia John Marshall died, and 2 days later, with all the pomp and ceremony that truly attends the passing of a hero, his body was borne from his temporary home to Richmond.

"For his passage
The soldiers' music and the rites of war
Spoke loudly for him."

Then followed an incident of epic beauty. The Historic Liberty Bell tolled the passage of the body to Market Street wharf, and having rendered this last and sacred service, suddenly became silent forever. A great rift took place in its iron side. Its eloquent voice ended with that of Marshall.

Those last solemn notes marked not only the passing of Marshall but also the end of a great and heroic era. While a few of the great actors in the drama of American independence still survived, for example, Charles Carroll, of Carrollton, and James Madison, yet with the passing of Marshall an era ended which had begun with the founding in 1607 of representative government in Virginia. Thus the death of Marshall measured a period of 228 years, during which the American Commonwealth had been molded by successive generations of Americans in the free spirit of the pioneer. This formative period had its climax when the ablest men of the Colonies met in Philadelphia to attempt the unprecedented task of drafting a comprehensive form of government of a type theretofore unknown in history. It was not enough for the master architects to provide the ground plan for the majestic edifice of constitutional liberty, which the genius of the American people was to erect. It was John Marshall's great privilege to supervise the erection of the superstructure in accordance with the plans of the master builders, and when he had completed this task by his masterful interpretations of the Constitution in his service of 34 years as Chief Justice of the United States, the task of constructing "an indissoluble union of indestructible States" had been completed, let us hope and pray, for all time. Of that era it may be said that few nobler dramas have ever been enacted "upon the stage of this wide and universal theater of man."

Who can deny the great part that was enacted in that drama by the sons of Virginia? Let us remember that the Elizabethan era was the climax to that mighty cultural movement that is known as the "Renaissance", and Virginia was the last, but not the least, development of that epoch. I have said elsewhere, and now repeat, that it is an unfortunate error to regard the birthday of our Nation as July 4, 1776. Thereby we gained a new status and a new name, but the American Commonwealth began with the first settlement in Virginia, and was thus born of the "spacious days of Queen Elizabeth", after whom this Commonwealth was named. Its early sons were contemporaries of Marlowe and Shakespeare, of Coke and Bacon, of Sydney and Jonson, of Drake and Frobisher, of Raleigh and Sandys, of Pembroke and Southampton. Small as Virginia was, and limited as were its cultural resources, what infant Commonwealth in a like period of time, and in the field of government, ever gave birth to so many great men? Thomas Jefferson and Patrick Henry, John Marshall and James Madison, James Monroe and Edmund Randolph, George Mason and Richard Henry Lee, and last and greatest, that noble son, whose reputation overtops all Americans, and who is one of the supreme immortals of history, George Washington. While any prediction as to the illimitable future is generally hazardous, it is probable and possibly certain that in the field of leadership no American will ever surpass George Washington, and that in the field of law no judge will ever rival the fame of John Marshall.

Let us consider briefly and necessarily inadequately the significance of John Marshall's work. It is given to few men to rise so high above the clouds of controversy that in a later time only praise is spoken of him. As in the case of Washington, Marshall is so supremely great in his chosen field of activity that all balanced criticism becomes difficult. But if he could guide us in our deliberations today, his love of truth would say, with Othello:

"Speak of me as I am, nothing extenuate
Nor set down aught in malice."

All Americans today praise Marshall, and this blinds us to the fact that it was not so when he was among the living. Today men think of him as having, in his tenure of office, sat in serene and unclouded skies, as upon some mountain peak, below whose summit were the clouds of passionate strife, which touched him not. The fact is that from the beginning of his work as Chief Justice to the very end he was the storm center of as bitter and passionate a political struggle as ever enveloped any judge. Almost his first judicial act provoked a storm of bitter criticism, which raged throughout the whole period of his service, and 34 years later his last days upon the bench witnessed a humiliation when Georgia refused to appear at the bar of his Court in obedience to its summons, and subsequently refused to comply with a decree which the Court had entered.

Nor was Georgia, in this recalcitrance, without sympathy in high places, for the then President of the United States, Andrew Jackson, sarcastically said, "John Marshall has entered his decree. Now let him enforce it." The decree was never enforced, and at the time the prestige of the Supreme Court seemed to be so fatally shattered that John Marshall not only felt that its moral authority was gone but that the existence of the Union itself was in peril.

Writing in 1832 to Story, who then doubted the perpetuity of the Constitution, Marshall said:

"If the prospects of our country inspire you with gloom, how do you think a man must be affected who partakes of all your opinions and whose geographical position enables him to see a great deal that is concealed from you? I yield slowly and reluctantly to the conviction that our Constitution cannot last. Our opinions are incompatible with a united government, even among ourselves. The Union has been preserved thus far by miracles. I fear they cannot continue."

These words may be profitably recalled by those Americans, of whom I unhappily am one, who today share the same doubts, but the Constitution did survive the crisis of 1832. While this is largely due to Marshall, yet it also owes much to Andrew Jackson.

No Chief Justice of the United States has ever been assailed as bitterly as was John Marshall, and yet when he died, friend and

foe, almost without exception, united in a tribute of praise to a courageous and incorruptible judge. Throughout all these stormy years John Marshall serenely pursued the even tenor of his ways. He had able associates, and yet he was the very soul of the Court. He rendered decision after decision which gravely challenged the constitutional theories of the great political party which was then almost continuously in power. I know no finer illustration of the noble lines of the poet, Horace, when he describes so eloquently the just man, and concludes:

"The man, in conscious virtue bold
Who dares his secret purpose hold
Unshaken hears the crowds' tumultuous cries
And the impetuous tyrant's angry brow defies.
Let the loud winds, that rule the seas
Tempestuous their wild horrors raise,
Let Jove's dread arm with thunder rend the spheres
Beneath the crash of worlds undaunted he appears."

It is a mistake to suppose that Marshall's opponents were in all respects wrong, and the truth of history justifies the statement that the attacks upon the Supreme Court in Marshall's time were partly attributable to an initial error of the Supreme Court. This is so rarely recognized that it justifies an explanation.

Before Marshall became Chief Justice he was the Secretary of State in the administration of John Adams. That administration had been signally repudiated by the American people. The dying Federalist Party, in which the influence of John Marshall was dominant, resorted to the expedient, which does not admit of justification, of creating a large number of Federal judges with a life tenure, and in the last hours of the Adams administration filling them with avowed Federalists to intrench that party in one branch of the Government. Undoubtedly the despondent followers of Adams and Hamilton sincerely but mistakenly believed that the party of Thomas Jefferson intended to destroy the Constitution, and with high but mistaken motives the Federalists determined to construct in defense of the Constitution a line of impregnable defense in the judiciary. From the calmer standpoint of a later age, we can now see that such an action, whatever its motive, did not accord with the spirit of a democracy.

This coup d'etat—and it was scarcely less—had resulted in acute irritation between the incoming and the outgoing administrations. It involved Marshall, who, as Secretary of State, had signed the commissions of the so-called "midnight judges." Hardly had he taken his seat as Chief Justice when a phase of this bitter controversy came before his Court in the famous case of *Marbury v. Madison*, and the Supreme Court after deciding that *Marbury* was entitled to the office, although his commission had not been delivered to him, then proceeded to hold that it was without jurisdiction in that proceeding thus to adjudge the merits of the controversy. The resentment of Jefferson and his followers at this decision was not due to the fact that the Supreme Court thus firmly established its power to disregard a statute, if inconsistent with the Constitution, but was largely animated by the fact that the Court passed upon the merits of the case in which it admitted it had no jurisdiction and thus gave an implied sanction to the policy of the Adams administration in creating, in its closing days, a number of Federal judgeships, and then hastily filling them with appointees of the Federalist Party.

The party of Jefferson was not without some justification in its bitter attacks upon this political coup d'etat, and while the decision of the constitutional question may have saved the Constitution, yet it was unfortunate in that it temporarily compromised the reputation of the Court as a nonpartisan body. Never again did Marshall commit a like error, and its only justification lies in his honest purpose to preserve the Constitution against the excesses of democracy, of which he honestly believed the new administration would be guilty. His fears in this respect were as groundless as were the fears of his political opponents that the Federal judiciary would obstruct the will of the people.

Time, the great justicer, will give a just judgment as to the comparative merits of the two great protagonists, and if its final verdict can be anticipated, it will be that neither was wholly right nor wholly wrong. They were the positive and the negative poles of the Republic's formative period, and these counteracting influences are as necessary in the realm of government as in that of physics. In our political judgments we should always remember the conciliatory words of Thomas Jefferson, in his first inauguration:

"Every difference of opinion is not a difference of principle. We are all Republicans; we are all Federalists."

In this memorable dual between Marshall and Jefferson, great allowance must be made for both protagonists, for this was the formative period of the Republic, and until the new edifice had firmly settled upon its foundations, it was inevitable that there would be acute differences of feeling, as novel questions arose, which would betray both parties to the controversy into temporary errors. Let us not forget that the Constitution of the United States was then a great and an unprecedented experiment, and that the collision of antagonistic theories was inevitable. Indeed the amazing success of the American Constitution is due to the fact that there was this conflict of views, which lessened the danger of extremes in any direction.

In the field of government, as in mechanics, there is always a centripetal and a centrifugal tendency. The real problem, both of mechanics and government, is to coordinate them. It is the greatest merit of the American Constitution that above every other political frame of government, it did coordinate the two tendencies. The real doubt in the minds of the founders was

whether the American people would have sufficient genius to carry out the theory of a dual form of government.

This gave rise to two schools of thought.

On the one hand Patrick Henry, Thomas Jefferson, and later James Madison believed that in the practical working of the Government the centripetal tendency would be so powerful that sooner or later the Central Government would absorb the States. We commonly think of Patrick Henry as only an orator, but his masterful argument in the Virginia ratifying convention clearly foresaw the ever-increasing centralization of the last half century, and his fears were emphasized by Jefferson and Madison.

On the other hand, Washington and Hamilton were fearful that the centrifugal tendency in proud and self-conscious States would be so great that sooner or later the Central Government would disintegrate and become as impotent as the old Confederation. In their own day their fears were justified.

The distinguishing merit of John Marshall as Chief Justice was that he, more than any other American, coordinated these conflicting tendencies. If he asserted in one opinion the authority of the Central Government, he asserted, with equal force, the rights of the States.

Today there is no centrifugal tendency to coordinate the centripetal tendency due in large part to a mechanical civilization. The two historic parties vie with each other in centralizing the Government, with the result that the centripetal tendency has largely destroyed the centrifugal, and we have today in fact, although not in theory, a portentous approach to a totalitarian socialistic state.

The justification of any man or party must be measured in part by the immediate necessities of the times. In Marshall's day the mind of America had not yet been either adapted to or reconciled with the idea of a central government. It required the deliberation of nearly 4 months to induce the Constitutional Convention to create a central government which, within its carefully prescribed sphere, would be a nation and not a league of states. The Convention was so largely a compromise that on its last day few members were disposed to sign, as individuals, the draft of the Constitution which was to be submitted to the people. The process of ratification required over a year, and the requisite consent of the nine States was secured with the very greatest difficulty, and in some States only by dubious methods. The people were still jealous, as they had always been, of any central power, and when the Constitution was finally adopted it became a vital necessity, if it were to survive, that the Supreme Court should give to the grants of power a reasonably liberal construction.

This was the sublime task of John Marshall. Largely due to his influence, the Supreme Court, in a long series of pioneer decisions, welded together the discordant States into the "indissoluble Union of Indestructible States." To do this required something more than a knowledge of the law. Statesmanship of the highest order was imperatively necessary, and above all it required the prestige of an incorruptible and impartial judiciary. While Marshall's first great decision had temporarily compromised this reputation, yet his calm reasoning, his well-balanced judgment, and the acknowledged rectitude of his character soon overcame the temporary prejudice, and by sheer force of reasoning his interpretation finally triumphed; but in acknowledging this triumph a later generation should recognize that Marshall's opponents were also justified in their apprehension that the words of the Constitution, if too liberally construed, could be destructive of the rights of the States.

Each party to this great controversy over constitutional rights therefore rendered a service to the Nation in its formative stage. The fears which Patrick Henry, Thomas Jefferson, and James Madison had in respect to the undue development of Federal power have had their fullest vindication in the realities of the last 50 years.

Marshall's great decisions, now so universally applauded, owed much, not merely to the arguments of Webster and Wirt, Pinkney and Blinney, but also to the watchful vigilance of Jefferson and Madison, who, by criticism and opposition, prevented in their day an excessive development of Federal power. I rejoice that the spirit of these two Virginians is today animating the two Senators from Virginia, who in this era of unprecedented centralization have old-fashioned but true ideas as to the rights of the States.

Marshall was the great advocate of the doctrine, subsequently emphasized by Webster, that the United States was created by the people of the United States and not by the States in their then sovereign capacity. He based this upon the language of the preamble, which says that "We, the people of the United States, . . . do ordain and establish this Constitution for the United States of America."

In considering this theory it must always be remembered that he did not have the advantage that we have of Madison's Debates, which gives the reason for this language. But while this may have been a false premise to some of his reasoning, yet it was Marshall who said, in *McCulloch v. Maryland*:

"No political dreamer was ever wild enough to think of breaking down the lines which separate the States and of compounding the American people into one common mass."

Here again was an excusable mistake in history, for if he had been privileged to read the then unpublished records of the Constitutional Convention, he would have seen that Alexander Hamilton did propose that the States should be "extinguished", although he fully recognized that public opinion was not ready for such consolidation.

If Marshall were alive today he would find that in the matter of trade and industry there are not only "political dreamers", confused by the nightmare of the present economic depression, but even responsible statesmen, who would break "down the lines which separate the States" and "compound the American people into one common mass." The Supreme Court will not, I believe, sanction such consolidation.

If John Marshall was a great jurist, he was an even greater statesman. The essence of a statesman is to have that vision, without which it is said on ancient authority that a people will perish. Marshall wrote nearly all of his opinions in the last period of the pastoral-agricultural life of mankind. While the steamship was then beginning to pass as a shuttle between the nations, the railroad was only in its infancy, and gave little assurance of its future dominating influence in civilization. Under these circumstances the Chief Justice in that era of the wheelbarrow and the stagecoach might have given a narrow definition to that interstate commerce which Congress was empowered to regulate. In his wonderful opinion in *Gibbons v. Ogden*, possibly the greatest of his decisions, Marshall saw the future of our civilization as few men of his generation. He gave to the term "commerce" a definition which "time cannot wither nor custom stale." He seemed to see the future as from a mountain peak. That definition still stands, for only last Monday the Supreme Court, in the Railroad Retirement Case, took occasion to reiterate the doctrine of Marshall in the following words:

"The Federal Government is one of enumerated powers; those not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States or to the people."

Today too many seem to forget this fundamental doctrine, and no one would be more amazed than John Marshall, if he were here today, at some interpretations by the Congress of its powers over interstate commerce, which assert a right to control within the States even the minutiae of production. This great decision of last Monday is a visible reminder that the Constitution, like some Alpine peak, may be obscured for a time by the clouds, but still stands upon its foundation of eternal granite.

The strength of the judiciary has been and will ever be in its continuing power. Presidents come and go, parties organize and dissolve, social and economic conditions change, but the Supreme Court remains a constant factor. As I ventured to say in my book, *The Constitution of the United States*:

"Like the ocean, the political life of the American Republic is at times placid, with hardly a ripple upon its surface, and then the furious storms of discontent lash the waters into violent and angry seas. But always the Supreme Court stands as a great lighthouse, and even when the waves beat upon it with terrific violence (as in the Civil War, when it was shaken to its very foundation), yet after they have spent their fury, the great lamp of the Constitution—as that of another Pharos—illuminates the troubled surface of the waters with the benignant rays of those immutable principles of liberty and justice, which alone can make a nation free as well as strong."

No institution of our Government has better survived the ordeal of democratic government. None has awakened more the curiosity and admiration of enlightened publicists of all nations. When I was invited to address the Bench and Bar of France in the Cour de Cassation (the highest court of France), and asked upon what feature of the Constitution they wished me to speak, the prompt answer was "the Supreme Court of the United States", and when my book on the Constitution was translated into German, the Chief Justice of the German Republic, who wrote the introduction to the German edition, recorded as his deliberate conviction that the Weimar Constitution of the German Republic would not endure unless the Supreme Court of Germany were given the same power in preserving the Constitution that the Supreme Court of the United States enjoys. This produced a storm of controversy between German jurists, some preferring the English plan of the omnipotence of Parliament and others endorsing the view of Chief Justice Simon as to the advantage of the United States Constitution in making the Supreme Court the political conscience of the Nation in matters of constitutionality. Unfortunately the Weimar Constitution, otherwise an admirable document, made no such provision for the German Republic, and it perished when Hitler destroyed both the legislative and the judicial power.

While the construction of the Constitution was not in some respects difficult, in view of the admirable clarity of its provisions, yet it was necessary to apply it to a country whose rapid growth is one of the wonders of history. Conflicting sectional interests must be reconciled, and the task of harmonizing Federal supremacy within its sphere with the reserved rights of the States was a difficult and unprecedented task. Marshall and his great associates were treading unbeaten paths. It required the genius of a Marshall to do this in a manner that would be acceptable to a people, whose genius was that of democracy, and his supreme achievement is that he did so in a manner that was enduring. This does not mean that all his decisions have stood the test of time. To say that would be mere flattery of the dead. His great decision in the Dartmouth College case has required necessary modifications in later times.

An examination of Marshall's opinions would superficially indicate that all his decisions were in the direction of an extension of Federal power, and this is partly true, but it must be remembered that Marshall also prescribed limitations. For example, take the great case of *Brown v. Maryland*, where the Chief Justice held that no State can forbid the introduction from another

State of a harmless commodity of commerce in its original package. This was a considerable amplification of the commerce power, but the decision carried with it the necessary implication that before the commodity moved from State to State, the State was within its reserved rights in controlling its production, and that after the imported article had been merged into the mass of domestic commerce by the sale of the original package, then the State had full power in respect to its future use or distribution. Thus Marshall recognized the rights both of the States and of the Federal Government, and the same can be said of many of his decisions, which, in applying the Constitution to the ever-changing economic conditions of America, drew a line of demarcation between Federal and State power.

The judicial spirit in which Marshall interpreted the Constitution was well stated by him in his conduct of the trial of Aaron Burr in this historic city:

"That this Court dares not usurp power is most true. That this Court dares not shrink from its duty is not less true. No man is desirous of becoming the peculiar subject of calumny. No man, might he let the bitter cup pass from him without self-reproach, would drain it to the bottom."

Certainly Marshall never hesitated between these dread alternatives. Whatever else may be said of his decisions, none was ever inspired by fear.

To quote the tribute of a great President of recent times, "Marshall found the Constitution paper and made it power. He found it a skeleton and clothed it with flesh and blood."

By common consent he is the great expounder of the Constitution.

He was not a highly educated man. A child of the frontier, he had had little scholastic education. He did become an active practitioner at the Virginia bar, but his experience as a lawyer could not have been great, measured by the standards of today. His genius was rather that of common sense than of pedantic learning.

He recognized that a written Constitution, no matter how great its clarity, could not be effective for a great and growing people without the power of reasonable interpretation. Long before Justice Holmes said that "language is but the skin of thought", Marshall had said, in *McCulloch v. Maryland*:

"Such is the character of human language that no word conveys to the mind in all situations one single definite idea."

He therefore recognized, to quote his own words, that if the Constitution was "intended to endure for ages to come" it must "be adapted to the various crises of human affairs."

Those who would reason away the essential meaning of the Constitution by resort to Marshall's use of the word "adapted"—and today there are many—should realize that the whole tenor of Marshall's decisions clearly indicate that by the word "adapted" he meant applied. He was discussing the doctrine of implied powers, the existence of which he recognized as necessary if the Constitution were to be more, as he said, than "a splendid bauble." For all time he defined the justification of implied powers when he said:

"Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited but consist with the letter and spirit of the Constitution, are constitutional."

No one has or can add to that definition, but in these later days it is often perverted to justify the contention that whatever the Congress may regard as for the "general welfare" is, for that reason, within "the letter and spirit of the Constitution." Such extremists forget that any implied power must, according to Marshall, "be within the scope of the Constitution", must be "plainly adapted" and not "prohibited", and surely nothing can be within such scope when it either invades the reserved rights of the States or of the people.

Marshall may have been fortunate in the fact that he acquired his knowledge more from events than from books. Education can confuse as well as enlighten. Certainly modern education tends to dissipate the human mind over too many subjects, most of which are unimportant. Great men have generally been men of simple ideas and those derived from the realities of life rather than from the theories of book men. Franklin, Washington, Marshall, and Lincoln—possibly the four greatest intellectual leaders of the American people—all graduated in that best of schools, "the university of realities."

This may partly account for his political philosophy. Unquestionably Marshall, like Washington, was a Federalist. Neither overphilosophized on the subject of political government, but their military service had taught them, in the most realistic way, the evils of a mere league of states, where under the impotent Articles of Confederation the central government had merely influence, and, as Washington tersely said, "Influence is not government."

The bitter sufferings of Washington's army, and the unnecessary prolongation of the war, deeply impressed upon both Washington and Marshall that while a central government should have a limited field of power, yet within that field its power should be plenary and binding. Unquestionably this conviction, born of bitter experience, profoundly influenced the decisions of Chief Justice Marshall, whose dominant purpose was to weld the States into an efficient union through the Constitution.

We read his opinions as masterful oracles of the law, but, while their reasoning is forceful, yet in the most important cases the questions were, in the last analysis, not difficult, and he had the advantage of construing the virgin text of the Constitution. Madison's Debates had not then appeared, and little was known of the proceedings in the Constitutional Convention. Nor was he overwhelmed by a host of commentaries and by a great volume of

opinions of the Supreme Court on constitutional questions, through which, as through overlaying strata, lawyers today dig down to reach the textual foundations of the Constitution. With him, the questions were of first impression, and such questions are often easier than those which have been confused by countless commentaries. Dr. Samuel Johnson once advised the student of Shakespeare to read the text of Shakespeare and disregard all that the commentators had said, and there was some force in the suggestion.

Marshall's amazing industry was such that of the 1,215 cases which the Court decided in his period of service he wrote the opinions in 519, and he wrote more than one-half of all its opinions which involved the construction of the Constitution.

The great merit of his decisions is in their perfect harmony, like that of a Greek temple.

Marshall's unquestioned triumph may not be due so much to his intellectual attainments, although they were great, but to the influence of his character. If he had been a corrupt, designing, or even an ambitious Judge, seeking either popularity on the one hand or political power on the other, his decisions would not have had the same weight; but the years of his long service marked a steady progress in the faith of the American people, without respect to party, in the absolute integrity of his mind. Men of his day might disagree with John Marshall, but they soon learned that his motives were beyond reproach. In his right hand he carried "gentle peace to silence envious tongues." Never in judicial history has there been a greater triumph of rectitude of purpose and action, and this again explains why, after 35 years of bitter controversy, when political passions ran far higher than they do today, the American people believed in John Marshall and accepted his interpretations of the Constitution.

What remains to be said? In his last illness Marshall knew that the end was near, and with a life void of reproach and with a conscious pride that he had been privileged to serve, not only his day and generation but the illimitable future of America, he met his end, not merely with the courage of a stoic, but with the faith of a Christian. It was the end which Bunyan so beautifully describes of Mr. Vallant-for-Truth, and such was John Marshall, and we can apply to him Bunyan's simple but noble narrative of the passing of his hero.

He called for his friends and told them of it. Then said he:

"I am going to my Father's, and though with great difficulty I have got hither, yet now I do not repent me of all the trouble I have been at to arrive where I am. My sword I give to him that shall succeed me in my pilgrimage. My marks and scars I carry with me to be a witness for me that I have fought His battles. Who will now be my rewarder. * * * So he passed over, and all the trumpets sounded for him on the other side."

The trumpet of immortal fame has sounded for Marshall, since he died a hundred years ago, and will proclaim his praise to succeeding generations as long as the Republic endures.

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes tomorrow immediately after the reading of the Journal and the disposition of business on the Speaker's table.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, on what subject?

Mr. KNUTSON. On the tariff.

Mr. O'CONNOR. On the tariff?

Mr. KNUTSON. On the subject of foreign trade; put it that way, if you prefer.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PETTENGILL. I direct the Speaker's attention to the resolution with reference to the Pulaski memorial. As the Speaker is aware, this bill was reported out by the Judiciary Committee and was the bill of the gentleman from Connecticut [Mr. CITRON]. When the bill was acted upon in the House, a Senate bill was substituted for it. The Senate bill made Pulaski Memorial Day an annual event. That bill was vetoed, and that point was dwelt upon by the President. The President has authorized me to say that he will have no objection whatever to a resolution of like character limited to this one year.

My parliamentary inquiry is, What is the status of the Citron bill; can it be brought up and acted upon?

The SPEAKER. The Chair is under the impression that the Citron bill was laid on the table when the Senate bill was acted upon.

Mr. PETTENGILL. If the Chair will permit a further parliamentary inquiry, can the bill be taken from the table?

The SPEAKER. It can be done by unanimous consent.

FARM CREDIT ACT OF 1935

Mr. JONES. Mr. Speaker, I call up the conference report on the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, and ask that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

The conference report and statement follow:

CONFERENCE REPORT

[To accompany S. 1384]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the amendment of the House insert the following:

"That this act may be cited as the 'Farm Credit Act of 1935.'"

"Sec. 2. (a) Section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., Supp. VII, title 12, sec. 1016), is further amended by striking out of the third sentence the following: 'and made for the purpose of reducing and refinancing an existing mortgage'."

"(b) Such section 32, as amended, is further amended by striking out the fifth sentence and inserting in lieu thereof the following: 'Loans may be made under this section for any of the purposes for which Federal land banks are authorized by law to make loans, and for the following additional purpose, and none other: Refinancing, either in connection with proceedings under chapter VIII of the Bankruptcy Act of July 1, 1898, as amended, or otherwise, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan.'"

"(c) Such section 32, as amended, is further amended by striking out the seventh sentence and inserting in lieu thereof the following: 'As used in this section, (1) the term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations or livestock raising, and includes a personal representative of a deceased farmer; (2) the term "person" includes an individual or a corporation engaged in the raising of livestock; and (3) the term "corporation" includes any incorporated association; but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the land to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 per centum in value and number of shares of the stock of the corporation is owned by the individuals personally actually so engaged, and (B) unless the owners of at least 75 per centum in value and number of shares of the stock of the corporation assume personal liability for the loan. No loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for.'"

"(d) Such section 32, as amended, is further amended by striking out the eighth and ninth sentences and inserting in lieu thereof the following: 'Until February 1, 1940, the Land Bank Commissioner shall, in his name, make loans under this section on behalf of the Federal Farm Mortgage Corporation, and may make such loans in cash or in bonds of the corporation, or if acceptable to the borrower, in consolidated farm-loan bonds; but no such loans shall be made by him after February 1, 1940, except for the purpose of refinancing loans previously made by him under this section. As much as may be necessary of the assets of the corporation, including the bonds (and proceeds thereof) issued under section 4 of the Federal Farm Mortgage Corporation Act, may be used for the purposes of this section.'"

"(e) Such section 32, as amended, is further amended by inserting at the end thereof the following: 'Any Federal land bank, when duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation, shall have the power to execute any instrument relating to any mortgage taken to secure a loan made or to be made under this section, or relating to any property included in any such mortgage, or relating to any property acquired by the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation. Any such instrument heretofore or hereafter executed on behalf of the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation by a Federal land bank, through its duly authorized officers, shall be con-

clusively presumed to have been duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation.'"

"Sec. 3. (a) Effective July 1, 1935, the first sentence of paragraph 'Twelfth' of section 12 of the Federal Farm Loan Act, as amended, is amended by striking out the following: 'within two years after such date, shall not exceed 4½ per centum per annum for all interest payable on installment dates occurring within a period of five years commencing sixty days after the date this paragraph takes effect; and no payment of the principal portion of any installment of any such loan shall be required during such five-year period if the borrower shall not be in default with respect to any other condition or covenant of his mortgage', and inserting in lieu thereof the following: 'after such date, shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring within a period of one year commencing July 1, 1935, and shall not exceed 4 per centum per annum for all interest payable on installment dates occurring within a period of two years commencing July 1, 1936; and no payment of the principal portion of any installment of any such loan outstanding on the date of the enactment of the Farm Credit Act of 1935 shall be required prior to July 11, 1938, if the borrower shall not be in default with respect to any other condition or covenant of his mortgage.'"

"(b) Effective July 1, 1935, the second sentence of such paragraph 'Twelfth' is amended by striking out the following: 'the rate of interest on such loans for such five-year period shall be 5 per centum in lieu of 4½ per centum', and inserting in lieu thereof: 'the rates of interest paid for the respective periods above specified shall be one-half of 1 per centum per annum in excess of the rates of interest paid during the corresponding periods by borrowers on mortgage loans made through national farm loan associations.'"

"Sec. 4. The fourth sentence of section 24 of the Federal Farm Loan Act, as amended (U. S. C., Supp. VII, title 12, sec. 913), is further amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided, That the declaration and payment of any such dividend shall be subject to the approval of the Land Bank Commissioner.'"

"Sec. 5. (a) Paragraph (1) of subsection (a) of section 202 of the Federal Farm Loan Act, as amended (U. S. C., Supp. VII, title 12, sec. 1031), is further amended by striking out that portion of the paragraph which follows the second semicolon and inserting in lieu thereof the following: 'and to discount for, or purchase from, any production credit association or bank for cooperatives organized under the Farm Credit Act of 1933, or any production credit association in which a Production Credit Corporation organized under such Act holds stock, with its indorsement, any note, draft, bill of exchange, debenture, or other such obligation presented by such association or bank, and to make loans and advances direct to any such association or bank secured by such collateral as may be approved by the Governor of the Farm Credit Administration.'"

"(b) Paragraph (3) of subsection (a) of such section 202, as amended, is further amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: 'at such rates of commission as may be approved by the Governor of the Farm Credit Administration.'"

"(c) Subsection (d) of such section 202, as amended (U. S. C., Supp. VII, title 12, sec. 1034), is hereby repealed.

"Sec. 6. (a) Subsection (a) of section 203 of the Federal Farm Loan Act (U. S. C., title 12, sec. 1041) is amended by striking out the proviso and inserting in lieu thereof the following: 'Provided, That the aggregate amount of the outstanding debentures and similar obligations issued individually by any Federal intermediate credit bank, together with the amount of outstanding consolidated debentures issued for its benefit and account, shall not exceed ten times the surplus and paid-in capital of such bank.'"

"(b) Such section 203 (U. S. C., title 12, secs. 1041-1043) is further amended by adding at the end thereof the following new subsections:

"(d) Whenever it shall appear desirable to issue consolidated debentures of the twelve Federal intermediate credit banks and to sell them through a common selling agency, and the Federal intermediate credit banks shall, by resolutions, consent to the same, the banks may issue and sell said debentures subject to the provisions of this section and the provisions of section 21 of Title I of this Act, insofar as applicable. As used in this Act, the term "debentures" includes such consolidated debentures."

"(e) All debentures issued by Federal intermediate credit banks shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or of any officer or officers thereof."

"Sec. 7. Subsection (a) of section 204 of the Federal Farm Loan Act, as amended (U. S. C., Supp. VII, title 12, sec. 1051), is further amended to read as follows:

"(a) Any Federal intermediate credit bank may, with the approval of the Intermediate Credit Commissioner, from time to time establish rates of discount and interest which, except with the approval of the Governor of the Farm Credit Administration, shall not exceed by more than 1 per centum per annum the rate borne by the last preceding issue of debentures which it issued or in which it participated. Any Federal intermediate credit bank may be required by the Governor of the Farm Credit Administration to acquire, upon such terms as he may approve, loans and/or discounts of any other Federal intermediate credit bank."

"Sec. 8. Section 203 of the Federal Farm Loan Act (U. S. C., title 12, secs. 1091-1094) is amended by adding at the end thereof the following new subsection:

"(e) The executive departments, boards, commissions, and independent establishments of the Government, the Reconstruction Finance Corporation, the Federal Deposit Insurance Corporation, the Federal Reserve Board, and the Federal Reserve banks are severally authorized, under such conditions as they may prescribe, to make available to any Federal intermediate credit bank, in confidence, upon the request of the Governor of the Farm Credit Administration, such reports, records, or other information as they may have available relating to the condition of any institution to which a Federal intermediate credit bank has made, or contemplates making, loans, or which it is using, or contemplates using, as a custodian of securities or other credit instruments, or as a depository."

"Sec. 9. Paragraph (2) of subsection (a) of section 7 of the Agricultural Marketing Act, as amended (U. S. C., Supp. VII, title 12, sec. 1141e), is further amended to read as follows:

"(2) the construction or acquisition by purchase or lease, or refinancing the cost of such construction or acquisition, of physical facilities."

"Sec. 10. Paragraph (1) of subsection (c) of section 7 of the Agricultural Marketing Act, as amended (U. S. C., Supp. VII, title 12, sec. 1141e), is further amended to read as follows:

"(1) No loan shall be made in an amount in excess of 60 per centum of the appraised value of the security therefor."

"Sec. 11. Subsection (a) of section 8 of the Agricultural Marketing Act, as amended (U. S. C., Supp. VII, title 12, sec. 1141f), is further amended to read as follows:

"(a) Loans to any cooperative association shall bear such rates of interest as the Governor of the Farm Credit Administration shall from time to time determine to be necessary for the needs of the lending agencies and shall by regulation prescribe (but in no case shall the rate of interest exceed 6 per centum per annum on the unpaid principal): *Provided, however,* That the rate of interest on any loan made under the provisions of section 7 (a) (1) hereof, other than upon the security of commodities, shall conform as nearly as may be practicable to a rate 1 per centum in excess of the prevailing interest rate paid by production credit associations to the Federal intermediate credit bank of the land bank district in which the principal business office of the borrower is located; the rate of interest on any loan made upon the security of commodities shall conform, as nearly as may be practicable, to the prevailing interest rate on commodity loans charged borrowers from the Federal intermediate credit bank of the land bank district in which the principal business office of the borrower is located; and that the rate of interest on any loan made under the provisions of section 7 (a) (2) hereof shall conform as nearly as may be practicable to the prevailing rate on mortgage loans made to members of national farm loan associations."

"Sec. 12. Subsection (a) of section 15 of the Agricultural Marketing Act, as amended (U. S. C., Supp. VII, title 12, sec. 1141j), is further amended to read as follows:

"(a) As used in this act, the term "cooperative association" means any association in which farmers act together in processing, preparing for market, handling, and/or marketing the farm products of persons so engaged, and also means any association in which farmers act together in purchasing, testing, grading, processing, distributing, and/or furnishing farm supplies and/or farm business services: *Provided, however,* That such associations are operated for the mutual benefit of the members thereof as such producers or purchasers and conform to one or both of the following requirements:

"First. That no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein; and

"Second. That the association does not pay dividends on stock or membership capital in excess of 8 per centum per annum."

"And in any case to the following:

"Third. That the association shall not deal in farm products, farm supplies, and farm business services with or for nonmembers in an amount greater in value than the total amount of such business transacted by it with or for members. All business transacted by any cooperative association for or on behalf of the United States or any agency or instrumentality thereof shall be disregarded in determining the volume of member and nonmember business transacted by such association."

"Sec. 13. Section 34 of the Farm Credit Act of 1933 is amended to read as follows:

"Sec. 34. Subject to such terms and conditions as may be prescribed by the chairman of its board of directors, the Central Bank is authorized: (a) to make loans to cooperative associations, as defined in the Agricultural Marketing Act, as amended, for any of the purposes and subject to the conditions and limitations set forth in such act, as amended; (b) to make loans (by way of discount or otherwise) to banks for cooperatives organized under section 2 of this act; (c) to buy from, and sell to, any such bank or any Federal intermediate credit bank any note, draft, bill of exchange, debenture, or other obligation; and (d) to borrow from, and discount or rediscount paper with, any and all such banks."

"Sec. 14. Section 41 of the Farm Credit Act of 1933 (U. S. C., Supp. VII, title 12, sec. 1134c) is amended to read as follows:

"Sec. 41. Subject to such terms and conditions as may be prescribed by the Governor, the banks for cooperatives are authorized: (a) to make loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for any of the purposes

and subject to the conditions and limitations set forth in such Act, as amended; (b) to make loans (by way of discount or otherwise) to any bank organized under this act; (c) to buy from, and sell to, any such bank or any Federal intermediate credit bank any note, draft, bill of exchange, debenture, or other obligation; and (d) to borrow from, and discount or rediscount paper with, any and all such banks."

"Sec. 15. (a) The first sentence of subsection (a) of section 35 of the Farm Credit Act of 1933 (U. S. C., Supp. VII, title 12, sec. 1134k) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "except that, in connection with any loan made on the security of commodities, the borrower shall be required to own, at the time the loan is made, only such amount of stock as may be prescribed by rules and regulations of the Governor."

"(b) Subsection (a) of such section 35 is further amended by striking out the second sentence and inserting in lieu thereof the following: "Upon discharge of the loan, stock held by the borrowing association may be, and upon the concurrent or subsequent request of the borrowing association shall be, retired and canceled, and the association shall be paid therefor an amount equal to the amount paid for such stock or loaned to subscribe therefor, as the case may be, minus the pro rata impairment, if any, of capital and guaranty fund of the Central Bank, as determined by the chairman of the board of the Central Bank."

"(c) Such section 35 is further amended by adding at the end thereof the following new subsection:

"(c) In any case where the debt of a borrower to the Central Bank is in default, the bank may, in accordance with rules and regulations prescribed by the Governor, retire and cancel all or a part of the stock of the defaulting borrower at the fair book value thereof (not exceeding par), in total or partial liquidation of the debt, as the case may be."

"Sec. 16. (a) The first sentence of subsection (a) of section 30 of the Emergency Farm Mortgage Act of 1933 is amended by striking out the words "two years" and inserting in lieu thereof the words "four years".

"(b) The fourth sentence of subsection (b) of such section 30 is amended:

"(1) By striking out the words "occurring more than sixty days after the date of enactment of this act", and

"(2) By striking out the words "a period of two years from the date of enactment of this act" and inserting in lieu thereof the following: "a period of two years from the date of the enactment of the Farm Credit Act of 1935".

"Sec. 17. (a) The first sentence of subsection (a) of section 31 of the Emergency Farm Mortgage Act of 1933 is amended by striking out the words "for two years from the date of the enactment of this act" and inserting in lieu thereof a comma and the following: "until May 13, 1937."

"(b) Subsection (b) of such section 31 is amended by striking out the words "such two-year period" and inserting in lieu thereof the following: "the period of postponement".

"(c) The first sentence of the act entitled "An Act to authorize production credit associations to make loans to oyster planters", approved June 18, 1934 (U. S. C., title 12, sec. 1131j), is amended by striking out the following: "who are carrying on their operations under leases of oyster beds granted by any State or political subdivision thereof".

"Sec. 18. Paragraph "Sixth" of section 12 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 771), is further amended by adding at the end thereof the following new sentence: "As used in this paragraph (1) the term "person" includes an individual or a corporation engaged in the raising of livestock; and (2) the term "corporation" includes any incorporated association; but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the farm to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 per centum in value and number of shares of the stock of the corporation is owned by the individuals personally actually so engaged, and (B) unless the owners of at least 75 per centum in value and number of shares of the stock of the corporation assume personal liability for the loan. No loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for."

"Sec. 19. (a) The first sentence of the sixth paragraph of section 7 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 716), is amended to read as follows: "Ten or more persons who are the owners, or about to become the owners, of farm lands qualified as security for a mortgage loan under section 12 of this Act, may unite to form a national farm-loan association."

"(b) The sixth paragraph of such section 7 is further amended by adding at the end thereof the following new sentence: "As used in this section, the term "person" includes an individual, an incorporated association, and a corporation which is eligible for a loan under section 12 of this Act."

"Sec. 20. (a) The first sentence of the fifth paragraph of section 9 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 745), is amended by striking out the words "any natural person" and inserting in lieu thereof "any person."

"(b) The fifth paragraph of such section 9 is further amended by adding at the end thereof the following new sentence: "As used in this section, the term "person" includes an individual, an incor-

porated association, and a corporation which is eligible for a loan under section 12 of this Act."

"SEC. 21. The first sentence of the first paragraph of section 31 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 981), is amended to read as follows: 'Any applicant for a loan under this act, or officer or representative of any such applicant, who shall knowingly make any false statement in the application for such loan, and any member of a loan committee or any appraiser provided for in this act who shall willfully overvalue any land offered as security for loans under this act, shall be punished by a fine of not exceeding \$5,000, or by imprisonment not exceeding one year, or both.'

"SEC. 22. Paragraph 'Fifth' of section 12 of the Federal Farm Loan Act, as amended (U. S. C., Supp. VII, title 12, sec. 771), is further amended by inserting after the third sentence thereof the following: 'In determining the earning power of land used for the raising of livestock, due consideration shall be given to the extent to which the earning power of the fee-owned land is augmented by a lease or permit, granted by lawful authority of the United States or of any State, for the use of a portion of the public lands of the United States or of such State, where such permit or lease is in the nature of a right adjunctive to such fee-owned land, and its availability for use as such during the terms of the loan is reasonably assured.'

"SEC. 23. On and after the date of enactment of this Act no person shall be eligible for appointment or election as an administrative or executive official or as a member of the board of directors of a Federal land bank, or shall continue to hold office as such member or as an ex-officio director of a Federal intermediate credit bank or of any corporation or bank organized pursuant to the Farm Credit Act of 1933, if such person has been finally adjudged guilty of a felony, or finally adjudged liable in damages in any civil proceeding for fraud, in any State or Federal court.

"SEC. 24. (a) If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

"(b) The right to alter, amend, or repeal this Act is hereby expressly reserved."

And the House agree to the same.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

DUNCAN U. FLETCHER,
ROBERT F. WAGNER,
ALBEN W. BARKLEY,
JAMES F. BYRNES,
ROBERT D. CAREY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1384) to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

Section 1, subsections (a), (b), (d), and (e) of section 2, sections 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, and 16, and subsections (a) and (b) of section 17, of the Senate bill are the same in substance as the corresponding sections and subsections of the House amendment. Section 25 of the Senate bill is the same as subsection (c) of section 17 of the House amendment, and section 27 of the Senate bill is the same as section 18 of the House amendment. Certain clarifying changes were made in some of these sections in the House amendment and the conference agreement retains these sections as clarified.

Section 2 (c) of the Senate bill authorized the Land Bank Commissioner to make loans under section 32 of the Emergency Farm Mortgage Act of 1933 to corporations engaged in the raising of livestock with the restriction that no such loan should be made unless all the stock of the corporation was "owned by persons themselves personally actually engaged in the raising of livestock on the land to be mortgaged as security for the loan", except where the Commissioner permitted such a loan if at present 75 percent of the stock was so owned. There was also a restriction that no such loan should be made to a corporation which was a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for. There were no corresponding provisions in the House amendment. The conference agreement retains the provisions of the Senate bill and adds a further restriction that no loan shall be made to any such corporation unless the owners of at least 75 percent of the stock assume personal liability for the loan.

Section 3 of the Senate bill provided for reducing the amount of interest-reimbursement payments by the Secretary of the Treasury to the Federal land banks for each quarter subsequent to 1934 by the amount of savings in interest payable by the banks affected through bond refunding operations subsequent to June 30, 1934. There was no corresponding provision in the House amendment.

The conference agreement eliminates this provision of the Senate bill.

Section 3 of the House amendment provided for reducing the interest rate paid by Federal land-bank borrowers whose loans were obtained through national farm-loan associations or were outstanding on May 12, 1933, to a maximum of 3½ percent per annum for all interest payable on installment dates occurring within a period of 1 year commencing July 1, 1935, and to a maximum of 4 percent per annum for all interest payable on installment dates occurring within a period of 2 years commencing July 1, 1936. Corresponding reductions were also made in the maximum rates of interest payable during the same periods by Federal land-bank borrowers who obtained loans direct or through branches. Section 26 of the Senate bill provided for reducing the interest rate payable by Federal land-bank borrowers to 3½ percent per annum during the 5-year period beginning July 11, 1933, and ending July 11, 1938, in cases where loans were outstanding on May 12, 1933, or were made thereafter through national farm-loan associations. It also extended the benefits of this interest reduction, and of the automatic deferment of principal provided for in existing law, to borrowers who obtained loans after May 12, 1935. Corresponding benefits were granted to borrowers who obtained loans direct or through Federal land-bank branches. The conference agreement retains the provisions of section 3 of the House amendment.

Section 11 of the Senate bill contained a provision providing that the rate of interest on any loan made by the Governor of the Farm Credit Administration or a bank for cooperatives to any cooperative association on the security of commodities should conform, as nearly as may be practicable, to the prevailing interest rate of commodity loans charged borrowers from the Federal intermediate credit bank of the district in which the principal office of the association was located. There was no corresponding provision in the House amendment. The conference agreement retains the provision of the Senate bill.

Section 18 of the Senate bill provided that obligations incurred by the Federal Farm Mortgage Corporation must be within the estimates submitted to and approved by the Director of the Budget. There was no corresponding provision in the House amendment, and the conference agreement eliminates the provision of the Senate bill.

Section 19 of the Senate bill provided for loans through the Federal land-bank system to corporations, with the restriction that no such loan should be made (1) unless the persons who owned all the stock of the corporation were actually engaged in the cultivation or operation of or in the raising of livestock on the farm to be mortgaged as security for the loan, except where such loans were permitted by the Land Bank Commissioner if at least 75 percent of the stock of the corporation was owned by persons actually so engaged, and (2) unless the owners of at least 75 percent of the stock assumed personal liability for the loan. There was a further restriction that no loan should be made to any corporation which was a subsidiary of or affiliated (either directly or through substantial identity of stock ownership) with a corporation ineligible to secure a loan in the amount applied for. The House amendment contained no such provision. The conference agreement retains the provision of section 19 of the Senate bill with one exception, namely, that the corporations which are eligible for such loans are restricted to those which are engaged in the raising of livestock.

Sections 20, 21, and 22 of the Senate bill contained amendments of a technical character necessary to permit Federal land-bank loans to be made to corporations. These provisions, which were not contained in the House amendment, are restored under the conference agreement in order to carry into effect the action taken with respect to section 19 of the Senate bill.

Section 23 of the Senate bill contained a provision requiring that in determining the earning power of land used in the raising of livestock, due consideration should be given to the extent to which the earning power of the fee-owned land was augmented by a lease or permit for the use of a portion of the public lands. This was intended to express in legislative form the policy followed in the appraisal of such land. No comparable provision was contained in the House amendment. The conference agreement retains this provision of the Senate bill.

Section 24 of the Senate bill contained a provision rendering ineligible for appointment or election as an administrative or executive official or as a member of the board of directors of a Federal land bank or affiliated institutions, any person who had been finally adjudged guilty of a felony, or finally adjudged liable in damages in any civil proceeding for fraud, in a State or Federal court. There was no similar provision in the House amendment. The conference agreement retains the provision of the Senate bill.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

The SPEAKER. The question is on the conference report. The conference report was agreed to.

A motion to reconsider was laid on the table.

DISPOSITION OF CERTAIN LIGHTHOUSE RESERVATIONS

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7131) to author-

ize the Secretary of Commerce to dispose of certain light-house reservations, and for other purposes, with Senate amendments, and concur in the same.

The Clerk read the title of the bill.

Mr. BLAND. Mr. Speaker, I ask unanimous consent that the amendments may be printed in the RECORD. The larger part of them are changes in figures. The other amendment is an item in the bill which was in the bill as the bill was reported to the House, but was stricken out by the House and inserted in the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments are as follows:

Page 2, line 4, strike out "35" and insert "36."
 Page 3, line 8, strike out "35" and insert "36."
 Page 3, line 18, strike out "35" and insert "36."
 Page 4, line 5, strike out "35" and insert "36."
 Page 4, line 21, strike out "forty" and insert "ten."
 Page 5, lines 10 and 11, strike out "turning, runs south 75° 34' 20" west to a stone bound; then"
 Page 5, line 21, strike out "35" and insert "36."
 Page 6, line 14, strike out "35" and insert "36."
 Page 6, line 23, strike out "35" and insert "36."
 Page 7, line 7, strike out "35" and insert "36."
 Page 7, line 17, strike out "35" and insert "36."
 Page 9, line 9, strike out "35" and insert "36."
 Page 9, line 18, strike out "35" and insert "36."
 Page 10, line 9, strike out "35" and insert "36."
 Page 10, line 19, strike out "35" and insert "36."
 Page 11, line 6, strike out "35" and insert "36."
 Page 11, line 12, strike out "35" and insert "36."
 Page 11, line 22, strike out "35" and insert "36."
 Page 12, line 20, strike out "35" and insert "36."
 Page 13, line 4, after "transferred", insert "and the conditions imposed by section 36 of this act."
 Page 18, line 5, strike out "28" and insert "28 and 37."
 Page 18, after line 20, insert:
 "Sec. 37. The Secretary of Commerce is authorized to convey to the city of Evanston, Ill., for public-park purposes the Grosse Point Lighthouse Reservation, comprising an area of about 100 feet by 535 feet and appurtenant structures thereon with the exception of the brick light tower and the plot of land surrounding same about 45 feet by 65 feet, together with the rights of ingress and egress, for the purpose of maintaining the light. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred, and the conditions imposed by section 36 of this act."

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

GERALD MACKEY

Mr. SNELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 378, entitled "An act for the relief of Gerald Mackey", with a Senate amendment, and concur in the same.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate amendment, as follows:

Page 1, line 7, after "Gerald Mackey", insert "not to exceed \$1,200."

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

LEECH LAKE BAND OF CHIPPEWA INDIANS

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2045) to set aside certain lands for the Leech Lake Band of Chippewa Indians in the State of Minnesota, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 1, lines 6 and 7, strike out "Leech Lake Band of."
 Page 2, strike out lines 3 to 6, inclusive.
 Page 2, line 7, after "reserved", insert "in trust."

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

The title was amended to read as follows: "An act to set aside certain lands for the Chippewa Indians in the State of Minnesota."

WRECKERS OF LABOR

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an article appearing in the Baltimore News and the Baltimore Post.

Mr. MCFARLANE. Mr. Speaker, reserving the right to object, what does the article cover?

Mr. DICKSTEIN. It is an article by the United Hebrew Trade Workers of the United States, an organization condemning communism.

Mr. MCFARLANE. Does it want to allow those in this country who are unlawfully here to remain? Does this article have anything to do with that matter?

Mr. DICKSTEIN. No. This article is in condemnation of communism in the United States, stating that they are a menace to labor.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, under permission granted me to extend my remarks, I am inserting herewith an editorial which appeared in the Baltimore News and the Baltimore Post under date of May 16, 1935, entitled "United Hebrew Trades Condemn Communists as Wreckers of Labor."

UNITED HEBREW TRADES CONDEMN COMMUNISTS AS WRECKERS OF LABOR

Aroused by the activities of the Communists throughout the United States, the United Hebrew Trades, which represents all the Jewish labor unions in the country, with a membership of 450,000, has made an official declaration.

The declaration was adopted almost unanimously. There were only three negative votes. One of the three voted against it because it did not sufficiently praise Lang for opposing the inhuman conditions which exist within Soviet Russia.

In their declaration the United Hebrew Trades said:

"OFFICIAL DECLARATION OF THE UNITED HEBREW TRADES

"The United Hebrew Trades, at a special meeting held on Monday evening, April 29, have given full consideration and have freely discussed the campaign being waged against the Forward as a result of the articles on Russia which a member of its staff, Comrade Lang, has permitted the New York Evening Journal to reprint."

(Editor's note: This series of articles by Harry Lang on conditions in Soviet Russia was published in the Baltimore News and the Post.)

"The United Hebrew Trades have taken the matter up upon presentations of several unions that our position should be defined and made known to the tens of thousands of Jewish union members and to the Jewish masses in general.

"Before the assembled representatives of the unions began to confer upon the matter, Comrade Lang was given an opportunity to make a statement as to all the facts in the case. He was entitled to such consideration by many years of loyal service to the cause of the labor movement.

"The United Hebrew Trades, upon analyzing the whole matter and considering all the relevant points, has adopted the following declaration:

"In the course of our entire history we have always treated with respect, in all questions and incidents in the labor movement, resolutions and decisions made by other sections of our movement. This is true of the resolution of the Forward Association on the question of Comrade Lang, with the addition that the entire incident has in no way diminished our respect and confidence in him as a journalist and contributor to the activities of the labor movement.

"We recognize that the editorial staff of the Forward and the Forward Association are mainly competent to judge Comrade Lang's conduct.

"We fling back every attempt now being made to create opposition to the Forward.

"The campaign of incitement on the part of the Communists is a natural phenomenon. We expect no other attitude on their part. They have carried on their wrecking operations in the unions during the entire period of their existence and they are trying to break up the unions now. They have always condemned the Socialists and the entire Socialist movement, and they are condemning them now.

"They have been carrying on their scandalous work throughout the length and breadth of the labor movement. When, in 1934, all of labor assembled in Madison Square Garden to protest against the slaughter of the Socialists in Vienna and to mourn the martyrs of Austrian fascism, the Communists with their

rowdy attacks upon the assembly branded themselves as the worst of Hooligans who deserve no attention on the part of any decent person.

"A similar sentence was passed upon them when they staged their diabolical dance over the hopes and interests of the Jews. It was in 1929, when the Jewish masses of the world were shocked by the Arab massacres of Jews in Palestine, that the Communists welcomed the pogroms and hailed the pogrom makers. They condemned themselves and placed themselves under the curse of all Jewish people.

"In every country in the world the Communists march hand in hand with the darkest reactionaries to destroy the socialist, and the democratic and the labor movements. It is they who are responsible for fascism, which destroys every bit of freedom and sows race hatred. Their disturbances here in America have the same character as the trouble which their comrades create in other lands.

"The united Hebrew trades greet the Forward at its consistent stand against all demagogues and trouble-makers in the Jewish world, and call upon all unions and their members to fling back the base charges being leveled against the Forward.

"It is the Forward which was the great power that had built every Jewish union, that always defended and continues to defend absolutely all immigrants against their enemies. In all our battles the Forward is our great champion.

"We declare: They who condemn the Forward condemn the entire Jewish labor movement. The Jewish unions will stand like a mighty force ready to defeat every attack against the Forward and against the labor movement.

"United Hebrew Trades, R. Guskin, chairman; M. Tigel, vice chairman; M. Feinstone, secretary; executive committee: M. Abramson, M. Cohen, H. Goldovsky, M. Edelson, S. Pollakov, A. Student, H. Lilliput, A. Tovlin, A. Baron, A. Dvinsky, M. Horowitz, S. Metz, J. Tovlin, A. Soloviof, M. Volpert, S. Voltchok."

PROGRAM OF FOREST LAND MANAGEMENT

Mr. GREENWOOD. Mr. Speaker, at the request of the Rules Committee I call up House Resolution 223.

The Clerk read as follows:

House Resolution 223

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 6914, a bill to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests, etc. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. GREENWOOD. Mr. Speaker, this resolution covers a rule for the consideration of what is known as the "Fulmer reforestation bill." This bill comes from the Committee on Agriculture and has the approval of the Chief Forester of the Forest Service, and is a bill that authorizes the appropriation of \$20,000,000 in order for the Federal Government to cooperate with the States in setting up State forest reservations. This is in addition to the program and the appropriation made sometime ago for the establishment of areas for reforestation on the part of the Federal Government.

Mr. Speaker, I may say this will encourage the States to take over certain areas with the assistance of the Federal Government which shall be maintained and supervised by the State conservation departments, with the idea in view that in time, with the assistance of the Federal Government, the States will be able to pay the Federal Government and take these areas over as State forest reservations. This also permits the States to use certain tracts that they have taken in because of nonpayment of delinquent taxes, and request the Federal Reforestation Service to assist the States in the management of these areas. So far as I know it meets with the approval of not only the Federal Forest Service, but with all of the State reforestation and conservation departments.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from New York.

Mr. FITZPATRICK. How will this be divided? Will each State get its equal share?

Mr. GREENWOOD. It will be considered by projects just as reforestation projects are now considered. No specific allocation is made, and no State will be preferred over another. Any State having a conservation department may submit any project of State-owned land it would like to have come under this particular plan. It will be approved here by the Chief Forester of the Federal Forest Service.

Mr. FITZPATRICK. Will each State have to match the Federal Government?

Mr. GREENWOOD. No. It is not a matching on a 50-50 basis. The State can accept this service and build a future forest service that will be held in the name and title of the State.

Mr. Speaker, this is a wide-open rule, which allows for the offering of any amendments that may be submitted, and provides for 1 hour's general debate. The gentleman from South Carolina [Mr. FULMER], author of the bill, and the chairman of the subcommittee of the Agricultural Committee that held the hearings on this matter, the gentleman from Mississippi [Mr. DOXEY] are here, and they can better answer questions with reference to the provisions of the bill. If any Member desires time under the rule, I shall be glad to grant them time, but unless time is requested I will move the previous question.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

THE TRIPLE A. AMENDMENTS

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered over N. B. C. on Saturday, May 11, by the Chairman of the House Committee on Agriculture, the distinguished gentleman from Texas [Mr. JONES], in which he ably discussed the pending amendments to the Agricultural Adjustment Act.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KLEBERG. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered over the radio on Saturday, May 11, by the Chairman of the Committee on Agriculture, the distinguished gentleman from Texas [Mr. JONES]:

THE TRIPLE A. AMENDMENTS

Attacks from many sides are now being leveled at the farm program. This is an age of propaganda, and selfish groups have not failed to make the most of their opportunities.

The groups that have been making the attack evidently hope that the farmers have forgotten the desperate conditions that prevailed in 1932. Manifestly they hope to sow the seeds of discord among those who have received the vast benefits and experienced the great improvements under the operations of the farm program.

Things are happening at such a rapid rate that we are prone to forget conditions that prevailed only a short time ago.

Let us analyze the situation in the light of actual facts.

THEN AND NOW

In the winter of 1932 farm products were the lowest and most unsatisfactory they had been in 50 years. Let us contrast a few of the prices that prevailed then with prices at the present time. Here is the deadly parallel:

In December 1932 the farm price of wheat was 32 cents per bushel. Today it is 90 cents per bushel.

In December 1932 the farm price for corn was 19 cents per bushel. Today it is 85 cents per bushel.

Then the farm price for cotton was 5 cents per pound. Today it is 12 cents per pound.

At the close of 1932 the farmer was receiving \$2.73 per 100 pounds for his hogs—the lowest price in 54 years. Today he is receiving \$9 per 100 pounds.

Cattle, rice, tobacco, and other farm products have increased in similar proportions.

Do you want to return to those unbearable conditions?

Do you want to return to those prices that wrecked the farmers' hopes and consequently the Nation's business?

Will you listen to organized groups who are interested only in commission prices on volume business, regardless of the price to the farmer and livestock man?

If you do, then these destroyers are speaking your language and expressing your sentiments.

ADDITIONAL BENEFITS

In addition to these increases in prices of farm commodities, the Agricultural Adjustment Administration has paid to the farm-

ers in actual benefit payments a total of approximately \$1,000,000,000. This has increased very greatly the purchasing power of the farmer and has stimulated business all along the line. These prices have not injured the consumer. The raw material cost, when translated into the finished product, is so small an element in the price picture as to be almost negligible. It is far more than offset by the tremendously increased purchasing power of the farmer and his consequent purchases of the manufactured product, which are reflected in better business conditions.

THE TRIPLE A ACT

We learn by experience. In administering a vast and far-reaching act, it has been found that certain amendments are needed. This is but natural. The harvester was not perfected in a single day. The first radio was a crude affair, but did we discard it because of this? If you will go to the Smithsonian Institution and look at the first automobile, you will wonder why they ever had any hopes of its ultimate practical success; but did they discard it for this reason? You need but to step out on one of the main streets or roads of the country to get an overwhelming answer.

The primary object of the Agricultural Adjustment Act is to secure parity prices for the farmers' products. Can anyone object to this? Does anyone want to grind the farmers' prices down below a living level?

A FLEXIBLE PROGRAM

The amendments that have been proposed will provide a more flexible program by permitting the use of different plans with reference to different commodities, thus enabling the plan to be fitted to the particular commodity.

The word "adjustment" has been substituted for the word "reduction", so that the production of a crop hereafter may be adjusted to our domestic and foreign market demands rather than being based upon the question of reduction alone. It may mean a decrease or an increase, or neither, depending upon the supply necessary to fit the general market demand. Can anyone object to this?

THE FOREIGN MARKET

Much ado has been made of our foreign markets. This is another feature which the new amendments undertake to solve.

At the beginning of the program such a vast surplus had been backed up in reference to so many commodities that a de-clearing reduction program was necessary. Having largely achieved the necessary results along these lines, the amendments provide that in addition to benefit payments being made for adjustment that a portion of the funds may be used for expansion of domestic and foreign markets or for the removal of recurrent agricultural surpluses. Does anyone have any objection to this part of the program?

THE GRANARY IDEA

The amendments also provide for the ever normal granary proposal so that benefits may be paid in kind, thus insuring a reserve supply against droughts and shortages. This would permit an adjustment program to be carried on in the regular way and at the same time make certain there would, at no time, be a lack of supply of the essential commodities. Does any normal man object to this?

MARKETING AGREEMENTS AND LICENSES

Perhaps there have been more wild assertions and more discussion and more misunderstanding about the marketing agreements and licenses than any other part of the proposed amendments. Personally, I am opposed to any general licensing program. We are assured there will be none. In order to make that assurance doubly sure, the House committee has limited the possible use of imposed licenses to just those specifically named commodities as to which there seems to be a necessity for their use.

The committee has greatly limited the original proposals. With these limitations only such additional powers can be used as are necessary to handle milk, tobacco, wool, sugar beets, fruits, and vegetables. They cannot be applied to anything else. No national commodity except milk can be affected in any way. We have sought to protect legitimate business.

Let us leave the realm of fancy and assertion, into which so many of the critics have delved, and search for the real truth about these proposals. These are of vital interest to more than 2,000,000 farmers whose production is such that the regular agricultural program cannot properly apply to it.

Licenses in connection with marketing agreements are provided in the present act. These licenses were for the purpose of getting at the minority chiselers who wanted to destroy the effectiveness of the agreements. Does anyone want to defend the chiseler?

PRACTICAL EXPERIENCE

It was found from experience that in certain commodities highly organized processors and distributors not only would not enter into marketing agreements but would not even talk about them. These amendments make it possible to have a program for these particular commodities on proposed marketing agreements, with the rights of everyone safeguarded in every possible way.

These proposed marketing agreements can apply only to milk and its products, tobacco, wool, sugar beets, fruits, and vegetables. It is a question whether the producers of these commodities shall be permitted to have a part in price restoration or whether they will be left to the mercy of the wolves.

SAFEGUARDS

The rights of everyone are protected in every conceivable way. Before they can be applied there must be an open hearing. It must appear that there is no other practical way to protect the interests of the producer. They must have the approval of the President. They must have the approval of a majority of the producers whose commodities are affected. Surely no one can object to these safeguards.

THE OPPONENTS

The opposition charges that we are regimenting the farmers. There is not even a semblance of truth in the charge.

It has been repeatedly charged that there is to be wholesale licensing of retailers. As a matter of fact, except as to milk and its products, the amendments provide that no retailer can be licensed.

It is charged that farmers are to be licensed. The amendments specifically state that no farmer shall be licensed.

The critics of the amendments should attend a truth party just as a matter of novelty, if for no other purpose.

ADDED FEATURES

As a matter of fact, the license features as restricted by the committee are but a small part of the amendments. Many desirable features have been added by the committee. These will make the act broader and more flexible and will, in the judgment of the committee, add greatly to the success of the act. In fact, practically all of those who have really studied the proposals are in hearty accord with these provisions. The expansion of domestic and foreign markets, the removal of surpluses, and increased trade are included. About these purposes there can be no division of opinion.

A SPECIAL FUND

For more than 60 years this country had a tariff system in which in large measure the producer and livestock man could have no part. For all these years the producers of America have carried this load on their backs and disposed of their commodities in a free and open market. Thirty percent of the people of America are actual tillers of the soil. In order to restore to them their part of the national policy, the amendments provide for establishing a fund equivalent to 30 percent of the annual tariff receipts to be used for the purpose of encouraging exportation or for the purpose of making payments in connection with that part of the production of the different commodities which goes into domestic consumption. Can anyone object to this measure of fairness?

When the logic of analysis is brought to bear on these amendments the criticism disappears like the mists. It cannot stand the light of truth.

THE REAL OPPOSITION

The real opposition to these amendments comes from those who would like to destroy the entire farm program. It comes from those who profit most when volume is greatest and when prices are pitifully small. It comes from such parties as the big milk organizations, some of which made millions right through the depression years when the price paid to the producer of the milk wouldn't pay for the feed necessary to keep his cows alive.

THE PRODUCERS

I appeal to the producers whose program this is. This is the first time in the history of our common country that a real program has been fashioned for the farmer and livestock man. He has a voice in formulating it, and he has a part in its administration. Of course, it is not perfect. No one makes such a claim, but will you because of this run the machine into the ditch and go back to the tender mercies of those who have had the craft to profit on the farmers' misfortune? If the producers stand together, if they defend their own program, and instead of listening to the siren song of those whose interests are in conflict, they help to perfect and develop the program, they will one day have a chance to manage their own business and to secure the normal profit from their own labors.

It has been said many times that the farmer is unorganized and that the organized manufacturers and distributors of his products can, through propaganda and the spending of money, cause him to be dissatisfied and thus wreck any program that is prepared in his behalf. That may have been true once, but I believe we have lived beyond that day. I believe the producers have seen enough of the benefits of the present activities to know that their interests will be furthered by standing together for the improvement of the program and not listening to the siren voice of those who would wreck their hopes.

I have devoted the best years of my life to this cause. Many others have done likewise. I want to see the rainbow of the farmers' hopes touch the ground. If they stand together, I believe that this result will be achieved.

Producers of America, will you permit your program to be wrecked? I do not believe you will.

PROGRAM FOR FOREST LAND MANAGEMENT

Mr. FULMER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6914) to authorize cooperation with the several States for

the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 6914, with Mr. McLAUGHLIN in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. FULMER. Mr. Chairman, I am very pleased to have the opportunity of presenting to you this afternoon a bill that I believe will meet with the hearty approval of all the Members of the House. The bill has been favorably endorsed by the Forest Service of the Department of Agriculture, and I believe by the Forest Service of each State in the Union.

The purpose of the bill is to furnish money through the Federal Government to acquire areas in various States of the Union for forestry purposes. This will give an opportunity to buy areas, not only in one section of any State, but in various sections of the State. Title to these lands will be vested in the Federal Government, and the State will be given an opportunity to pay back to the Federal Government the amount of money invested in such area. Then the lands will be titled back to the State for State forest purposes.

Mr. LORD. Mr. Chairman, will the gentleman yield for a question?

Mr. FULMER. I yield.

Mr. LORD. Is there any proposed price per acre set out in this bill or how is the land to be valued and purchased?

Mr. FULMER. This land will be selected as is the case now under the Federal Forest System, first, by the State forest services in cooperation with the Federal Forest Service, and then it has to be approved by the National Forest Commission. The State forest service, or State authorities, will not buy or obligate to buy land unless it is absolutely satisfactory to the Federal Forest Administration.

Mr. LORD. In my State of New York the State purchases land at a set price; that is, the State will purchase certain areas, if it contains 500 acres or more, at \$4 an acre. This is their limit as to price, no matter what the conditions may be, and I was just wondering if there is any set price or any such condition provided as to this proposition.

Mr. FULMER. There is no set price under the bill. But, the Forest Service has a system for buying forest land which I am sure will be carried out in connection with the operation of this bill.

The bill also provides that where a State has taken over land for delinquent taxes, such land can also be put into the Forest Service and the Federal Government will cooperate 50-50 in carrying on the forest service in the respective States with respect to such area.

Mr. LORD. But this land that is to be taken over belongs to the Federal Government and the State has nothing to do with it unless they elect to purchase it later on.

Mr. FULMER. That is correct in connection with lands purchased by the Federal Forest Service.

Mr. LORD. In other words, this is simply a Federal system in which the State has no part unless it eventually wants to buy it.

Mr. FULMER. The State cooperates with the Federal Government and it is a matter of a loan until the State can reimburse the Federal Government. The title then goes back to the State.

I may say to the gentleman there are a great many States of the Union that have not been able to acquire forest areas or cooperate with the Federal Government, because they have not had the revenue to match expenditures, dollar for dollar, with the Federal Government. This is an opportunity extended to the States for the purpose of cooperating in the acquisition of forest areas at a time when lands

are selling at a very low price, for the purpose of building up the natural resources of the country along this line.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield.

Mr. DONDERO. In my State of Michigan, we have a large area of what are known as "cut-over lands or pine lands." These lands belong to our State. Will this bill provide a method by which the Federal Government may purchase from the State such land for the purposes you have outlined?

Mr. FULMER. I should not think it would be necessary to purchase from the State State-owned land, because the whole idea is to purchase land in the first instance for the States, and eventually the title to the land will be transferred to the State for State forests. The Federal Government will cooperate with the gentleman's State 50-50 with respect to forest service on State-owned land, building up the forest and promoting fire protection and all that sort of thing.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I would like to say to the gentleman that Ohio has a real, progressive, up-to-date forest service, and this organization has indicated very clearly that they favor the gentleman's bill.

Mr. FULMER. I appreciate that.

Mr. DONDERO. If the gentleman will yield for one more question, in whom would the title be in the case the gentleman has cited, where the Government furnishes half of the money to match with the State?

Mr. FULMER. It would remain in the State under cooperative agreement with the Federal Government.

Mr. DONDERO. Then it is simply in the nature of a loan to the State?

Mr. FULMER. In cooperating with the gentleman's State, it would be, we might say, a grant, because they do not have to pay that back, inasmuch as the State already owns the land.

Mr. CASTELLOW. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Georgia.

Mr. CASTELLOW. What would be the status of land taken over, not by the State but by the various counties of a State, for taxes, where it is not owned by the State but the title is in the county of a State?

Mr. FULMER. It is my thought that under the bill, if that land is located in a proper area for forest service and the State forest service, in cooperation with the Federal Forest Service, should desire to take over the land, it would be perfectly satisfactory and would come in just like State-owned land.

Mr. PIERCE. Will the gentleman yield?

Mr. FULMER. I yield.

Mr. PIERCE. The Forest Service will cooperate with the State. It must be done through the State. Land belonging to the county can be taken by the State and then the Forest Service will cooperate with the State.

Mr. CASTELLOW. Will the gentleman yield?

Mr. FULMER. I yield.

Mr. CASTELLOW. They will not deal with the county?

Mr. PIERCE. No.

Mr. ANDRESEN. In regard to the question just raised, may I call attention to the provision on page 7, which reads as follows:

When a State or political unit thereof acquires under tax delinquency laws title to forest lands without cost to the United States and which lands are included within a State or other public forest, the Secretary of Agriculture, on behalf of the Federal Government, may contribute annually out of any funds made available under this act not to exceed one-half the cost of administering, developing, and managing said lands.

Mr. PIERCE. It is possible under that that you could get the county in, but at the present time the Forest Service will not cooperate except with the State. I very much doubt that they will want to cooperate unless they cooperate with the State.

Mr. CROWE. Will the gentleman yield?

Mr. FULMER. I yield.

Mr. CROWE. If the Government advances the money to the State, they can purchase the land and later refund that money to the Federal Government and own the land.

Mr. FULMER. That is right, except the Federal Government will have to advance the funds for the purchase, and the title will be in the Federal Government until the repayment is made, and then the title will go back to the State and lands will then be used as State forests.

Mr. CROWE. I want to say that we favor that project.

Mr. ANDRESEN. Is it not the purpose to acquire the title to the land by the sale of products of the land itself, so that there will be no extra expense?

Mr. FULMER. The purchase price of these lands may be paid to the Federal Government out of the proceeds received from lands so purchased by the Federal Government.

Now, the gentleman from Mississippi [Mr. DOXEY] will follow me, and he knows more about the mechanics of the bill than I do, and perhaps he will be able to give you additional information which will be helpful.

I might state that my colleague [Mr. DOXEY] is a distinguished member of the National Forest Commission, and in that he has considerable experience in connection with the administration of the Forest Service, as stated, I am sure he will be able and delighted to speak to you on the merits of the bill.

Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. DOXEY].

Mr. DOXEY. Mr. Chairman, I want to briefly explain this bill to the Members and answer any questions that I may be able to, as I reported the bill and my subcommittee conducted the hearings.

Mr. HULL. Will the gentleman yield?

Mr. DOXEY. I yield.

Mr. HULL. Will the gentleman give us his opinion on subsection (k), page 7, as to whether or not we would, by authorizing a county with 100,000 acres of delinquent-tax lands, if it so desired, to come under the provisions of this bill, establish what would practically amount to a county forest?

Mr. DOXEY. Yes, sir. That is one of the purposes of the bill.

Mr. HULL. There is no question about it?

Mr. DOXEY. I think that section (k) of the bill, to which the gentleman refers, gives just this picture: Every State has many millions of acres of tax-delinquent lands. In my State of Mississippi the title is in the State. In some States the title is in the counties. The main purpose of this bill is to aid forest development in the States that have not been encouraged or could not be encouraged to do much forestry work on account of State facilities and State appropriations. Suppose there are 10,000,000 acres of tax-delinquent property in a State, it would not be advisable, in my judgment, for the authorities, whether a board of supervisors of a county or a State authority, to say that the entire tax-delinquent land should be used for forest purposes, because there might be other purposes—homesteads, and so forth—to which the land could be put; but it is essential, and those of us who are interested in forestry work know, that one of the best uses to which some of this land can be put is in forests. Under the present system, the National Government does not establish forests in small acreage. National forests are from 200,000 acres up. There are about 65 national forests in the United States.

Now, with special reference to the section which the gentleman from Wisconsin [Mr. HULL] called attention to, there can be tax-delinquent land in the northeastern part of a State, some in the southwestern part of a State, and some in the central part of a State, and when the State authorities and those in charge determine that the best possible use of those lands in the various locations throughout the State would be for forest purposes, then the beneficent Federal Government comes in and says, "You submit these projects first to the regional office." There it will be carefully checked. There it is approved or disapproved, and it

is sent to the Forestry Service here in Washington, of which Mr. Silcox is Chief Forester. Then the Forest Service here approves or disapproves these matters. Then it is presented to what is an established commission, known as the "National Forest Reservation Commission." I have the honor to be a member of that Commission. There are three Cabinet members—the Secretary of War, the Secretary of Agriculture, and the Secretary of the Interior—members of that Commission. There are also two Senators on the Commission—Senator KEYES, of New Hampshire, and Senator GEORGE, of Georgia. Our colleague, Mr. WOODRUFF, of Michigan, and myself are members of that Commission. It is a bipartisan body. Most of us have served on the Commission for quite a number of years. We have given great thought and study to this problem as a national problem, and we saw the great need of many States having State forests that have not been able to develop forests for many reasons. Why? Because the Government has not been in some States to establish national forests. If they come in, the administration of a national forest of 500,000 acres is just as cheap as for a forest of 50,000, because they have the same rangers and watchers and such things. But this bill provides a method to encourage State forests by ordering that when these forests are established the State has jurisdiction of administering them. They can have any organization they want, just so they effectively administer it.

The Government says to the respective State, "Now, we are going to encourage you in your forest program by paying one-half of the cost of the administration." We do that in cases where we do not have to buy any land and State tax-delinquent land is already there and properly approved for use as a forest.

Now, in case a State says, "We have land that can be bought as cut-over land from individuals or corporations, which should be in the forests", they go through the same procedure, with recommendations, setting out the acreage and the temporary boundary lines. They are flexible and they can be changed to meet an emergency. Then by the same method they go to the Forest Service and on to the National Forest Commission, and they say, "We think this is a good project. Here are people who own this land. This is what we think we can buy the average land for per acre. That is not a contract. Those of us who consider that matter on the recommendation of the Forest Service say, "Go out and take an option at an average cost of so much an acre." They go out and contact the individual, and if they agree, the trade is made, and the Government pays the money. The forest is created, but the Government does not pay for the administration. The Government turns it over to the State. In that way you may have several small forest areas in a State, whereas now you do not have more than one or two because of the great acreage that is necessary under the present policy of the Government to include only large acreage in national forests. In this way a State can have small forest areas and have places for C. C. C. camps or any other thing that is necessary to develop these small tracts as forests.

Mr. ANDRESEN. Will the gentleman yield?

Mr. DOXEY. I am glad to yield to my colleague.

Mr. ANDRESEN. The gentleman has made a very fine and clear statement of the bill, and I am sure we all understand it much better. The conservation authorities in Minnesota are very much in favor of this legislation, but I would like to ask the gentleman if he can explain one question to us. The bill calls for an appropriation of \$20,000,000. That is one appropriation—not an annual appropriation. Does the gentleman have any idea as to how this money will be allocated, according to States or sections of the country, so that some assurance may be given that each State will get a part of that appropriation?

Mr. DOXEY. I think that is a pertinent question. That question was gone into in the committee hearings. The gentleman is a member of the subcommittee of which I am chairman and will remember the discussion we had in this regard. Let me say right here and now that during the course of my remarks I shall ask unanimous consent to in-

corporate the report of the subcommittee, for, while it does not clear up all points, it will be found helpful, and is as follows:

[House of Representatives, Rept. No. 830, 74th Cong., 1st sess.]

REPORT

[To accompany H. R. 6914]

The Committee on Agriculture, to whom was referred the bill (H. R. 6914) to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes, having considered the same, report thereon with a recommendation that it do pass.

STATEMENT

H. R. 6914 has the approval of the American Forestry Association, and a great many of the State foresters appeared before the subcommittee and testified in behalf of this proposed legislation.

Mr. F. A. Silcox, Chief of the Forest Service, Department of Agriculture, also appeared before the subcommittee and made a very comprehensive statement on the bill, thoroughly approved it, and endorsed in principle the plan set forth therein.

The purpose of the bill is to extend the forestry program through a cooperative set-up of the Federal Government and the States, to stabilize the State forestry departments, and to aid and stimulate the States that have not yet been able to build up their State forestry systems.

The bill provides for the acquisition, development, and management of State forests through the coordinated efforts of the Federal and State agencies. The bill is designed to safeguard the rights of the States as well as those of the Federal Government.

Under the bill, the States may acquire forest units under a long-time payment system which will pay back to the Federal Government the amount of money it spent for the lands.

The selection of the forest areas is made by the State forest authorities and recommended to the Federal Forest Service, which will go over the matter and then submit it to the National Forest Reservation Commission for final approval, which will authorize the purchase of the State forest unit as is now done with regard to the purchase of national-forest units. The States do not have to match the money in any way. The Federal Government purchases the land outright and pays all expenses incident to the purchase. Then the purchased forest area is turned over to the State forest organizations by cooperative agreements signed by the Secretary of Agriculture and the proper State officials. The land thereafter is under the direct management of the State forest service, with cooperative technical assistance and supervision from the Federal Government.

The Federal Government continues to own the land until the States buy the land back out of the resources derived from the land under the management of the States. In other words, it is a resale on the installment plan. The States are given an opportunity through this long-range program of securing these lands ultimately as State forests by being aided at this time by the Federal Government purchasing the lands and turning them over to the States to administer, the future cost of administering, developing, and managing to be paid by the States.

However, section 2 (k) of the bill provides that when tax-delinquent lands are acquired by the State and the Federal Government is relieved of the land-acquisition problem, the Government may aid the State by contributing annually out of any funds made available under this act not more than one-half the cost of administering, developing, and managing such forest lands, along the same line as the Government now contributes toward forest-fire protection throughout the country.

Under this bill a number of small areas may be set up so that participation in the forestry program will be distributed over the State. These widely scattered small areas within the State will act as demonstration areas, show how timberland should be managed and developed, and will serve as a laboratory station from which private owners may obtain valuable knowledge.

Under this bill many small unproductive areas in a State can be made productive and a foundation be laid for permanent stability of communities through permanent forests.

There are adequate safeguards set up in this bill so that the State forest units will be properly managed. With State management of the lands and State income out of the lands, the States will gain in resources as well as in forestry knowledge.

Further, forest lands owned by the State may be used for the establishment of Civilian Conservation Corps camps for practically any kind of work of public interest.

The bill is as follows:

"[H. R. 6914, 74th Cong., 1st sess.]

"A bill to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes

"Be it enacted, etc., That for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and of insuring coordinated effort by Federal and State agencies in carrying out a comprehensive national program of forest-land management, the Secretary of Agriculture is hereby authorized to enter into cooperative agreements with ap-

propriate officials of any State or States for acquiring in the name of the United States, by purchase or otherwise, such forest lands within the cooperating State as in his judgment the State is adequately prepared to administer, develop, and manage as State forests in accordance with the provisions of this act and with such other terms not inconsistent therewith as he shall prescribe, such acquisition to include the mapping, examination, appraisal, and surveying of such lands and the doing of all things necessary to perfect title thereto in the United States: *Provided*, That, since it is the declared policy of Congress to maintain and, where it is in the national interest to extend the national-forest system, nothing herein shall be construed to modify, limit, or change in any manner whatsoever the future ownership and administration by the United States of existing national forests and related facilities, or hereafter to restrict or prevent their extension through the acquisition by purchase or otherwise of additional lands for any national-forest purpose: *Provided further*, That this act shall not be construed to limit or repeal any legislation authorizing land exchanges by the Federal Government, and private lands acquired by exchange within the limits of any area subject to a cooperative agreement of the character herein authorized shall hereafter be subject to the provisions of this act.

"Sec. 2. No cooperative agreement shall be entered into or continued in force under the authority of this act or any land acquired hereunder turned over to the cooperating State for administration, development, and management unless the State concerned, as a consideration for the benefits extended to it thereunder, complies in a manner satisfactory to the Secretary of Agriculture with the following conditions and requirements which shall constitute a part of every such agreement:

"(a) In order to reduce the need for public expenditures in the acquisition of lands which may be brought into public ownership through the enforcement of appropriate tax delinquency laws, and, by bringing about the handling of such lands upon a sound social and economic basis, to terminate a system of indeterminate and unsound ownership injurious to the private and public interest alike, no additional lands shall be acquired within any State by the United States under this act after June 30, 1942, unless the State concerned has prior thereto provided by law for the reversion of title to the State or a political unit thereof of tax-delinquent lands and for blocking into State or other public forests the areas which are more suitable for public than private ownership, and which in the public interest should be devoted primarily to the production of timber crops and/or the maintenance of forests for watershed protection, and for the enforcement of such law: *Provided*, That in the administration of this act prior to June 30, 1942, preference will be given to States applying for cooperation hereunder which provide by law for such reversion of title under tax delinquency laws.

"(b) In order to insure a stable and efficient organization for the development and administration of the lands acquired under this act, the State shall provide for the employment of a State forester, who shall be a professionally trained forester of recognized standing, and of a State forest organization in which the personnel is technically qualified and employed, advanced, and retained upon the basis of merit. In the administration of this act preference will be given to those States which have provided by law for such employment on a merit basis.

"(c) The Secretary of Agriculture and the appropriate authorities of each cooperating State shall work out a mutually satisfactory plan defining forest areas within the State which can be most effectively and economically administered by said State, which plan shall constitute a part of the cooperative agreement between the United States and the State concerned: *Provided*, That nothing herein shall be held to prevent the Secretary of Agriculture from later agreeing with the proper State authorities to desirable modifications in such plan.

"(d) No payment of Federal funds shall be made for land selected for purchase by the United States under this act until such proposed purchase has been submitted to and approved by the National Forest Reservation Commission created by section 4 of the act approved March 1, 1911 (36 Stat. 961; U. S. C., title 16, sec. 513).

"(e) Subject to the approval of the National Forest Reservation Commission, the Secretary of Agriculture is authorized to pay out of any available money appropriated for carrying out the purposes of this act any State, county, and/or town taxes, exclusive of penalties, due or accrued on any forest lands acquired by the United States under donations from the owners thereof and which lands are to be included in a State or other public forest pursuant to this act.

"(f) The State shall prepare such standards of forest administration, development, and management as are necessary to insure maximum feasible utility for timber production and watershed protection, and are acceptable to the Secretary of Agriculture and shall apply the same to lands acquired and placed under the jurisdiction of the State pursuant to this act.

"(g) That with the exception of such Federal expenditures as may be made for unemployment relief, the State shall pay without assistance from the Federal Government the entire future cost of administering, developing, and managing all forest lands acquired and over which it has been given jurisdiction under this act.

"(h) During the period any cooperative agreement made under this act remains in force, one-half of the gross proceeds from all lands covered by said agreement and to which the United States holds title shall be paid by the State to the United States and covered into the Treasury. All such payments shall be credited

to the purchase price the State is to pay the United States for said land, such purchase price to be an amount equal to the total sum expended by the United States in acquiring said lands. Upon payments of the full purchase price, either as herein provided or otherwise, title to said lands shall be transferred from the Federal Government to the State, and the Secretary of Agriculture is authorized to take such action and incur such expenditures as may be necessary to effectuate such transfer.

"(i) Upon the request of the State concerned, any agreement made pursuant to this act may be terminated by the Secretary of Agriculture. The Secretary of Agriculture may on his own motion terminate any such agreement for any violation of its terms and/or the provisions of this act. If such an agreement is terminated, the Federal-owned lands affected by it shall thereafter be held and administered as are national forest lands acquired by the United States under the act of March 1, 1911 (36 Stat. 961), as amended; but the United States shall reimburse the State for so much of the State funds as have been expended in the administration, development, and management of the lands involved as the Secretary of Agriculture may decide to be fair and equitable.

"(j) The State shall furnish the Secretary of Agriculture with such annual, periodic, or special reports as he may require respecting the State's operations under its agreement with him.

"(k) When a State or political unit thereof acquires under tax delinquency laws title to forest lands without cost to the United States and which lands are included within a State or other public forest, the Secretary of Agriculture, on behalf of the Federal Government, may contribute annually out of any funds made available under this act not to exceed one-half the cost of administering, developing, and managing said lands.

"Sec. 3. For the purposes of this act, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed \$20,000,000."

No man can say just exactly how the money will be allocated until the propositions are presented. I do not want to take up too much of the time of the Committee. Perhaps the first year not even \$1,000,000 will be spent, perhaps the amount may be more. Why is this so? Because some States like the State of New York and the State of Pennsylvania have forestry services developed to such an extent that it is possible there will not be any applications from those States. On the other hand, States like Mississippi, Louisiana, Alabama, South Carolina, Georgia, and others, which have made no progress along this line, or where progress along this line is in its infancy, may have various projects and this proposition will be before them to be taken advantage of as they come forward; each case will stand on its own merits. I am sure there will be no disposition to put more money in one section or in one State than in another any more than there has been with reference to the national-forest program which has been in effect, and which has, in my judgment, given great satisfaction to all the States.

Mr. BACON. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. I yield.

Mr. BACON. As a matter of fact this bill is simply an authorization is it not? This money will have to be appropriated by the Committee on Appropriations each year, and the question of allocation between the several States can be gone into then by the Appropriations Committee.

Mr. DOXEY. I think the distinguished member of the Appropriations Committee has hit the nail on the head. I want to say frankly that in our study of the bill the figure of \$20,000,000 was merely an arbitrary figure and used more or less as an indication of what it would take to carry the program over a number of years. Of course, in some years more money will be spent than in others.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DOXEY. I have merely tried to be conservative in my statement of the facts and figures. I do not desire to take up too much of your time; however, this is a matter in which nearly every State in the Union is interested, and every forester of every State that has had any contact with the program has gone on record as favoring this bill, and many of them have testified to that effect before our committee.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. I yield.

Mr. KELLER. Does the pending bill provide for the taking over of the areas that are being developed by the States?

Mr. DOXEY. Not in the least. In other words, if the States have made such progress as to have a State forest developed, this will possibly augment their plan. The Government wants to encourage them. The Government is doing all it can to broaden the program by saying it will buy the land if the State will administer it. In other words, there may be one or two small areas which would not be large enough to warrant Federal management, but we say to the States, "We will put up the funds to buy the land if you, the State, will administer the land."

Mr. KELLER. I did not make myself plain. In Illinois at the present time, for instance, we have established two large forests.

Mr. DOXEY. Certainly; those are national forests.

Mr. KELLER. Yes. Does the pending bill interfere with the national forests in any way?

Mr. DOXEY. In no way in the world; that is specifically stated. That program is as separate from this as day is from night.

Mr. KELLER. We would not have got anywhere with it if the Federal Government had not stepped in.

Mr. DOXEY. I appreciate that. The same is true in Illinois, Mississippi, and many other States. But wherever these forests have been developed they have been successful, and we feel that the money has been so wisely expended that another expenditure along this line will prove of permanent value to the various States.

Mr. CASTELLOW. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. I yield.

Mr. CASTELLOW. Under the terms of this bill, in the gentleman's opinion, can comparatively small areas be economically handled?

Mr. DOXEY. That is a matter that is up to the State entirely. The Government takes the position that the cost to the Government to manage forest areas is so great because of the necessity of sending trained and experienced workers that it cannot undertake it except in large areas. So in the cases which will be taken care of by the terms of this bill, we say to the States that we will furnish the money to buy the lands if the States will undertake the administration of them. That is a matter of economy for the Government. A matter of choice for the States.

Mr. CASTELLOW. I thank the gentleman.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. DOXEY. I yield.

Mr. DONDERO. The gentleman from North Carolina said that the Federal Government would lend the money to various States for the purpose of putting these areas under reforestation. What interest will the Government charge the various States for the money so lent?

Mr. DOXEY. I may say to the gentleman from Michigan that the Government does not lend the States a dime. In effect the Government says to the States that it will purchase the acreage if the State will administer it and the State can buy it back from the Federal Government for just what the Government has in it.

Mr. DONDERO. Without paying interest?

Mr. DOXEY. And there is no interest charged, even over a long period. The Federal Government says to the States that they may repurchase these forests from the Federal Government, but so long as the States do not pay the Government just what the Government paid out, the title remains in the Federal Government if the Government buys them. You understand that if in the beginning the State owned the land, as in the case of tax-delinquent lands, the Government then only contributes one-half of the expenses of administration and the title to the lands is in the State. The only case where a resale or repurchase is necessary is when the Government in the beginning purchases the land from individuals or corporations. The Government furnishes the money only when it is necessary, and if the State desires to do so, it can repurchase the land by paying for it over a long period of time.

When the Government is paid, we are hopeful it may be conveyed to the States with all the improvements thereon. So there are no interest charges, and it is not a loan. It is a trade. In other words, it is a purchase and a repurchase, or a sale and a resale.

Mr. PIERCE. Will the gentleman yield?

Mr. DOXEY. I yield to the gentleman from Oregon.

Mr. PIERCE. May I say that there has been no activity in the West on the part of the commission of which the gentleman is a member. The intention of this bill is to make it national?

Mr. DOXEY. Yes.

Mr. PIERCE. Why have we not had anything done in the West under the present commission?

Mr. DOXEY. There was no desire in the world to discriminate. We have not gone west of the Mississippi River for the reason that there are millions of acres in national parks out in the gentleman's State and adjoining States, while the States back here did not have a nucleus or anything with which to start. Our funds were extremely limited, and we could not scatter out in a national way.

Mr. PIERCE. Our forests are disappearing rapidly. The idea of this bill is a national one?

Mr. DOXEY. Yes.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. LORD. Will the gentleman yield?

Mr. DOXEY. I yield to the gentleman from New York.

Mr. LORD. I have not clear in my own mind one question. Could a county take advantage of this measure if it has tax land available?

Mr. DOXEY. That question came up before. The language sets out the State as a unit or a subdivision thereof. Of course, where they have State laws under which the tax title is vested in a county and not in the State, certainly that would be a subdivision of the State. It is a quasi-political unit to say the least, and there is no question in my mind if the county can make certain arrangements with the State forestry service to administer it, and can show good cause, the county may take advantage. But no counties have a separate forest administration service; therefore there has to be an understanding and cooperation between the county and the State as to how it is to be administered and how it is to be established.

Mr. MOTT. Will the gentleman yield?

Mr. DOXEY. I yield to the gentleman from Oregon.

Mr. MOTT. There seems to be no provision in this bill covering reimbursement to the State on account of the vesting of this land in the Federal Government. When it is vested in the Federal Government by purchase it goes off the tax rolls and the State would lose the tax revenue. There is no provision for reimbursement to the State on account of that tax loss?

Mr. DOXEY. No. That provision is not in any forest law either. That is the one argument that is advanced against establishing forests, national, State, or otherwise, in a State, because all publicly owned land naturally goes off the tax rolls. The argument that meets that contention is that it is a type of land that is already off the tax rolls, because you cannot make a living on it or use it for any other purpose, and, if the State does not want to lose the revenue they must not ask the Government for funds with which to buy the land for forestry purposes.

Mr. MOTT. If I may correct the gentleman, he has not stated the situation quite accurately. There is a great deal of Federal land in the western part of the United States, particularly in the State of Oregon, which is revested land, which was formerly in private ownership and now vested in the Government.

Mr. DOXEY. As a national forest?

Mr. MOTT. The land I refer to particularly is the Oregon-California grant lands.

Mr. DOXEY. I was referring to that land in national forests.

Mr. MOTT. There was an attempt made to put a provision in the Revesting Act to reimburse the State for tax loss on account of such revestment of land. It has not worked out very well. I have a bill now pending in Congress which I am hoping to get approval of from the Interior Department, which will actually provide for reimbursement to the State on account of the tax loss occurring through revestment of the land.

In regard to national forests, I may say that land was not taken off the tax rolls, nor did the State have anything to do with it, because the national forests in the West were owned by the Government before the States were ever admitted to the Union; so the States had nothing to say about that matter. As a condition to our admission into the Union we were forced to give the Federal Government all the land they wanted, so that it cannot be said that that land has actually been taken off the tax rolls.

Mr. DOXEY. The land never was on the tax rolls.

Mr. MOTT. The land never was on the tax roll. But under this bill the Government would acquire land now on the tax roll. May I ask the gentleman if he does not think in a transfer of that kind provision should be made to reimburse the State in which the land is located for the tax loss which will occur by reason of the vesting of the title to this land in the Federal Government?

Mr. DOXEY. I can appreciate the gentleman's position, but if that provision is put in the bill it would be contrary to existing law, and the gentleman can see what a complicated ramification there would be in connection with this effort. There are many benefits to be derived from this bill. Here is a benefit that goes to the State that we have not considered under existing law. If there is any revenue from any of these forests, a portion of it goes to the State, which will be used for school and road purposes. I can cite you the case of the Pisgah National Forest in North Carolina. The income from that forest has amounted to more than all the taxes that would have been collected if they had been collecting taxes on the land within that forest since it was established as a national forest. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, we have no requests for time on this side.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. No cooperative agreement shall be entered into or continued in force under the authority of this act or any land acquired hereunder turned over to the cooperating State for administration, development, and management unless the State concerned, as a consideration for the benefits extended to it thereunder, complies in a manner satisfactory to the Secretary of Agriculture with the following conditions and requirements which shall constitute a part of every such agreement:

(a) In order to reduce the need for public expenditures in the acquisition of lands which may be brought into public ownership through the enforcement of appropriate tax delinquency laws, and, by bringing about the handling of such lands upon a sound social and economic basis, to terminate a system of indeterminate and unsound ownership injurious to the private and public interest alike, no additional lands shall be acquired within any State by the United States under this act after June 30, 1942, unless the State concerned has prior thereto provided by law for the reversion of title to the State or a political unit thereof of tax-delinquent lands and for blocking into State or other public forests the areas which are more suitable for public than private ownership, and which in the public interest should be devoted primarily to the production of timber crops and/or the maintenance of forests for watershed protection, and for the enforcement of such law: *Provided*, That in the administration of this act prior to June 30, 1942, preference will be given to States applying for cooperation hereunder which provide by law for such reversion of title under tax delinquency laws.

(b) In order to insure a stable and efficient organization for the development and administration of the lands acquired under this act, the State shall provide for the employment of a State forester, who shall be a professionally trained forester of recognized standing, and of a State forest organization in which the personnel is technically qualified and employed, advanced, and retained upon the basis of merit. In the administration of this act preference will be given to those States which have provided by law for such employment on a merit basis.

(c) The Secretary of Agriculture and the appropriate authorities of each cooperating State shall work out a mutually satisfactory plan defining forest areas within the State which can be most

effectively and economically administered by said State, which plan shall constitute a part of the cooperative agreement between the United States and the State concerned: *Provided*, That nothing herein shall be held to prevent the Secretary of Agriculture from later agreeing with the proper State authorities to desirable modifications in such plan.

(d) No payment of Federal funds shall be made for land selected for purchase by the United States under this act until such proposed purchase has been submitted to and approved by the National Forest Reservation Commission created by section 4 of the act approved March 1, 1911 (36 Stat. 9661; U. S. C., title 16, sec. 513).

(e) Subject to the approval of the National Forest Reservation Commission, the Secretary of Agriculture is authorized to pay out of any available money appropriated for carrying out the purposes of this act any State, county, and/or town taxes, exclusive of penalties, due or accrued on any forest lands acquired by the United States under donations from the owners thereof and which lands are to be included in a State or other public forest pursuant to this act.

(f) The State shall prepare such standards of forest administration, development, and management as are necessary to insure maximum feasible utility for timber production and watershed protection, and are acceptable to the Secretary of Agriculture and shall apply the same to lands acquired and placed under the jurisdiction of the State pursuant to this act.

(g) That with the exception of such Federal expenditures as may be made for unemployment relief, the State shall pay without assistance from the Federal Government the entire future cost of administering, developing, and managing all forest lands acquired and over which it has been given jurisdiction under this act.

(h) During the period any cooperative agreement made under this act remains in force, one-half of the gross proceeds from all lands covered by said agreement and to which the United States holds title shall be paid by the State to the United States and covered into the Treasury. All such payments shall be credited to the purchase price the State is to pay the United States for said land, such purchase price to be an amount equal to the total sum expended by the United States in acquiring said lands. Upon payments of the full purchase price, either as herein provided or otherwise, title to said lands shall be transferred from the Federal Government to the State, and the Secretary of Agriculture is authorized to take such action and incur such expenditures as may be necessary to effectuate such transfer.

(i) Upon the request of the State concerned, any agreement made pursuant to this act may be terminated by the Secretary of Agriculture. The Secretary of Agriculture may on his own motion terminate any such agreement for any violation of its terms and/or the provisions of this act. If such an agreement is terminated, the Federal-owned lands affected by it shall thereafter be held and administered as are national-forest lands acquired by the United States under the act of March 1, 1911 (36 Stat. 961), as amended; but the United States shall reimburse the State for so much of the State funds as have been expended in the administration, development, and management of the lands involved as the Secretary of Agriculture may decide to be fair and equitable.

(j) The State shall furnish the Secretary of Agriculture with such annual, periodic, or special reports as he may require respecting the State's operations under its agreement with him.

(k) When a State or political unit thereof acquires under tax-delinquency laws title to forest lands without cost to the United States and which lands are included within a State or other public forest, the Secretary of Agriculture, on behalf of the Federal Government, may contribute annually out of any funds made available under this act not to exceed one-half the cost of administering, developing, and managing said lands.

Mr. GEHRMANN. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. GEHRMANN: On page 6, line 18, strike out all of subsection (i) of section 2, down to and including line 5, on page 7, and insert in lieu thereof the following:

"(i) Upon the request of the State concerned, any agreement made pursuant to this act may be terminated by the Secretary of Agriculture. The Secretary of Agriculture may, with the consent and approval of the National Forest Reservation Commission, after due notice given the State and hearing held by said Commission, terminate any such agreement for violations of its terms and/or the provisions of this act. If such agreement is terminated, the United States shall reimburse the State for so much of the State funds as have been expended, in the administration, development, and management of the lands involved as the Secretary of Agriculture may decide to be fair and equitable."

Mr. GEHRMANN. Mr. Chairman, this amendment was sent to me through Senator LA FOLLETTE, who had received it from Mr. Immel, chairman of the Wisconsin Conservation Commission.

The amendment would leave the language practically as it is now, except, as the bill is now, it provides that the Secretary of Agriculture, upon his own motion, without consulting anyone else, can terminate any such agreements.

The amendment provides that he must first have the consent of the National Forest Reservation Commission, which

is also a Government agency, and that the State may ask for a hearing to be held. After this the matter is left up to the Commissioner just the same as the bill provides with respect to the amount that may be paid the State or the amount the State is to be reimbursed.

So the amendment does not change the bill except to provide that they must have the consent of the Reservation Commission and must notify the State conservation commission and if they so desire they may demand a hearing. This is all the change that is involved in the amendment.

Mr. DOXEY. Mr. Chairman, will the gentleman yield for one question to clear the matter in my own mind?

Mr. GEHRMANN. Yes.

Mr. DOXEY. If the State makes a request to be released or asks that the contract be terminated, who would submit any objection to the Secretary of Agriculture objecting to the Secretary doing the very thing that he has been requested to do by the other party to the contract? I think it is an entirely useless amendment, because the whole thing comes at the request of the very people that the gentleman feels may not have a voice in the matter.

Mr. HOPE. Mr. Chairman, if the gentleman will yield to me, let me ask the gentleman from Wisconsin if the effect of his amendment is not simply to take away from the Secretary of Agriculture the arbitrary power of terminating these agreements, and does not the amendment provide that they may only be terminated after the matter has been submitted to the National Forest Reservation Commission? As I understand it, this is the only change of any importance. It provides that the National Forest Reservation Commission must pass upon the matter of terminating the agreement rather than leaving it entirely in the hands of the Secretary of Agriculture.

Mr. DOXEY. I want to do anything that will make the measure more effective, but the membership of the National Forest Reservation Commission when Congress is not in session is scattered throughout the United States. We are not here except when Congress is in session and when we are called it is on some very important matter. It looks to me as if the language of the bill is proper and right and would be in the interest of the expeditious handling of the matter, and, to be frank, I do not see why it should be necessary for the National Forest Reservation Commission to have to pass on this at all. If I could agree with the gentleman, I would be very pleased to do so.

Mr. HOPE. If the gentleman will permit further, this is a rather drastic power which is given the Secretary of Agriculture, because it provides that he may, on his own motion, terminate any such agreement for any violation of its terms and/or the provisions of this act. It makes the Secretary of Agriculture the accuser, the judge, and the jury, and everything else. The Secretary of Agriculture would have to initiate the proceedings and then pass on it. It seems to me it is only fair it should be passed on by some other tribunal, and as I understand it, this is all the amendment attempts to do.

Mr. GEHRMANN. The conservation commission of my State feels that the National Forest Reservation Commission, in the first place, must pass on the validity or the advisability of buying these lands. Mr. Immel, the chairman of the conservation commission, is a particular friend of our present Secretary of Agriculture, but, as he says, we do not know who may be in the chair as Secretary of Agriculture in the future, and in the friendliest of spirit he has advised us this should be changed, because it should not be left to one man's judgment, and there should be more than one man to pass on whether or not they should terminate their agreement with any State. This is the only reason for the amendment, and it is simply a precautionary measure for the future.

In my district we have one million and a half acres of land under Government supervision, and Mr. Immel stated that it is of more importance to my district than any other, and that is why he sent this proposed amendment to me.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. DOXEY. Mr. Chairman, will the gentleman yield?

Mr. GEHRMANN. Certainly.

Mr. DOXEY. I believe that any Secretary of Agriculture, if he knows the spirit of this legislation, is going to do everything he can to get the States to continue to operate these forests and improve them, because it is a State matter, you may say, instead of a Federal Government matter. I do not believe any Secretary of Agriculture would want to go out and say, unjustifiably, that a State should terminate its activities unless there should be a flagrant violation. I know we are anxious to vote on this matter; and if my other colleagues agree with me, I do not see any harm in the amendment, and if the gentleman insists and it is agreeable to my friends here, we will accept the amendment.

Mr. GEHRMANN. One paragraph of this letter to me reads:

This, in my judgment, makes it possible for the Government or the Secretary of Agriculture in the future, through manipulation, to get control of the area and preclude the State from having any further control or jurisdiction of the same.

I do not doubt that the present administration would be fair and would not do anything injurious to any State; but this is to be a long-term program, and we should not have to be dependent on any one man that may be the Secretary of Agriculture in the future to be the sole judge whether or not any State has violated any agreement made with the Federal Government.

I am afraid of the future and not of the present.

Mr. DOXEY. Let me ask the gentleman a question: Without again reading your amendment, would you let your amendment say "the Secretary of Agriculture, with the approval of the National Forest Reservation Commission", and then leave the other language like it is? I think, if you do that, it would answer the gentleman's purpose.

Mr. GEHRMANN. I am perfectly willing to do that.

Mr. DOXEY. Let it read:

The Secretary of Agriculture, with the approval of the National Forest Reservation Commission, may terminate—

And so forth.

Mr. JONES. I believe the amendment is better as it is, so that the veto power would be in the Commission.

Mr. GEHRMANN. Mr. Chairman, let the amendment be again read.

The Clerk again reported the amendment.

Mr. DOXEY. Now, in lieu of the language in the amendment, let it read, "The Secretary of Agriculture, with the approval of the National Forest Reservation Commission, may terminate", and so forth.

Mr. GEHRMANN. The only objection would be that it should read, "after due notice of a hearing" that would compel them to allow the State to be heard before they actually canceled agreements. I will be satisfied for the chairman of the committee to fix it up having that in mind.

Mr. BOILEAU. Mr. Chairman, I move to strike out the last word. I do this in order that we may have sufficient time to come to an agreement. I understand the language of the present section of the bill provides that upon request the State concerned and the Secretary of Agriculture can terminate the agreement. The amendment does not change that. The bill, however, gives the Secretary of Agriculture, on his own motion, the right to terminate the agreement for violation of its terms, and it seems to me that the States should have some notice and a hearing before this is done. The amendment gives a State an opportunity for a hearing, and the Secretary must have the approval of the Forest Reservation Commission before he can terminate the agreement for alleged violations of the agreement or the law. In other words, it gives the State some protection. It gives an opportunity for a hearing, and makes it necessary for the approval of the Commission before the Secretary of Agriculture can terminate the agreement on his own motion. It seems to me to be a very reasonable provision, and I sincerely hope the gentleman in charge of the bill will accept the amendment.

Mr. ANDRESEN. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. ANDRESEN. The bill provides that if a State wants to terminate an agreement, it makes application to the Secretary?

Mr. BOILEAU. That is right.

Mr. ANDRESEN. I really cannot see the necessity for a hearing if the State makes the request.

Mr. BOILEAU. That is perfectly all right. My colleague's amendment does not change that in any respect, but the next sentence reads that upon the Secretary's own motion he may terminate the agreement for violation of the terms of the agreement. In that case the amendment offered by the gentleman from Wisconsin permits the State to have an opportunity for a hearing and makes the action of the Secretary subject to the approval of the Commission.

Mr. JONES. Why would it not correct the situation by simply inserting the words "after notice and opportunity for hearing"?

Mr. BOILEAU. My recollection is that the amendment suggested by the gentleman from Mississippi [Mr. DoxeY] applies only to the first sentence. There does not seem to be any necessity for changing that.

Mr. JONES. But I am talking about the second sentence. You would be compelled to have a hearing, regardless of how trivial it might be.

Mr. BOILEAU. Where would the gentleman suggest putting in that language?

Mr. JONES. Why not make it read "the Secretary of Agriculture may, after notice and opportunity for hearing"?

Mr. BOILEAU. And subject to the approval of the Commission?

Mr. JONES. Yes.

Mr. BOILEAU. I think that accomplishes the same thing as the gentleman's amendment.

Mr. JONES. As I read the amendment, you would be compelled to have a hearing.

Mr. GEHRMANN. Of course, this was drafted by the Conservation Commission, but the intent is not to have a hearing when the State asks to terminate this contract, but when the Secretary of Agriculture thinks there has been a violation, there must be a hearing, so that he, upon his own motion, cannot terminate the contract. In that case only will it give them some protection and give them a chance for a hearing.

Mr. JONES. Well, "opportunity for a hearing", but you would not want to require a hearing to be conducted on a small matter.

Mr. GEHRMANN. I would think, if the Secretary of Agriculture charges some irregularity or claims that the State has not lived up to its contract, the State then should be allowed a hearing.

Mr. JONES. The only change I suggest is "opportunity for a hearing", without requiring a hearing. Suppose they give notice of a hearing and they tell them that they do not want a hearing?

Mr. GEHRMANN. That is the way my amendment reads. If both parties deem it necessary that a hearing be had, then it shall be given. It provides that a hearing may be held. I am quite sure that is the way it reads. It does not say "must."

Mr. BOILEAU. Certainly the State could waive its right to a hearing, even though the law gave the State the right to demand a hearing. If it was such a trivial matter, the State would perhaps not demand a hearing.

Mr. JONES. It says:

The Secretary of Agriculture may, with the consent and approval of the Commission, after due notice given the State and hearing held.

Mr. BOILEAU. Could we not correct the entire matter by accepting the gentleman's amendment and having it read "after due notice and opportunity for hearing"?

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered. There was no objection.

Mr. BOILEAU. Will the gentleman be satisfied with the amendment if it reads "after due notice and opportunity for hearing"?

Mr. JONES. I think that would be all right. The amendment as it now reads would require a hearing.

Mr. GEHRMANN. Mr. Chairman, I ask unanimous consent to modify the amendment to include the words "and opportunity for a hearing."

Mr. JONES. Strike out "and hearing held" and insert in lieu thereof "an opportunity for a hearing by said commission."

Mr. GEHRMANN. That is satisfactory to me.

The CHAIRMAN. The gentleman from Wisconsin [Mr. GEHRMANN] asks unanimous consent to modify his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. GEHRMANN to the amendment: Strike out "and hearing held" and insert "an opportunity for a hearing."

The CHAIRMAN. The question is upon agreeing to the amendment.

Mr. RANDOLPH. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise at this time to say that the State of West Virginia, through its conservation commission, has given its unqualified approval of the legislation which bears the name of our colleague [Mr. FULMER]. In West Virginia we now have about 1,000,000 acres in the Monongahela National Forest. It is the largest national forest east of the Mississippi River. We also have thousands of acres contained in the George Washington National Forest. At the present time we are trying to coordinate the Federal acquisition of forest lands with our State forest policy, and Maj. H. W. Shawhan, who is leading in the conservation movement in West Virginia from the standpoint of State activities, has given his approval to this measure.

I simply want to add at this time the backing of the State of West Virginia, through its conservation commission, and to express my personal appreciation of the bringing of such legislation to this floor, because I believe it will be most helpful in the coordinating of Federal and State activities in forestry policies and conservation in future years.

The pro forma amendments were withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was agreed to.

The Clerk concluded the reading of the bill.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McLAUGHLIN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 6914) to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes, pursuant to House Resolution 223, he reported the bill back to the House with an amendment adopted by the Committee.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOY SCOUT JAMBOREE, 1935

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes for the purpose of propounding a request for the present consideration of House

Joint Resolution 285, with the end in view of saving considerable time.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, the Committee on Immigration and Naturalization has favorably reported to this House Joint Resolution 285 to permit the admission of Boy Scouts and their officials and executives from foreign countries for the purpose of participating in the national jamboree that is to take place this summer in the city of Washington, without payment of visa fees, head tax, or customs duties on personal effects or paraphernalia to be used in connection with that jamboree.

This is the first thing of the kind that has taken place in the history of our Republic. The President of the United States has invited the Boy Scouts of other nations to participate with our American Boy Scouts. Heretofore, several times, other countries have invited our American Boy Scouts, their officials, their executives, and also parents and guardians to come to foreign shores, and they were well treated and well taken care of, and this measure only seeks to assist our Boy Scouts to extend the same kind of treatment to their Boy Scout guests from other lands.

This resolution permits the Boy Scouts and their officers and their executives to come into this country for the purpose of attending this jamboree without paying the usual visa fees and without paying the \$8 head tax and without having to pay customs duties on their effects. I feel this privilege may well be extended to accompanying parents and guardians of these alien Boy Scout participants.

There are certain amendments to the resolution which were agreed to by the committee at our meeting this morning.

At the proper time these supplementary amendments will be submitted for your consideration. I am not now submitting them, but I desire now simply to give you the purpose of them. First, we would permit waiver of payment of visa fees, head tax, and certain customs duty in the cases of any parents or guardians of these alien Boy Scout participants just in the same way this resolution as reported does with regard to Boy Scout participants, Boy Scout officials, and Boy Scout executives; second, we will propose a new proviso at the end of section 1, which would place all these aliens benefited by this resolution under proper regulations to safeguard their return abroad at the conclusion of their visit here for this jamboree.

Mr. Speaker, I now ask unanimous consent for the present consideration of House Joint Resolution 285 as amended.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. BLANTON. Mr. Speaker, reserving the right to object—and I shall not—we, who had some objections to the resolution, have had an understanding with the chairman of the committee that he will ask for the passage of the amended bill as it was reported by his committee on May 14. With that understanding there will be no objection.

Mr. DICKSTEIN. That was agreed upon.

Mr. BLANTON. With such agreement from the chairman, there will be no objection. But there would have been objection, had the gentleman sought to place in the bill the amendments he had his committee agree to this morning, which would have permitted the parents and guardians of foreign Boy Scouts to have accompanied them.

When, on May 10, 1935, the gentleman from New York [Mr. DICKSTEIN] introduced this House Joint Resolution 285, it embraced the following language:

That alien participants, officials, and other accredited members of delegations—

And also the following all-embracing language—
and members of the immediate families of the foregoing—

Which was objected to because under such language a horde of foreigners could get into the United States. I went before his committee, in its hearing on the bill, and

urged the committee to amend the bill, and the committee did amend it, and I quote from the commendable report of the committee, filed by our distinguished friend and colleague from Alabama [Mr. STARNES] on May 14, 1935, Report No. 887, the following, to-wit:

The committee amendments are as follows:

First. On page 1, in line 2, after the word "alien", insert the words "Boy Scout."

Second. On page 1, line 3, after the comma, following the word "participants", strike out the words "officials, and other" and in lieu thereof insert the words "Boy Scout officials, and Boy Scout executives, who are."

Third. On page 1, in lines 5 and 6, after the numerals "1935", strike out the comma and the words "and members of the immediate families of the foregoing."

Hence, Mr. Speaker, with the amendments adopted by the committee, the language in the amended bill now reads:

That alien Boy Scout participants, Boy Scout officials, and Boy Scout executives who are accredited members of delegations to the National Boy Scout Jamboree to be held in the United States in 1935—

And so forth; and the words "and members of the immediate families of the foregoing" has been stricken out of the bill.

The gentlemen from New York at a meeting this morning had some kind of an amendment authorized, again attempting to allow "parents and guardians" to come with the Boy Scouts, to which we could not agree. On no hike taken by any Boy Scouts have they ever taken their parents and guardians with them. They do not hike with parents and guardians. Hence it is not necessary for them to jamboree with parents and guardians. But the gentleman from New York [Mr. DICKSTEIN] has agreed not to offer any amendments considered in the meeting this morning but to pass the amended bill just as his committee reported it on May 14, 1935, through the report, no. 887, filed by Mr. STARNES; hence we are willing to help him pass the bill so amended May 14, 1935, by unanimous consent.

The report shows that 60 foreign countries have been invited and are expected to send delegations of alien Boy Scouts, Scout officials, and Scout executives. That will bring quite a lot of foreigners into the United States without bringing their parents and guardians.

The committee report, No. 887, shows that the above amendments now in the bill we are to pass are approved by the representatives of the Boy Scouts of America and the representatives of the State Department, the Department of Labor, and the Treasury Department.

Under the above circumstances, Mr. Speaker, I am glad to help pass the properly amended bill and have no objection to it.

Mr. GREEN. Mr. Speaker, reserving the right to object, this bill does not in any way permit them to remain here, does it?

Mr. DICKSTEIN. No.

Mr. GREEN. It permits them to come in for this event only?

Mr. DICKSTEIN. Yes.

Mr. GREEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Resolved, etc., That alien participants, officials, and other accredited members of delegations to the National Boy Scout Jamboree to be held in the United States in 1935, and members of the immediate families of the foregoing, all of whom are nonimmigrants, if otherwise admissible into the United States under the immigration laws, shall be exempted from the payment of the tax of \$8 prescribed by section 2 of the Immigration Act of 1917, and exempted from the fees prescribed by law to be collected in connection with executing an application for a visa and visaing the passport or other travel document of an alien for the purpose of entering the United States as a nonimmigrant, and such aliens shall not be required to present official passports issued by the governments to which they owe allegiance: *Provided*, That aliens shall be in possession of official Boy Scout identity cards issued by their own government or issued by the International Committee of the Boy Scouts indicating their Boy Scout status and nationality, and duly visaed without charge by American consular officers abroad:

And provided further, That such aliens shall comply with regulations not inconsistent with the foregoing provisions which shall be prescribed by the Secretary of Labor and Secretary of State: *Provided, however*, That nothing herein shall relieve an alien from being required to obtain a gratis nonimmigration visa if coming to the United States as a nonimmigrant, or an immigration visa if coming to the United States as an immigrant.

SEC. 2. That such aliens shall be permitted the free entry of their personal effects and their equipment to be used in connection with the National Boy Scout Jamboree, under such regulations as may be prescribed by the Secretary of the Treasury.

With the following committee amendments:

Page 1, lines 3 and 4, strike out "That alien participants, officials, and other accredited members" and insert in lieu thereof "That alien Boy Scout participants, Boy Scout officials, and Boy Scout executives who are accredited members."

Page 1, lines 7 and 8, strike out the words "and members of the immediate families of the foregoing."

The committee amendments were agreed to.

The resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 224 was laid on the table.

MALISSA WORTHLEY

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts.

The Clerk read as follows:

House Resolution 216 (Rept. No. 977)

Resolved, That there shall be paid out of the contingent fund of the House to Malissa Worthley, of Cordell, Okla., mother of Vivian Worthley, late an employee of the House, an amount equal to 6 months' compensation of the said Vivian Worthley, at the rate of \$125 per month, and an additional amount, not to exceed \$250, to defray funeral expenses of the said Vivian Worthley.

The resolution was agreed to; and a motion to reconsider was laid on the table.

AMERICAN RETAIL FEDERATION

Mr. WARREN. Mr. Speaker, I offer a privileged resolution.

The Clerk read as follows:

House Resolution 226 (Rept. No. 978)

Resolved, That the expenses of conducting the investigation authorized by House Resolution 203, incurred by the special committee to investigate the American Retail Federation, acting as a whole or by a subcommittee, not to exceed \$2,500, including expenditures for the employment of experts and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, or by any subcommittee thereof conducting such investigation, signed by the chairman of the committee and approved by the Committee on Accounts.

With the following committee amendment:

At the end of the resolution add the following:

"Sec. 2. That the official committee reporters shall serve said committee at its meeting in the District of Columbia."

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield for a question?

Mr. WARREN. I yield.

Mr. DICKSTEIN. Is this the Cochran resolution to investigate retail merchants who have been distributing propaganda regarding legislation pending in Congress?

Mr. WARREN. The gentleman is correct.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON MILITARY AFFAIRS

Mr. ANDREWS of New York. Mr. Speaker, by direction of the Committee on Military Affairs, I ask unanimous consent that the bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy, be recommitted to the committee in order that the committee may submit a corrected report thereon.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. DOXEY. Mr. Speaker, I ask unanimous consent that those Members who spoke on the bill H. R. 6914, the forest land management bill, may have the privilege of revising and extending their own remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

GENERAL CASIMIR PULASKI

Mr. CITRON. Mr. Speaker, I ask unanimous consent to take from the table House Joint Resolution 107, authorizing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That the President of the United States is authorized and directed to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on October 11 of each year and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies in commemoration of the death of Gen. Casimir Pulaski.

With the following committee amendments:

Page 1, strike out "11 of each year" and insert in lieu thereof "11, 1935."

Amend the title so as to read: "Joint resolution authorizing the President of the United States of America to proclaim October 11, 1935, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski."

The committee amendments were agreed to.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes, to explain the urgency existing for the immediate consideration of a bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

COMPACT BETWEEN STATES OF NEW MEXICO, COLORADO, AND TEXAS

Mr. MARTIN of Colorado. Mr. Speaker, this is a bill introduced by myself and favorably reported by the Committee on Irrigation and merely extends for the term of 2 years the life of a compact between the States of Colorado, New Mexico, and Texas, enabling these States to make an equitable division of the waters of the Rio Grande, which compact was ratified by an act of the Seventy-first Congress on June 17, 1930. The date for the completion of performance by the States under the compact, which has not yet been perfected, expires June 1 next. This means there are only 8 days remaining to get this bill through both Houses of Congress and to the President.

The legislatures of the three States of Colorado, New Mexico, and Texas have each by recent joint resolutions ratified this extension for 2 years and memorialized the Congress to grant the extension. There is no controversy involved in the bill, and there is no expenditure involved. If it were not for the urgency of time, I would not be on the floor begging you for consideration.

The report of the Secretary of the Interior on this bill, which is brief, is as follows:

DEPARTMENT OF THE INTERIOR,
Washington, May 10, 1935.

HON. COMPTON I. WHITE,
Chairman Committee on Immigration and Reclamation,
House of Representatives.

MY DEAR MR. WHITE: I have received your letter of May 4, enclosing for report by me a copy of H. R. 7873, to give the consent and approval of Congress to a 2-year extension from June 1, 1935, of the provisions of the existing Rio Grande compact, approved by Congress June 17, 1930 (46 Stat. 767).

The files do not contain a showing that the proposed extension has been adopted by Texas or by Colorado. Section 1 of the bill recites that the extension was ratified by Colorado by act approved April 13, 1935, and by Texas by act approved April 18, 1935. On the assumption that such recital corresponds to the facts, there is no objection on the part of the Department to the enactment of the bill.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

As soon as I learned from the report that the ratifying acts of the States of Colorado and Texas had not been filed with the Secretary of the Interior, I wired Hon. Paul P. Prosser, attorney general of Colorado, who secured prompt compliance, and these ratifications have been filed by me in the proper office.

This compact is of the utmost importance to the three States concerned. Duly authorized commissions of each State have held a series of conferences to effect an understanding and agreement between them with respect to an equitable division of the waters of the Rio Grande River, which originates in my district. The proposed extension of time will be ample to enable them to determine whether they can or cannot agree. I believe they can. There are imperative reasons, which I have not the time now to go into, why they should. If they fail, the Government can suffer no harm through the extension prayed for.

Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7873) to give the consent and approval of Congress to the extension of the terms and provisions of the present Rio Grande compact signed at Santa Fe, N. Mex., on February 12, 1929, and heretofore approved by act of Congress dated June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767).

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Whereas the duly accredited commissioners representing the States of Colorado, New Mexico, and Texas, respectively, signed the Rio Grande compact at Santa Fe, N. Mex., on the 12th day of February 1929, and which said compact was thereafter duly ratified by the legislature of each of the aforesaid States and approved by act of Congress on June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767); and

Whereas the legislature of each of the aforesaid States has by appropriate legislation, and pursuant to the express provisions of article 14 of said compact, extended the said compact for the term of 2 years from June 1, 1935, to June 1, 1937: Now, therefore, *Be it enacted, etc., That the consent and approval of Congress is hereby given to the extension of the provisions of said Rio Grande compact, and all the terms thereof for the period of 2 years from June 1, 1935, to June 1, 1937, as heretofore ratified by the Legislature of the State of Colorado by act approved April 13, 1935, by the Legislature of the State of New Mexico by act approved February 25, 1935, and by the Legislature of the State of Texas by act approved April 18, 1935.*

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SIROVICH. Mr. Speaker, for over 2 months the Committee on Patents has been holding hearings on H. R. 4523. Serious charges have been preferred against certain men. The committee unanimously voted to send a letter requesting these men to appear before our committee. This request was ignored. The committee unanimously voted a second time to notify these people to come before the committee. The second request was ignored. The committee then unanimously voted—Republican, Democratic, and Farmer-Laborite members—to request the House to have the privilege of issuing subpoenas summoning these witnesses to testify before our committee, and to do such other acts de-

scribed in House Resolution 196 as may be necessary. It is in conformity with that sentiment unanimously expressed that I at this time ask unanimous consent for the immediate consideration and passage by the House of House Resolution 196.

The Clerk read the resolution, as follows:

Whereas various witnesses invited and requested to appear before the Committee on Patents of the House of Representatives at hearings on H. R. 4523 have failed to appear and have not appeared before the committee, so that the committee was unable to continue its hearings on the bill; and

Whereas at an executive session of the Committee on Patents held March 7, 1935, the chairman was unanimously authorized by the committee to prepare a resolution to be brought before the Rules Committee of the House, which resolution would empower the Committee on Patents to take such action as would enable the committee to determine the advisability of carrying to realization the principles embodied in H. R. 4523, to sift evidence and testimony that had been brought before the committee at previous hearings and to bring such witnesses before the committee as would enable the committee to ascertain the truth or falsity of the serious charges made at these hearings: Therefore be it

Resolved, That for the purpose of securing information relative to the matters contained in H. R. 4523 the Committee on Patents, as a whole or by subcommittee, is authorized to sit and act during the present Congress at such times and places, in the District of Columbia or elsewhere, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, and documents, and to take such testimony as it deems necessary. Subpenas may be issued under the signature of the chairman and may be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to H. R. 4523, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. SNELL. Mr. Speaker, reserving the right to object, I suggest that the gentleman leave out all of the "whereases." Outside of that I have no objection to the resolution.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, this form of resolution authorizing one of the standing committees to have power to subpoena witnesses is usually referred to the Committee on Rules. We have a great number of these resolutions pending. They are always considered with a great deal of care, because some of the experiences in the past have not justified the granting of that power. We recently granted the District of Columbia Committee in connection with the crime investigation this power which has given rise to a great deal of comment on both sides of the question. The Committee on Rules has not had a hearing on this matter for the reason it has been busy with a number of measures, principally those on the administration program. We have it on our calendar. We take up these things when we get to them, but we cannot possibly handle all the rules requested in 1 week on the 8,600 bills which have been introduced during this session of Congress and the thousand bills which have been reported out of committees. That is physically impossible. I think the distinguished gentleman from New York [Mr. SNELL], for 8 years Chairman of the Rules Committee, will corroborate me, that it would be impossible for the Rules Committee to report out all of the rules requested by the standing committees, all of which were important to the introducers and all of which are of some importance to the committee which reported them.

Mr. Speaker, I have no objection to this resolution, requested by my dear friend from New York [Mr. SROVICH], but, as I say, it is a matter that is still pending before the Rules Committee.

Mr. MILLARD. Mr. Speaker, in order to preserve the orderly and regular procedure I object and ask that this go back to the Rules Committee.

BRIDGE ACROSS ST. LAWRENCE RIVER AT OGDENSBURG, N. Y.

Mr. SNELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2311) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdens-

burg, N. Y., and immediately consider the bill. I may say there is a similar House bill on the calendar.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y., authorized to be built by the St. Lawrence Bridge Commission by an act of Congress approved June 14, 1933, heretofore extended by an act of Congress approved June 8, 1934, are hereby further extended 1 and 3 years, respectively, from June 14, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 6780) was laid on the table.

BRIDGE ACROSS RIO GRANDE AT RIO GRANDE CITY, TEX.

Mr. WEST. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 6630) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Rio Grande, at or near Rio Grande City, Tex., authorized to be built by the Rio Grande City-Camargo Bridge Co., by an act of Congress approved February 15, 1929, heretofore extended by acts of Congress approved January 31, 1931, and March 2, 1933, are hereby further extended 1 and 3 years, respectively, from February 15, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS THE RIO GRANDE NEAR BOCA CHICA, TEX.

Mr. WEST. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7291) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Boca Chica, Tex.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Rio Grande, at or near Boca Chica, Tex., authorized to be built by the Boca Chica Bridge Co. by an act of Congress approved June 10, 1932, heretofore extended by acts of Congress approved March 1, 1933, and June 19, 1934, are hereby further extended 2 and 4 years, respectively, from June 19, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES CHAMBER OF COMMERCE

Mr. JOHNSON of Texas. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JOHNSON of Texas. Mr. Speaker, I have asked this time for the purpose of reading a resolution adopted by the board of directors of the Corsicana (Tex.) Chamber of Commerce, adopted on May 14, 1935:

Resolved by the board of directors of the Corsicana (Tex.) Chamber of Commerce, That the resolutions criticizing the national administration passed by the United States Chamber of Commerce at its recent Washington meeting does not reflect the views of this

organization and, it is not believed, those of the vast body of citizens composing its local units throughout the country.

We condemn as unwarranted this assumption to speak for and to commit absent members and organizations to this wholesale attack without first submitting such items to a general referendum, as provided by the constitution and bylaws.

We know of no surer way to disrupt the national organization and lose to it the membership of the smaller groups than to repeat the performance recently enacted. When it ceases to reflect the views of the average man and the average community and, in fact, speaks only for the concentrated few who seem to control it, it ought to, and we believe will, lose the sympathy, support, and influence of those who have no ax to grind, but who look only to the spiritual and economic welfare of the country at large.

C. L. JESTER,
C. C. ROBERTS,
LOWRY MARTIN,
Resolutions Committee.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, I would like to ask the majority leader what is to be the program for tomorrow and Friday.

Mr. TAYLOR of Colorado. The first bill on the program tomorrow is an amendment to the measure known as "the Taylor Grazing Act." I think this will only take a little while. It will be brought up under a rule. After this, frankly, I do not know that the program has been determined.

Mr. SNELL. There is nothing else on the program now.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that it shall be in order tomorrow and Friday to call the Private Calendar under the rule, preference to be given to omnibus bills.

Under the rule, on Tuesday of this week this would have been the order of business, but this was set aside on account of the memorial exercises.

Mr. SNELL. I understand the gentleman wants to take up the Private Calendar under the new rule.

Mr. BLANTON. Mr. Speaker, I hope the gentleman will not ask that, because there are Members here who are doing hard work on these bills and they are not expecting such a request. They have made up their program for the week, and I do not think this would be fair.

Mr. O'CONNOR. What is their program for Friday, if we do not do this?

Mr. BLANTON. The gentleman from New York has his program for Monday, Tuesday, Wednesday, Thursday, and Friday, and so have other Members. They may have other plans for Thursday and Friday.

Mr. O'CONNOR. It has been talked for several days that when the Private Calendar was lost on Tuesday on account of memorial exercises, they would be given an opportunity at the very earliest possible moment. Friday is an opportunity to give it to them. If they do not get a chance on Friday, it will be 1 month before they get another chance.

Mr. BLANTON. Whenever the Members know of any agreement that the leaders make, I have never known of a case where they did not follow such agreement, but the Members have not had any understanding about this matter coming up.

Mr. O'CONNOR. It has been talked generally. If the gentleman does not know about it, he is one of the very few who does not know of it.

Mr. BLANTON. We found out too late once during consideration of the Patman bill about an agreement among a few Members, and as soon as we found it out we went along with it and helped them out on their agreement; but there are Members here who watch these bills and they do not know about the possibility of this calendar coming up Thursday or Friday, and I am constrained, Mr. Speaker, to object.

Mr. O'CONNOR. Let me ask the gentleman a question. Is the gentleman opposed to the Private Calendar coming up on Friday in any manner?

Mr. BLANTON. I would not object to its coming up under the old rules of the House, but there is no way to stop bad bills under this new rule except by concerted action of certain men who have studied them and who are prepared to stop them.

Mr. O'CONNOR. Concerted action of two, if the gentleman wants to call that concerted action.

Mr. BLANTON. It is the concerted action of Members who study these bills, and are prepared to stop unmeritorious bills.

Mr. O'CONNOR. There are only two, and the House usually knows who those two are going to be.

Mr. BLANTON. There are more than two here watching the Federal Treasury, I will state to the gentleman. There is a bunch of us here, and they are getting so they are watching it with effectiveness, and whenever a bad bill comes up they are prepared to stop it.

Mr. O'CONNOR. Well, they watched it today, all right.

Mr. SNELL. Not a very large group.

Mr. BLANTON. They watched it today, 322 Members voting as I did to 98 against.

Mr. O'CONNOR. To the tune of \$2,200,000,000.

Mr. BLANTON. In the interest of World War veterans who in France carried our flag to victory and saved the civilization of the world.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. BLANTON. I object, Mr. Speaker.

The SPEAKER. Is there objection?

Mr. BLANTON. I object.

Mr. KENNEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KENNEY. My parliamentary inquiry is whether the Ways and Means Committee has made any request for permission to sit during the sessions of the House in order to hold hearings on the bill I have introduced for a national lottery?

The SPEAKER. The Chair has no information on the subject. [Laughter.]

BRIDGE ACROSS RAINY RIVER, MINN.

Mr. BUCKLER of Minnesota. Mr. Speaker, I ask unanimous consent for the present consideration of the bill H. R. 6834, to revive and reenact the act entitled "An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn."

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act approved March 8, 1932, authorizing Vernon W. O'Connor, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River, at or near Baudette, Minn., be, and the same is hereby, revived and reenacted: *Provided,* That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE PRESIDENT'S WORK-RELIEF PROGRAM

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include three radio addresses delivered by the Secretary of the Interior Hon. Harold L. Ickes, Hon. Harry L. Hopkins, and Hon. Frank B. Walker, concerning the procedure under which they expect to handle the \$4,000,000,000 Public Works relief funds.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. MARCANTONIO. Reserving the right to object, and I shall not object, do they explain how workmen are going to live on \$12 to \$94 monthly wages?

Mr. TAYLOR of Colorado. They give in detail the procedure by which they expect to handle that fund, and I am sure it will be very helpful and instructive information for the Members of the House and Senate, as well as the public generally.

Mr. MARTIN of Colorado. Reserving the right to object, and I shall not object and my colleague from Colorado knows why I shall not object.

The SPEAKER. Is there objection?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, under permission to extend my remarks in the RECORD, I include herewith the three addresses broadcast over the Columbia and National Broadcasting networks at Washington, D. C., on May 16, 1935, by Hon. Frank C. Walker, Executive Director of the National Emergency Council; the Secretary of the Interior, Hon. Harold L. Ickes, Chairman of the Advisory Committee on Allotments; and Hon. Harry L. Hopkins, Works Program Director, explaining the procedure and the coordination of the work allotted to each of them in the administration of the \$4,000,000,000 public-relief appropriation recently authorized by Congress.

These addresses set forth very clearly and definitely the respective authority and duties of each of those officials and the methods of administering the work that is designated to those three departments, and gives a vast amount of instructive information.

My reason for asking to have these addresses inserted in the RECORD is to as far as possible avoid confusion and be helpful to the public in general, and more particularly to the Members of Congress, who every day are confronted with a great many questions in relation to the apportionment of these funds and the necessary course for applicants to take in relation thereto. I am sure the addresses will be of great importance for those purposes.

The addresses in the order in which they were delivered are as follows:

REMARKS OF FRANK C. WALKER, EXECUTIVE DIRECTOR OF THE NATIONAL EMERGENCY COUNCIL.

The President's works program is discussed before you this evening with the hope that its objectives and procedure may be so clarified that there will be a minimum of time elapse before the millions in this country on direct relief will be engaged in useful employment.

This is one program. It has one objective. It must take 3,500,000 persons from their dole-receiving status of today and place them at work upon publicly useful projects.

A new conception of a public-works program is necessary. In the past, public works have meant long-time constructions of buildings, of dams, canalizations, bridges, and highways. The prime elements of consideration have been utility, engineering, soundness, and legal authority. Now comes an added consideration, viz, the undertaking of projects on the simple basis that they will provide employment at places easily accessible to the millions now obliged to exist on outright grants of relief.

A new yardstick must be applied to all works projects. This new yardstick must conform to the principles enunciated by the President in his discussion of this works program.

In the first instance, these projects must be useful. The President does not intend to provide allotments of funds for undertakings from which there is not apparently a very definite public benefit.

In the next instance, the projects must be of a nature which will produce the maximum of employment for the money spent. In tackling the colossal task of reemploying 3,500,000 persons with the expenditure of approximately \$4,000,000,000, emphasis must be given to those undertakings which will spend a large portion of their allotment for labor.

The projects must, as far as possible, represent undertakings capable of liquidating themselves and returning to the Treasury as large as possible a percentage of the outlay.

Because of the immediate pressure for liquidating direct relief rolls, funds allotted under the act must be promptly spent and not permitted to stagnate over a period of years.

It is also necessary that projects be selected with the extremely primary objective of getting people off the relief rolls. In other words, the type and character of the projects must be such that it will provide for the type and character of persons now receiving direct relief.

Accessibility of the projects to the centers of unemployment must be considered an important factor. Nothing can be gained for the broad objective in starting projects so far removed from the actual areas of distress that family removals and general migration at high cost would be necessary. To tackle the problems speedily and effectively, it is essential that sound projects be selected as near as possible to the locations of the extreme relief loads.

The President has divided the responsibility for carrying out these principles and has placed it upon three definite agencies:

1. The Division of Applications and Information of the National Emergency Council, which will be directed by your speaker.
2. The Advisory Committee on Allotments, which is headed by the Secretary of the Interior, Harold L. Ickes.

3. The Works Progress Administration, under the supervision of Mr. Harry L. Hopkins.

May I give you a brief outline of the functions and the objective of the Application Division and its relationship to the President's works program? Mr. Ickes and Mr. Hopkins will explain in detail the very important parts which their organizations will play in attaining the general objective.

A basic principle of this program has been that there should be no unusual increase in Government agencies, as few as possible new administrations, and no unusual additions to the Federal pay roll. In other words, the President intends that existing governmental agencies shall do the work. Some 60 of them are now ready to undertake their shares. The three major divisions which have been mentioned are designed to coordinate their efforts and, to consolidate their accomplishments and to establish a single policy—that of substituting useful employment for direct relief.

The office of this Division has been developed solely on the principle that it should use existing agencies. No new duplications of governmental machinery will be permitted.

The speed with which this program must be put into action of necessity means that there must be decentralization and that most of the examination must be done in the field offices. Congestion or anything approaching a bottleneck must be avoided. For that reason it is intended that examinations will be carried out as far as possible in the States.

To this end both the Public Works Administration and the Works Progress Administration will examine applications in the field. The part of the State directors for the National Emergency Council will be to assist these two agencies within the States in coordinating their two programs and in assisting all applicants for projects to get their proposals into the proper channels and into the stage of real action. To this end the State directors for N. E. C. will operate general clearing houses of information on all project proposals. They will be open at all times to assist States, municipalities, other political subdivisions, and private individuals in getting their work relief ideas into acceptable form and into the hands of the officials who can appropriately consider them.

All Federal projects originate in the departments or agencies themselves.

Non-Federal projects are handled in a different way. The original application for the project is made to the State director of the Public Works Administration. The actual allotment applications will be prepared by the P. W. A. from such project applications, recommendations, and suggestions submitted to its State directors by individuals, States, counties, cities, and other Governmental agencies. These proposals will be coordinated as to relief needs locally.

After the State director of P. W. A. transmits a project proposal to his Washington headquarters, that agency will immediately obtain comments from all governmental agencies having partial or technical jurisdiction over such undertakings, or which might have at their command special knowledge concerning them.

P. W. A. will then prepare the allotment application and transmit it to the Division of Applications and Information, which will cause it to be examined and reviewed. The allotment application also will be referred to the Works Progress Administration for report as to its effect in lifting the unemployment relief load.

After scrutiny by the Works Progress Administration, applications will be returned to this Division. They are now assuming final shape. The next step is transmittal to the Advisory Committee on Allotments which recommends approval or disapproval of the applications to the President.

The work-relief projects, as set forth by the President in his Executive order, will be handled through a different channel. They are projects designed to insure a maximum of employment and will be proposed and carried out through the Works Project Administration.

Proposals for such projects will be received by the State and local administrators of the Works Progress Administration. They will be carefully examined and coordinated with the pending project proposals in the hands of the P. W. A. State director.

They will then be sent to Washington for final review, and if found eligible under the fundamental principles of the statutory requirements of the Emergency Relief Appropriation Act of 1935, the Works Progress Administration will prepare allotment applications and transmit them to this Division, which, in turn, will transmit them to the Advisory Committee on Allotments.

The information service which has been set up in connection with this Division will be at your service. Experts, specialists, technicians in sixty-odd Government agencies, including executive departments, will, as necessity arises, review and study these allotment applications. A study and comparison of the usefulness of all plans submitted will be made by the Division, and plans will be singled out for special consideration in the proportion that they promise relief within an accessible geographical area.

This Division is seeking to overlook no opportunity to use effective cooperation between the agencies and divisions in speeding up the program. Within our own office are works advisers from the Works Progress Administration, from the Public Works Administration, and from the principal agencies engaged in carrying out the program. In addition, this Division has works advisers in all of the other agencies engaged in carrying out the program who will be available for expert advice and assistance in clearing up difficulties which may arise in the consideration of any project. These, with the information service, are planned as the channels which will truly facilitate this tremendous social and economic readjustment.

It is the duty of each governmental agency involved to see to it that the allotment and expenditure of this huge sum shall be so controlled that its fullest use and benefit shall go to the regions, the communities, and the purposes for which it is appropriated. Every last effort within our power will be given to provide swift, simplified, businesslike direction, because this is a business job, to be executed intelligently by sane and orderly methods.

When the President some time since discussed with you the works program, he said:

"Feel free to criticize. Tell me of instances where work can be done better or where improper practices prevail. Neither you nor I want criticism conceived in a purely faultfinding or partisan spirit, but I am jealous of the right of every citizen to call to the attention of his Government examples of how the public money can be more effectively spent for the benefit of the American people."

May we suggest that you follow the President's advice literally and transmit your thought and suggestions to the existing agencies to the end that the work may be done honestly and efficiently and may accomplish the greatest good.

REMARKS BY HON. HAROLD L. ICKES, SECRETARY OF THE INTERIOR AND PUBLIC-WORKS ADMINISTRATOR

Mr. Frank C. Walker, appointed head of the Division of Applications and Information under the new works-relief program, has just told you the part that his division will play in what is expected to be the final drive to rout the depression that this administration inherited from its predecessor. In my judgment, the President could not have chosen a better qualified man than Mr. Walker for this important post. He has sound judgment, a broad and varied experience, and ability to inspire confidence.

Following me, Mr. Harry L. Hopkins will tell you of the plans that he has formulated for driving forward that part of the program that the President has entrusted to him as head of the Works Progress Administration. Mr. Hopkins has already done an outstanding piece of work as F. E. R. A. administrator, and as C. W. A. administrator. He has energy, drive, and imagination, and the will to achieve his object regardless of whatever difficulties may lie in the way.

Under orders from the President, I am serving as chairman of the Advisory Committee on Allotments of 21 members, the third of the major divisions set up by the President to carry out the objects and purposes of the works-relief program.

It is the duty of the Advisory Committee on Allotments to pass upon all applications for funds and then recommend action to the President, who will have the final determination whether or not any project is to be granted money out of the \$4,000,000,000 appropriated by the Congress. The procedure will be something like this:

Technically applications will be received by Mr. Walker's Division of Applications and Information. He may delegate authority to other agencies to receive applications as the representatives of his division. He has already indicated that applications originating in the various States may be received by the respective directors of P. W. A. They will then be examined by the P. W. A. State division and forwarded to Washington. This is in the interest of saving time, which is one of the primary considerations of the works-relief organization.

Whether or not applications are received directly or through another agency, they will be promptly forwarded for examination to that agency within whose jurisdiction the particular project naturally would fall. For instance, a P. W. A. project would be forwarded to P. W. A. for examination, and a works-relief project would be forwarded to Mr. Hopkins' division. After examination, the project will be sent on to Mr. Walker with a recommendation for approval or for disapproval, and subject, to his review, it will be ready to be forwarded to the Advisory Committee on Allotments, which in its turn will pass upon the project. If the action of the Advisory Committee on Allotments is favorable, it will go to the President for final action.

If the President says "go ahead", then the project will be sent to that particular agency which will be charged with responsibility either for building or for supervising the building of the project. For instance, if it is a matter that comes within the purview of the Army engineers, the project will be sent there. If it is a reclamation project, it will go to the Bureau of Reclamation in the Interior Department. If it is a road project, it will go to the Bureau of Roads of the Department of Agriculture.

The new program will be based strictly upon the need for work in the various sections of the country. Mr. Hopkins will determine what that need is and will see to it that the work is kept moving. The purpose Congress had in making this huge appropriation of \$4,000,000,000 was to provide money to take as many men as possible off of relief rolls. We are, therefore, charged with the responsibility of allocating this money for projects in those sections of the country where there are men and women ready and able to work but who have no work. So far as may be, the greatest number of projects are to be gotten under way in or near the centers of greatest unemployment. If we can, we want to take the work to those who need it. Obviously it would be both difficult and expensive to set up a project in a section of the country where there are comparatively few unemployed and then move men to that site from distant centers of unemployment.

In our new program, just as with the one which is now drawing to a close, there will be no place for political logrolling. No part of this huge sum of the people's money will go into a pork barrel.

Our object is to get men off of relief rolls, regardless of politics or local considerations. There never has been an inside track to Public Works money, and there will be no back-door entrance to work-relief allotments and projects. The sooner that all communities accept this proposition in full faith the better it will be for the general welfare and the quicker the idle will move from relief rolls onto pay rolls.

As with the P. W. A. program, certain standards have been set. Among the principles laid down by the President we find the following:

- (1) The projects must be useful.
- (2) The projects must be of such a nature that a large proportion of the money spent will go into wages for direct labor at the site.
- (3) Projects promising an ultimate return to the Federal Treasury of a considerable share of the cost will be given preference.
- (4) Funds provided for each project must be promptly put to work, since it is the purpose, so far as possible, to complete all projects by July 1, 1936.

I think the country is glad to know that P. W. A. is to be continued as an agency of the Federal Government. P. W. A. has more than justified itself. Thanks to the P. W. A. program, there has been actual construction work in 3,049 of the 3,073 counties of the United States. These projects have a high social value. They have been undertaken and built in the confident expectation that they will prove to be real assets of the various communities for many years to come. P. W. A. will continue to offer its services to those communities that want to avail themselves of those services. We will be glad to cooperate with you in building such useful and socially desirable public works as sewage systems, waterworks, schools, power plants, bridges, public buildings, etc.

In order to facilitate the P. W. A. program I have set about to decentralize the P. W. A. organization. This will have the twofold beneficial effect of clearing the applications faster and of bringing P. W. A. into closer contact with the local communities. In each State there will be set up a miniature of the general P. W. A. administration at Washington. A State P. W. A. director will be in charge, and associated with him will be an engineering, a legal, and a finance staff, varying in size, but adequate to carry out expeditiously the work that will be entrusted to it. We are able to do this at this time because we now have experienced men in these various divisions in Washington who are qualified to go into the States and move the program at an accelerated pace.

P. W. A. projects should be submitted promptly to the P. W. A. director in each State. Instead of forwarding the applications to Washington for approval they will be examined on the ground. This will make for much greater speed. Since the local staff will be in close touch with the various communities it will be able to get whatever information it may need. The applications will then be sent on to Washington where, after a brief review by the P. W. A. general staff, they will follow the procedure that has already been outlined.

As has been said, preference will be given to the projects the cost of which will be shared between the Federal and the local governments. It is our ambition to help to finance as many such projects as possible. We will want to continue the fine record of P. W. A. throughout the country. Over 17,000 P. W. A. projects, either completed or under construction, now dot the map of the United States. They gave direct work on actual construction to millions of men and indirect work to additional millions who produced and fabricated and moved the materials used at the sites.

See to it that your local projects are of a quality and usefulness of which you will be proud. See to it that they are a type to acquire which you would willingly pay local taxes. Remember that Federal money is your money just the same as if it came from your local school, sewer, water, city, or county tax assessments. Your community has resources and in honor and patriotism must bear its share of the burden. The Federal Government stands ready to aid, but it expects every community to do its bit.

ADDRESS OF HARRY L. HOPKINS, WORKS-PROGRESS ADMINISTRATOR

The President, in his recent radio address on work relief, definitely declared that the primary objective of the new Work Relief Act is to put to work three and a half million people now on relief rolls throughout the country on the basis of a national, useful work program.

The activities of the Works Progress Administration, one of the agencies established by the President, are completely directed toward the accomplishment of such primary objective. The Works Progress Administration has been specifically designated by the President to be responsible to him for the honest, efficient, speedy, and coordinated execution of the work-relief program as a whole, and for the execution of that program, in such manner as to move from the relief rolls, to work on such projects, or in providing employment, the maximum number of persons in the shortest time possible.

To accomplish this end the Works Progress Administration has been given various powers and duties. Essentially they may be divided into (a) the carrying on of useful projects throughout the country, designed to assure a maximum of employment in all localities, and (b) the coordination of the various activities to be conducted by the other agencies operating under the Work Relief Act to assure the accomplishment of the end desired.

The machinery of the Works Progress Administration is now in the process of being established. It will be simple and yet based on the notion that the success of the Work Relief program depends upon speed and efficiency. To accomplish this end there will

be a decentralization of activity and responsibility, with, however, a constant supervision and check from Washington.

State works progress administrators will have the authority to set up such branch offices in the localities as are necessary and desirable. General instructions and advice as to major policies, with respect to the conduct of the activities of the State and local units, will issue currently from the Works Progress Administrator in Washington.

The State works progress administrators and their local units will be primarily responsible for the initiation and carrying through in their locality of the small and useful works-relief projects which are designed to insure a maximum of continuous employment in all localities. All applications for such projects should be filed with the local representative of the Works Progress Administration. This type of work-relief projects includes projects to be carried on as Federal projects, and also projects of States, municipalities, agencies thereof, or other public bodies for which only a grant of Federal funds is to be made.

These administrators will be available in the immediate future to plan with local public officials and citizens projects which will give useful work to the needy unemployed.

Applications for such projects, when filed with the local representative, will be forwarded to Washington, through the appropriate State works progress administrator. The applications will be made on appropriate forms which will be available at the local offices.

Allotment of funds will be made by the President for the work program to be conducted by the Works Progress Administration. Each State works progress administrator will be advised, from time to time, as to the specific work projects which have been thus approved, and for which allotments of funds have been made.

The Works Progress Administration, in connection with its functions, will have the task of prescribing the necessary rules:

- (a) To assure that as many of the persons employed on all work projects as is feasible shall be persons receiving relief;
- (b) To govern the selection of such persons for employment on work projects; and
- (c) To assure a coordinated work-relief program which will actually employ the three and a half million employable persons now on relief.

The eligibility of works projects, whether under the supervision of the Works Progress Administration or of any other agency, will be determined by the criteria established in such rules.

The responsibility for coordinating the activities of the various agencies will make it necessary for the Works Progress Administration, through its State and local representatives, to check each proposed project, to ascertain the relationship between the cost involved, the number of persons to be employed on the project, and the number of such workers on relief rolls available in the areas where such project will be undertaken. Such initial check will not be all, because even after a project is approved it will be the function of the Works Progress Administration, again through its State and local representatives, to furnish the necessary number of persons from the relief rolls required on the project, and also to constantly check as to whether this number is being maintained in employment on such project.

Coordinating the activities of the various agencies involves several other tasks. For instance, the Works Progress Administration will require uniform, periodical reports of progress on all work projects. Where delay appears the Works Progress Administration may recommend to the President appropriate measures for eliminating such delay, and also possibly recommend the termination of projects where it develops that they are not affording the amount of employment warranting their continuance. Further, because of the utmost importance that the work-relief program be carried through without any tinge of dishonesty or fraud, the Works Progress Administration has been directed to establish and operate a division of progress investigation, and to coordinate the pertinent work of existing investigative agencies of the Government.

The Works Progress Administration has also been designated as an agency to provide for the coordination of such data-compiling projects as form a part of the work-relief program, and of such portion of other research activities as may be necessary or useful in carrying out such program.

Under the Work Relief Act the President is authorized to prescribe the working conditions and the rates of pay to be paid to workers employed on the work projects. The Works Progress Administration has been directed by the President to investigate wages and working conditions in order to submit to the President such findings as will aid the President in fulfilling such function.

At the risk of repetition, it should be finally stated that all of the activities of the Works Progress Administration and of every other agency operating under the Work Relief Act will definitely be directed toward carrying out the primary objective of the President to give employment on a national work program to three and a half million persons now on relief rolls who are anxious and desirous and capable of performing useful work.

This program represents a great Nation's obligation to the unemployed. Its operations will be extended to every city and town in America.

The work will be done promptly, efficiently. It will be carried out not only in the best interests of the unemployed but as a great national endeavor, the results of which will be of benefit to the Nation and all of its citizens.

COMMITTEE ON PATENTS

Mr. SIROVICH. Mr. Speaker, the gentleman from New York [Mr. MILLARD] has withdrawn his objection to the consideration of House Resolution 196. I ask unanimous consent for its present consideration, and I ask unanimous consent that the preamble may be stricken out.

The SPEAKER. Without objection, the resolution will be considered and the preamble stricken out.

There was no objection.

The resolution was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. OLIVER (at the request of Mr. HILL of Alabama), on account of illness.

To Mr. O'MALLEY, for Friday, May 24, on account of business.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 157. An act to amend section 5296 of the Revised Statutes of the United States;

H. R. 972. An act for the relief of John Costigan;

H. R. 1846. An act for the relief of Daniel W. Seal;

H. R. 2192. An act for the relief of Harry B. Walmsley;

H. R. 2294. An act for the relief of Thaddeus C. Knight;

H. R. 3721. An act for the relief of Angelo J. Gillotti;

H. R. 3975. An act to provide for the establishment of a Coast Guard station on the coast of Georgia at or near Sea Island Beach;

H. R. 4005. An act to amend section 21 of the Interstate Commerce Act, as amended, with respect to the time of making the annual report of the Interstate Commerce Commission;

H. R. 4239. An act authorizing the Secretary of Commerce to convey to the city of Grand Haven, Mich., certain portions of the Grand Haven Lighthouse Reservation, Mich.;

H. R. 5444. An act to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes;

H. R. 5707. An act to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting system, streets and alleys, sidewalks, curbs, and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding \$100,000;

H. R. 6021. An act to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes;

H. R. 6654. An act to increase the White House Police Force, and for other purposes; and

H. J. Res. 249. Joint resolution to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 82. An act to authorize the disposal of surplus personal property, including buildings, of the emergency conservation work;

S. 1222. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

S. 1342. An act to revive and reenact the act entitled "An act granting the consent of Congress to Board of County Commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn.";

S. 1680. An act to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof; and

S. 1987. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 40 minutes p. m.) the House adjourned until tomorrow, Thursday, May 23, 1935, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

(Thursday, May 23, 10 a. m.)

Committee will hold hearings on bill (H. R. 5368) pertaining to national monuments.

COMMITTEE ON THE DISTRICT OF COLUMBIA

(Thursday, May 23, 10:30 a. m.)

Subcommittee on the Judiciary will hold hearings on bill (S. 395) pertaining to qualifications of practitioners of law, in the caucus room, 362, old House Office Building.

COMMITTEE ON THE DISTRICT OF COLUMBIA

(Thursday, May 23, 10:30 a. m.)

Subcommittee on Public Health will hold hearings on bill (H. R. 6685) relative to examination and registration of beauticians, in room 345, old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

351. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year ending June 30, 1935, to remain available until June 30, 1936, for salaries and expenses, Bureau of Agricultural Economics, Department of Agriculture, amounting to \$10,000 (H. Doc. No. 194); to the Committee on Appropriations and ordered to be printed.

352. A communication from the President of the United States, transmitting 5 supplemental estimates of appropriations for the Treasury Department, 1 for the fiscal year 1935, \$48,760, and 4 for the fiscal year 1936, \$58,213,166, amounting in all to \$58,261,926, together with a draft of a proposed provision pertaining to two existing appropriations (H. Doc. No. 195); to the Committee on Appropriations and ordered to be printed.

353. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, pertaining to the Architect of the Capitol, for the fiscal year 1935, in the sum of \$120,100 (H. Doc. No. 196); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SMITH of Washington: Committee on Pensions. H. R. 6995. A bill granting pensions to veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, their widows and dependents, and for other purposes; without amendment (Rept. No. 974). Referred to the Committee of the Whole House on the state of the Union.

Mr. KOCIALKOWSKI: Committee on Insular Affairs. House Joint Resolution 290. Joint resolution to amend an act entitled "An act providing for the ratification of Joint Resolution No. 59 of the Legislature of Puerto Rico, approved by the Governor May 5, 1930, imposing an import duty on coffee imported into Puerto Rico", approved June 18, 1934; without amendment (Rept. No. 975). Referred to the Committee of the Whole House of the state of the Union.

Mr. KVALE: Committee on Military Affairs. S. 927. An act to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States", approved June 21, 1930, so as to give class B officers of the Army benefits of such act; without amendment (Rept. No. 976). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Committee on Accounts. House Resolution 216. Resolution to pay Malissa Worthley, mother of Vivian Worthley, 6 months' compensation and not to exceed \$250 funeral expenses; without amendment (Rept. No. 977). Referred to the House Calendar.

Mr. WARREN: Committee on Accounts. House Resolution 226. Resolution providing for the expenses of the investigation authorized by House Resolution 203; without amendment (Rept. No. 978). Referred to the House Calendar.

Mr. MAY: Committee on Military Affairs. S. 2105. An act to provide for an additional number of cadets at the United States Military Academy; with amendment (Rept. No. 982). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. GREENWAY: Committee on the Public Lands. H. R. 6703. A bill for the relief of Joanna Forsyth; with amendment (Rept. No. 979). Referred to the Committee of the Whole House.

Mr. ROBINSON of Utah: Committee on the Public Lands. S. 1446. An act for the relief of Knud O. Flakne; without amendment (Rept. No. 980). Referred to the Committee of the Whole House.

Mr. ROBINSON of Utah: Committee on the Public Lands. S. 1447. An act for the relief of Mary C. Moran; without amendment (Rept. No. 981). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KERR: A bill (H. R. 8163) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States to certain classes of aliens, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. ALLEN: A bill (H. R. 8164) granting the consent of Congress to the city of Dixon, Lee County, Ill., to construct, maintain, and operate a free highway bridge across the Rock River at or near Dixon, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. BOILEAU: A bill (H. R. 8165) to refer the claim of the Menominee Tribe of Indians to the Court of Claims with the absolute right of appeal to the Supreme Court of the United States; to the Committee on Indian Affairs.

By Mr. DOUGHTON: A bill (H. R. 8166) to extend the time for filing claims under the Settlement of War Claims Act of 1928, and for other purposes; to the Committee on Ways and Means.

By Mr. IGLESIAS: A bill (H. R. 8167) to authorize the Secretary of War to transfer to the government of Puerto Rico a certain building and lot; to the Committee on Military Affairs.

By Mr. MONAGHAN: A bill (H. R. 8168) providing the number of judges which shall concur in holding an act of Congress unconstitutional; to the Committee on the Judiciary.

Also, a bill (H. R. 8169) to authorize the erection of additional facilities to the existing Veterans' Administration facility, Fort Harrison, Mont.; to the Committee on World War Veterans' Legislation.

By Mr. SUMNERS of Texas: A bill (H. R. 8170) to authorize the acquisition of land on McNeil Island; to the Committee on the Judiciary.

By Mr. DEEN: A bill (H. R. 8171) providing for the publication of statistics relating to spirits of turpentine and rosin; to the Committee on Agriculture.

By Mrs. GREENWAY: A bill (H. R. 8172) to authorize the sale by the United States to the county of Mohave, Ariz., of all public lands in sections 20, 28, and 30, township 20 north, range 15 west, Gila and Salt River Meridian, for park, recreational, and other municipal purposes; to the Committee on the Public Lands.

By Mr. SCRUGHAM: A bill (H. R. 8173) creating the National Farm Credit Bank System; to the Committee on Agriculture.

By Mr. CONNERY: Resolution (H. Res. 227) providing for the consideration of S. 1958, a bill to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes; to the Committee on Rules.

By Mr. HARTLEY: Joint resolution (H. J. Res. 299) to provide for the leasing of the Port Newark Army Supply Base, N. J., owned by the Government and under the control of the United States Department of War to the city of Newark, N. J., or to private individuals or corporations; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FISH: A bill (H. R. 8174) granting an increase of pension to Ruth Ann Smith; to the Committee on Invalid Pensions.

By Mr. GRAY of Indiana: A bill (H. R. 8175) granting a pension to Everett P. Collins; to the Committee on Invalid Pensions.

By Mrs. GREENWAY: A bill (H. R. 8176) for the relief of Joanna Forsyth; to the Committee on the Public Lands.

By Mr. HARLAN: A bill (H. R. 8177) granting a pension to Joseph W. Hawthorn; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8563. By Mr. ANDREW of Massachusetts: Resolution adopted by Cape Ann Chapter 896, Women of the Moose, Gloucester, Mass., urging relief for the cotton-textile industry from the critical situation caused by importations from Japan and the cotton-processing tax; to the Committee on Ways and Means.

8564. By Mr. BELL: Petition of employees of the Southwestern Bell Telephone Co., Kansas City, Mo., protesting against enactment of Wagner labor-disputes bill; to the Committee on Labor.

8565. By Mr. BOYLAN: Letter from the National Organization Masters, Mates, and Pilots of America, New York City, N. Y., favoring the passage of House Joint Resolution 219; to the Committee on Interstate and Foreign Commerce.

8566. Also, petition signed by citizens of the State of New York, protesting against conditions in Mexico; to the Committee on Foreign Affairs.

8567. Also, petition of District Lodge No. 3, Sons of Norway, New York City, N. Y., requesting support of House Joint Resolution 122; to the Committee on the Judiciary.

8568. Also, letter from the Allied Printing Trades Council of Greater New York, unanimously endorsing the Wagner-Connery labor-disputes bill; to the Committee on Labor.

8569. By Mr. GOODWIN: Petition of Bloomingburg Grange, No. 1197, Bloomingburg, N. Y., opposing the Eastman bill; to the Committee on Interstate and Foreign Commerce.

8570. By Mr. HEALEY: Resolution of the board of directors of Consolidated Dairies, Inc., favoring the continuance of the Agricultural Adjustment Act and the passage of the

amendments to that act now pending in Congress as House bill 7088 in order that the purchasing power of the dairy farmer may be sustained and protected; to the Committee on Agriculture.

8571. By Mr. KEE: Petition of Adrian Broyles and other citizens of Monroe County, W. Va., urging the Congress of the United States of America to eliminate the taxation of gasoline by the Federal Government; to the Committee on Ways and Means.

8572. Also, petition of A. A. Browning and other citizens of Wyoming County, W. Va., urging the Congress of the United States of America to eliminate the taxation of gasoline by the Federal Government; to the Committee on Ways and Means.

8573. Also, petition of A. H. McClaugherty and other citizens of Princeton, Mercer County, W. Va., urging the Congress of the United States of America to eliminate the taxation of gasoline by the Federal Government; to the Committee on Ways and Means.

8574. By Mr. KENNEY: Petition of the Board of Commissioners of the Town of Montclair, N. J., endorsing the suggestion of Mayor Meyer C. Ellenstein, of Newark, N. J., made to the President of the United States, that a congressional committee with authority to employ engineers and aeronautic experts of national reputation be appointed for a survey and study of the entire Newark airport situation to the end that the question may be settled for all time to the best interests of the American people at large; to the Committee on Interstate and Foreign Commerce.

8575. By Mr. MAPES: Petition of 24 citizens of Ottawa County, Mich., recommending the passage of the Frazier-Lemke refinancing bill; to the Committee on Agriculture.

8576. By Mr. MERRITT of New York: Petition of the Brotherhood of Railway and Steamship Clerks, Utica, N. Y., protesting against the decision of the Supreme Court in decision rendered Monday, May 6, to the effect that the railroad pension law was unconstitutional, and so forth, and urging Congress to frame, write, and present such suitable amendment to the Constitution that will permit them to make such laws as are necessary for the general welfare of the country; to the Committee on Ways and Means.

8577. Also, petition of Richard Meagher, of 6902 Ridge Boulevard, and sundry other residents of Brooklyn, N. Y., expressing disapproval of the passage of the Wagner labor-disputes bill and urging Congress to defeat same; to the Committee on Labor.

8578. By Mr. PFEIFER: Petition of District Lodge No. 3, Sons of Norway, Bronx, N. Y., urging support of House Joint Resolution 122, requesting Leif Erickson Day on October 9 to be made a national holiday; to the Committee on the Judiciary.

8579. By Mr. REED of Illinois: Resolution adopted by Chicago Division No. 1, Order of Benefit Association of Railway Employees, requesting the extension for 1 year of the Emergency Transportation Act of 1933, as embodied and contained in House Joint Resolution 219; to the Committee on Interstate and Foreign Commerce.

8580. By Mr. RUDD: Petition of the American Federation of Labor, concerning the Wagner-Connery labor-disputes bill; to the Committee on Labor.

8581. Also, petition of the Allied Printing Trades Council of Greater New York, concerning the Wagner-Connery labor-disputes bill; to the Committee on Labor.

8582. Also, petition of Joseph A. Wynn Post, No. 260, Veterans of Foreign Wars, Brooklyn, N. Y., favoring the Jenckes bill (H. R. 5541), for the display of the American flag on all buildings of the Government of the United States and the government of the District of Columbia; to the Committee on the Judiciary.

8583. By Mr. SHANLEY: Petition of W. P. Davis, general manager New England Milk Producers' Association, 51 Cornhill, Boston, Mass.; to the Committee on Agriculture.

8584. Also, petition of John F. Robinson, president the Young Democratic Clubs of Connecticut, Waterbury, Conn.; to the Committee on Foreign Affairs.

8585. By Mr. TINKHAM: Resolutions passed by the General Court of Massachusetts, memorializing Congress in favor of additional appropriations of money for use by the Home Owners' Loan Corporation in continuing its activities; to the Committee on Banking and Currency.

8586. Also, resolutions of General Court of Massachusetts, memorializing Congress for the enactment of Federal legislation to substitute another tax for the discriminatory tax on cigarettes selling at a low price; to the Committee on Ways and Means.

8587. By Mr. TREADWAY: Resolutions adopted by the General Court of Massachusetts, urging a reduction in the tax on low-priced cigarettes; to the Committee on Ways and Means.

8588. Also, resolution adopted by the General Court of Massachusetts, urging additional appropriations for the Home Owners' Loan Corporation; to the Committee on Appropriations.

8589. By the SPEAKER: Petition of the city of Cleveland, Ohio; to the Committee on the Judiciary.

SENATE

THURSDAY, MAY 23, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, May 22, 1935, was dispensed with, and the Journal was approved.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—VETO MESSAGE

The VICE PRESIDENT. Under the unanimous-consent agreement entered into yesterday, the Chair lays before the Senate for reconsideration House bill 3896, being the so-called "Patman bonus bill"; and the question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Reynolds
Ashurst	Copeland	La Follette	Robinson
Austin	Costigan	Lewis	Russell
Bachman	Couzens	Logan	Schall
Bailey	Davis	Loneragan	Schwellenbach
Bankhead	Dickinson	Long	Sheppard
Barbour	Dieterich	McAdoo	Shipstead
Barkley	Donahey	McCarran	Smith
Bilbo	Duffy	McGill	Steiwer
Black	Fletcher	McKellar	Thomas, Okla.
Bone	Frazier	Maloney	Thomas, Utah
Borah	George	Metcalf	Townsend
Brown	Gerry	Minton	Trammell
Bulkley	Gibson	Moore	Truman
Bulow	Glass	Murphy	Tydings
Burke	Gore	Murray	Vandenberg
Byrd	Guffey	Neely	Van Nuys
Byrnes	Hale	Norris	Wagner
Capper	Harrison	Nye	Walsh
Caraway	Hastings	O'Mahoney	Wheeler
Carey	Hatch	Overton	White
Chavez	Hayden	Pittman	
Clark	Johnson	Pope	
Connally	Keyes	Radcliffe	

Mr. AUSTIN. I announce the necessary absence of the Senator from Oregon [Mr. McNARY], who is detained from the Senate on official business.

I also announce that the Senator from South Dakota [Mr. NORBECK] is necessarily detained from the Senate.

The VICE PRESIDENT. Ninety-three Senators have answered to their names. A quorum is present.

The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. THOMAS of Oklahoma. Mr. President, there is now pending before the Senate the question of the reconsideration of the bill known as the "Patman bonus bill." After

consideration of this question during the past 24 hours, it appears that there is very little if anything new that may be said upon the question of the necessity or desirability of enacting the proposed legislation.

Eighteen years ago and more the Senate, in conjunction with the House of Representatives, declared war on what were known as the Central Powers of Europe. After war was declared, 4,750,000 soldiers were called to the colors. Of that number, 2,375,000 were conducted overseas, and 1,400,000 served upon the battle front. While some of these 4,750,000 soldiers volunteered in the war, the great majority were drafted into the service.

These men who were inducted into the service received the magnificent sum of \$30 per month or \$1 per day. Those who could get across received a bonus of 10 percent because of the opportunity to fight a foreign enemy on foreign soil. Men who did not have to go to war had the benefit of plenty of employment at high wages. In my section of the country the lowest wage paid for common labor was something like \$4 per day or \$100 per month.

These boys, for they were boys in those days, out of their \$30 per month were forced to contribute to an insurance fund to insure each other's lives. In addition to being forced to contribute to the insurance fund to insure their comrades' lives, these boys were forced to buy bonds, to give up part of their salary to pay the expenses of that war.

In addition to receiving the magnificent sum of \$1 per day, they received their board and keep, which cost the Government less than 50 cents per day.

When the war was over and these millions of our youth returned to the United States they saw unnumbered millionaires who had been made as a result of excessive war profits. They saw the profits made by corporations and stockholders in corporations. They saw the money that had been made by their compatriots who did not have to go to war. Then it dawned upon them that they had not received a fair compensation for the services they had rendered their Government and their country.

Because of these conditions the boys asked for an adjustment of the salaries paid to them and the salaries paid to others here at home. After years of demand upon the Government the Congress made its own adjustment and gave the soldiers the magnificent sum of \$1 per day for the time they actually served in the Army and those who were sent overseas had an additional 25 cents per day added because of such foreign service. So the dollar which they received while in the service and the dollar which they received because of this adjustment made for them a magnificent sum of \$2 to \$2.25 per day. Thus, we arrive at the total remuneration which these millions of the youth received, and are to receive, for the honor of serving in the United States Army at home and abroad in 1917 and 1918.

To get the \$2 or the \$2.25 per day as just set forth, this bill must be passed by this Senate. With this bill passed and the added money paid the veterans then their total wages or salary for fighting for our Government will be only about one-half the wages paid common labor during the war.

Mr. President, this question should be approached from a strictly business viewpoint and as a strictly practical proposition. The House on three occasions has voted the payment of the so-called "soldiers' bonus." During this Congress the House passed the bill by a vote of approximately 4 to 1. Thereafter the bill came to the Senate and the Senate passed the bill by a vote of 55 to 33. In constitutional course the bill was sent to the President. The President saw fit to veto the measure and returned the bill to the House of Representatives. The President yesterday set forth his reasons for the veto. The reasons apparently are sufficient unto the President. Apparently the President said all in opposition to the bill that could be said. On yesterday the House of Representatives reconsidered the bill in the light of the veto of the President, and upon roll call cast a vote of 322 for overriding the veto and 98 for sustaining such veto.

The bill and the veto are now before the Senate for our consideration and action.

Mr. President, if the so-called "wage or salary adjustment" is not paid prior to 1945—and no one can prophesy the future accurately—yet as I see the situation, while the soldiers will receive the money due them at that time dollar for dollar, I doubt if those dollars in 1945 will have the buying power that the dollars of today have at this moment.

Because of the depression we have now reached that period where we have inflation of bonds uncontrolled. Because of this depression we have now reached that point where we have inflation of credit uncontrolled. We are spending this year \$10,000,000,000 to run the Nation and pay for the unusual expenses because of the depression. If we have to spend \$10,000,000,000 next year and \$5,000,000,000 the following year—and we may have to do it, though I hope we do not—the money can only be secured by borrowing, and the more we borrow the cheaper eventually the dollar must be made.

The veterans now know that in terms of gold they have already lost 40 percent of the value of the adjustment which was given them in 1925. At that time, had they been paid in gold dollars, such dollars would have weighed 25.8 grains of gold 0.9 fine. If they were paid today in gold dollars, such dollars would weigh only 15½ grains of gold 0.9 fine. So already the soldiers have lost 40 percent of their value of their compensation measured in terms of gold.

While it is true that in 1945 the soldiers will receive what is due them according to contract, I must remind Senators that already 3,000,000 of these soldiers have borrowed upon their contracts. Many of the 3,000,000 who have borrowed one-half the amount due them have been unable to pay the interest on the loan. The interest is being added daily to the amount they owe the Government. In the final adjustment the interest will be subtracted. I have been told, though I have not made the computation, that if those who have a \$1,000 certificate in the first instance had borrowed \$500 and if the interest is not paid, in 1945 such a soldier will have less than \$100 due him. If the soldier has not borrowed, in 1945 he will have the full \$1,000 due him. But if these dollars are worth only a fraction of what they are worth today, how much value will that soldier have in 1945? In terms of gold he has already lost 40 cents out of each dollar.

Mr. President, in the veto message which we have before us the Chief Executive said yesterday that if the adjusted compensation were paid now the insurance feature of the certificate would be destroyed. In other words, if we pay the soldiers now, the dependents of the soldiers will have no protection left. Already 3,000,000 of these soldiers have borrowed on their certificates to the extent of one-half their value. If they are unable to pay the interest, then at the end of the period they will have practically nothing left, because the interest on what they have borrowed will eat up and consume the balance due them on their contracts. Thus it is obvious that if the veto message is sustained the value of 3,000,000 certificates will be thereby practically destroyed.

Mr. President, permit me to call attention to another phase of this question. One hundred and thirty thousand were killed in the war. Since the war closed in 1918, 440,000 have died. According to the tables of mortality, between now and 1945, 916,000 more of the soldiers will probably die. Add the 130,000 who were killed in the war, the 440,000 who have died since the war closed, and the 916,000 who will probably die between now and 1945, and what do you have? We have a total of approximately a million and a half of the soldiers who will not be alive when their adjusted-compensation certificates shall fall due in 1945.

Mr. President, which class of the soldiers are the ones most likely not to be here in 1945? In the case of the able-bodied man who was not injured in the war, the chances are that he will be alive in 1945. He can and will collect; but the man who was injured, the man who was wounded, the man who was gassed, the man who contracted disease, will probably not be here then. Twenty-seven years after the war closed the wounded, the maimed, and the diseased will be gone. They will receive no compensation whatever ex-

cept the meager amounts they will have received prior to their death. The able-bodied men, those of them who are still alive in 1945, will receive the compensation. They will get the benefit. So, Mr. President, the postponement of the payment of these certificates is in the interest and for the benefit of the able-bodied men and to the disadvantage and detriment of the wounded, the gassed, the maimed, the diseased, and the sick.

It was said on yesterday that the payment of this sum now would be in favor of the able-bodied man and against the interest of the man who was diseased, sick, injured, or wounded. I construe the situation in exactly the opposite way. The payment of this amount now would be in the interest of the disabled, the maimed, the wounded, the injured, and the sick, because if it is not paid before 1945 some million and one-half of the veterans will not be here to collect on their certificates.

Mr. President, deaths on the battlefield are not the only casualties of war. Three years ago we had pending before the Congress the Patman bonus bill. At that time we had a President who vetoed that bonus bill before the Congress had even a chance to vote upon it—that is, he said he would veto it. He threatened a veto. He pledged a veto. The House, however, passed the bill by about 3 to 1, and the bill came to this Senate for consideration, and after consideration the roll was called and 20 Senators voted in favor of the passage of the bill in 1932. Twenty voted for it. Sixty voted against it.

After the roll was called, and before the result was announced, my distinguished colleague from Alabama, Mr. BANKHEAD, addressed the Chair and asked permission to change his vote from "yea" to "nay" in order that he might enter a motion for reconsideration. I did the same thing on that historic occasion. I addressed the Chair and changed my vote from "yea" to "nay" in order that I likewise might assist if necessary in entering a motion for reconsideration. After those two motions had been entered, the distinguished Senator from Pennsylvania, Mr. REED, with Mr. Vice President CURTIS in the chair, made a motion that the Bankhead motion and the Thomas motion be tabled. No sooner had the distinguished Senator from Pennsylvania made the motion to table the two motions which had just been entered than the distinguished Senator from Utah, Mr. SMOOT, and the distinguished Senator from New Hampshire, Mr. MOSES, both addressed the Chair, and both moved to lay these motions on the table. The Vice President recognized the Senator from New Hampshire over the protests of the Senator from Alabama and myself; but the motion was put, the vote was had, the motion carried, and the bonus bill was dead.

Mr. President, since 1932 there have been two elections held to elect United States Senators. At each election one-third of the membership of this body is elected. One-third of 96 is 32. In the past two elections we have elected 64 United States Senators. Twenty-three seats held by Senators voting against the bill are changed today as a result of those two recent senatorial elections. Twenty-three Senators who voted against the bonus bill in 1932 are not here today.

Mr. President, where is the President who vetoed the bill 3 years ago? Where is the Vice President who broke a precedent in recognizing the Senator from Pennsylvania to make a motion to reconsider when two motions to reconsider had already been entered? Where is the Senator from New Hampshire who made the motion to table? Where is the Senator from Utah who tried to move to table? Where are these 23 casualties? Mr. President, they are gone. They have joined the long list of the politically unknown and forgotten.

Mr. LONG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. My attention was distracted. I beg the Senator's pardon. Had he referred to the President who vetoed the last bonus bill?

Mr. THOMAS of Oklahoma. The President in power in 1932, who threatened to veto the bill even before the Congress passed it; I referred to President Hoover.

Mr. LONG. And the Senator referred to some 23 men. Did he mean Senators?

Mr. THOMAS of Oklahoma. I mean 23 Senators who voted against the Patman bill in 1932. They are not here today; and among them is the distinguished former Senator from Pennsylvania, Mr. Reed, coming from a State which went 700,000 in favor of his party only a few years ago.

Mr. President, this is a practical proposition. Eighty percent of the House and Senate jointly have gone on record already in this Congress in favor of this legislation. I cannot speak for other States, but in my judgment the State which permits me to serve in this body is 95 percent in favor of the passage of the bill. Oklahoma is so universally in favor of the passage of the bill that I have received but few protests against its passage.

Mr. President, when the public opinion of the country becomes crystallized behind legislation it is only a question of time until that legislation is passed by the Congress. If the sitting Members will not pass the legislation which the country demands, the country has a way of enacting its legislation; and that way is obvious to every Member of the Congress. If this veto shall be sustained today, this issue will not be dead. An issue affecting directly 4,750,000 veterans who with their wives, brothers, sisters, fathers, mothers, and friends number some 10,000,000 American citizens cannot die. It will be more alive tomorrow morning than it is at this good hour.

Mr. President, I have used practically my allotted time. In 30 minutes there is no occasion to consider the various points in the President's message. He has set forth to the very best advantage the arguments against the bill. He has left out nothing. If those reasons appeal to the Senators, of course, they will vote to sustain his veto. On the other hand, if they do not appeal to the reason and good judgment of the Senators, they will vote to override the veto.

So far as I am concerned, I am ready for the roll to be called, and when it is called I will vote to pass the bill, notwithstanding the veto of the President.

Mr. DIETERICH. Mr. President, I do not assume that anything that might be said in this Chamber will influence a single vote; yet when an issue of this kind becomes so misunderstood as this issue evidently is, sometimes, as a matter of self-protection, a Senator must rise to express himself and place his position in the Record.

I do not assume that there is anyone on this floor who harbors any ill-will toward the American soldier. I do not assume there is anyone on this floor but who is willing to see that justice is done to the service men. If that were all that is involved in this measure I should not be addressing this body on this day.

The bill which was returned to the House of Representatives by the President of the United States with his disapproval contains three important provisions: First, it directs the payment of the adjusted-service certificates to the service men. Second, it specifies that money shall be issued in the amount necessary to make payment of those certificates. Third, it provides for a contraction and expansion of the national bank and Federal Reserve currencies.

The matter of the payment of the bonus is, as I regard it, only an incident to the two other provisions. The second and third provisions could well have been left to independent legislation, because they have nothing whatever to do with the payment of the adjusted-service certificates.

The third provides for the retirement of certain of our moneys based upon a computation of the Department of Labor, under which the Treasury can retire from circulation national bank and Federal Reserve notes.

This computation is based upon what is termed the index number of wholesale all commodity prices as determined by the Bureau of Labor Statistics. I venture to say that of the 322 Members of the House of Representatives who voted to override the veto and permit this measure to become a law, there were not three who understood that computation or its

effect upon the currencies of this country. I venture to say that in this Chamber, with the exception of perhaps one or two Members, there is not a single Senator who understands that computation or understands its effect upon the currencies of the United States.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DIETERICH. Mr. President, I refuse to yield.

The VICE PRESIDENT. The Senator declines to yield.

Mr. DIETERICH. However, upon that computation, not understood by the Senate, made by a bureau which could adopt a different method tomorrow, which could change its calculations at its will, we are asked to delegate the authority to say whether or not the national bank and Federal Reserve currencies may be contracted.

The second subdivision provides for the issuance of money. It is true that the Congress has the power to coin money and to regulate the value thereof. It is also true that money is something about which people know very little. I have even heard Members of the Congress who had served here for a long period declare that they knew nothing about money, and I present the following thought with that in view.

Those things about which we know nothing, those things which we are unable to reason out for ourselves, we accept on faith, we believe. So, in considering things concerning which we know nothing, we perhaps seek the most authentic source of information we can find, and follow that leadership in our beliefs, and when once a belief is created in a people it is not easily destroyed; it is as hard to destroy as the belief in man's religion.

The particular question before us is in this category, that there are not necessarily different schools of thought, but there are different beliefs. By insidious propaganda there has been built up the belief that this Government, under the provisions of the bill and in the manner provided by the bill, can issue currency rather than borrow the money and extend its credit to meet this obligation. It is a hard thing to break down that belief when once the propaganda has disseminated it to our people.

I, perhaps like other Members of the Senate, have tried as best I could to learn something about money. I thought that perhaps in all the discussions there would arise someone sufficiently familiar with the subject to be able to tell us what amount of circulating medium there should be in order conveniently to accommodate the business of this country. I thought that perhaps someone would be able to tell us what that quantity of currency was related to and give us some intelligent idea of what quantity of currency would be necessary, as I have said, to enable our people conveniently to transact the business of the country. But I listened in vain. No such information has been given to us by those who know, if there are any who do know.

Mr. President, a knowledge of these things is necessary in order to enable us to determine the soundness of this bill. I am not going to prolong a discussion of money, the history of money and its uses. One of the reasons is that I am not sufficiently familiar with the subject to enable me to present anything which might be of benefit to the Senate. But there is one thing we do know, there is one thing that is thoroughly understood and that is that money is not credit, that the matter of extending credit and the matter of issuing money are two separate things.

There is another thing we know, namely, that our money is the basis of our credit, and that when the base is destroyed, the structure must necessarily fall, and in my view of this measure, the issuing of the estimated amount of some \$2,200,000,000 would so impair the currency as not only to destroy the base, but also affect the credit of this country.

These are the serious things involved in the bill. The expansion of the currency, and the matter of dealing with the moneys of the country, are the prime reasons for much support of the bill, and the matter of paying adjusted-service certificates is a secondary consideration.

I do not say that selfishness inspires this movement, but I say that there are selfish interests which are wrapped around these inflationary measures attempted to be passed through Congress, which have "hitch hiked" on every piece

of legislation that looked as if it had a chance to pass the Congress. These inflationary measures are in some instances advocated by selfishness.

The matter of the payment of the adjusted-service certificates is a different thing from the matter of inflating the currency. I have made an effort to ascertain the condition of the Federal Treasury. What I am now about to present is gathered from the Treasury statement of March 31, 1935, pertaining to the circulation.

The figures under several of the headings in the circulation statement of the United States Treasury as of March 31, 1935, are not truly comparable with the figures under the same headings in similar statements previous to January 1, 1933. The same method of accounting is followed, but the fundamental change in our monetary system gives to figures in the same category now an entirely different meaning.

Then gold coins and gold certificates were money. Now they are not money. For them to be in the possession of the public as money is unlawful. No longer should they be treated as money in statements of our monetary condition. Gold should be accounted for merely as bullion in a column reckoning the metal base that supports our new monetary system. Gold certificates—so long as any of them remain in existence—should be treated in monetary statements not as money, but as records of the earmarking for the time being of certain quantities of gold for specific reserves or accounts.

With this point of view in mind analysis of the circulation statement of March 31, 1935, brings to light the terrific danger that lurks in those provisions of the Patman bill which provide for the printing of \$2,200,000,000 of paper money with which to pay the soldiers' bonus. This danger is not only the menace of immediate and wild monetary inflation, but of the far more terrible catastrophe of a complete break-down of our monetary system which will drive us along the road toward ruin that many foreign nations are already traveling.

The method of accounting in the statement referred to divides all the money of the United States into two great classifications: Money in the Treasury of the United States, and money not in the Treasury of the United States.

The second classification—money not in the Treasury of the United States—is further differentiated into money in Federal Reserve banks, and "money in circulation." "Money in circulation" is money that is not in the Treasury and not in Federal Reserve banks.

Our entire stock of monetary gold is held in the Treasury. It has the enormous value of \$8,567,024,342; but it does not lie there irresponsible and without claims against it. It is the core of our present sound monetary system, and its promise of security must not be vitiated by a flood of paper promises.

That stock of gold is now earmarked, as it were, for several Treasury accounts and reserves; \$5,714,600,580 of gold certificates stand against it; a stabilization fund of \$1,800,000,000 in gold is part of it; a reserve of \$156,039,431 in gold against United States notes is also a part of it.

Of the gold certificates, \$4,921,208,571 are held in the Treasury for the account of Federal Reserve banks and fiscal agents, \$670,463,090 more are held by Federal Reserve banks and agents, and \$122,928,919 are still part of what is termed "money in circulation", presumably in the secret hoards of private individuals.

If all these claims are taken into account, the value of the portion remaining free from specific charges—the value of the stock of gold upon which we base our monetary system—is \$896,384,331, not \$8,567,024,342.

It is entirely true that for every dollar in circulation there is more than \$1.50 worth of gold in the United States Treasury, but this does not mean that the whole stock of gold is free from charges against it within the Treasury itself.

Turn for a moment to consideration of silver, the other metal that goes into the foundation of our monetary system. In the Treasury are 510,654,241 standard silver dollars, and silver bullion to the value of \$263,337,146. The charges against this are \$732,439,178 worth of silver certificates

and \$1,182,924 worth of Treasury notes of 1890 that are outside the Treasury in Federal Reserve banks and in circulation.

Obviously the bulk of this silver cannot be counted as money in the Treasury. It is almost entirely security for the paper money named that is outside the Treasury. Only the surplus of 40,369,285 standard silver dollars can be counted as money in the Treasury.

The total amount of money in the Treasury, then, is: Silver dollars, 40,369,285; subsidiary silver, \$3,609,953; minor coin, \$3,508,159; United States notes, \$2,115,552; Federal Reserve notes, \$15,439,695; Federal Reserve bank notes, \$1,727,327; and national-bank notes, \$20,342,499; a total of \$87,112,470.

To present a true picture of what the statement of our monetary condition means, no account of gold, or gold certificates or silver that stands as security for silver certificates and Treasury notes of 1890 should be included in the category of money.

A proper statement of our monetary condition on March 31, 1935, reads thus:

The total amount of money in circulation on March 31, 1935, was \$5,370,208,822.

The total amount of money in Federal Reserve banks was \$498,440,076.

The total amount of money in the Treasury was \$87,112,470.

The total metallic base with no specific charges against it held in the Treasury was gold to the value of \$896,384,331.

To print over \$2,000,000,000 of paper money in accordance with the provisions of the Patman bill would be to rush upon monetary ruin and economic destruction.

I am in favor of paying the soldiers' bonus, but I want to see it paid in the right way. I do not want to see poured out in this payment paper money, the mere issuance of every succeeding dollar of which will depreciate the value of every dollar that is issued.

It was by such means that John Law brought France to rack and ruin with the Mississippi bubble early in the eighteenth century.

It was by such means that England tried to pay off her national debt about the same time and ruined the country with the South Sea bubble.

It is silly to say that it is unnecessary for a government to borrow money—that it need only print it and save the interest on loans. The national debt of every country in the world is proof of the absurdity of this contention.

One thing is certain about money: Money is not credit.

When a nation, or an individual, requires credit, it has to be paid for with interest in money.

I said there were some who were sponsoring this measure perhaps from selfish motives. I can conceive of two classes of citizens which are interested in the passage of the pending bill, not by reason of the fact that it provides for the payment of the adjusted-compensation certificates but because it provides for the inflation of currency. If any persons who are interested in the production of the metals which are used as the basis of our currency—gold and silver—were to pursue a selfish idea, they necessarily would be for the inflation of the currency.

Another class of citizens which would be for the inflation of paper currency and the cheapening of the paper dollar is composed of citizens who owe vast sums of money upon their enterprises and upon their physical property, because they could discharge those debts much easier with inflated money than they could with the sound money of this country.

If perchance both those classes are among those who have circulated propaganda on this subject, that is, both those interested in the production of the metals and those involved in debt, then it would be impossible to discriminate whether patriotic motives to aid the veterans inspired their action, or whether they were inspired by selfish interest to serve their own purposes.

I say this because the issue has been misrepresented. I believe that every Member of the Senate desires to see the service man treated fairly. I believe the greatest injustice that could be done the service man would be to pass the pending bill and destroy the financial structure of the country which the service man fought to preserve.

I thank the Senate.

A HALF TRUTH AND AN UNFAIR IMPOSITION ON THE SOLDIERS

Mr. LONG. Mr. President, I was so much affected by the remarks of the Senator from Illinois [Mr. DIETERICH] I almost changed my notion. I had fully decided that I would not say a word this morning, but I thought I had read that my friend from Illinois, when he was a Member of the House in 1932, had voted for the Patman bill. If I am in error about that, I should like to be corrected.

Mr. DIETERICH. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. LONG. I yield.

Mr. DIETERICH. I voted for the Patman bill in the House in 1932. It contained no inflationary provision. I voted for the Vinson bill in the Senate as a substitute for the committee amendment. My position on the matter of paying the soldiers' bonus is perfectly clear. My position is against paying the soldiers in the kind of money which the Senator from Louisiana and others would like to circulate in this country.

Mr. LONG. I simply desire to say that I had the distinct honor—which I conferred on myself—to have offered the Patman bill of 1932 in the Senate, and if there is any difference whatever between the present bill and the Patman bill of 1932, for which my friend from Illinois voted as a Member of the House, I have never been able to find it, nor have any of my colleagues who have been pushing this fight in the Senate since the pending bill has been here been able to find any difference between them.

They are the same bill, and I regret that my friend from Illinois and others like him who voted in 1932 for this bill, or, whether they voted for it or not, felt kindly toward it, have become confused on the money question since that time. I am sorry that they have not as good a mind on the money question as they had during those days of candidacies.

Mr. President, since I have taken the floor I will make one correction. My friend from Illinois says that no one understands the effect on the currency the enactment of the Patman bill would have. That is a rather late statement to be made in this body, because the entire Democratic side and the Republican side practically solidly voted for the same thing that is in the Patman bill, and the President of the United States, the man who is now in the White House, has signed identically the same currency proposition that is contained in the Patman bill. The Patman bill provides that an obligation of the Government payable in 1945 may be placed in the Treasury and currency of an equal value issued for it. That is the same as the thing that has been done ever since this President has been in office. We voted specifically that the bonds held by the bankers, payable in the year 1945, might be put up and an equivalent amount issued in currency. So for any of us to say we do not know what the effect will be, I fear, is placing ourselves in a very dubious position, because three times we have gone on record to that effect. I gave the list of those who voted for it here the other day. I am satisfied my friend from Illinois voted that way. The senior Senator from Mississippi [Mr. HARRISON] voted that way; the Senator from Arkansas [Mr. ROBINSON] voted that way; I voted that way, and the Republicans, practically to a man, voted the same way. Three times we voted that the money obligations of the United States Government not due and not payable until 1945 could be put up by the banks that held them and that the banks could have issued to them an equal amount of Treasury notes for circulation as money in the United States.

Now, however, we have a beclouded situation, and in some gentlemen's minds they cannot see how it can be done. They are confused; they say they have got to rely upon a faith somewhere, somehow; some undiscovered hope rules them; some undiscovered prophet tells them to beware, be still, move not to the right, move not to the left, change not, notwithstanding the fact that three times they stood here on this floor and sounded out their voices "aye" in favor of the banker taking up a bond which he had and which was just like the soldier's bond of today, which, the President says, is not due until 1945. The bankers drew down the full amount of money on their bonds, but, none the less, the soldier is not to have it.

Yesterday the President in his message said that the soldier was not due any more money than any other man who performed his daily work during the war. The President could have gone a little further. Some few days ago he had made the remark that it was as bad to state a half truth as it was to state a complete falsehood. Now the President says that the soldier is not due any more money than the man who loaded the ships. All we are trying to do by the Patman bill is to give the soldier the same amount of money that a deckhand drew for the same length of time. Why could not the President have gone a little bit further and have said, "I, the President, maintaining that a soldier should draw only so much money as a man who gave his work in civil life for a similar period of time, realize that, had I signed this bill I would have only given to the man who fought in the trenches the same amount of money per day, or per week, for fighting that he would have earned had he been in civil life during the same days and the same months?"

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. STEIWER. If the Senator would not object to a correction, I wish to call his attention to the fact that during the World War the laborers of this country enjoyed the highest wages which, I take it, were ever known in the history of the world. There was no attempt in the Adjusted Compensation Act to adjust the soldiers' compensation on a basis equal to that of civilian employees. The committee report discloses that the purpose of the legislation was to make that compensation something near that of the lowest paid common laborer in America during the war.

Mr. LONG. That is correct.

Mr. STEIWER. And not to make it comparable to the wages of civilian labor generally.

Mr. LONG. That is correct. The statement I am making is an understatement so far as the soldiers are concerned; it does not set forth the whole facts. The committee report recited that if a soldier were given the adjusted compensation now provided under the Patman bill, adding what he has already had to what he will get, he would get as much as the sorriest field hand or road hand who worked during the time the war was going on. Not a single man who was in the battles of France will get as much money, if he shall receive this adjusted compensation, as was received by the commonest field hand during the time the war was going on. So, for the President to come before Congress and make a great play, stating that a soldier is entitled to no more than a civilian, and then veto a bill that does not give the soldier even as much as a civilian, without giving the entire facts, is certainly, I fear, being neither frank with himself, nor with the Congress, nor with the public.

Now, one other thing: The President takes the view that the enactment of this bill may result in inflating the currency. He says, however, that its enactment will not impair the national credit. I call that statement to the attention of Senators; that, in the words of the President of the United States, this bill will not impair the credit or the financial position or the solvency of the Treasury of the United States. That is what he said. The Chairman of the Federal Reserve Board says that; the Chairman of the Reconstruction Finance Corporation says that; a former Secretary of the Treasury during the World War says that; and, I take it, at least, for one thing, that no one in here doubts that, after

paying the bonus as provided by the Patman bill, the condition of the Treasury of the United States will not be impaired in any respect. Therefore, what is the basis upon which this just compensation is denied?

The President says, in answer, that we must be fair. This obligation, he says, is not due until 1945. If that be true, why did he not take the same position on the 9th day of March 1933, 5 days after he took the oath of office, when he signed a bill providing that the bonds held by the banks, not due until 1945, could be put up by the banks and dollar for dollar in currency be drawn by the banks on the bonds that were not due until 1945?

Not only did he sign a bill that allowed the bankers to cash their bonds that were not due for 12 years, but he allowed them to draw from 3 to 4 percent interest on those bonds, notwithstanding the fact that they had drawn 100 cents on the dollar in currency in the meantime. It seems rather late for the President now to be taking the position to the contrary.

Now, to those who have said the argument of the President is unanswerable, let us see what his arguments are: First, he has made the point that we ought not to regard the soldier as being any better than the civilian during the war. If the Congress will consider the question only in that light, they will not vote against the Patman bill but will vote for it, and so would the President have approved it had he realized the effect of his statement.

Second, that an obligation of 1945 should not be regarded in the soldier's hands any differently from an obligation in a civilian's hands. Well, inasmuch as he has cashed the 1945 obligations of bankers and given them the interest of 1945 to boot, can we not give the soldier the amount which he should have in 1945, without interest?

The only difference between the bond of the soldier and the bond of the banker is that in the soldier's case he gets no interest and in the banker's case he is drawing interest today, notwithstanding the fact that for 2 years' time he has been able to take his bonds, put them up, and get all the money which could be issued on them.

I know that nothing I say is going to change any votes, and I had not intended to say anything. It will not be the first time that I have been beaten, and I can take my beatings as well as can any other man. If I were the one being defeated in this matter it would not be so difficult to take it, but the soldiers having these certificates have already calculated that this bonus bill is passed; today they think the Senate is going to override the veto. I know it is not; I think I know how every Senator is going to vote. I knew 2 or 3 days ago that our cause was hopeless; that the powers of politics and finance that had been thrown into the scale against this payment were going to be too great to overcome. I know that that is true today. But I also know that the soldiers have knelt in front of the fireplace with their wives and with their children and figured out what they were going to do with the \$500 coming to them from the bonus. Each and every one of them, no doubt, has calculated that he will pay a bill he owes to the grocer, that he will pay for the suit of clothes he bought year before last and which he is still wearing, if there is a thread left of it; he has thought that perhaps he will be able to send to school a son or a daughter who was born while he was fighting in the trenches. The soldiers have made all those calculations. A few dollars would place them in a position where they could have a few days' surcease during this depression, which some say was brought on as a result of the war. Those hopes are going to be all dashed to the bowwows by the vote here today. I am very sorry more of my colleagues cannot see it my way. I am sorry that they cannot see that the soldier has the same right to cash his obligation as have the civilian bankers to cash theirs. I impute nothing against the good motives of my friends in the Senate, but I think the action of those who will vote to sustain the veto will be a source of very deep regret to all who wish to do the President and the Democratic Party a favor.

Mr. LONG subsequently said: Mr. President, I ask to have inserted in the RECORD, at the close of my speech on the

veto message, an address and a letter which I send to the desk.

There being no objection, the address and the letter were ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR HUEY P. LONG, OF LOUISIANA, ENTITLED "A FAIR DEAL FOR THE VETERANS", MADE OVER A NATIONAL BROADCASTING CO. NETWORK, SATURDAY NIGHT, MAY 11, 1935, UNDER THE AUSPICES OF THE VETERANS OF FOREIGN WARS

The Congress of the United States, by an overwhelming majority in both Houses, has voted to pay in full what is generally called the "soldiers' bonus", but what, in reality, is not a soldiers' bonus at all, but the adjusted-service wages—and very poor wages, at that—which the Government allowed to the soldiers for the days that they served in the World War.

We have generally referred to this proposition as the soldiers' bonus. But here is what it was:

When the boys came back from the war in 1918 and 1919, and some as late as 1920, the Government said that since all common labor had been paid from \$3 to \$4 per day during the war, without taking any chance of being shot down, or of having their legs shot off, or their eyes shot out, that they would pay the soldiers for the time that they worked, fought, and risked their lives and bodies the same amount per day as the commonest kind of laborer was paid for the same day's work during the war.

Now, since they figured that the soldier had already been paid around \$30 to \$40 per month while he was in the war, they deducted the \$1 or \$1.25 per day, and gave him a certificate for the balance, so that, when his certificate was paid, the soldier would receive as much money for the days that he stood in the trenches as the commonest kind of laborer received for the same days that he worked.

Now, I think you or I or most any other person would say that, as a general rule, the man who worked and fought, who slept in the trenches, on the ground, in the rain, and in the mud, and who took a chance of never coming back, was entitled to get a little bit more money for that kind of service than the man who lived in comfort in his home, and took no such chance of being maimed or killed.

But we did not regard it that way when we gave the soldiers their certificates for service. We took the view that they were not entitled to any more money than the sorriest kind of field hand, or work hand; and that is the certificate which they hold today, which is called the soldiers' bonus.

A few years ago Congress provided that the soldiers could borrow about half the money that was due on their certificates. Now, what we have done here this week is to provide to pay them the balance, equal to the face value of the certificates issued by the Government for their services. Some people talk as though the soldiers had already been paid one bonus. That is not true at all. We have not paid the soldiers the bonus once, or twice, or anything of the kind. What we did was to issue a certificate to each man, giving him an allowance to be paid later, and we have allowed them to borrow on this certificate up to one-half the face value, but we have never paid the obligation at all. That is what we are trying to do now.

Now we propose, and have passed a law, to pay the amount in full. The law which has been passed is known as the Patman bill. It is the same bill that previously passed the House of Representatives. Last year I offered this bill as an amendment to another bill in the United States Senate. It failed to pass. But in this session of Congress this same Patman bill was voted in the House of Representatives by an overwhelming majority. It came to the Senate, and it was voted there by a very large majority.

It will become the law, if the President signs it. But, even though the President vetoes the bill it will become the law anyway, if two-thirds of the United States Senators will vote to override the President's veto. We are very near to the mark of getting two-thirds of the Senators to vote to override the veto. It is a shame to have a few votes help the President to sustain a veto doing this wrong to the men who fought our battles.

That being the case, every person, whether he has or has not written to the President, should immediately write or wire to his United States Senators, asking them to vote to override the veto on the soldiers' bonus bill in case he vetoes the bill. We hear the President is being urged to turn a deaf ear to the people's plea. Therefore, wire your Senators.

Now, the President tells us that he was a veteran of the World War, too, and that he understands it somewhat better than we may think. Well, it is true that Mr. Roosevelt was a veteran of the World War. He was Assistant Secretary of the Navy. He stayed up here on Pennsylvania Avenue in the daytime, and in a very fine home during the nighttime, and he drew \$10,000 a year for his services. He was 3,000 miles away from gunfire. Of course, he had an income besides that, which made him say that he did not need the \$10,000, but we paid him that, anyway. And nobody is trying to take it away from him.

But the man that he does not seem to have learned about, is the man that did not stay on Pennsylvania Avenue, and who did not stay in any luxurious home, but the man who scoured the seas, who walked and slept in the rain, who stood in the mud waist deep in the trenches, who went over the top and faced the German guns, who breathed the poisonous gases, and who not only went through 14 kinds of carnage worse than the fires of hell itself, but who, when he came back, found his occupation destroyed, and the job which he had held gone.

But Mr. Roosevelt forgets that his pay of \$10,000 per year was 10 to 20 times the amount which we are trying to get for the soldier who crossed the seas, who faced the enemy, and probably came back home not half fit to live. Someone said to me that some soldiers they knew ought not to be paid the bonus because they had turned out to be bums. Who was it that made them bums? The Government sent them into the fires of death and I wonder that as many came out as well as they did. That's no argument against paying the bonus.

And Mr. Roosevelt forgets, further, that he got his \$10,000 right on the barrel-head for every day that he worked or did not work, and enjoyed Washington society to the full limit in the meantime; whereas the soldier has now waited 17 years for his money, and they are still fighting to keep him from having it.

I am somewhat in the position of Mr. Roosevelt on the war. He didn't go and I didn't go. The only difference is that I didn't get \$10,000 a year not to go. If he wants to place me in his status, all he has to do is to send me a check for \$5,000 for every year the war went on and we will be 50-50 on the war—neither ever heard a cap snap and both with \$5,000 per year, instead of him with the whole \$10,000 by himself.

It is true that he advocated going into the war and I advocated not going into the war. I was against the war, and now so is everybody else who has seen how we came out; but, outside of that, the only thing that keeps me from being the same kind of soldier that Mr. Roosevelt was is that I did not get any \$10,000 and I did not try to make anybody else go to war.

Now, the Government of the United States has issued its certificate for this money to every one of these soldiers. It is due and required to be paid in the year 1945; that is 10 years from now. What we have done in Congress and in the United States Senate by the Patman bill is to provide that the soldier can put up this Government certificate and get Government currency, of Government money, for an amount that is equal to the face value of the service certificate, just like they allow bankers to draw face value in money on obligations of the Government which they hold.

In other words, let us say that the soldier holds a service certificate for \$500. Under our bill he could put up that certificate and the Government would pay him \$500 in cash. There is nothing new about that. Everybody else that holds a Government bond or certificate can put it up and get the Government money on it. Right today a bank can take any bond or obligation that it has of the United States and put that bond up and draw the money in cash on the bond—and that doesn't half tell the story.

Not only can the bank draw the money on the bond that it has, but they can draw the interest on the bond, notwithstanding the fact that they have drawn the money on it; and when the bond becomes due they will have drawn interest all the time, and still have had all the money all the time to do with just as they desired.

Nearly every Member in the Congress, and nearly every Member in the United States Senate, has voted at least three times within the last 3 years to allow the bankers to take the bonds and obligations of the United States Government and put them up with the Treasury Department and secure as much money on the bonds as the face value of the bonds represented, and then the bonds stood there, in their name, and they could draw the interest until their maturity date, and never pay out a cent of their money in the meantime.

But they are not willing to do half that good by the soldier. All that the soldier is asking to do, under the Patman bonus bill, is to put up his adjusted-service certificate, and, if it is for \$500, that he be given \$500 of Treasury notes, which is the same kind of paper money that you have in your pocket today, if you have any. The soldier would not get any interest on his service certificate, like the banks do on the bonds and obligations that they put up to get money, and the only thing today that we have to decide, is: Will we say to the soldier with the \$500 bond, "No, we won't let you have the \$500 in money"; and then turn around to the bankers, who have a million dollars' worth of bonds, and say, "We not only will give you the \$1,000,000 in paper money for your \$1,000,000 of bonds, but we will also pay you 4 percent interest on the bonds until the date of their payment arrives."

Why on March 9, 1933, 5 days after Mr. Franklin Delano Roosevelt took the office as President of the United States, we had another one of these bills up, and we passed it, allowing all banks to put up the bonds of the Government, and to get circulating money, dollar for dollar, and allowing them to draw their interest, just the same, while they had the money. Why didn't Mr. Roosevelt veto that?

Now, the argument has been made that to issue these soldiers this money is opening up the printing press to print money. This is a very flimsy pretense, particularly when Mr. Roosevelt has signed two bills to print all the money that the bankers wanted issued for their bonds.

There is today in the United States Treasury \$9,000,000,000 in gold. As against that gold, we have only five and one-half billions of dollars in money in the United States. If we issue the money on every one of these adjusted-service-certificate bonds held by the soldiers and sailors, we would only pay out around \$2,000,000,000, which means that, with the money we now have outstanding, and the other money that we would have outstanding, we would have in circulation money of all kinds amounting to about seven and one-half billions, and, as against that seven and one-half billions, we would have over \$9,000,000,000 in the Treasury in gold alone, to say nothing of the silver, with which to pay off the money on demand.

But the people are not allowed to ask for their money in gold today. Your paper money says on the face of it that you have a right to demand its payment in gold at the Treasury; but we have another law which says that if you go there to get the money in gold that you would be put in jail for getting it. So where is Mr. Roosevelt to stand when he vetoes the soldiers' right to cash his service-certificate bond?

But even if we were on a gold standard, who could say that we would be issuing printing-press money? Our sound gold law only requires 40 cents in gold in the United States Treasury to back up a dollar of outstanding paper money. That would mean that the United States Government today, with the \$9,000,000,000 in gold it has, could issue up to twenty-two and one-half billions of dollars in paper currency, and still be on the soundest kind of gold standard based upon the gold reserve of nine billions that we have in the Treasury; and there would not be any inflation about it. Yet they stand against us having Government money to pay off the soldiers, when we would have only seven and one-half billion dollars in money covered by \$9,000,000,000 in gold, or \$1.20 in gold for every paper dollar that was outstanding after paying the bonus.

The soldier is entitled to be paid this bonus; he has done his work; he has made his fight; he has taken his chance; he has made his sacrifice; he has kept the faith; and he is the only one who never was paid the daily wage for the days he worked during the war. No one has been more badly treated than the average man who risked his life in the service of this country, to be paid the lowest wages of all, on the chance of losing his life, and then wait 17 years and still not have the low wages he was promised.

Maybe we cannot get the President of the United States to see it, but the bankers have been given everything for which they have asked, and if they have been allowed to put up their bonds and get money on them, and still draw the interest on the bonds, at the very least we ought to let the soldier put up his certificate and be paid the money on it, when he is not allowed interest, as the banker has been allowed.

It is hard to understand how the President could have framed himself into a mind that opposes paying this obligation which the Government now owes to the soldiers. The other night, in his speech over the radio, he said that because he could not find out the touch of the American people, he sometimes went out fishing on the *Nourmahal* yacht of Vincent Astor, so as to get a better conception of the feeling of the American people. I am afraid that his sailing on that \$5,000,000 yacht, into the British waters, where he visited with the Duke and Duchess of Kent, the son and daughter-in-law of King George the Fifth and Queen Mary, the four-fifths, has distorted the viewpoint of the President, rather than giving him the common perspective of the common people in this country.

I hope that he will pay attention to the letters and telegrams which he is receiving, and judge that as being nearer the impression of the American people, rather than the views of the high aristocracy with which he surrounded himself upon this late pleasant cruise into the British waters.

Wire your United States Senators now, or, if you do not feel like sending the money to wire, then write them a letter. Ask them to put their shoulders to the wheel to help override the veto of the President. Do not take any chances. Ask them to do the same justice by the soldiers as has been done by the captains of finance.

Great good would be done this country if we paid this two and one-quarter billion dollars into the channels of our commerce. It would stimulate business everywhere. It would do the people more good than it would the soldiers.

In truth and in fact, we are simply asking that the soldier now be paid, after 17 years of waiting, the commonest kind of wages which others were paid during the time when he fought in the trenches.

Wire your Senators! Wire your Senators!

(Senator HUEY P. LONG's letter)

THE SHARE OUR WEALTH PRINCIPLES—ROOSEVELT PROMISED TO FULFILL THEM—HOOVER DECLARED THEM HIS CONCEPTION OF AMERICA—BUT ONLY ORGANIZED SOCIETIES CAN FORCE THE KEEPING OF SUCH PLEDGES—THE LAW OF THE BIBLE—THE COMPACT OF THE PILGRIMS IN 1620—THE GUARANTY OF THE DECLARATION OF INDEPENDENCE—THE BASIS FOR OUR CONSTITUTION—AMERICA'S ONLY SALVATION—"HE WHO FALLS IN THIS FIGHT FALLS IN THE RADIANCE OF THE FUTURE!"

(The Share Our Wealth Society proposes to enforce the traditions on which this country was founded, rather than to have them harmed; we aim to carry out the guaranties of our immortal Declaration of Independence and our Constitution of the United States, as interpreted by our forefathers who wrote them and who gave them to us; we will make the works and compacts of the pilgrim fathers, taken from the Laws of God, from which we were warned never to depart, breathe into our Government again that spirit of liberty, justice, and mercy which they inspired in our founders in the days when they gave life and hope to our country. God has beckoned fullness and peace to our land; our forefathers have set the guide stakes so that none need fall to share in this abundance. Will we now have our generation, and the generations which are to come, cheated of such heritage because of the greed and control of wealth and opportunity by 600 families?)

To members and well-wishers of the Share Our Wealth Society: For 20 years I have been in the battle to provide that, so long as America has, or can produce, an abundance of the things which

make life comfortable and happy, that none should own so much of the things which he does not need and cannot use as to deprive the balance of the people of a reasonable proportion of the necessities and conveniences of life. The whole line of my political thought has always been that America must face the time when the whole country would shoulder the obligation which it owes to every child born on earth—that is, a fair chance to life, liberty, and happiness.

I had been in the United States Senate only a few days when I began my effort to make the battle for a distribution of wealth among all the people a national issue for the coming elections. On July 2, 1932, pursuant to a promise made, I heard Franklin Delano Roosevelt, accepting the nomination of the Democratic Party at the Chicago convention for President of the United States, use the following words:

"Throughout the Nation, men and women, forgotten in the political philosophy of the Government for the last years, look to us here for guidance and for a more equitable opportunity to share in the distribution of the national wealth."

It therefore seemed that all we had to do was to elect our candidate and that then my object in public life would be accomplished.

But a few nights before the Presidential election I listened to Mr. Herbert Hoover deliver his speech in Madison Square Garden, and he used these words:

"My conception of America is a land where men and women may walk in ordered liberty, where they may enjoy the advantages of wealth, not concentrated in the hands of a few, but diffused through the lives of all."

So it seems that so popular had become the demand for a redistribution of wealth in America that Mr. Hoover had been compelled to somewhat yield to that for which Mr. Roosevelt had previously declared without reservation.

It is not out of place for me to say that the support which I brought to Mr. Roosevelt to secure his nomination and election as President—and without which it was hardly probable he would ever have been nominated—was on the assurances which I had that he would take the proper stand for the redistribution of wealth in the campaign. He did that much in the campaign; but after his election, what then? I need not tell you the story. We have not time to cry over our disappointments, over promises which others did not keep, and over pledges which were broken.

We have not a moment to lose.

It was after my disappointment over the Roosevelt policy, after he became President, that I saw the light. I soon began to understand that, regardless of what we had been promised, our only chance of securing the fulfillment of such pledges was to organize the men and the women of the United States so that they were a force capable of action, and capable of requiring such a policy from the lawmakers and from the President after they took office. That was the beginning of the Share Our Wealth Society movement.

Let me say to the members and well-wishers that in this movement, the principles of which have received the endorsement of every leader of this time, and of other times, I am not concerned over my personal position or political fortune; I am only interested in the success of the cause; and on any day or at any time when, by our going for any person or for any party, we can better, or more surely or more quickly secure home, comfort, education, and happiness for our people, that there is no ambition of mine which will stand in the way. But there can be no minimum of success until every child in this land is fed, clothed, and housed comfortably and made happy with opportunity for education and a chance in life.

Even after the present President of the United States had thrown down the pledge which he had made time after time, and rather indicated the desire, instead, to have all the common people of America fed from a half-starvation dole, while the plutocrats of the United States were allowed to wax richer and richer, even after that, I made the public proposition that if he would return to his promise and carry out the pledge given to the people and to me that, regardless of all that had passed, I would again support his administration to the limit of my ability.

Of course, however, I was not blind; I had long since come to the understanding that he was chained to other purposes and to other interests which made impossible his keeping the words which he uttered to the people.

I delayed using this form of call to the members and well-wishers of the Share Our Wealth Society until we had progressed so far as to convince me that we could succeed either before or in the next national election of November 1936. Until I became certain that the spirit of the people could be aroused throughout the United States, and that, without any money—because I have none, except such little as I am given—the people could be persuaded to perfect organizations throughout the counties and communities of the country, I did not want to give false hopes to any of those engaged with me in this noble work. But I have seen and checked back enough, based upon the experiences which I have had in my public career, to know that we can, with much more ease, win the present fight, either between now and the next national campaign, or else in the next national campaign—I say with much more ease than many other battles which I have won in the past but which did not mean near so much.

We now have enough societies and enough members, to say nothing of the well-wishers, who—if they will put their shoulders to the wheel and give us one-half of the time which they do not need for anything else—can force the principles of the Share Our

Wealth Society to the forefront, to where no person participating in national affairs can ignore them further.

Now, here is what I ask the officers and members and well-wishers of all the Share Our Wealth Societies to do—two things, to wit:

First. If you have a Share Our Wealth Society in your neighborhood—or, if you have not one, organize one—meet regularly, and let all members, men and women, go to work as quickly and as hard as they can to get every person in the neighborhood to become a member and to go out with them to get more members for the society. If members do not want to go into the society already organized in their community, let them organize another society. We must have them as members in the movement, so that, by having their cooperation, on short notice we can all act as one person for the one object and purpose of providing that in the land of plenty there shall be comfort for all. The organized 600 families who control the wealth of America have been able to keep the 125,000,000 people in bondage because they have never once known how to effectually strike for their fair demands.

Second. Get a number of members of the Share Our Wealth Society to immediately go into all other neighborhoods of your county and into the neighborhoods of the adjoining counties, so as to get the people in the other communities and in the other counties to organize more Share Our Wealth Societies there; that will mean we can soon get about the work of perfecting a complete, unified organization that will not only hear promises but will compel the fulfillment of pledges made to the people.

It is impossible for the United States to preserve itself as a republic or as a democracy when 600 families own more of this Nation's wealth—in fact, twice as much—as all the balance of the people put together. Ninety-six percent of our people live below the poverty line, while 4 percent own 87 percent of the wealth. America can have enough for all to live in comfort and still permit millionaires to own more than they can ever spend and to have more than they can ever use; but America cannot allow the multimillionaires and the billionaires, a mere handful of them, to own everything unless we are willing to inflict starvation upon 125,000,000 people.

We looked upon the year 1929 as the year when too much was produced for the people to consume. We were told, and we believed, that the farmers raised too much cotton and wool for the people to wear and too much food for the people to eat. Therefore, much of it went to waste, some rotted, and much of it was burned or thrown into the river or into the ocean. But, when we picked up the bulletin of the Department of Agriculture for that year 1929, we found that, according to the diet which they said everyone should eat in order to be healthy, multiplying it by 120,000,000, the number of people we had in 1929, had all of our people had the things which the Government said they should eat in order to live well, we did not have enough even in 1929 to feed the people. In fact, these statistics show that in some instances we had from one-third to one-half less than the people needed, particularly of milk, eggs, butter, and dried fruits.

But why in the year 1929 did it appear we had too much? Because the people could not buy the things they wanted to eat, and needed to eat. That showed the need for and duty of the Government then and there, to have forced a sharing of our wealth, and a redistribution, and Roosevelt was elected on the pledge to do that very thing.

But what was done? Cotton was plowed under the ground. Hogs and cattle were burned by the millions. The same was done to wheat and corn, and farmers were paid starvation money not to raise and not to plant because of the fact that we did not want so much because of people having no money with which to buy. Less and less was produced, when already there was less produced than the people needed if they ate what the Government said they needed to sustain life. God forgave those rulers who burned hogs, threw milk in the river, and plowed under cotton while little children cried for meat and milk and something to put on their naked backs!

But the good God who placed this race on earth did not leave us without an understanding of how to meet such problems; nor did the Pilgrim fathers who landed at Plymouth in 1620 fail to set an example as to how a country and a nation of people should act under such circumstances, and our great statesmen like Thomas Jefferson, Daniel Webster, Abraham Lincoln, Theodore Roosevelt, and Ralph Waldo Emerson did not fail to explain the need and necessity for following the precedents and purposes, which are necessary, even in a land of abundance, if all the people are to share the fruits produced therein. God's law commanded that the wealth of the country should be redistributed ever so often, so that none should become too rich and none should become too poor; it commanded that debts should be canceled and released ever so often, so that the human race would not be loaded with a burden which it could never pay. When the Pilgrims landed at Plymouth in 1620, they established their law by compact, signed by everyone who was on board the *Mayflower*, and it provided that at the end of every 7 years the finances of their newly founded country would be readjusted and that all debts would be released and property redistributed, so that none should starve in the land of plenty, and none should have an abundance of more than he needed. These principles were preserved in the Declaration of Independence, signed in 1776, and in our Constitution. Our great statesmen, such men as James Madison, who wrote the Constitution of the United States, and Daniel Webster, its greatest exponent, admonished the generations of America to come that they must never forget to require the

redistribution of wealth if they desired that their Republic should live.

And, now, what of America? Will we allow the political sports, the high heelers, the wisecracks, and those who ridicule us in our misery and poverty to keep us from organizing these societies in every hamlet so that they may bring back to life this law and custom of God and of this country? Is there a man or woman with a child born on the earth, or who expects ever to have a child born on earth, who is willing to have it raised under the present-day practices of piracy, where it comes into life burdened with debt, condemned to a system of slavery by which the sweat of its brow throughout its existence must go to satisfy the vanity and the luxury of a leisurely few, who can never be made to see that they are destroying the root and branch of the greatest country ever to have risen? Our country is calling; the laws of the Lord are calling; the graves of our forefathers would open today if their occupants could see the bloom and flower of their creation withering and dying because the greed of the financial masters of this country has starved and withheld from mankind those things produced by his own labor. To hell with the ridicule of the wise street-corner politician. Pay no attention to any newspaper or magazine that has sold its columns to perpetuate this crime against the people of America. Save this country. Save mankind. Who can be wrong in such a work, and who cares what consequences may come following the mandates of the Lord, of the Pilgrims, of Jefferson, Webster, and Lincoln? He who falls in this fight falls in the radiance of the future. Better to make this fight and lose than to be a party to a system that strangles humanity.

It took the genius of labor and the lives of all Americans to produce the wealth of this land. If any man, or 100 men, wind up with all that has been produced by 120,000,000 people, that does not mean that those 100 men produced the wealth of the country; it means that those 100 men stole, directly or indirectly, what 125,000,000 people produced. Let no one tell you that the money masters made this country. They did no such thing. Very few of them ever hewed the forest; very few ever hacked a crosstie; very few ever nailed a board; fewer of them ever laid a brick. Their fortunes came from manipulated finance, control of government, rigging of markets, the spider webs that have grabbed all businesses; they grab the fruits of the land, the conveniences and the luxuries that are intended for 125,000,000 people, and run their heelers to our meetings to set up the cry, "We earned it honestly." The Lord says they did no such thing. The voices of our forefathers say they did no such thing. In this land of abundance, they have no right to impose starvation, misery, and pestilence for the purpose of vaunting their own pride and greed.

Whenever any newspaper or person, whether he be a private individual or an officer of the Government, says that our effort to limit the size of fortunes is contrary to the principles of our Government, he is too ignorant to deserve attention. Either he knows that what he says is untrue or else he is too ignorant to know what the truth is.

We can go further than that: Whenever any person says that he is following any Christian religion; or, if he be a Jew, if he says he is following the religion of the Jews; or even if he be a Chinaman, if he is following the teachings of Confucius, he cannot say that he thinks his own religion is sound unless he is willing to follow the principles to share the wealth of the land. Such is taught and required in the lines of the Bible, both in the New Testament and in the Old Testament, and the divine warning of those pages, repeated time and again, is that unless there is a comfortable living guaranteed to the man at the bottom, and unless the size of the big man's fortune is so limited as to allow the common run of people a fair share of the earth's fruits and blessings, that a race of people cannot survive.

If a man declare himself to be an American, and a believer in the American principles, then from the day that this country was founded until the present time, whether it be by the French or by the English, he must profess the share-our-wealth principles, or else he is not following the American doctrine. When the Pilgrims landed at Plymouth, here was a part of their compact and law:

"5. That at ye end of ye 7 years, ye capital & profits, viz., the houses, lands, goods, and chatties, be equally devided betwixte ye adventurers, and planters; wch done, every man shall be free from other of them of any debt or detriment concerning this adventure."

When the Declaration of Independence was written in 1776, here was a part of that immortal document:

"We hold these truths to be self evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights (of life, liberty, and happiness), governments are instituted among them, deriving their power from the consent of the governed. That whenever any form of government becomes destructive of these ends (of life, liberty, and happiness), it is the right of the people to alter or to abolish it; and to institute new government, laying its foundation on such principles and organizing its power in such form, as to them shall seem most likely to effect their safety and happiness."

When James Madison, the father of the Constitution of this country, looked over the situation, here is what he said:

"We are free today substantially, but the day will come when our Republic will be an impossibility. It will be an impossibility because wealth will be concentrated in the hands of a few. A republic cannot stand upon bayonets, and when that day comes, when the wealth of the Nation will be in the hands of a few,

then we must rely upon the wisdom of the best elements in the country to adjust the laws of the Nation to the changed conditions."

When the greatest exponent of our Constitution and of our Union, Daniel Webster, spoke of this principle, he said this:

"The freest government, if it could exist, would not be long acceptable if the tendencies of the law were to create a rapid accumulation of property in few hands and to render the great mass of the population dependent. Universal suffrage, for example, could not long exist in a community where there was a great inequality of property. In the nature of things, those who have not property and see their neighbors possess much more than they think them to need cannot be favorable to laws made for the protection of property."

And so, even if this principle born of the Creator when he placed the first man on earth, reaffirmed by Christ and the Apostles, and which was made a part of this country from the day that the Pilgrims first landed, is now to be cast aside, if it is to be misrepresented by some of the newspapers and magazines and by bought-out politicians and hired perverters of the truth, none the less the common run of mankind cannot escape the calamity unless the wealth of our land is distributed. To see men, politicians, and journals engaged in a business to betray mankind, to spread untruths and ridicule so that men and women may be lowered into the turmoil of distress, misery, and death; to see people with talent willing to sell their genius and to use their efforts to curse and destroy their fellow beings, is almost inconceivable in the sight of God and man. Nevertheless, the greatest institution of America today is that concerted group of multimillionaire and billionaire families, whose organization has written "liar" across the heart of men of ability, of whom they make use to thwart justice, equity, and mercy among mankind.

We are calling upon people whose souls cannot be cankered by the lure of wealth and corruption. We are calling upon people who have at heart, above their own nefarious possessions, the welfare of this country and of its humanity. We are calling upon them, we are calling upon you, we are calling upon the people of America, upon the men and women who love this country, and who would save their children and their neighbors from calamity and distress, to call in the people whom they know, to acquaint them with the purposes of this society and secure organization and cooperation among everyone willing to lend his hand to this worthy work. Fear of ridicule? Fear of reprisal? Fear of being taken off of the starvation dole? It is too late for our people to have such fears. I have undergone them all. There is nothing under the canopy of heaven which has not been sent to ridicule and embarrass my efforts in this work. And yet, despite such ridicule, face to face in any argument I have yet to see the one of them who dares to gainsay the principle to share our wealth. On the contrary, when their feet are put to the fire, each and every one of them declare that they are in favor of sharing the wealth, and the redistribution of wealth. But then some get suddenly ignorant and say they do not know how to do it. Oh, ye of little faith! God told them how. Apparently they are too lazy in mind or body to want to learn, so long as their ignorance is for the benefit of the 600 ruling families of America who have forged chains of slavery around the wrists and ankles of 125,000,000 free-born citizens. Lincoln freed the black man, but today the white and the black are shackled far worse than any colored person in 1860.

The debt structure alone has condemned the American people to bondage worse than the Egyptians ever forged upon the Israelites. Right now America's debts, public and private, are \$262,000,000,000, and nearly all of it has been laid on the shoulders of those who have nothing. It is a debt of more than \$2,000 to every man, woman, or child. They can never pay it. They never have paid such debts. No one expects them to pay it. But such is the new form of slavery imposed upon the civilization of America; and the street-corner sports and hired political tricksters, with the newspapers whom they have perverted, undertake to laugh to scorn the efforts of the people to throw off this yoke and bondage; but we were told to do so by the Lord, we were told to do so by the Pilgrim Fathers, we were guaranteed such should be done by our Declaration of Independence and by the Constitution of the United States.

Here is the whole sum and substance of the share-our-wealth movement:

1. Every family to be furnished by the Government a home-stead allowance, free of debt, of not less than one-third the average family wealth of the country, which means, at the lowest, that every family shall have the reasonable comforts of life up to a value of from \$5,000 to \$6,000. No person to have a fortune of more than 100 to 300 times the average family fortune, which means that the limit to fortunes is between \$1,500,000 and \$5,000,000, with annual capital levy taxes imposed on all above \$1,000,000.

2. The yearly income of every family shall be not less than one-third of the average family income, which means that, according to the estimates of the statisticians of the United States Government and Wall Street, no family's annual income would be less than from \$2,000 to \$2,500. No yearly income shall be allowed to any person larger than from 100 to 300 times the size of the average family income, which means that no person would be allowed to earn in any year more than from \$600,000 to \$1,800,000, all to be subject to present income-tax laws.

3. To limit or regulate the hours of work to such an extent as to prevent overproduction; the most modern and efficient machinery would be encouraged, so that as much would be produced

as possible so as to satisfy all demands of the people, but to also allow the maximum time to the workers for recreation, convenience, education, and luxuries of life.

4. An old-age pension to the persons over 60.

5. To balance agricultural production with what can be consumed according to the laws of God, which includes the preserving and storage of surplus commodities to be paid for and held by the Government for the emergencies when such are needed. Please bear in mind, however, that when the people of America have had money to buy things they needed, we have never had a surplus of any commodity. This plan of God does not call for destroying any of the things raised to eat or wear, nor does it countenance wholesale destruction of hogs, cattle, or milk.

6. To pay the veterans of our wars what we owe them and to care for their disabled.

7. Education and training for all children to be equal in opportunity in all schools, colleges, universities, and other institutions for training in the professions and vocations of life; to be regulated on the capacity of children to learn, and not on the ability of parents to pay the costs. Training for life's work to be as much universal and thorough for all walks in life as has been the training in the arts of killing.

8. The raising of revenue and taxes for the support of this program to come from the reduction of swollen fortunes from the top, as well as for the support of public works to give employment whenever there may be any slackening necessary in private enterprise.

I now ask those who read this circular to help us at once in this work of giving life and happiness to our people—not a starvation dole upon which someone may live in misery from week to week. Before this miserable system of wreckage has destroyed the life germ of respect and culture in our American people let us save what was here, merely by having none too poor and none too rich. The theory of the Share Our Wealth Society is to have enough for all, but not to have one with so much that less than enough remains for the balance of the people.

Please, therefore, let me ask you who read this document—please help this work before it is too late for us to be of help to our people. We ask you now, (1) help to get your neighbor into the work of this society and (2) help get other Share Our Wealth societies started in your county and in adjoining counties and get them to go out to organize other societies.

To print and mail out this circular costs about 60 cents per hundred, or \$6 per thousand. Anyone who reads this who wants more circulars of this kind to use in the work, can get them for that price by sending the money to me, and I will pay the printer for him. Better still, if you can have this circular reprinted in your own town or city.

Let everyone who feels he wishes to help in our work start right out and go ahead. One man or woman is as important as any other. Take up the fight! Do not wait for someone else to tell you what to do. There are no high lights in this effort. We have no State managers and no city managers. Everyone can take up the work, and as many societies can be organized as there are people to organize them. One is the same as another. The reward and compensation is the salvation of humanity. Fear no opposition. "He who falls in this fight falls in the radiance of the future!"

Yours sincerely,

HUEY P. LONG,
United States Senator, Washington, D. C.

TO: HUEY P. LONG,
U. S. Senator,
Washington, D. C.

This is to inform you that a Share Our Wealth Society has been organized here with _____ members. Address and officers are as follows:

Post office: _____ State: _____
President: _____
Address: _____
Secretary: _____
Address: _____

(Allied Printing Trades Council, Union Label, Baltimore, 5.)

Mr. THOMAS of Utah. Mr. President, the great message of our President yesterday is by all odds the most superb argument that could be made in favor of sustaining the veto. Yet I for one find it entirely inadequate. I do not want to talk on all the phases of money and all the phases of the history of the soldiers' bonus. I wish to limit my remarks to the ideas expressed by two groups of Senators who have spoken both privately and in public in regard to the present measure.

In the first place, I desire to speak concerning those who say they are for the bonus, that they are willing to vote for a bonus, that they have always voted for a bonus, but because this particular bonus bill is an inflationary measure they cannot vote for it. Then, I wish to pay attention to

those who want to vote to sustain the veto on the score of loyalty to their President.

Probably as an introduction to the first part of my remarks on the inflationary phase it would be well to point out that which the President said in the following paraphrased paragraph:

The President held that the proposal was not in the best interests of the Nation, because it would create printing-press money, would open the gates to further coercion by other minorities, thereby eventually impairing the Government credit, and inviting vicious inflation which would strike first at the small man on a fixed income; that payment of the bonus would be followed at once by political pressure for general pension legislation.

Mr. President, the President remarked yesterday that two wrongs do not make a right, and today in passing I would remark that three wrongs will not make a right. Of the three wrongs, one is based upon an assumption and two are based upon imaginary actions of the future. Such three wrongs cannot under any circumstances make a right, the right meaning a vote in favor of sustaining the veto.

It probably is necessary for us to point out that if we are discussing money conditions in the United States today and dealing with what some people call inflationary ideas, it is absolutely necessary that we base our premises upon facts. For us to turn to the historical past and try to imagine for one moment that the issuance in payment of an obligation at the present time of \$2,000,000,000 of money by the United States is inflation in the sense that the Germans inflated, in the sense that the Russians inflated, in the sense that the French in the last part of the eighteenth century inflated, in the sense that the Chinese after their revolution inflated, is accepting a premise which is not based upon an historical fact. We must argue the question of present-day economics from the standpoint of present-day conditions. The only way in which we can understand the money situation of the United States today is to accept the money situation of the United States as our fundamental premise.

It was my ill luck or good fortune, whichever way one may look at it, to have been in Germany during the time of her great inflationary period. It was also my good fortune or ill luck to have been in China in the time of her great inflationary period. I was also in France during the recent French inflationary period, and I was there at the time the French stabilized the franc. While, of course, these experiences may mean nothing to Senators they mean very much to me because I know the purposes and I know the consequences behind those three great inflationary movements which then took place.

All the imaginings which have been uttered here in regard to these inflationary periods are truly mere imaginings. For us to assume, as has been assumed by some of the thinkers of our country and some of our editorial writers, that France, just before the French Revolution, started out on her period of inflation without knowing what she was doing, is utterly ridiculous. The best economic and the best financial minds of the French Government at that time were in charge of France's finances. The reason she started on an inflationary period was because there was nothing else to do, and other historical factors, one at a time and many put together, brought about that action and made that action necessary.

Inflation was not the cause of the ills of France. That which preceded inflation was the cause of those ills of France. We have said here in our own country, and the President said yesterday, that we passed through a miserable generation overcoming the paper money of the Civil War. That, of course, is true; but it was not the paper money which caused the ills. It was the things which made the paper money necessary which caused the ills.

We fought the Civil War, we fought the Revolutionary War, on paper money. Are people forgetful of that fact? The Germans were in the World War. Are people forgetful of that fact? The French went through the World War. Are people forgetful of that fact? The Chinese were following the wake of a mighty revolution where hundreds of thousands of people had been killed and the whole eco-

conomic process had been destroyed. Are people forgetful of that fact?

Let us be historically exact when we draw our conclusions about these things. Let us refer, when we speak of the Civil War, to the truth, not to a fallacy. The reason why we issued paper money in Civil War times was because there was no other way known to man to carry on that war. As said above, the Revolutionary War was won on paper money, our Civil War was won on paper money, and if there are any two wars in the history of man which can be justified, those two are wars which I would use to justify war as a medium of overcoming ills.

That which we intend to do under this bill is not inflationary according to any of the definitions of inflation which I have been able to find. True, there is contemplated an increase in money, but we must remember these facts: Those who have argued that there is a difference between a promise to pay in the future and a promise to pay today have failed to remember that each is a promise to pay; and that whenever a promise in the future gets down to the fine point wherein the interest charge amounts only to something like 1 percent or 1½ percent, the line between a promise to pay in the present and a promise to pay in the future is very, very thin, indeed.

Great stones may be used still in the island of Yap, for example; silver slugs may be used in the Malay States; but that is not their money system. Silver coins—Mexican, American, and Chinese—are used in China; but for the most part gold, as is true in many places of silver, has gone out of common use in almost all the countries of the world. We cannot ever think consistently if we fail to realize the fact that every bit of paper money that is issued is a promise to pay, and nothing but a promise to pay.

It has been said that there is a difference between money and credit. There is no difference between money and credit when the paper money is a promise to pay, because that promise to pay rests upon the Government's credit, and it is issued on the basis of ability to pay, or it is issued on the basis of something like our silver certificates, which, in exchange, are a representation of some other commodity.

Now we come to the question as to whether or not the manner of paying the soldiers' bonus constitutes inflation. If we should ask for definitions of just what is meant by the word "inflation", probably no two Senators present would give the same definition. The word is as loose in its scientific and scholarly application as it is in its colloquial application. The words "inflation" and "deflation" have been used in the last generation generally to refer to conditions which have taken place in the nations of the world as a result of the World War. Russia's inflation was deliberate. Russia's purpose was to overcome private property and to destroy it in the way in which the concept of private property was held under the Czarist regime. This was done both by destruction of the credit of the debt structure and by making valueless in terms of money all privately controlled property. There was, of course, a leveling as far as debts were concerned. Germany's inflation was deliberate also. Her purpose was to overcome debt, especially with the obligations which the state owed its people. The easiest way to do it was, of course, to increase the currency to such an extent that the measure of debt became impossible.

These two outstanding examples of a governmental process to accomplish given purposes strike terror, and justly strike terror, into our hearts. There is no intention in the United States to bring about the end of private property, nor is there any intention on the part of the United States to destroy the debt structure of the country. In fact, practically every bit of fiscal legislation which the United States has adopted in the past 2½ years has been for the purpose of strengthening the debt structure, and will ultimately have that effect. To assume that the payment of a given obligation in United States non-interest-bearing notes is inflation in the German or Russian sense is entirely beside the point.

In the first place, the Federal Government is merely paying ahead of time an obligation which it has already assumed. Secondly, it will do it by paying in money. This

money normally will add, of course, to the circulating medium; but it may not if at the same time credit should be withdrawn; it may not if the purchasing power should diminish; it may not if our industrial activity should change. All of these phenomena are related phenomena. Probably no two sums that are used to pay the soldiers' certificates will be used by the soldiers themselves in exactly the same way. The obligation which the Government owes the holders of the certificates is an individual obligation. Some certificates have been used as collateral. That means that some of the money will be used to pay debts. That means that the debt structure in the United States in general will be reduced by a certain amount. The debt structure of the United States will remain constant, excepting for the one fact that the United States is paying obligations not yet due as far as the face of the certificates is concerned. There is no inflation in that. There will be increased bank deposits, but there will be decreased loans against those deposits. There will, of course, be an increased purchasing power, but this will not in any sense be as great as those who are supporting the Patman bill believe, because they think it is an inflationary measure.

I am supporting the Patman bill myself, first, because I believe persons to whom the Government has made certain promises are entitled to the value of those promises.

And, secondly, I am supporting it because I believe it is not only timely to pay those obligations now, due to the economic conditions of our country and the economic conditions of the holders of the certificates, but I believe it is downright good business to pay an outstanding obligation before it comes due. Such an action increases confidence. Such an action puts money to work before it was anticipated, and in the turnover some increased wealth must result from the transactions to our whole country.

There is only one possible definition for inflation which can be used to describe the contemplated action under the Patman bill. That is the very loose and improper use of the word "inflation" when it is used to describe a time when there is much money in circulation in contrast to a time when there is little money in circulation. Inflation can come only when there is so much money in circulation in relation to the need for money that money, as such, loses its value. This, of course, cannot happen under the provisions of the Patman bill. The United States business can stand, and does stand, a fluctuation as great as \$2,000,000,000 in its circulating medium; but through the provisions of the Patman bill the circulating medium would never be increased as much as that in actual practice. There were 2,400,000,000 more dollars in circulation in March 1933 than there were in March 1931. Surely the United States was not in an inflationary condition in March 1933. We must appreciate the facts of money, not just be lost by words which we do not properly understand and cannot define.

Think through all of the multiplicity of transactions which will take place from the time the Federal Government starts to pay the certificates, and you will not find a moment of actual inflation from the time the first certificate is paid to the time the United States bills are redeemed. You will find more money in circulation. You will find a shifting of obligations from the future to the present on the part of the Government. You will find obligations paid and turned into money. These, though, are ordinary business transactions, not transactions out of the ordinary, not transactions which are in any way feared in the business world, not transactions which can in any way bring ill. An increase of business does not mean inflation. The individual who receives his cash may foolishly spend it, and the Government probably is not doing a good turn to that individual. On the other hand, the thrifty individual may put his cash to good purpose and double it or treble it in the course of the next 2 years. That, gentlemen, is what is called thrift, and since the days of Benjamin Franklin we have always commended thrift.

The veto may be expedient, and our attempting to override the veto may be inexpedient. Each action may be politically wise, or it may be unwise; but I am not discussing the ex-

pediency of a financial action, I am attempting to show the utterly foolish reasoning of those who assume that the payment of the bonus in money instead of in bonds is an inflationary action.

Let us turn now to a consideration of inflation as such. We cannot get a proper definition for the term because of the great number of factors related to the concept. Shall we make our definition refer to the dishonest habits of the sweating of coins, clipping of coins, the recoinage into lighter weights, and the various types of profit-taking that unwise and dishonest governors or governments have indulged in since men started to coin and which are dignified today and properly used by the term "seigniorage", which is in its good sense the fee that the government charges for coinage? We use loosely such terms as "printing-press money", forgetting that even the best money is printing-press money. We use sometimes the term "flat money", which describes a notion that anything which any government declares money is money. But the flat principle is behind the money of every civilized country on earth. The principle is bad only when it is used dishonestly. Shall we consider inflation as it develops around price? Shall we consider it as it develops around the amount of money, or the kind of money, or the measure of an intrinsic value in money? Do we inflate the money of the United States by increasing our metallic reserve? Did we inflate when we decided to use silver as part of our metallic base? We expanded, of course, the substance and the worth of that substance by that action. Did that constitute inflation? It did in the minds of some men. It did not in the minds of others. When we reduced the gold content of the dollar, was that inflation? The dollar's value has changed very little at home. It immediately dropped, though, in international exchange. In one case we are unconscious that our dollar is worth less. In another case we become conscious of the fact. In other words, there is, after all, a difference between a dollar used in the United States for the purchase of domestic goods and a dollar used for the purchase of foreign moneys.

You see, when we mention even a few of the factors that go into the money problem, of money as it is related to business and banking and government finance—and there are many more factors that we have not mentioned, and many more bases on which we could build up our definition of inflation—it all goes to show how complex the problem is, how loosely we are thinking when we think of the Patman bill as an inflationary measure, and how sincerely disappointed the inflationary friends are going to be if the Patman bill becomes law. But there will be enough good economic results from it to offset any disappointments the sincere inflationists will experience.

Mr. President, the second thought I wish to discuss is too big a point for the time left me, but I desire to say that legislation in the United States rests upon a whole-hearted acceptance of the theory that there shall be cooperation between the Executive and the Congress in regard to legislation. I desire further to say that as we accepted yesterday the reasons which the President might have for vetoing the bill, we should today accept our own reasons, and we should accept them with the same sort of honesty which he displayed.

Our vote need not be justified, but if I were to justify it, or if I thought I might have to justify it, I would turn to the first great clause of the Declaration of Independence. This had to do with the veto power. There Thomas Jefferson called attention to the fact that the protests of our country against the King's not giving assent to the bills which had been passed by the legislatures of the Colonies was the first and one of the primary reasons why we were justified in demanding our independence from the mother country.

The history of the veto is one of the most interesting subjects in our governmental scheme. I wish that I might today talk about the theory of the veto as it affects those who are feeling that they must, because of loyalty to their President, vote to sustain his veto of yesterday.

If we trace the history of the veto down through the history of our country, we find that the first President in our land accepted the veto on the principle of cooperation between the executive and the legislative departments, and we find that when it came to vetoing bills, our first great President, Washington, vetoed but two—one of them because it was plainly unconstitutional, and that was the reason he gave; the other he vetoed out of a sense of expediency. So our first great President laid down the two principles by which other Presidents have justified themselves in vetoing measures.

As we come down through the history of the country we find that Adams and Jefferson saw no reason for vetoing any bills. Jefferson, of course, could not veto any bills consistently and stand for the principles which he had enunciated, unless the bills were out of harmony with the Constitution and constitutional principles.

It is interesting to trace the history of the veto. There were not very many vetoes until the time when we found ourselves getting into trouble and stress. President Tyler was the first President who had a real fight with Congress over the veto, and President Tyler changed his mind and did not veto the bill which he threatened to veto because of the tremendously great opposition which arose in both Houses of Congress at that time.

If Zachary Taylor had lived, he would have vetoed the compromise of 1850, but Fillmore came along and accepted it, giving us the great Western States as we have them today.

During Andrew Johnson's administration there were many vetoes because of the conflict between the President of the United States and the Congress.

During the whole period of Lincoln's administrations there were only three vetoes.

We come down to Grover Cleveland's time, when Grover Cleveland tried to put into force the logic of the mugwump supporters and of the Democratic Party. Cleveland vetoed over 400 bills during his two administrations. Most of them were pension bills.

Coming down to the period of the great Woodrow Wilson, in spite of the fact that Wilson served for 8 full years, in spite of the fact that for 2 of those years he had the Congress against him and there was a war, President Wilson vetoed but 44 bills, few of them of outstanding importance.

We come to our present Executive, and what is the tendency we find? Already the President of the United States, with a Congress in harmony with him, with the largest majority a President has had in the Senate within my memory, and with a House of Representatives completely in harmony with him, has vetoed nearly twice as many bills as President Wilson vetoed during the whole 8 years of his administrations, several times as many bills as Theodore Roosevelt vetoed in his first 2 years.

What do we discover from these veto messages? We discover the fact that the President in vetoing bills is deciding to stand by the ideas of chiefs and assistants who have advised him; and in the case of the pending veto message, instead of agreeing with the Congress of the United States, he is standing by those who advised President Harding, those who advised President Coolidge, those who advised President Hoover, and in complete opposition to that Congress which more conspicuously than any other Congress within our memory has sustained the President as a leader.

Mr. BORAH. Mr. President, I make no concealment of and I offer no apology for the belief I entertain that this country needs a larger volume of currency. It is for that reason that I believe the so-called "bonus" bill harmonizes with the interests of the entire country.

I realize and fully appreciate the importance of this measure to the veterans, but I hold the effect of it upon the country will not be without beneficial results to all the people.

It would perhaps serve no good purpose to recall the history of the American soldier in the World War. If the facts could be known as they actually existed, I believe it could be

truly said that his presence in the World War turned the tide from defeat to victory.

Neither would any good purpose be served, perhaps, by recalling the history of legislation for the adjustment of compensation to the soldier for his service. It ran through several years of consideration and debate. Suffice it to say that in 1924 the Congress, by an overwhelming vote, a vote sufficiently large to override the President's veto, agreed to pay the soldier additional compensation, what was called "adjusted compensation." Whatever differences of view existed prior to that act of Congress were merged and crystallized into the obligation which Congress created. The pledge of the Government became binding upon all, regardless of previous views.

There were those, among them myself, who did not believe in the theory of adjusted compensation. I did not feel that it was possible to place an estimate in the way of financial compensation upon the services of the American soldier in that great conflict. I thought it more or less ironical to contend that the payment of a dollar and a quarter a day to the American soldier would be compensation for entering the hell holes of Europe to rescue civilization from its thralldom. I could never bring myself to believe in the theory.

But the Congress determined otherwise, and entered into a contract to pay the soldier, and that contract having been made, of course must be kept. I did not believe in making the contract, but I do favor keeping the contract since it has been made. The only questions which have arisen since is as to the time when compensation shall be paid, and how it shall be paid.

Two principal objections have been raised by the very able veto message of the President against the measure he disapproved. The first contention is that the payment is not due, that the compensation certificates are not matured, that the Government at this time is not under obligation, therefore, to pay.

Technically, of course, that is true. As a matter of cold technicality, the adjusted-compensation certificates are not matured. But is time, under the circumstances, a controlling factor in this matter? In view of changed conditions should we hold the soldier to the letter of the bond? Have technical terms been regarded as a controlling factor?

It will be recalled that when this matter was before the Senate a few weeks ago there were three propositions brought to the Senate: The proposition offered by the able Senator from Mississippi [Mr. HARRISON], which was declared to have the approval of the President; the Vinson bill, which was supposed to have and I presume did have the approval of the American Legion; and the present measure which is now before us under veto.

All these measures, including the measure which had the approval of the President, contemplated the waiving of the question of time. All these measures provided for the payment of the adjusted compensations within the immediate future. The program, from whatever source it came, acknowledged the fact that payment at this time was equitable and just. And under our economic conditions I think it is equitable and just.

Who has given consideration to the technical terms of contracts since this depression began? What contracts have been observed in their technical effects under the pressure of the cataclysm through which we are passing? Our Government itself has disregarded its contracts for the alleged purpose of meeting the depression. It disregarded the terms of the very obligations which raised the money to send the soldiers to Europe. The foreign governments which owe us have disregarded their contracts because as claimed of the present condition of affairs. Citizen and citizen, as between themselves, have disregarded the terms of their contracts because of the situation created by the depression. In no instance and in no way have we proceeded to deal with this depression upon the theory that anyone could hold to the technical terms of contracts which had been made in normal times. If we should hold the soldier to the technical terms of his contract, he would be the only person affected

by this depression who would be so concluded according to the terms of his contract.

I might say, also, if the Government owed the soldier for service, the Government owed him from the day his service ended. Calculated upon that basis this compensation in justice and good conscience, this debt is overdue. If we had dated this obligation as of the date when the war ended, as in justice we should have done, the certificate would be overdue.

The depression has created a situation which has required a readjustment of all contracts and of all obligations in the interest of justice and in the interest of humanity, and that has been the policy not only of our Government but of all governments in this present situation. Shall we apply another rule to the soldier?

I have a letter which came to my desk this morning, which illustrates what it means to abide by the technical terms of the contract and to hold the soldier to the terms of the contract which he made under wholly different conditions from the conditions which now obtain. This letter is written by a veteran at St. Louis, Mo., who said:

I was drafted from a \$2,000 position, sent to the front, granted compensation for 75 percent disability after my return, which was revoked through the so-called "economy act", and am forced to live on scant dole of \$1.68 per week, in one room in a questionable rooming house with my family.

It seems to me that if the Government owes him he ought to have it now above all times. No just government will refuse what is coming to a soldier under such circumstances.

There are thousands, and I am told up to a million, of these ex-soldiers who are now upon dole who are being taken care of in this scant way by the Government. Would it be fair for the Government to say, "We owe you, we are indebted to you, we acknowledge the debt, but notwithstanding the changed conditions, notwithstanding the effect of the depression upon you, notwithstanding the fact that you and your family are in a questionable boarding house, and possibly on the way to a pauper's grave, we will not consider changing the technical terms of the contract?" "We stand by the bond, we insist upon the bond." Who has heard about the sanctity of contracts since the depression until the soldier's compensation was brought forward?

It would be a rule applied to no one else in this depression. It would be a rule applied not by governments nor by individuals. It seems to me entirely fair, entirely just, that all these proposals admitted the necessity of disregarding the question of time in the payment of this contract.

Mr. President, the controlling reason, however, and the one which undoubtedly was uppermost in the mind of the President and in the minds of those who are opposed to the pending measure, is the fear of what they call inflation—of printing-press money.

As was asked by the able Senator from Utah [Mr. THOMAS] a moment ago: Is there any inflation in this proposition? What is the proposal which is made, which is claimed to be inflationary? We are proposing to issue \$2,200,000,000 of currency. Back of that currency is eight and one-half billion dollars of gold if the Government desires to use it.

Back of that currency is a billion and one-quarter dollars of silver, if the Government desires to use it. Back of it is the honor and good faith of the Government of the United States. Back of it is the same, precisely, as is behind the Government bond. Back of it is the same, precisely, as is behind the money which is in our pockets. There will be no difference, so far as the backing of the currency is concerned, between the money which will be issued under the pending bill and the money which has been issued, which is in existence, and which, in my judgment, is wholly insufficient to meet the situation. Inflation as the term is used by the opponents is not in this proposal. It does provide for an increase of currency but upon a perfectly sound reserve.

There is a wide difference between increasing the volume of currency in accordance with the reserves of the Government and the principles upon which the Government's money

at this time rests, and in issuing currency in disregard of those principles. While the passage of the pending measure would result in putting out into circulation the \$2,200,000,000 of currency—when it is out, what is the result? We still have behind all our currency over a hundred cents on the dollar.

We have now about four and one-half billion dollars of currency. When this new money is out we will have about six billion and something over seven hundred million dollars of currency, for a population of 125,000,000 people. Can that in any sense be regarded as an excess of money—as an excess of currency? Is that inflationary? When inflation is proposed it will be time enough to discuss the dangers of inflation.

I have observed when it comes to discussing the question of inflation, a wide distinction is made between inflation of credit and inflation of currency, and yet the most destructive inflation is credit inflation. Let us examine the situation as to these differences.

The national wealth at the present time is estimated at something less than \$300,000,000,000. Our national indebtedness, public and private, is estimated at something over \$260,000,000,000—possibly \$280,000,000,000. Our annual tax bill is something over \$9,000,000,000. Our annual interest charge is over \$11,000,000,000. When we were considering the \$4,000,000,000 relief bill and some Senators, including myself, wanted to reduce the amount we were severely criticized and told by the administration that the credit of the Government was sound. That transaction involved the payment of interest and taxes. The money secured for relief was to be provided in a way that would require the payment of almost as much interest in the 20 years as the amount appropriated.

We are spending, according to the able Senator from Virginia [Mr. BYRD], \$13,000 every minute of every day, and over \$7,000 of that is on account of bonds upon which someone must pay interest and which posterity will have to take care of. We are daily mortgaging the energy and the brain power of the American people for the next quarter if not the next half century. In other words, we have reached the point where we have an inflation of credit to the extent of \$260,000,000,000, and are increasing it constantly.

There is no complaint with reference to credit inflation from those sources of complaint with reference to the pending measure. It seems to be considered safe and sound to have some \$260,000,000,000 of credit inflation upon the country, which means interest and taxes, but unsound to put into circulation \$2,000,000,000 of currency without interest and without taxes.

Mr. President, this country has never suffered from currency inflation. This will be disputed. Its great suffering has come from credit inflation. In 1929 we know the result of credit inflation. It destroyed homes, it dissipated savings, it spread want and misery and poverty, and was one of the great contributing causes to this depression, but those who are now pleading against inflation of the currency raised no voice against the inflation of credit. It was all right, it was bringing millions into their coffers.

At a time when we have the credit structure which we now have, can anyone contend that the issuance of \$2,000,000,000 of currency, giving altogether six and a half billion of currency, with eight and one-half billion dollars of gold in the Treasury, with a billion and a quarter of silver, and with the honor and the faith of the Government behind it is in any sense inflationary?

Mr. President, whenever it is proposed to issue non-interest-bearing obligations of the Government and make them legal tender, the argument is always made, and made with great force and effect, that once you start in that direction, once you take that step, there is no stopping on the hither side of complete national demoralization and complete national bankruptcy. It is not, we are told, that the pending measure of itself, as indicated in the message itself, is inflationary, but that it will start a movement which it is feared will result in inflation; once the move is made it cannot be stopped.

Those who so contend call up instances of history in support of their contention. They recall and retell the story of the assignats of France in language which vividly brings back all the scenes of blood and misery which accompanied the French Revolution. The whole panorama has been presented to us again in recent weeks. We hear the tumblers rattling down over the stone streets toward the guillotine, we hear the hungry mob cry out for the blood of the prisoners, we see their heads drop into the basket one by one, and we see the old ladies sitting by watching the scene and knitting from early dawn until the day dies out of the sky. We see Danton at the head of the Committee of Public Safety, we catch the tones of Robespierre's quavering voice as he gives order for massacre and the more murder. We witness the complete collapse of French credit—fortunes disappear overnight, and we see frenzied men and women tearing and scratching and biting one another like wild beasts. All this is the fearful story of the French assignats, as retold to the country in recent weeks.

Let me ask Senators, suppose the French had conceived, suppose they had had the financial genius to conceive the scheme of issuing tax-exempt interest-bearing obligations of the Government and of compelling banks to take the bonds and upon the bonds to issue money, would the collapse have been any less speedy? Would the break-down have been any less complete? Would the course of the French Revolution and the misery which followed have been any less profound? The policy of issuing interest-bearing obligations and of the government requiring banks to issue currency thereunder would have brought France to the same goal that she reached under the assignats. It was not, Mr. President, the fact that they issued the assignats, based upon real property, that resulted in the break-down in French monetary policy; it was the carrying it to the extreme to which they resorted in that instance. The result would have been the same under these tax-exempt interest-bearing obligations of the Government with the banks issuing the currency instead of the Government issuing currency. Looking at the world today buried beneath uncounted billions of interest-bearing bonds, it is my judgment that it is more difficult to stop issuing interest-bearing obligations of the Government than it would be to stop issuing non-interest-bearing obligations of the Government; there are always powerful interests in favor of the former; there are always powerful interests against the latter.

Another illustration is always cited, and that is of the Civil War and the greenbacks. When the Civil War came, gold, as is its habit, as is its inherent nature when trouble is at hand, went into hiding. Government bonds were selling for a discount as great as 40 percent within a short time after the trouble began. The Government turned to its own resources, its own honor, and its own good faith. It issued \$150,000,000 of currency notes in February 1862, \$150,000,000 in July 1862, and \$150,000,000 in March 1863.

Then Mr. Chase, the Secretary of the Treasury at that time, said, "I think it unwise to make further issues; I think the Government should cease to issue greenbacks." The Government did cease; the Government stopped, and it stopped at a time when it was practically divided in twain. It stopped at a time when our military outlook was none too bright; it stopped at a time when one could hear the guns of civil strife from the steps of the White House; but it stopped. Mr. Lincoln said that those currency notes enabled the Government to carry on; that without them it could not have done so; and the Supreme Court of the United States has said that they enabled the Union to carry to a conclusion its military activities. The greenback has always been derided, but it was the only friend the Union had in the monetary world in that unfortunate struggle.

But it is said—and this is the deadly warning—that the greenbacks went down to 50 cents on the dollar, and so they did, and so did the bonds of the Government at that time go down to 50 cents on the dollar. The decrease in the value of bonds which bore interest kept pace with the decrease in the value of the currency notes which did not

bear interest. But, while the bonds were down to 50 cents on the dollar, those who owned them continued to collect interest at a hundred cents on the dollar, and when the war was over bonds were restored to par, notwithstanding they had been purchased at 50 cents on the dollar. As between the currency notes which bore no interest and the bonds which bore interest, I ask you, Mr. President, which was the greater friend of the Union in its hour of distress?

Mr. President, I am not arguing these matters because I am in favor of an inflationary movement of that nature or because I believe the enactment of this bill would result in inflation. I am discussing these matters because they have been advanced and placed in this debate; the perfectly absurd argument has been advanced that they are relevant. We are, however, proposing nothing of that kind. There is no relevancy between the assignats and this proposal; there is nothing that can possibly happen under this bill, if it should be passed, such as happened in those instances. There is no relevancy between the issuance of greenbacks during the Civil War and this proposal. Back of the greenbacks there was no gold; back of the greenbacks there was no silver; back of the greenbacks there was nothing but the promise of the Government; while back of the money which would be issued under the Patman bill is our gold and there is ample, our silver, and everything else that represents the honor and credit of the Government.

Now, the question is, Is it unwise to put \$2,000,000,000 of currency into circulation? Is it unsafe? Whom will it injure? It is true, Mr. President, as has been said, that the bankers have plenty of money; but it is also true that nobody can get that money. There is inflation already in the bank vaults. But the design of this bill is to put the money into circulation in every corner and precinct of the United States.

What have we been doing for the last few years? And I am not now criticizing it. We have been endeavoring during the last few years to get money out into circulation. We have taken it from the Treasury and sent it out in this way and in that way. Those in authority said they were "going to prime the pump." In other words, we wanted to restore purchasing power; we wanted to place money out among the masses.

The President referred in his message to the fact that the passage of this bill would help retail business but that the condition of retail business now was almost on a par with its condition in 1929. The condition of retail business is on a par with its condition in 1929 because the money has been put out through these different processes in the various parts of the country; but it has been put out by issuing bonds upon which the people must pay interest, which increases taxes. Why not put it out in the payment of a debt instead of in creating a debt?

Mr. President, the President in his message quoted from a very humble authority as follows:

The soldier of this country cannot be aided except as the country itself is rehabilitated. The soldier cannot come back except as the people as a whole come back. The soldier cannot prosper unless the people prosper. He has now gone back and intermingled and become a part of the citizenship of the country; he is wrapped up in its welfare or in its adversity. The handing out to him of a few dollars will not benefit him under such circumstances, whereas it will greatly injure the prospects of the country and the restoration of normal conditions.

I quote an additional paragraph which was a part of the same statement.

In my judgment that which would be of far greater value to the ex-service man than a cash bonus would be the chance to get on his feet. That opportunity he cannot have unless we pursue a course of rigid economy in government, reduce taxes, eliminate bureaus, cut down expenditures in every possible way, and build up the economic conditions of the country generally.

That statement was made by me 13 years ago, when I was opposing the creation of any bonus obligation whatever. But my view did not prevail and the Congress created the obligation, it made the contract. I am now considering the contract which others made. But even so I do not modify my views as I expressed them 13 years ago. I think it is a perfectly sound principle. I think the principle is applicable

to this measure. I do not think we can aid nor should undertake to aid the soldier in disregard of the welfare of the country. A policy which undertakes to aid the soldier which does not take into consideration the entire country would be a failure as to the soldier. I have no doubt, as I said then, the welfare of the soldier is wrapped up in the welfare of the country. It is of my belief that the increase in the volume of the currency, the stimulation of business consequent upon putting this money into circulation in all quarters of the United States, will aid the country as a whole, at the same time we are paying the debt to the soldier. It is for this reason that I support the measure, and I support it in strict harmony with the principle which I announced 13 years ago.

Mr. President, I said in the beginning that I was in favor of an increased volume of currency. I advocated the bill introduced by the able Senator from Virginia [Mr. GLASS] because it contemplated an increase in the currency of the country; I advocated the Thomas amendments because they contemplated an increase in the volume of currency; I advocated the silver bill because it seemed to me to be looking in that direction; I advocated the President's monetary policies because they seemed to me to have that object in view; and I advocate this measure for the controlling reason that, in my judgment, it will have a tendency to increase the volume of currency, not to any marked extent, but to some extent. I do not expect any great rise in prices as a result of the measure, but it pays a debt, and pays it without an increase of taxes or interest; it brings help to millions who stand in great need of help; it increases within safe bounds the volume of currency, and closes up a controversy which will be here every Congress until these certificates are paid. The question has been here in one form or another for 15 years. I want it settled, and this seems to me the best way to settle it.

Mr. DUFFY. Mr. President, in the 2 years and more that I have been a Member of this body I have taken pride in the fact that I have been a loyal supporter of the administration. I glory in that fact at this time. I am frank to confess that on several occasions I have subordinated my personal viewpoint, my personal sentiments, in order to try to effectuate the great humane program which our leader had advanced.

I am one of the type of men who believe that when a general has been selected to conduct a great battle against depression he should very largely be given control as to how the battle shall be fought. I have not been in favor of the idea that when the battle orders have been given and the plan of campaign has been drawn some squirt of a second lieutenant out near the front somewhere should decide that he would not fight today or the next day. It seemed to me that kind of cooperation would be fatal to a successful carrying out of the battle.

So the duty I shall have to perform today is not exactly a pleasant one. However, in my campaign in 1932 I said to the people of my State that if I were elected to this high office I should vote for the immediate cash payment in full of the adjusted-service certificates. I have a very deep aversion to having various proposals hitched on as amendments to other kinds of legislation to which it has no possible reference or connection. I have on several occasions cast a negative vote against a bonus proposal of one kind or another, stating that when it came here on its merits I should be very glad to support it. Recently I have had the opportunity, as I see it, to carry out my promise to my people by voting either for the Vinson bill or the Patman bill. There was, of course, very great merit to the proposal submitted by the Senator from Mississippi [Mr. HARRISON], but I did not conceive that a vote for it would comply with the promise which I had made in my campaign.

The American Legion, an organization which I regard very highly and which on several occasions, both in the State and in the Nation, has rewarded me with high office, endorsed the Vinson bill. I think by and large that the soldiers are interested more in getting the cash out of their certificates than in the means by which that end should be accomplished. The American Legion properly declared for the

Vinson bill in carrying out the mandate of their Miami convention, which was a declaration in favor of the cash payment of the bonus in full. They were not, as legionnaires, concerned with the method Congress should choose to carry out that purpose. I personally preferred the Patman bill. However, I would have been perfectly willing to have voted for the Vinson bill if it would have been the means of bringing the soldiers the cash upon their certificates.

I think it is grossly unfair and unjust to refer to the Vinson bill as a "bankers' bill." I have not known of any bankers who have been here advocating the passage of that legislation. They will have plenty of opportunity for the handling of Government bonds without the Vinson bill either being passed or rejected.

But it does seem to me that we should not be worried by the charge which has been made that because there has been incorporated in the Patman bill the method by which the bonus shall be paid it will bring dire consequences to the country. I personally cannot become seriously worried when we retire one kind of Government obligation with another kind of Government obligation. I do have some apprehension, which apparently is not shared by the Senator from California [Mr. McAdoo], because it may be claimed that this bill is a precedent. I think there will be many proposals presented to this body whereby we will be asked to issue similar Government notes, and where there will not be any exchange of present Government securities for such notes. That, to my mind, is an entirely different situation. In casting my vote today to override the President's veto, I do not want in any way to have it taken as an indication that any such future proposals, where there is no such exchange of Government securities, would meet with my favor.

Reluctant as I am not to be able to go along with our leader, as I have done consistently, I am today, not only in accordance with the pledge made to my people, but because I think it is right and just, going to vote to try to put into effect the so-called "Patman bill" to enable the soldier to obtain cash on his Government obligation.

I think the President unwittingly made one mistake yesterday in his statement that if this bill should become a law it would be at the expense of the disabled soldier. If that were the case, in my opinion, if I believed that to be the fact, in spite of the pledges I made to my people I should not be willing to support the legislation; but I cannot for the life of me, after giving it careful consideration, see that that will be the effect. I cannot believe that it will be dangerous to the country. I believe it will be a great measure of justice to the men who fought and who, in my opinion, are entitled to perhaps a small amount of preferential treatment.

Mr. STEIWER. Mr. President, the veto message delivered yesterday by the President of the United States to the House of Representatives is entirely temperate in its tone and from the standpoint of the President I regard it as a candid statement. It proceeds, however, upon a theory and announces a philosophy which I cannot accept and to which I desire to enter my dissent.

We all realize, I think, that nothing said upon this occasion will change the vote of any Senator. There is hope, however, that the utterances made here may find some faint echo somewhere else in the United States, and that the correct presentation of the viewpoint in favor of the legislation may do something to answer the arguments which the President made yesterday. His expressions were widely circulated and may, if unanswered, lead our people into a conclusion respecting this matter which they would not otherwise reach.

Before I discuss that which I desire most to discuss, and which relates to the philosophy of the President's opposition to the legislation, I desire to invite attention to two or three details which, in my judgment, ought to be corrected.

First, I invite attention to a statement on page 2 of the President's message, in which it is said:

Out of this vast army, consisting of the whole working population of the Nation, four and three-quarter million men volun-

teered or were drafted into the armed forces of the United States. One-half of them remained within our American continental limits. The other half served overseas.

Mr. President, I am sure it was not the purpose of the author of the veto message, by the language just quoted, to mislead. In my judgment, however, that statement unwittingly gives support to a conclusion that of the total amount involved in the legislation, about one-half would be paid to those who never saw overseas service. At least one newspaper in an editorial this morning placed that logical construction upon the President's statement. Nothing, however, could be more erroneous.

It will be recalled that soldiers were trained at the camps in the United States for fairly limited periods. Some of them were trained 2 months, some 3 months, possibly some 6 months, and then they were sent abroad. I have not been able to establish the average training period, but of the 2,000,000 soldiers who were retained in the United States, I estimate the average length of service would not exceed 3 or 4 or 5 months.

Let it be remembered that those veterans whose adjusted-service awards did not exceed \$50 were paid in cash, and that they are not involved at this time. Let it be remembered also that \$60 of clothing allowance, or so-called "discharge bonus", was also deducted by subtracting 60 days from the length of service in making up the adjusted-compensation service credit. So a minimum of 111 days of service was required in order to have a certificate issued. In other words, those who served not to exceed 3 months and 20 days in the United States are not involved in this controversy at all.

Certificates are held by those who served more than 110 days. They are the soldiers who saw an extended period of service. I think it is true that of the whole amount involved in this controversy at least 75 percent of the money will be paid to those who served overseas. Therefore, it is not correct to conclude, as might be implied in the veto message, that this money would be divided, if paid, one-half to those who remained at home and one-half to those who served abroad.

The President also said:

As a result of this liberal legislation for disability and for death compensation, 1,140,000 men and women have been benefited.

That statement, I think, is literally true; and yet it is also misleading, because, although the number stated is the total number who have been benefited, it is not the number presently being benefited. It contains those who were at one time on the rolls and who have since been removed for various reasons; notably, over 450,000 of the 1,140,000 men and women to whom the President refers were awarded disability allowances, the authority for which was destroyed by the Economy Act, and has not since been restored. I am advised by the Veterans' Administration that at this time there are not 1,140,000 men and women who served in the World War being benefited by compensation and pension payments from the Federal Government, but that the actual number is less than one-half of that figure. The number who are so benefited as of April 30, 1935, was 478,975.

The President's language was that these men and women have been "benefited." Of whom is he speaking? He is referring principally to the recipients of compensation payments. He is talking about those who have sustained physical disabilities, including loss of limbs and of impairment of health. He is talking in some cases about those who received death payments on account of the death of the veteran. Are they being benefited? In one sense, of course, they are. They are the recipients of the bounty of a generous Government, but it is wholly beside the mark to say that these people are being benefited when at the most they are merely receiving compensation for something which they have given or something which they have lost. Such compensation is never to be regarded as a benefit. They receive only economic restitution or partial restitution. They receive for their losses and impairment of ability to earn, only a small

contribution toward restoration to their former economic basis. Our Government never has paid one cent for pain and suffering. We never have suggested the payment of one cent for the mutilation of the maimed. In a very real sense these people are not benefited. There is little justification for this language employed in the veto message.

We find also in the President's objections the contention that the payment of the adjusted compensation under the pending legislation would destroy the insurance protection for the dependents of the veterans provided in the original plan. The President says that for the remaining period of 10 years they would lose the advantage of this insurance.

Mr. President, in the next 10 years, according to the estimates of the Veterans' Administration, less than 300,000 of all the veterans will come to their death. Less, therefore, than 300,000 would be concerned, during the 10-year period, in the receipt of the insurance provided for in the certificates. So in making the point which the President makes at this place in his argument he is arraying a supposed advantage to less than 300,000 veterans against the interest of more than 3,000,000 veterans who would be benefited by the payment of the certificates at this time.

The President also said:

This bill favors the able-bodied veteran at the expense of the disabled veteran.

That would be true, if the bill produced inflation, to the extent that it would substantially increase the cost of living; for then, of course, it would adversely affect all having fixed incomes, including disabled veterans who receive compensation from their Government. If the assumption of such inflation is unsound, if it would not produce a substantial appreciation in the cost of living, then the argument is not good; but, whether sound or not, how can this argument be accepted now, in these days, in the midst of this administration, when the avowed policy of our Government, as declared by the President himself, is to increase price levels? How can this argument have been made by a President who is now urging the Congress to continue the National Recovery Act for another 2 years, resulting in higher costs of living? How can it be urged by a President who himself cut down the benefits of the disabled veterans of America 54 percent of every dollar that had been allowed them by our Government?

In my judgment, there is not a possibility of appreciation in price levels or in cost of living to an extent that will bring injury to the disabled veterans in proportion to the injury wrought upon them by the Economy Act of March 20, 1933, and by the regulations which the President made under that act; those regulations visited upon the helpless disabled veterans of America in excess of a 50-percent cut in their compensation. The harsh injustice of the Presidential regulations was corrected by legislation enacted over the veto of the President.

I cannot accept his argument. I cannot believe that there will be substantial appreciation in price levels or any substantial injury to anyone living upon fixed income, whether he be a disabled veteran of the war or not.

I rose, however, chiefly to develop another phase of this discussion.

I stated in the beginning that I found it impossible to accept the philosophy upon which this veto message has proceeded. I desire now, in order to make perfectly clear what I have in mind upon this score, to call attention to some further excerpts from the veto message delivered yesterday by the President to the House of Representatives.

We find throughout the message he is developing the thought that the veterans should not be given a privileged status. We find he assumes with respect to this bill that the veterans of the World War are given such a privileged status. Against such status he makes what appears to me to be a strong convincing argument. His argument is satisfactory if we accept the President's philosophy that the veteran is not entitled to any privilege; that he ought not to be placed in a privileged class; and that he ought to be dealt with exactly on the same basis as every other citizen of the Republic.

Let me read briefly from what the President has said upon this subject:

I hold that that able-bodied citizen should be accorded no treatment different from that accorded to other citizens who did not wear a uniform during the World War.

And from another place I quote as follows:

Is it not better to treat every able-bodied American alike and to carry out the great relief program adopted by this Congress in a spirit of equality to all?

Also, the following:

They are American citizens who should be accorded equal privileges and equal rights to enjoy life, liberty, and the pursuit of happiness—no less and no more.

And then, near the end of the message, these words:

I am thinking of those millions of men and women who increased crops, who made munitions, who ran our railroads, who worked in the mines, who loaded our ships during the war period.

Mr. President, these various statements all tend to one conclusion—namely, this bill would make the World War veteran a member of a privileged class; that he ought not to be accorded any privilege; and, therefore, this legislation ought not to be enacted. The philosophy of the President, if accepted, would have justified opposition to the Adjusted Compensation Act in 1924. It would have afforded an argument against that act. It is, to some degree, a justification for the idea that the adjusted-compensation certificates should never be paid. The argument which the President makes so forcefully is an argument that the whole idea of adjusted compensation is wrong in principle. I respectfully submit it is not a fair argument against the pending legislation at this time.

I am unable to accept his philosophy. The citizen who did not wear a uniform enjoyed the security of his home and received for his services the highest wages in history. Most of the citizens who wore the uniform received approximately a dollar a day during the period of military service. A part of the compensation paid was taken back by the Government in payment for insurance premiums. A meager allowance was made by the soldier, it will be remembered, for the support of his family so that net compensation was hardly sufficient to be taken into consideration.

Many came to the pay table and received nothing. Others received only meager sums, possibly sufficient to provide toilet articles. It is regrettably true that the American soldier of the World War, having family responsibilities, and attempting to carry the war-risk insurance, received practically nothing in cash for his services. Neither he nor his family fared as well as the neighbor who remained in civil life, and when he was discharged from the Army he discovered that his place in industry was occupied by another.

There is no escape from these facts. Most of the soldiers found employment, it is true, but subsequently the mechanization of industry and still later the depression which came over the country cheated them out of their jobs because they had lost their seniority, and, being last hired, they were the first fired. As the positions became fewer a great number of the World War veterans found themselves in time of peace still carrying on the sacrifice which had been undertaken first in time of war.

I can agree with the President's theory if it is interpreted to mean that the soldier should on the whole be accorded treatment and enjoy opportunities equal to the treatment and opportunities provided the citizen who did not wear the uniform. In the vast majority of cases his treatment has been different from that accorded other citizens, but not in the sense that it has been better. On the whole his treatment has been worse. The Adjusted Compensation Act of 1924 only partially corrects the inequality in this situation. Prepayment of the certificates is a further step toward equality for those who wore the uniform and common justice requires the step should be taken. I make bold to say that even the prepayment of the certificates at this time will not replace the American veteran upon a basis of parity with his civilian neighbors who remained at home during the war.

"No different treatment for the soldier", as suggested by the President, merely means the soldier will be treated differently. "No different treatment for the soldier" means he will not be treated as well as civilian workers were treated. It means we are adopting the philosophy of the National Economy League. It means we are adopting a philosophy which is acceptable in Wall Street generally, and which has been approved before committees of this body during this session by spokesmen for the munitions makers of the United States. It means we are adopting a philosophy which the profiteers everywhere have accepted. It means we are upholding the dubious rights of another privileged class, and we are preserving or attempting to preserve their profits of war at the expense of the American boy who walked through the blood and mud of the trenches.

I protest against this philosophy, Mr. President. I want to record the protest with all the vigor which I possess. I feel there is nothing more important in the United States today than to win back to our Government the love of the common people. We never can win it back upon a theory of privilege for the citizen who made money during the war and underprivilege for the citizen who served in uniform. We can never win it back on the theory upon which this veto message of yesterday was written. We can win it back upon a philosophy of justice, justice to the common man, justice to the common men and women who make up the rank and file of the Nation.

I submit that if there is one service the Congress could perform in restoring confidence and regaining the affection of our people in our Government, it is to see to it that no spurious philosophy of privilege is permitted to enter into this discussion. The American soldiers have no legal right to demand this payment from the Government at this time, because, as has been so ably pointed out by the Senator from Idaho, and as stated by the President, the payment is not yet due. But if the country is permitted to believe we are placing a premium upon privilege to those who made money during the war, and we are not willing to accord a generous measure of assistance to those who served in our armed forces, we will find difficulty in another national emergency in bringing young manhood to the defense of the flag of our country.

To me it seems perfectly clear that the national interest is promoted by paying the compensation at this time; it is further promoted by abstaining from any questionable theory of privilege, which is urged in this veto message.

I am for immediate payment, not because I am for inflation. I am for such payment because I think it does not introduce inflation into our monetary system, and because I think it is right to prepay the bill now, at a time when the veteran needs the money probably more than he ever needed it before, and I hope more than he may ever need it again.

I favor the payment because I feel the discharge of this obligation will accomplish all that any other spending could accomplish, and accomplish it without the creation of a new debt.

I favor it because it will stimulate business and at the same time will discharge an obligation.

Finally, I favor it because it provides justice to those who were willing to serve and to sacrifice, and to some who did sacrifice in a most substantial degree in order that their country might endure. If justice to the Nation's defenders is privilege let there be privilege, a privilege that will insure the perpetuity of the Republic. The pending measure to provide immediate payment of the adjusted compensation should be enacted notwithstanding the veto.

The PRESIDING OFFICER. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. McADOO obtained the floor.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. McADOO. I yield.

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Copeland	La Follette	Reynolds
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Davis	Loneragan	Schall
Bankhead	Dickinson	Long	Schwellenbach
Barbour	Dieterich	McAdoo	Sheppard
Barkley	Donahay	McCarran	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Bone	Frazier	McNary	Thomas, Okla.
Borah	George	Maloney	Thomas, Utah
Brown	Gerry	Metcalf	Townsend
Bulkley	Gibson	Minton	Trammell
Bulow	Glass	Moore	Truman
Burke	Gore	Murphy	Tydings
Byrd	Guffey	Murray	Vandenberg
Byrnes	Hale	Neely	Van Nuys
Capper	Harrison	Norris	Wagner
Caraway	Hastings	Nye	Walsh
Carey	Hatch	O'Mahoney	Wheeler
Chavez	Hayden	Overton	White
Clark	Johnson	Pittman	
Connally	Keyes	Pope	

The PRESIDING OFFICER. Ninety-four Senators have answered to their names. A quorum is present.

Mr. McADOO. Mr. President, the President of the United States in the exercise of his constitutional duty has sent a veto message of the so-called "Patman bill", which was but recently passed by the Congress of the United States. I was interested in hearing my distinguished friend who now sits in the chair, the Senator from Utah [Mr. THOMAS]; advert to the veto power possessed by the President of the United States.

To override a Presidential veto requires a two-thirds vote of each House. The legislative function in that respect must, of course, be exercised with the same courage and the same independence as the President himself exhibits when he vetoes a measure. When either House is confronted with a veto it is essential that each shall act without regard to mere party loyalty or party consideration, but through the conscience of each Senator and each Member of the House of Representatives. That is highly important if we are to maintain the independence of the legislative branches of the Government. We all admit that their independence is essential to the vitality and permanence of American institutions.

I remember being brought up on the old adage that two heads are better than one. I am not so sure now of the correctness of this adage, especially in view of the fact that the fathers of our country, who formulated the Constitution, expressly provided in that instrument that one head is much better than many combined heads.

In order to override a Presidential veto the votes of 64 Members of this body and the votes of 290 Members of the House of Representatives are necessary. In other words, one man, under our present system of Government, if he be President of the United States, can override the will of Congress, provided only 63 Members in the Senate and 289 Members of the House vote against him.

I am not finding fault with the President, of course, for exercising his prerogative. I call attention to the fact, merely to emphasize the point, that when such a preponderant majority of both Houses of Congress are necessary to override a Presidential veto a double duty and responsibility rests upon every individual in each House to exercise an independent judgment when he casts his vote.

We hear talk sometimes about the split decisions of the Supreme Court—5-to-4 decisions—and yet under our system the members of the Supreme Court do not exercise anything like the same degree of authority and power as the President of the United States does when he exercises the veto power.

I hope it is not necessary for me to advert to what I think my friends will concede that I have been—the friend and supporter of the President—and that I still am. There are honest differences of opinion about the pending question. I feel that it is my duty to state my position and also to vote according to my conscience and conviction, whether in this particular instance it means overriding the President's veto or not.

The President in his veto message said:

During the war the Government started a system of voluntary insurance at peace-time rates for men and women in the service.

I am familiar with the war-risk insurance we gave the American soldiers. I hope I may say without immodesty that I had a somewhat important part in the formulation of the measure and its advocacy before the two Houses of Congress in 1917.

The President of the United States, then President Wilson, thoroughly approved the idea of providing insurance for our soldiers and benefits for their families while the soldiers were fighting at the front. It was a step the like of which had never been taken before in human history. No great government ever before had undertaken to insure the lives of its soldiers and to provide support for their families while the soldiers were at the front.

However, the impression must not be allowed to prevail that the Government furnished this insurance for nothing. The soldier paid for his insurance. In foreign service the soldier was paid \$33 a month, and the soldier in camp at home was paid \$1 a day, or \$30 per month.

In other words, the Congress declared by the compensation which was paid to the soldier that it was worth \$3 more a month to face German bullets and poison gases than it was to remain at home and be safe within the camps. I do not draw any distinction, so far as service is concerned, between the man who was kept at home and the man who went into the trenches in France, because whenever the strong arm of the Government reached out and took the head of the family, or the son, or the brother, and put the uniform on him and put him in a camp, he was subject to the orders of his Government, and it was not his fault that he was not sent to Europe and did not have the opportunity to fight in the trenches. We did, however, make a distinction in pay, but we gave all of them the right to buy insurance.

We provided in this insurance measure that every soldier should contribute each month \$15 of his pay for the support of his wife and dependents. That amount was deducted from his pay right here in Washington. The administration of this act happened to be in the Treasury under my jurisdiction. We also required him to pay the premiums for the insurance granted to him. The rates averaged \$6.60 per month for \$10,000 of insurance at the age of 25 and, of course, was higher as the age increased.

Let us take the case of the man who was paid \$33 a month in foreign service. First deduct the allowance of \$15 a month for his wife and \$6.60 per month for his \$10,000 of insurance, a total of \$21.60. This left the soldier in France \$11.40 per month with which to supply his ordinary needs and to have a glorious (!) time when he happened to get a furlough.

Now, I wish to call the attention of my colleagues to the fact that the soldier, even at \$33 a month, was not overpaid. He helped to support his family out of the meager pay he received. The Government did the generous thing of contributing to the support of his family an equal amount, \$15 a month, and an additional amount for each dependent child, \$10 for the first child, \$7.50 for the second, and \$5 for each additional child. So a man who had a family consisting of a wife and two children gave \$15 for their support; the Government contributed \$15 to the wife and \$17.50 for the two children; so that his wife and family had \$47.50 a month on which to live while he was fighting in Europe.

Although we did pay a larger compensation to our soldiers than was paid by any other government in the world, whether we were generous or not, and whether all the benefits outlined by the President in his veto message were received or not, nevertheless, as the President said in his message:

It is generally conceded that the settlement by adjusted-compensation certificates made in 1924 was fair and it was accepted as fair by the overwhelming majority of World War veterans themselves.

So no matter what the soldier gets or what he claims or what his claims were before the settlement was made, all were merged into this settlement; and these adjusted-service certificates due in 1945 are now the subject of this discussion.

Only two questions are presented here. The first is a question of policy, and in that question of policy is involved the present payment of these certificates instead of waiting until

1945. Those who contend that they should not be paid now stand upon the technical claim that the contract calls for payment in 1945, and therefore that we must respect the contract, no matter what happens to the beneficiary. My view of the matter is that this is, in effect, a refunding operation of a Government obligation. We owe these soldiers a certain amount of money, due in 1945; they have borrowed under the law all the money they can borrow upon these certificates; and now it is only a question of paying the remainder due to them, \$2,200,000,000 under the Patman plan. I think this refunding operation is not only justified but I believe it is important to the economy of the country; and, furthermore, that we are just as much justified, if not more justified, in refunding this debt to our soldiers as we are in refunding many of the outstanding bond issues which have been taken up from time to time by the Treasury.

Mr. BAILEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from North Carolina?

Mr. McADOO. I yield.

Mr. BAILEY. I should like to have the Senator explain the difficulty which arises in my mind. He says there is no difference between the refunding, as he used the word, of the certificates and the refunding of bonds. I understand bonds are being refunded by way of reducing the interest rate, but if the Patman bill may be considered a refunding measure, according to the President's statement, and, I think, according to the facts, it does not involve a reduction of interest rates, but represents an increase of the capital by \$1,600,000,000. I should like to have the Senator explain if I am not right about that.

Mr. McADOO. I do not know how the President obtains those figures.

Mr. BAILEY. Let the Senator give his own figures. He is on the Finance Committee and he heard the statement.

Mr. McADOO. I beg the Senator's pardon; I am not a member of the Finance Committee.

Mr. BAILEY. I beg the Senator's pardon. I thought the Senator was; he should have been, by all means.

Mr. BLACK. Mr. President, will the Senator object to yielding to me for a moment to offer a statement from the Veterans' Bureau on that point?

Mr. McADOO. I yield.

Mr. BLACK. I have a statement from the Veterans' Bureau which was sent at my request. I asked that they give me the figures showing when this indebtedness would have been due if it had been computed on a 6-percent interest-bearing basis from the date of the armistice. Note this is not figured from the date the work was performed but from the date of the armistice. It was figured on a 6-percent basis, because the Government has been paying 6-percent interest on deferred payments to war contractors for munitions and other materials of war and also on tax refunds. I have before me the figures showing that on a 6-percent basis, if it had been computed from the armistice date, this indebtedness would have been due on the 1st day of January 1928. So on a 6-percent interest-bearing basis it is now 7 years past due, and even if it were reduced to a 4-percent basis, it would have been due and payable in January 1932. So that instead of not being due, it is past due. [Manifestations of applause in the galleries.]

Mr. McADOO. Those figures are predicated, as I understand the Senator from Alabama, on the date of the armistice in 1918?

Mr. BLACK. These figures, supplied to me by the Veterans' Bureau, the gentleman who supplied them being at the present time in the Chamber, compute the interest from the date of the armistice, while the work, in the main, was performed before the armistice was declared.

Mr. McADOO. I thank the Senator from Alabama for the information; but, without regard to that, since the face of the certificate itself provides for payment in 1945, I contend that it is within the power of Congress to say that it shall mature earlier, or, to put it in another way, if we wish simply to refund it now at its face value in 1945, it is within our power to do so.

What is the objection to the payment of the certificates now? If we waive technicalities, there certainly is no objection, so far as the overwhelming majority of the House and a preponderant majority of the Senate are concerned.

So we come to the next question, and that is the one of financing the obligation if we undertake to pay it now.

Here we are confronted with the charge of inflation. That seems to be the chief reason urged by our opponents against the payment of this obligation in the manner provided by the Patman bill.

The President says in his message:

I cannot in honesty assert to you that to increase that deficit this year by \$2,200,000,000 will in itself bankrupt the United States. Today the credit of the United States is safe. But it cannot ultimately be safe if we engage in a policy of yielding to each and all of the groups that are able to enforce upon the Congress claims for special consideration.

With reference to the word "enforce", I may say for myself—and I am quite sure that every Senator would say the same for himself—that whatever my vote has been, either for or against this measure, it has not been an enforced vote; that I have voted voluntarily and because of my own convictions.

The President further says:

To do so is to abandon the principle of government by and for the American people and to put in its place government by and for political coercion by minorities. We can afford all that we need, but we cannot afford all that we want.

So far as political coercion by minorities is concerned, I assume that the President meant that the Senate and the House of Representatives are being coerced by a minority representing the veterans of the World War. I think he is mistaken in that. The right of petition still exists under the Constitution, and I think that these soldiers have a right to come here and petition for the payment of their adjusted-service certificates. So far as I am concerned, no compulsion has been attempted upon me, and I doubt if any has been attempted upon any other Member of Congress. But if we are going into that, if that is a justification for not paying the soldiers' bonus, are we not being coerced by minorities here all the time?

The whole legislative history of this and of the preceding sessions of Congress shows that we have repeatedly enacted legislation to satisfy minorities, because we felt that by recognizing those minorities as we did we were conserving the welfare of the people of the United States. Special groups are frequently benefited by legislation. Let us take, for instance, the processing tax on wheat. That was legislation for a group. I think it was justifiable legislation, and I was glad to vote for it. We have the processing tax on cotton. I voted for it with the hope that it would benefit the cotton farmer. I need not go into further illustrations. Those are two outstanding ones.

In my judgment it is not a sound argument against the anticipated payment of the bonus to the soldiers that they happen to constitute a group of people in this country. We may say for them, and it is another justification for paying the bonus, that they do represent a particular class which is entitled to special consideration because they hold actual obligations of the Government, whereas many people who have been benefited by use of the taxing power of this Government, have not held special obligations of the Government in any form.

Shall we anticipate payment of the certificates now and give the veterans the means that many of them need to sustain themselves and their families, to pay off mortgages on their homes, to get a business started again, or shall we stick to the letter of the contract and demand that they wait until 1945? In my humble opinion, the overwhelming sentiment of the American people is in favor of paying the soldiers now. It is a grave mistake not to enact this legislation and not to pay these certificates at the earliest possible moment.

Coming back to the question of inflation, I have had an interesting experience recently as a member of the Committee on Banking and Currency of the Senate. We have been

holding hearings on the omnibus banking bill. I have been trying to get some of the leading bankers to tell me what inflation is and also to define sound money. I should like to read what some of them have said on that subject.

We had the Secretary of the Treasury before the committee a few days ago. He is the chief financial officer of the Government and is, of course, an important adviser of the President. I am sure that he is a very competent adviser. I asked him:

Mr. Secretary, we hear a good deal of talk about inflation these days. I wonder if you would give us your definition of inflation? Secretary MORGENTHAU. To go up against two Secretaries of the Treasury is kind of tough.

Senator GLASS. You are only up against one, now. I did not vote for the Patman bill.

Secretary MORGENTHAU. Senator McAdoo, in view of the fact that that bill is pending before the President, I would like to be excused from answering your question.

Senator McAdoo. The definition of "inflation" has nothing to do with that. We are talking finance and economics now.

Secretary MORGENTHAU. If you do not mind, with the bill pending before the President, I would like to be excused.

Senator McAdoo. Of course, I will excuse you if you do not want to answer. On the other hand, I suppose you do not object to telling us what you think is sound money?

Secretary MORGENTHAU. I am not a very good theorist on these things, Senator. I think the President put me in there as administrator and not as a money theorist.

Senator McAdoo. I am not asking your theories, but your judgment as a practical business man as to what you consider sound money.

Secretary MORGENTHAU. I would be glad to hear from you, sir.

Senator McAdoo. I want information; I am looking for information. Would you consider United States notes, commonly called "greenbacks", that now have back of them, and have had for some time, a 40-percent gold reserve, to be sound money?

Secretary MORGENTHAU. Senator, I am not very smart at these things. I have just got to go back to your question. There is a bill pending before the President that has this question of greenbacks in it at this time, and, if you do not mind, I would like to be excused from getting into that discussion.

Senator McAdoo. We have had statements which show a little more than 40 percent of gold back of a certain amount of greenbacks. I was just curious to know whether you considered that sound money or not.

Secretary MORGENTHAU. Would this be fair? If, after the President has taken action on the bonus bill, and this committee still wants me to come here and theorize, I would be glad to do it then.

Senator McAdoo. This does not involve the question before the President at all, because there is no gold reserve back of this proposed note issue. I am just trying to get an idea, in view of the present state of our finances, what your view is as to sound money; that is, whether 40-percent gold back of our currency would be considered sound.

Secretary MORGENTHAU. We have got a lot of experts down at the Treasury who can discuss the theory of money and currency.

Senator McAdoo. I am not talking about theory. I am talking about actualities.

Secretary MORGENTHAU. I cannot qualify.

Senator McAdoo. All right.

Mr. NEELY. Mr. President—

The PRESIDING OFFICER (Mr. CONNALLY in the chair). Does the Senator from California yield to the Senator from West Virginia?

Mr. McADOO. I yield.

Mr. NEELY. With that information from the Secretary of the Treasury, which certainly must be luminous to everyone, I assume that the former Secretary of the Treasury, the distinguished Senator from California, had no difficulty whatever in determining what is sound money or what inflation would be? [Laughter.]

Mr. McADOO. I am looking for information myself, and I am trying to get it from distinguished Senators who talk inflation but do not tell us what it is.

We had before the Committee on Banking and Currency Mr. Winthrop W. Aldrich, president of the Chase National Bank of New York, who is a very fine economist and financier. I asked him this question:

Senator McAdoo. Mr. Aldrich, what would you call sound currency in the present state of our financial affairs in this country?

Mr. ALDRICH. Well, I think that under the present circumstances the currency provisions of the present Federal Reserve Act, with the stabilization on the basis of gold as now provided, make sound currency.

Senator McAdoo. You are taking into consideration the fact that we are off gold, of course?

Mr. ALDRICH. Yes; and I have not taken into account the action that we might take under a bill such as this which permits an

expansion of currency which would be out of any relation to gold. May I just state that more accurately? The amount of the currency available for payment is well regulated by the amount of gold.

Senator McAdoo. In what way?

Mr. ALDRICH. By those provisions of the Federal Reserve Act with regard to gold certificates.

Senator McAdoo. There is no gold reserve back of the certificates—

Mr. ALDRICH. The entire provision as to the payment of gold, either in currency or Government obligations, has been eliminated, but there is a provision for gold certificates, although you cannot get gold for them.

Senator McAdoo. Assuming that we have a gold base, how much gold backing would you consider we should have against currency to make it sound, without other security?

Mr. ALDRICH. I have not given any consideration to that, Senator. I have felt that the provisions of the original Federal Reserve Act, which provided for gold backing plus other commercial paper and other assets, were sufficiently sound. I have never given any thought to the percentage of gold backing that is necessary, because at the present time you could not get gold. The only possible effect of the provision is to limit the amount of currency outstanding to a certain ratio to the free gold available.

Senator McAdoo. What ratio would you say was reasonable to make the currency a sound currency?

Mr. ALDRICH. The present ratio provided is 40 percent, is it not?

Senator McAdoo. Yes. Do you think a currency based on 40 percent would be sound?

Mr. ALDRICH. Of course, it was not based on 40 percent of gold alone; it was based on 40 percent of gold plus certain certificates.

Senator McAdoo. I am talking about a currency based on gold, now. Take United States notes. We have about three hundred and forty-seven millions of outstanding notes and we have a little over 40 percent back of them. Do you consider that sound currency?

Mr. ALDRICH. I would think so; yes. Of course, I do not pretend to be an expert on the amount of gold backing that is necessary behind currency. I suppose, in theory, the purpose of setting 40-percent reserve is that in ordinary times that would be sufficient. At the present time, of course, it has no effect at all except for providing a theoretical limit to control the amount of currency in actual circulation.

Senator McAdoo. Yes; but I am disregarding that and asking you the question as to whether or not you regard a currency as sound that is backed by 40-percent gold reserve.

Mr. ALDRICH. If I had to answer that question with the small knowledge that I have—and I do not pretend to be an expert on the subject—I would say, yes.

Senator GLASS. If there is nothing else?

Mr. ALDRICH. Provided you had the other assets you have in the system as provided for.

Senator McAdoo. I am not speaking of the Federal Reserve System. We will take, for instance, United States notes which are backed by a little more than 40 percent of gold reserve. They once had no gold reserve, and we put 40 percent of gold back of them, or 44 percent. Is it not axiomatic that a gold reserve of 40 percent back of currency establishes it as sound money?

Mr. ALDRICH. I should say that that was so, although, as I have said, I do not pretend to be an expert on the subject.

Senator COUZENS. Is the Senator trying to get an answer from Mr. Aldrich as to the difference in value of those United States notes and Patman notes?

Senator McAdoo. No. I was just trying to find out what bankers regard as necessary, in the way of a gold reserve back of currency, to establish sound currency.

Mr. ALDRICH. I really ought not to try to answer the question, Senator, because I have not given it any serious consideration.

Senator McAdoo. Is it not axiomatic among bankers that 40 percent of gold is an adequate reserve, regardless of anything else?

Mr. ALDRICH. That would be my own impression.

Senator GLASS. That was not the view of bankers in 1913 when we adopted the Federal Reserve Act, because we put 60 percent of commercial paper behind the 40-percent gold reserve.

Senator McAdoo. One hundred percent of commercial paper.

Mr. ALDRICH. I may have misunderstood Senator McAdoo's question; but this act as it stands provides for 40-percent gold backing plus this other security.

Senator McAdoo. I understand that. I was just trying to develop what is, I think, the accepted axiom among bankers, that a 40-percent gold reserve back of currency is an adequate reserve to establish sound money.

Senator GLASS. We have not got any now.

Senator COUZENS. You mean, 40 percent of gold, not—

Senator McAdoo. Yes; 40 percent of gold back of currency is generally accepted as creating sound money.

Senator COUZENS. You would want something else besides that.

Senator McAdoo. Not necessarily. In the Federal Reserve Act we did, in the beginning, have a hundred percent, as I recall it.

Senator GLASS. At first, and then it was reduced to 60 percent.

Senator McAdoo. I mean, 100-percent commercial paper and a 40-percent gold reserve. And we had no currency before that time that was anything like so well secured as that. We had never had in the history of our country.

Senator COUZENS. Would you think that currency supported by 40-percent gold alone and without anything else would be adequate to establish a sound currency?

Mr. ALDRICH. I do not know of any such provision; I should not think it would be.

Senator McAdoo. It depends on whose currency it is, does it not?

Mr. ALDRICH. That may be.

Mr. Joseph H. Frost, of San Antonio, member of the Federal Reserve Advisory Council for the eleventh Federal Reserve district, testified as follows:

Senator McAdoo. Mr. Frost, I want to ask you about the provision in section 208, beginning at line 22—

Mr. Frost. Is that the Senate bill?

Senator McAdoo. That is the House bill, page 53 [reading]:

"Every Federal Reserve bank shall maintain reserves in lawful money (other than Federal Reserve notes or Federal Reserve bank notes) of not less than 35 percent against its deposits and reserves in gold certificates of not less than 40 percent against its Federal Reserve notes in actual circulation."

Do you think, in the present state of our finances, that that is an adequate reserve?

Mr. Frost. The question of a reserve against deposits and note issues is not really the important point, to my mind. The important point is what the entire security behind your note issue or your deposits may be.

Senator McAdoo. You always regard a certain amount of reserve as being of fundamental importance?

Mr. Frost. A certain amount of reserve is necessary; but it is not the important point as to whether currency or deposits are safe.

Senator McAdoo. No; it is not, of course. But let us restrict it to note issues. Do you think a 40-percent gold reserve and gold certificates we now issue are a sufficient reserve in gold?

Mr. Frost. Without any other security?

Senator McAdoo. I am talking merely of the reserve required in coin against note issues.

Mr. Frost. I would not consider, Senator, that a note issue is safe with 40 percent in gold behind it, unless there was something else behind it for the 60 percent.

Senator McAdoo. What is behind the other 60 percent? First of all, it is the credit of the United States, is it not?

Mr. Frost. Yes, sir.

Senator McAdoo. Nothing else?

Mr. Frost. I do not consider that enough.

Senator McAdoo. You do not consider that enough. The Government, of course, is primarily liable?

Mr. Frost. I think the Federal Reserve bank is primarily liable.

Senator McAdoo. All Federal Reserve notes run in the name of the Government of the United States.

Mr. Frost. The Government agrees to pay.

Senator McAdoo. The Government of the United States agrees to pay on demand. The Government has recourse, of course, on the banks, but the people look to the Government for those notes. They accept them at full faith and credit because the Government of the United States is issuing them. All of our money is issued by the United States Government; but, in view of the changed or altered condition of the currency since all the gold has been taken by the Government, I am wondering if you think that this kind of a reserve, plus the Government's credit for the remaining 60 percent, constitutes a good note?

Mr. Frost. No, sir; I do not think so.

Senator McAdoo. What would you consider a good note?

Mr. Frost. I would consider a note good when it is secured by either 100 percent of gold or any percent of gold not below 40 percent, plus self-liquidating assets up to the 100 percent.

Senator McAdoo. Suppose you have 40-percent gold and the Government has recourse on the banks for the remainder, then what do you think of it?

Mr. Frost. The recourse on the banks would only be good if the assets of the banks were invested in self-liquidating assets. If they are invested in Government bonds they have got recourse on the banks, but you have 60-percent fiat currency under that plan.

Senator McAdoo. You are up against that situation always, so far as our currency is concerned. Sixty percent of it has primarily Government responsibility.

Mr. Frost. No, sir; I do not agree with that.

Senator McAdoo. Why do you not agree with it?

Mr. Frost. Because, under the original Federal Reserve Act, you could not put up Government bonds as security. Your currency or Federal Reserve notes had 40-percent gold at least, and the balance in self-liquidating assets. So that your currency was 100 percent secured, part by gold and part by self-liquidating assets that were in no way dependent on the promise of the Government.

Senator McAdoo. On the contrary, you could not collect that note from the Federal Reserve bank; you had to collect it from the Government, and the Government had recourse on the banks.

But the point I am trying to bring out is that having a note with 40 percent of gold back of it and a responsible government for the other 60 percent, and that government in turn having recourse on the banks for the remaining 60 percent, I want to know if you think that is a good note?

Mr. Frost. I do not think it is safe currency.

Senator McAdoo. Do you think a national-bank note is safe?

Mr. Frost. I think a national-bank note is safe, for the reason that there are so few of them in comparison with the volume of

currency in the country, and I think absolutely they are not sound.

Senator McAdoo. They have been sound for nearly 70 years, or something like that. They pass current.

Mr. Frost. They pass; yes.

Senator McAdoo. Is not any note good which the people are willing to accept at par in full payment for commodities or services or as legal tender for debts, public and private, or for taxes?

Mr. Frost. No, sir; I do not think so. You might just as well say that if a man can borrow money from a bank, is he not good for it? He may be and he may not be.

Senator McAdoo. You think a sound currency, then, is sound only if you have 100-percent gold back of it, or 40 percent of gold and some self-liquidating assets of a bank?

Mr. Frost. Yes.

Senator McAdoo. And you do not think that the Government of the United States back of a note adds anything to it?

Mr. Frost. I would not say it does not add anything to it, but I say it is fiat currency to that extent.

Senator McAdoo. It would be fiat currency of a bank, in a way, because you would have to depend upon the resources of the maker of the note.

Mr. Frost. It is fiat currency of a bank to the extent of 60 percent of it, but it has self-liquidating security behind it, and the Government only has its taxing power.

Senator McAdoo. Do you not think the taxing power of the United States is worth more than the assets of any bank?

Mr. Frost. No; not when they have continued deficits.

Howard A. Loeb, vice president of the Federal Reserve Advisory Council, representing the third Federal Reserve district, and chairman of the Tradesmen's National Bank & Trust Co. at Philadelphia, testified before the subcommittee of the Banking and Currency Committee of the Senate, May 20, 1935, as follows:

Senator McAdoo. You are addressing yourself to the subject of inflation now, and I am a little curious to know what you call inflation. I have asked a number of witnesses here to tell me what inflation is and I have not yet received a definition. Maybe you can give me one. Take the situation in the country today: When you talk about inflation you usually mean the amount of currency in circulation. We have \$4,300,000,000 of currency, approximately, in circulation. Do you consider that inflation or do you consider that exactly right?

Mr. Loeb. I think that the mere setting of a figure is not the sole definition. Under an act which is construed by the people to be inflationary, you might have two things occur; you might get a withdrawal of gold or you might get a hoarding.

Senator McAdoo. How could you get any hoarding or withdrawal of gold now?

Mr. Loeb. You can get a withdrawal of foreign gold, I presume, through trade. Any laws that were enacted would react again on our industrial situation.

Senator McAdoo. You are engaging there in a wide field of speculation, and you have no definite factor to determine it by. The average man who discusses inflation relates it to the amount of currency in circulation. That is the popular conception of it. Do you think \$4,300,000,000 as a circulating medium, considering the conditions in the country today, is inflation of the currency?

Mr. Loeb. No; I do not think so.

Senator McAdoo. What would you think would be the proper line? You have got to have scratch somewhere.

Mr. Loeb. Yes. It is not scientifically determinable; it is not a definitely determinable limit. Too many things are tied up in it.

Senator McAdoo. You cannot define it? That is the size of it?

Mr. Loeb. No. I do not think you can define it. You are talking only of one type of inflation.

Senator McAdoo. Everything that comes up is denounced as inflationary. I remember when the Federal Reserve Act was passed—and it has been a law for 20 years—the denunciation of the currency as fiat money, greenbacks, which was going to destroy the credit of the Government. Some of the most eminent men in the Senate denounced it, and the most eminent bankers of the country denounced it. The point I am making is that it is all just a matter of conjecture, of speculation.

Mr. Loeb. By that very token, as it impinges upon the opinion of the masses, it may develop into an inflation.

Senator McAdoo. How can you tell what the opinion of the masses is?

Mr. Loeb. You can tell, I suppose, by their attitude to investment in Government bonds, and hoarding, and the attitude of other nations.

Senator McAdoo. Would you think, Mr. Loeb, that \$347,000,000 of greenbacks, so called, which are United States notes, circulating notes, against which there is a 40-percent gold reserve, would be fiat money?

Mr. Loeb. May I have that question again, Senator?

Senator McAdoo. We have outstanding \$347,000,000 of money in United States notes, commonly called "greenbacks." Against them we have a gold reserve of about 40 percent. Do you consider those notes fiat money?

Mr. Loeb. No; I do not, because it has been tolerated. But you may get to a point where it will not be tolerated. I think, in other words, that you could go indefinitely, by the same argument, and add a billion here or two billion there and gradually build it up. I think it depends on what occurs or how these things impinge

not only upon the investing public but upon their notions. I think it will come back. You may have your gold coverage, but that does not say it is going to remain with you. By the very act of creating these currency issues based on that gold, you may lose it.

Senator McAdoo. Has it not usually been considered an axiom among bankers that if you limit the currency to an amount which is covered by a gold reserve of 40 percent you have sound currency? That is usually what they have contended for. We carried that in the Federal Reserve Act. It is true we put there also 60 percent of commercial paper to represent the remaining 60 percent, but it is primarily a Government note. It is not a bank note. The Government has recourse on the banks, if necessary for that 60 percent. But we had 40-percent gold against these greenbacks—

Senator Glass. You have no reserve at all now.

Senator McAdoo. According to the daily Treasury statement, we have. The 60-percent fiat either had to be bank fiat or Government fiat. The Government's responsibility for 60-percent fiat was greater than that of any bank's responsibility for 60-percent fiat.

Mr. Loeb. I think that the practice or the custom or the tradition, if you want to call it that, of coverage of our circulation has a vast effect. I can easily conceive of the Government going on a wild orgy or continuing on an unbalanced Budget program for a long time and thus affecting the value of its currency.

Senator McAdoo. I agree that if the Government were to issue Treasury notes to pay running expenses of the Government it would be absolutely vicious and absolutely indefensible. I would not stand for that a moment. But I am not going into such an extreme case.

Mr. Loeb. If you were going to be around, perhaps, Senator, it would be all right; but we are setting up here—

Senator McAdoo. With a 40-percent gold reserve, every banker that I have ever known until recently has not hesitated to say he considered it the basis for a sound currency issue.

Mr. Loeb. You will have realized by this time, Senator, that I am not an economist.

Senator McAdoo. They all give me that excuse.

Mr. Loeb. Well, I am not, and I do approach it with a great amount of hesitation. I should like to discuss it with you some day.

Senator McAdoo. I should like to discuss it now.

Mr. Loeb. I want to think about it.

Senator McAdoo. The point that I want to bring out is that when you talk about inflation, it is just about every man's opinion, except that there are a few fundamental things. It is conjectural whether or not a certain amount of currency issued is going to be regarded as inflationary or is inflationary in fact. I have not found anybody who was willing to give any definition that would convey any idea of certainty.

Mr. Loeb. I do not want to "pass the buck", so to speak, but I think another member of our council will perhaps be able much more intelligently to discuss what apparently is in your mind, Senator.

Senator McAdoo. I would like to see him. I want to meet him.

It will be observed from the testimony of these eminent bankers that they have varying views about inflation and as to what constitutes sound money. If the bankers and economists cannot agree, how can a poor layman be expected to have any definite ideas on the subject?

The cry of inflation cannot be raised successfully against the issuance of \$2,200,000,000 under the Patman bill.

I have previously stated on this floor that the issuance of this currency was, in my judgment, absolutely sound. It is backed by adequate gold in the Treasury and made as secure as any Government bond by the good faith and honor of the American people. If this currency is printing-press money, then every dollar in circulation today is printing-press money; and every bond issued by the United States is a printing-press bond.

The cry of inflation is always raised against any financing which does not conform to the dogmatic views of so-called "experts in finance." They thundered such charges against the Federal Reserve notes when the Federal Reserve Act was before the Congress in 1913.

I regard Elihu Root as one of the great minds of America. I have always had profound respect and admiration for him. Undoubtedly he was one of the ablest men in the Senate in 1913, and yet even he was opposed to the Federal Reserve Act, and argued with great force and vigor against the provisions which authorized the issuance of Federal Reserve notes as obligations of the United States. I quote a few passages from a speech made by Senator Root, December 13, 1913:

That is to my view a plain, simple enlargement of the national currency of the United States. It is authority for the increase, practically, of what we call greenbacks. The notes will be obligations of the Government of the United States pure and simple. They are not credits of anybody else; they are credits of the Government of the United States. While technically they

are not money but are promises of the United States to pay. I shall speak of them as money, just as we speak of our greenbacks as money, because in the ordinary colloquial use of words that description is best understood.

In another point in his address, Mr. Root said:

Now, behind the system under which we are working, and under which we have grown so great and strong, stands always the Government of the United States, with its credit unimpaired, with its solvency undoubted, always ready to come to the rescue by the sale of its securities to bring gold. This bill proposes, however, to put in pawn the credit of the United States; and when your time of need comes it is the United States that is discredited by the inflation of its demand obligations which it cannot pay.

I say that this bill presents the financial heresy twice repudiated by the people of the United States. I say that the central reserve board appointed under this bill will have to represent that very heresy. If this bill passes as it stands, America stands to lose all we saved when Grant vetoed the inflation bill; all we saved when Grover Cleveland abolished the silver purchase; all we saved when we elected McKinley; all the Republicans, all the gold Democrats saved when they helped in the repudiation of the vital principle which has been put into this bill.

Mr. Root's dire prophecies of the evils of inflation and of the perils to the credit of the United States, which he asserted were inherent in the Federal Reserve Act, have since proved to be groundless. The greatest war in the history of the world, involving finally the United States itself, was fought after Mr. Root made this speech, and yet our financial structure was so strong, and the Federal credit was so great, that we were able to finance our part in the war and to lend billions of dollars to the Allied Powers who were associated with us in the war.

Federal Reserve notes are issued by the Government and not by the Federal Reserve banks. They are payable by the Government on demand, and the people look to the Government for payment. There is no gold reserve back of them today, or back of any Government money, and yet it passes current at par throughout the country. Everybody knows that this currency is sound and acceptable to the people.

Issues of currency, if the Patman bill is enacted into law, will be equally sound and satisfactory to the people.

Personally, I would have preferred to incorporate a provision in the Patman bill for an annual sinking fund to retire this currency over a reasonable period of years, but, for technical reasons, that could not be done. Such a sinking fund can be provided by additional legislation if the veto is not sustained.

It is my firm belief that the payment of the adjusted-service certificates through an issue of Treasury notes will contribute to the economic welfare of the Nation, and that there is no danger to the national credit if the Patman bill becomes law.

The PRESIDENT pro tempore. Under the unanimous-consent agreement entered into, the time of the Senator from California has expired.

Mr. McADOO. Mr. President, may I have unanimous consent for 5 additional minutes?

The PRESIDENT pro tempore. Is there objection?

Mr. HARRISON. Mr. President, I regret very much to object, but under the unanimous-consent agreement entered into, allotting not more than 30 minutes to each Senator, I shall have to object.

The PRESIDENT pro tempore. Objection is heard.

Mr. WALSH. Mr. President, my views on the pending question can be briefly stated.

That the payment to the veterans of the amount of their adjusted-service certificates now, instead of in 1945, will be helpful to many of them, is self-evident. Every argument of a sympathetic nature supports payment at the present time. Every generous impulse impels a vote to authorize present payment, and it would be pleasing to yield to this impulse. But there are other impelling and irrefutable reasons with respect to the bill now before us that would lead me to take a position incompatible with my sympathies, and prompted wholly by what seems to be my duty to my country.

I regard it as exceedingly unfortunate that the present bill combines the question of present cash payment of the

veterans' bonus with the question of inflating the currency. Those who vote for the present measure must not only be able to satisfy themselves that the payment now of the face value of the bonus certificates 10 years in advance of their maturity date, is justified and will be beneficial to the veterans and their dependents, and is in the national interest, and will, in fact, speed recovery, but they must also be willing to sanction the issuance of \$2,000,000,000 of fiat money, in the face of the declaration of the President that this course invites financial disaster.

In my judgment one man, and only one man is, and should be held, responsible for the present financial policies of our Government. If these policies fail and bring us to national bankruptcy, the President, as the chosen leader of the country in this crisis, will be held responsible. He has accepted that responsibility. If these policies succeed, and economic recovery is achieved and prosperity restored, he will be entitled to the credit. But it is apparent that each policy adopted involves grave risks—the risk that instead of recovery they may bring ultimately a financial crash that will increase unemployment, sharply lower the standards of living, and seriously impair the savings of our people—in a word, lead us to an economic plight the consequences of which no man can foresee.

I know there are those who minimize the possibility of such a condition happening in America. I am well aware that this optimistic tone is popular with large groups. Yet the fact remains that we shall win or lose this fight on our fiscal policies.

For myself, I propose to keep that responsibility in the hands of the present leader of this administration. I do not intend by my vote to transfer that responsibility to the Congress unless and until I am absolutely convinced that the fiscal policies of the administration are ruinous. If such a measure as this and other primary fiscal policies of the administration shall be overridden by the Congress, the President will be absolutely exonerated by the American people from all the ill consequences that may eventuate.

The President asks that we uphold him in this basic fiscal measure, affecting, as it does, the very fundamental concept of our national monetary policy. This does not mean adopting a rubber-stamp attitude. I have differed with the President on some of his economic policies, and I shall continue to do so; but there is a wide and most important distinction between general economic and regulatory measures on the one hand, and fiscal principles of Government finance on the other hand.

Perhaps the President is wrong; time will reveal. The people in due time will have an opportunity to pass judgment on his fiscal policies unless we substitute the fiscal philosophy of the Congress for his.

To my mind, such a course would amount to taking the leadership in this war against the depression out of the hands of the President on a most fundamental policy, a policy upon which success or failure may depend—money, the financial structure of the country, the very basis and foundation upon which we are going to win or lose the fight against the depression. We are dealing with that, not with regulatory measures, not with general economic measures. To take away from a President, who is sincerely trying to win a war against a devastating depression, control over the fiscal policies is like taking away the ammunition of a commander in chief fighting a military war.

Mr. LONG. Mr. President, will the Senator yield?

Mr. WALSH. I would rather not yield until I finish.

We are dealing with a very fundamental policy of government. The President has to face that, and must be held responsible for his fiscal policies above everything else; yet if this bill should be passed over his veto, he could for the next 16 months absolutely remove himself from all responsibility and go before the people at the next election without being answerable in any degree for whatever may be the future consequences to the country not only as a result of this measure but for whatever may be the consequences as the result of the whole program he has advocated.

Mr. President, I intend that my vote shall continue the responsibility where it now rests that there may be no confusion in the minds of the voters in next year's Presidential election with respect to the question of responsibility.

To argue that the President is swayed in his course by the bankers and financiers of the country is indefensible in view of his record. If the course of the President has not indicated a leadership in the direction of restraining capitalistic interests in this country, of advocating social welfare legislation that has invited the opposition of nearly all the property interests in the country, then I have not comprehended or understood his program. In fact, many Members of this body who are sincere supporters of the President think he has, under present conditions, gone too far in this direction. Many believe he has not visualized clearly the long and steady drain for general relief to all classes in need during the uncertain years ahead.

Mr. President, I early advocated—indeed, I introduced a bill for the purpose before the Adjusted-Service Certificate Act was proposed—the payment of a cash bonus to our veterans. Repeatedly I voted for paying these certificates during the years prior to the depression, when our Federal Treasury was flush with money. Since the crash of 1929, and the economic crisis which ensued, and with tremendous Treasury deficits incident to declining tax revenues and huge outlays for the aid of the victims of the depression, I have uniformly accepted the views of the Treasury and of the President with respect to what our Government could afford and could not afford without impairment of Government credit. I believe it is still too dangerous to depart from this position, at least until we can see the rising sun of prosperity—which, unfortunately, as I look out upon the country, has not risen so high as to give assurance that the clouds of despair and darkness have disappeared.

For these reasons I feel constrained to vote to sustain the President's veto.

Mr. President, let me now summarize what I have attempted to say:

We are going to win or lose the fight against this depression, depending primarily upon the fiscal policy which is pursued by the administration. We are going to fail or succeed, depending upon how much money we spend, what the President's basic fiscal principles are, and whether or not his general economic views are sound and leading in the direction of recovery. The moment Congress, on a basic fiscal principle, takes the responsibility away from the President, the country has no one to hold responsible for leadership in the work which is before us to restore prosperity to our country. Indeed, the country will be denied any definite, concrete, and understandable issue in the next election.

Mr. President, the President is willing to accept that responsibility. He has accepted it; and though I will differ with him and have differed with him on general policies relating to the regulation of the agencies of government, while I have differed with him on some of his general economic policies, I, for one, refuse to transfer the responsibility of our monetary system from him until I am convinced we are not moving forward. I think we owe it to the American people who elected him, we owe it to the American people who will decide who the next President shall be, to enable them to determine who is responsible for failure to get us out of this depression, or who is entitled to the credit for honest efforts to lead us out of the depression.

For these reasons, Mr. President, on a basic fiscal principle I propose to stand by the leadership that the people have given us; and I refuse to depart from that leadership on a vital issue of this character, with the result that the country may not know whom to blame and where to place the blame.

It has been said again and again that this is a war against depression, against hunger, misery, suffering, against unemployment, against business stagnation, against need and want on the part of thousands and millions of human beings, including veterans and nonveterans. The President is the Commander in Chief, chosen and delegated as such.

His chief munition, his only munition, his only fundamental power is the monetary system of the Government. Undermine that, destroy that, ruin that, and how can we turn to him, or how can the American people turn to him and expect salvation and expect a restoration of prosperity? Not only that, but by such a course we should give the American people no opportunity to place the blame or to reward the leadership that may have brought success and triumph.

I inquire, has there been a general restoration of business? Has there been a certain recovery from the depression? Have the bread lines been so materially reduced that the sun of prosperity is rising high in the skies? I fail to see it. God only knows the years that we may be obliged to continue to spend, not \$2,000,000,000 for veterans, but four and five billion dollars yearly for young and old, weak and strong, men and women of every class of society including veterans looking to their Government for the bare necessities of life. Destroy the monetary policy of their leader and where will they look and what can we give them as they cry out for aid and assistance? Those who believe his fiscal policies are unsound, of course, may very properly now substitute a new policy. But those who do it, thereby relieve the President from responsibility.

Mr. President, I have tried to differentiate between the ordinary and general legislation which has come before us and special monetary legislation. I have tried to invite attention to what is in my mind the very basic principle, the very foundation upon which every effort toward recovery must be predicated and because this measure, in the mind of the President—and I am not convinced that he is wrong—is detrimental, is harmful, is impairing to his leadership in this great fight, I propose for the present to stand by him. If he fails he will have to answer when the time comes to make answer. If he succeeds, he will receive the reward to which all faithful public servants are entitled.

I refuse to give him an alibi, and an alibi it will be, whatever happens, if we thrust on him a fiscal policy which he himself says will tie his hands and will be injurious to the country.

The Presidential election will be 16 months from now. Let him go before the country with his own fiscal policy, not with a policy for which he is not responsible, not with a policy the Congress has thrust upon him.

Because I believe in following the leadership, in basic, fundamental, financial policies, of the man whom the American people have chosen to fight this war, I do not propose to turn my back upon him in this crisis or tie his hands or impair his forward step. Therefore, I intend to vote to sustain the veto.

Mr. McCARRAN. Mr. President, I did not intend to address myself to this subject, but, naturally, in the course of debate expressions are made, and when they come from responsible sources one must think and perchance think out loud.

This Government was created as a tripartite government. The responsibility was placed upon the shoulders of each of the three branches of the Government with equal force and to an equal extent.

To say that I pass on to another branch of the Government a burden that is mine is to my mind to say that I relinquish and surrender everything that I assumed when I took the oath of office to become a Member of this body. I cannot go along with that train of thought, but I believe in the organic law first of all, and, believing in the organic law, I will join my judgment, limited though it may be, with the judgment of the Executive, and when he is wrong try to guide him as best I may.

Secondly, I do not propose to say that in guiding him I am going to guide him into a place where he must take the blame which I shirk. I do not propose to put him in a position where it can be said, "The Congress refused to take the responsibility and therefore the candidate of the Democratic Party next coming up must take all of that responsibility." The responsibility is mine just as it is that of every other Senator here, and especially of those who, belonging to the majority party, follow the leadership of the President.

Mr. President, it is our duty, under our oaths, to take our share of the burden, to go before the people, and if we are wrong let the people say so. It is no great sin to go back into private life. I do not know that it would be any less of a burden to go back into private life than it would be to say that I would rather have the Executive take the burden, because by taking the burden he will relieve me, and he must take the jolt. I do not subscribe to that particular school of thought.

I believe that this body is a deliberative body. I believe that it is a constitutional body. I believe that it was created to take its place in the Nation's daily work and daily activity. I do not believe that the President is always right, any more than I believe that any other one man in the world is always right, even though he may be as conscientious in his beliefs as I.

I will say for the President of the United States that I believe he is conscientious in his viewpoint, but 95 Members of this body, also conscientious, may express themselves, and I do not propose to surrender the constitutional obligation that is placed upon the shoulders of those who take the oath of office here, and say to the Executive, "You take the jolt. It is yours, and if you make good we will not come back, but if you do not make good we may come back." It is not a question of coming back here; it is a question of doing now what is right. That is the question that is uppermost.

With that in mind, and for only a moment or two, without any desire to discuss this question, but with a desire to express myself along the lines of my view, I may perchance repeat some thoughts which have been expressed on this subject, because there is scarcely a thought that has not been put forth.

Mr. President, if in 1918, when there were 2,000,000 boys across the water ready to die for this country, Congress had been called upon to vote \$2,000,000,000 in order to maintain that Army, would we have hesitated, and would we have said then, "There is an inflationary measure involved here"? There is not a man on the floor of the Senate today who would not have voted the appropriation of \$2,000,000,000. But the exigency of war has passed, the danger to life and limb of those who were near and dear to us has gone, and 18 years have elapsed. So we are now willing to say that it is a question of how we will raise the money.

We are willing to go off on any angle and say, "This is a justification for my vote", when as a matter of fact there would not have been one moment's hesitancy in voting \$2,000,000,000 to provide munitions of war, which would have destroyed the lives of human beings abroad. We would have voted for such an appropriation without a moment's hesitancy. But today we hesitate to give to some poor devil who is supporting dependents, and perhaps standing in the bread line, what we voted was his due some 11 years ago.

We hesitate to say to the soldier who defended democracy when he was called upon to defend democracy, "You may have your just dues", notwithstanding the fact that when the war was over, after the armistice had been signed, we went to every munitions plant in this country, we appointed a commission to investigate what they should be paid in the way of a bonus, we determined their bonus, and did not ask them to take deferred-payment certificates. We paid them in coin of the realm. We paid them in cash.

That is not all. In the message of yesterday, read here, I recall an expression coming from the Executive to the effect—

I am thinking of those who remained here at home who ran our railroads and worked in our munitions plants and in our factories during the war.

Mr. President, it is all right to think of those, but let us not forget that they were receiving then the prevailing and going rate of wage, and there were bonuses paid to those in the ship yards of this country to rush the work through; and let us not forget that we paid bonuses to our mines, and our mills, and our smelters and factories in the country after the war was over. We paid them bonuses a plenty, and we did not hesitate to put out bond issues to pay them.

However, today, standing in bread lines throughout this country there are men who honorably wore the uniform at the time when we called them to defend democracy. Today they are standing here and there looking, praying, asking for the wherewithal to sustain life—not to gain great wealth or to become millionaires—they are asking, they are praying, they are begging for bread—for bread alone. Yet we hesitate to give it to them, although we promised to give it to them, although we told them they could have it, and now in the greatest hour of our emergency, in the greatest hour of our depression, when we can build up the country, when we can distribute \$2,200,000,000 into the hands of those who earned it in such a manner as not one of us would wish to earn it today, we hesitate and say, "Pass the buck to the President; let him take the fall", to use the vernacular of the street.

Mr. President, I am willing to take the fall, if fall it be. I am willing to bear my share of the burden here, and there is not a Senator in this body who is not willing to bear his part of the burden; but it should not be said that we are going to shift it over onto the President, and that if 2 years from now his actions should not be approved, why then it is his fault, not ours.

Mr. President, it is the obligation of every man who took the oath of office in the Senate to take his share of this responsibility. Taking his share of the responsibility, let him say to the soldiers of our country, who defended us in an hour when we called them into service, that now we are willing—not to be charitable; I will never put it on that basis, because I think that is the most flimsy excuse in the world—that we are willing to be just, and, being just, we propose to pay an honest obligation which our country entered into; we propose to fulfill a contract to which the greatest Republic in the world became signatory; and we propose, through the soldiers of the past, to say to the soldiers of the future, "The Nation which your forefathers defended was not an ungrateful nation." We propose to say to the soldier of the future that his country was ever mindful of the service rendered by the soldiers of the past, and we propose to say to the millions in our country that this depression, to the extent of paying an honest obligation, shall be terminated.

Mr. NEELY obtained the floor.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. NEELY. I yield.

Mr. THOMAS of Oklahoma. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CONNALLY in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Copeland	La Follette	Reynolds
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Davis	Lonergan	Schall
Bankhead	Dickinson	Long	Schwellenbach
Barbour	Dieterich	McAdoo	Sheppard
Barkley	Donahey	McCarran	Shipstead
Bilbo	Duffy	McGill	Smith
Black	Fletcher	McKellar	Steiwer
Bone	Frazier	McNary	Thomas, Okla.
Borah	George	Maloney	Thomas, Utah
Brown	Gerry	Metcalf	Townsend
Bulkeley	Gibson	Minton	Trammell
Bulow	Glass	Moore	Truman
Burke	Gore	Murphy	Tydings
Byrd	Guffey	Murray	Vandenberg
Byrnes	Hale	Neely	Van Nuys
Capper	Harrison	Norris	Wagner
Caraway	Hastings	Nye	Walsh
Carey	Hatch	O'Mahoney	Wheeler
Chavez	Hayden	Overton	White
Clark	Johnson	Pittman	
Connally	Keyes	Pope	

The PRESIDING OFFICER. Ninety-four Senators having answered to their names, a quorum is present.

Mr. NEELY. Mr. President—

There is a tide in the affairs of an administration
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of its life
Is bound in shallows and in miseries.

This day—aye, this very hour—those on this side of the aisle, who are a part of this administration, are confronted with a momentous tide which multitudes of editorial writers, hosts of veterans, and millions of common people are praying us not to omit, but to take at the flood and discharge the honest debt we owe our World War veterans, many of whom are as poor as Lazarus, but all of whom are in character and patriotism still as superb and grand as the boys in blue who marched with Sheridan at Winchester; as the boys in gray, who stood with Stonewall Jackson at the first battle of Manassas.

Eighteen years ago this country entered the most colossal, the most brutal, the most deadly war of all the ages. Overnight it became necessary for this Government to raise an army of 4,000,000 men, to fight, to suffer, and to sacrifice, not on their own soil, not in their own country, but in strange lands, among strange people, more than 3,000 miles from Columbia's nearest shore.

Those who composed the vast Army of this country in that devastating war were not volunteers. They were conscripted soldiers. They were deprived of the liberty of deciding whether they would stay at home and follow the occupations of peace for compensation greater than the world had ever known before or go to the front to become targets for the machine gunners and fodder for the cannoneers of foes so numerous and deadly that in comparison with them the entire army of Xerxes sinks into the utter insignificance of a corporal's unarmed guard.

If our soldiers had been given the chance, practically all of them would have volunteered. But their only choice was that of going to war or going to jail and lasting shame.

These soldiers who now seek from their Government reasonable compensation for their matchless service had neither voice nor vote in the determination of the period of their conscription, their hours of duty, their living conditions, or their remuneration.

"Backward, turn backward, O Time, in your flight", to the breathless days and the sleepless nights that followed this country's entry into the World War.

Once more we see 4,000,000 of America's best and bravest sons—in the very morning time of life, when every prospect was pleasing; when every door in the world of infinite opportunity was open wide to receive them; when every breeze was bringing them promises of future glory—lay their last hope and their last ambition upon the altar of their country and, leaving the rich treasures of heart and home behind them, enter the welter of war to fight, to sacrifice, and, if need be, to die for their native land.

Then these boys were crowded into camouflaged ships and transported over 3,000 miles of submarine-infested ocean to France, which had not then disgraced herself by repudiating her war debt to this Republic. Behold 2,000,000 of these American boys in that distant land, where we had sent them to pay a debt of gratitude which we had owed the French people ever since Rochambeau held up the hands of George Washington at Yorktown and Lafayette fought for American independence at Brandywine. How grandly those American soldiers maintained the honor of their Nation and lived up to the brightest and best traditions of their native land. In France, the boasted land of chivalry and beauty, through countless lines of battle; with machine guns and cannon in front of them; with asphyxiating gases enveloping them; with the air filled with death-dealing craft above them; with the earth filled with exploding mines beneath them; through all these hellish horrors these American soldiers proudly and triumphantly carried the flag of this Republic—the flag that has never known a failure or suffered a defeat; the flag that makes tyranny tremble and freedom rejoice; the flag which this Government has never yet permitted dishonor to pollute, ingratitude to soil, nor injustice to stain—that is the flag that these American soldiers carried through plundered cities, past desecrated temples, by ruined cathedrals, over blood-soaked fields of battle, through prostrate Belgium to the heights of Ehrenbreitstein, the greatest of German fortifications, from which it floated out upon the breeze and proclaimed to all the children of men that the wicked World

War had been won by the American soldiers and the soldiers of our Allies, and that the banner which had waved over democracy's cradle at last waved over autocracy's grave.

Almost a hundred thousand of our soldiers went to the sleep that knows no waking beneath the poppies of Flanders and the lilies of France. God grant that their immortal spirits are at this hour walking the streets of Paradise that are paved with stars; that they are enjoying the peace that passeth all understanding, and that they are blessed with bliss that will endure forever.

Soon after the signing of the Armistice the surviving American soldier boys came home. They were welcomed and reviewed by the highest officials of the Nation, the States, and the municipalities. While the bands were playing, and the flags were fluttering, and the banners were streaming, our soldiers were assured from the rostrums of a thousand auditoriums that this Nation would generously compensate them for the burdens they had borne, the hardships they had endured, and the losses they had sustained. They were further assured that every soldier would be restored to the employment and the wages which he had sacrificed when he went to war at a dollar a day for service at home and a dollar and twenty-five cents a day for service abroad beyond the sea.

The veterans accepted the promises that were made them, and with sublime optimism and unsurpassed courage they promptly began to ask for the places they had filled and the salaries or wages they had received immediately before they were sent to war. But to their heartbreaking amazement hundreds of thousands of them learned by the bitterest experience that when they asked for bread, they received a stone; when they asked for a fish, they received a serpent; when they begged for a job, they received the melancholy response that they could not be employed.

The distress of the veterans progressively and persistently increased, and finally became so manifest and acute that in the year 1924 the Congress—whose Members were then receiving more than \$20 a day for their peace-time service—decided that the compensation of a dollar a day which we had paid the soldiers for their service at home and the dollar and twenty-five cents a day which we had paid those who fought on foreign fields was wholly inadequate, and that the Government owed and should pay to the former an additional dollar a day and to the latter an additional dollar and twenty-five cents a day.

But in spite of the fact that the service for which the additional payment was provided had been completed in the year 1918, and in spite of the fact that the debt which the Congress acknowledged had obviously become due and payable in full not later than the day on which the soldier had been discharged from the service, the Congress specified that the additional payments should not be made until 1945—27 years after the war had ended. The bill which authorized the payment of this additional meager compensation to the veterans was vetoed by Mr. Coolidge, who, although he was then receiving \$205 a day for his peacetime service as President in the cloistered security of the White House, decided, in effect, that a dollar and twenty-five cents a day was as much as an American soldier could earn by fighting his country's battles in trenches that were alive with all the loathsome things that creep and all the slimy things that crawl.

Consequently, Mr. Coolidge vetoed the veterans so-called "adjusted compensation bill" and Congress passed it over his veto. During the 11 years that have intervened since the Compensation Act was passed, this country has suffered a financial, industrial, and economic depression, the severity of which is without a parallel in the history of civilization. During this depression hundreds of thousands of the veterans who received adjusted-service certificates have, through no fault of their own, been forced to the humiliating extremity of begging their bread or starving to death.

If the Senate, by a two-thirds majority, passes the bill which is now before it, \$2,200,000,000 in paper money will be distributed among 3,527,528 World War veterans who hold adjusted-service certificates. And when this payment shall have been made, the highest rate of compensation that

any private soldier will have received for fighting will be \$2.50 a day, and the highest rate that will be paid any soldier who did not see service abroad will be \$2 a day.

The present compensation of Members of the Senate for their public service is at the rate of more than \$27 a day. In the circumstances, who is the Senator that can ever again look a World War veteran in the face if he says by his vote on the veto that \$2.50 a day is too much to pay an American soldier for fighting his country's battles amid horrors such as were never delineated by Milton, never described by Dante, never painted by Dore?

The method of payment which is provided in the bill will impose no additional burden upon the Treasury. The entire debt to the veterans will be paid with what has been contemptuously called "printing-press money", which is, nevertheless, the identical kind of money with which every business enterprise and every business transaction in the Nation is financed.

In an effort to obtain up-to-the-minute information concerning the Government's ability to pay the soldiers' certificates in full with paper money, this morning, at my request, my secretary propounded pertinent inquiries to an official of the Treasury which brought forth the following:

On the 30th day of April 1935, the contents of the Treasury were as follows:

Gold.....	\$8,708,833,987
Silver dollars.....	511,043,758
Silver bullion.....	295,401,792
Total.....	9,515,279,537

The grand total of this Nation's outstanding paper money of every kind on the 30th day of April was \$5,477,736,103. Consequently, on the date last mentioned there was in the Treasury a gold and silver reserve of \$4,037,543,434 in excess of all our paper money.

Ever since the passage of the Federal Reserve Law in 1913, the financiers of this country have considered that paper money was secure if it were fortified with a gold reserve of 40 percent. But if we issue an additional \$2,200,000,000 in paper money with which to discharge the debt we owe the World War veterans, there will still be not only a 40-percent gold reserve in the Treasury to secure all outstanding paper money, but a reserve of more than \$1,031,000,000 in gold against which there will not be a single outstanding paper dollar. And in addition to all this, a reserve of silver dollars and bullion will still remain in the Treasury, the value of which will exceed \$800,000,000.

The fallacious argument that the issuance of less than \$7,700,000,000 worth of paper money against a gold and silver reserve of more than \$9,515,000,000 will constitute unrestrained and disastrous inflation is an insult to the understanding of any school child who knows his A B C's. More insulting still is the argument to the effect that for us to print enough paper money to pay our debt to the veterans will be to emulate the financial nonsense of Germany and Russia which was manifested by such wild inflationary action that a wagon load of paper money would not buy a loaf of bread. Of course, everyone who has taken the pains to acquire even the slightest information on the subject knows that in neither Germany nor Russia during their disastrous inflationary periods was the worthless paper money fortified with a single scintilla of silver or gold.

Earlier in the day the distinguished junior Senator from Illinois [Mr. DIETERICH] said, in effect, "Why does not someone tell us how much currency we can issue without having inflation, and how much currency we can have without making it unsound?"

Mr. President, I do not know the precise amount of paper money this Government can safely issue. But I do know that so long as the average interest rate throughout the country on loans of \$300 or less is 36 percent a year we are not suffering from a superfluity of money, and I think I also know that it would be as impossible for the Government to effect injurious inflation by issuing a paper dollar against every gold dollar of reserve in the Treasury as it would be to wreck the Ship of State on Plymouth Rock.

The country needs the additional circulation of money proposed in the bill. Its passage of this measure will mean

an immediate increase in the market value of every farm and every farm product in the United States. It will mean the instant and substantial stimulation of every legitimate business in the land. It will mean the immediate payment in full of an honest debt that the Nation has owed its honest, patient, deserving debtors for 17 years. It will mean the prompt alleviation of the unspeakable financial distress that is compelling hundreds of thousands of our veterans to live upon the crumbs that fall from Charity's table.

Senators, many of the veterans whose case we are about to decide fought innumerable battles for you and for me. Let us pay them a small part of the debt of gratitude we owe them by casting a single vote in their favor this afternoon.

Let me suggest by way of preparation for the discharge of the patriotic and humanitarian duty which we are about to perform that every member of the Senate adopt as his slogan for the remainder of the day Whittier's immortal lines:

While there's a grief to need redress,
A balance to adjust;
Where weighs our living manhood less
Than Mammon's vilest dust,
While there's a right to need my vote,
A wrong to sweep away,
Up! clouted knee and ragged coat,
A man's a man today!

Mr. HARRISON. Mr. President, I have no fault to find with any Member of the Senate who may differ from me on this question or any other question. I have not the slightest doubt that every Senator here, as he casts his vote today, whether for overriding the President's veto or for sustaining it, will be voting his convictions.

I do not know that I can wholly agree with the view expressed by the distinguished Senator from Nevada [Mr. McCARRAN], when he said that no question about "coming back here" is involved in this matter. I am willing to concede that, however. I have not the slightest idea that any Senator, in casting his vote either pro or con on this question, does so with the thought of its effect on his "coming back here." I am not unmindful of the fact that the vote I am about to cast, so far as the ex-service man is concerned, will not be a popular vote.

I have tried in this body, and I hope to continue so long as I am in this body, not to measure my actions here from a political standpoint. Perhaps the easy way, the course of least resistance, would be to vote to override the President's veto. Somehow or other, however, I am not built that way. I have made no promises to my constituents, as some Senators have to theirs, whether they be ex-service men or otherwise, that they were for the Patman bill or the Vinson bill or what not.

But, Mr. President, simply because one of us may vote to override the President's veto, and others of us may vote to sustain the President's position, which is the position some of us adopted heretofore, there is no reason for one of either group to say that the other or any part of the other group is less patriotic than all of us. I know, from my long experience here and my observation of every Senator, whether one is a Republican or a Democrat, that every Senator is prompted by the highest motives and a desire to deal with the ex-service man in a fair and an honorable and a patriotic way. There is no difference of opinion as to the high patriotic and incomparable service the American soldier played in the great World War.

I have no desire to delay this vote, but before it is taken I do wish to give a little of the history of this legislation and the reasons behind it.

I cannot hope to measure up to, and I shall not attempt to match, the eloquence of the speakers who have preceded me in arguing to override the President's veto.

We listened to the very splendid speech, an oratorical masterpiece, by the distinguished Senator from Idaho [Mr. BORAH]. He always makes that kind of a speech; and as I listened to him I was hopeful that something might drop from his lips as fine and as eloquent as the quotation of the President yesterday in his veto message to the Congress of the United States. There was no part of the President's speech, I may say, masterful as it was, and unanswerable as

it has proven to be, quite so good as when he quoted the Senator from Idaho. This quotation was from speeches the Senator had made against the bonus in the Senate in prior years.

I listened with the closest attention to my distinguished friend from California [Mr. McAdoo], whom it has been a delight to follow, and whom I have followed, because there have been few men in the public life of the Nation who have impressed themselves upon history as has my friend the Senator from California. For 35 ballots and more at New York I followed his banner to nominate him as our party's nominee for President of the United States; and I remember, as a humble Member of Congress, when he was Secretary of the Treasury, how I was delighted to follow his beck and call, even going out into the far-away hustings and into nooks and corners in order to get people to buy the bonds he was trying to sell to the country at that time. He did a great job. He put over the first and the second and the third and the fourth Liberty loans, and none in that responsible place could have performed his task better. During all those days, however, when history was in the making, I never heard a suggestion from the distinguished Secretary of the Treasury that instead of selling bonds we ought to issue greenback notes.

My distinguished friend from California got a little bit confused in some of the figures he quoted to the Senate, and I do not wish the Senate to be misled. I am sure he was quite in error. I remember that when the Patman bill was before the Senate, just before the vote, he made a masterful speech, one that swayed the Senate, and accomplished putting over the Patman bill; but in his figures today, when he talked about the war-risk insurance, he told us that its cost per month was \$6.60 a thousand. The fact of the matter is that its monthly cost was 66 cents a thousand, and the monthly cost for a \$10,000 policy was \$6.60.

Mr. McADOO. Mr. President, will the Senator yield?

Mr. HARRISON. Yes. I know the Senator's statement was merely an error.

Mr. McADOO. It was a clerical error, and I shall of course correct it in my manuscript.

Mr. HARRISON. Yes; but the Senator has such a persuasive way, and has such a dominating influence over the Senate, that I was fearful even that remark might mislead some Senator in his vote on this important question.

Then the Senator from California was talking about the \$36 per month that he said a soldier serving overseas received during the war days. He did not receive \$36 per month. He received only \$33 per month, 10 percent more than the man back here was getting. Then, too, the wife and the children back here did receive \$30—\$15 out of the pay of the man serving overseas and \$15 out of the Treasury of the United States—but each child did not receive just \$5 per month, as the Senator stated; and I wish to correct the statement, for it might persuade you wrongfully, or influence you. The first child received \$10 per month out of the Treasury; the next child received \$7.50 per month out of the Treasury; and any other children received \$5 apiece per month out of the Treasury.

I know it is easy to fall into these little errors, but we must keep the record straight in this discussion. When the facts are known, there is no other government comparable to ours in the treatment, care, and pay of our soldiers.

I sympathize with the ex-service man in the position he has taken that he believes the adjusted-service certificates are now due. He cannot be blamed, he should not be blamed, because he has been told by some of the most eloquent of men in this body and in the other body, and by some of the leaders of the ex-service men's organizations, that the money is now due. We listened today to a splendid speech from my friend from West Virginia [Mr. NEELY], whom I love. Could anyone blame the most unsuspecting ex-service man sitting in a hall crowded with people, hearing his matchless eloquence as he poured it forth in this Chamber today, for believing that his adjusted-service certificate is now due and that his Government has betrayed him in not paying it at this time? Why, I almost fell under the Senator's spell. He is most persuasive. You know and I know that some leaders have gone forth and have played upon these men, and have

told them in their gatherings that the Government was unfair to them, that the adjusted-service certificates were due, and that is why they have been led to make this appeal to the Congress.

I desire to state, in order to keep the RECORD straight, that in 1924, when some of us here were fighting for a cash bonus, fighting for the soldiers, I happened to be a humble member of the Finance Committee. I voted for it in the committee. We brought out a minority report upon the floor of the Senate, and we championed here a cash payment to the ex-service men. We carried it as far as we could; but what was the cash payment which was under consideration at that time? It was \$400. That was the amount we were requesting. That was based upon the advice and the suggestions and the approval of the ex-service organizations of the country. We did not arrive at those figures. The representatives of the ex-service organizations suggested them and championed them.

We had made our fight in 1924 to add to the plan that was adopted, the insurance feature a cash bonus option, and it was defeated. But we who were considered friends of the ex-service men at that time, and who fought for them, are now held up to scorn. Men playing upon the veterans are trying to persuade them that the group, of which I am one, who will vote to sustain the President, are not the friends of the ex-service men.

It is a bad day for the United States when groups can control our Government, and it is a bad day for Congress when groups can dictate the policies and actions of Congress. This is not a Government of groups, and men who are supposed to be leaders, especially men in public life, serve the highest purposes of citizenship when they try to lead their fellow citizen whether they belong to a group or not, along the right line. I am not playing my part as a citizen of this country if I try to mislead some fellow citizen, inflame his mind, arouse his passion, and make him hate other men. But that is what some have done in this bonus controversy.

I know that in my own State men who in times past have gone out and battled for me night and day are estranged from me today because they have been led to believe that their certificates are due.

Let me read just briefly from John Thomas Taylor. He is the man who, through the American Legion, has been the spokesman of the ex-service men. He has been here for years as their legislative representative. This is what Mr. Taylor said in 1924:

I think that the bill as framed at the present time makes the cash sufficiently unattractive to induce the men to take the other features.

He said further:

At that time we were very, very careful in our study, and we considered that \$1 a day was just about the right amount, because that would give to each man about \$400, and we felt that that was about the very lowest sum that would assist this man in properly getting back on his feet.

He said further:

Yes; and I would say, after the men have had pointed out to them the vast advantages of the adjusted-service certificates, the ratio will be about 80 percent for the productive features and 20 percent for the cash option. And to get back to the point—

Said Mr. Taylor, further speaking for the ex-service men—

we decided that \$1 a day was the minimum upon which to base this legislation, and that was carefully considered by the first convention, by the second convention, and by the third convention; and at those conventions the delegates for the most part were brand-new men, practically every time.

It was said that \$400 was the fair value reached. So it was that we fought for \$400. Yet today we are told in this body that those of us who were willing to give to them the \$400 which they said was a fair adjustment, with interest at 4 percent compounded since that time, and more in addition to that, are not friends of the ex-service men.

Mr. President, I have never worked harder in my life to get through a piece of legislation than I have worked to compose the differences respecting these adjusted-service certificates. I have conferred with the President about it at least 25 times. I know that my distinguished colleague

the Senator from Arkansas [Mr. ROBINSON] has done as much. Finally we worked out a proposition which, based on the average certificate of \$1,000, would have given to it a value of \$768, and with the amendment offered by the distinguished Senator from Texas would have given \$800, which is more than the present cash value of the certificates, because we went back to the day of the armistice and added 4-percent compound interest from that date up until 1925. We offered to give them more than we tried to give them back in 1924. No one can contend that the certificates are now due. The \$1,000 face value will not under any stretch of the imagination be reached for many years yet.

Where is the argument, where is the fairness, where can be found the reason for criticizing us when we offered to give to these men the present value of the adjusted-service certificates, as it was found correct and just by the organizations themselves, adding compound interest, and then adding more?

Why should the President of the United States, who would approve such a measure, be criticized? I say to those who are enthusiastically trying to override the President's veto that if they will just get together with some of us and with the President of the United States they can get some relief for the ex-service man, and a measure to that end will pass this body. But just so long as men say that it has to be "full payment or nothing", they will have their troubles and their difficulties.

When we brought forward a bill which would have met the approval of the President of the United States, some of us appealed to you to support it and get this question behind us, and let it receive the Presidential approval. But no, you would not do it.

Some of us who thought we knew what the sentiment of the Senate was, said that the President's veto would be sustained. Others said to the representatives of the ex-service organizations and to the country, "Ah, we have the votes. We will override the President's veto."

Thus the battle proceeded, and I suppose it will continue. But since the voters have placed the Democratic Party in control of the Government, and chosen a leader of courage and constructive ability, one whom every Democrat should desire to follow, even though he may be for the Patman bill or the Vinson bill, I do not believe Democrats will be parties, in this day, when they control the Government, to an effort to confuse every legislative proposal that is offered upon the floor of the Senate.

I cannot believe Democrats would be parties to a policy which would mean the presentation of an amendment to the naval-appropriation bill in order to get the approval of this proposition, or run the risk of the Navy getting no appropriation for this year, and follow the same course on other legislative proposals.

How, then, my fellow Democrats, could the country become enthused over keeping us in power, to legislate and do business in a constructive way, if we should follow such tactics as that?

Mr. President, let us proceed. Let those who conscientiously believe that the ex-service men should now get full payment vote to override the Presidential veto. But, for my part, I shall vote to sustain the President of the United States in his veto, and I concede to no one the right to argue that by doing so I indicate that I am less interested in the welfare of the ex-service men than any other American citizen.

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD at this place one or two letters which I have addressed to constituents, a few extracts from editorial comments on the President's veto message, together with a number of quotations from eminent economists and statesmen upon the highly controversial subject of inflation. The Patman bill has thrown the bonus question into the shade and has made inflation the storm center of the pending controversy. Inflation is a perennial apple of discord.

The VICE PRESIDENT. Is there objection? There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Hon. RAYMOND FIELDS,

Guthrie, Okla.

MY DEAR SIR: Your letter of late date was received in due course. Let me say with perfect sincerity that it was deeply appreciated. The fact that you are a Republican rather deepened my appreciation. Let me add that no soldier in the State regrets as much as I do the distressing and, if I may say it, unnecessary dilemma which has arisen in Congress concerning the payment of the adjusted-service certificates. It would seem that reasonable men ought to agree on means to effectuate an end concerning which they are in substantial agreement.

I do not underestimate the political reaction and the political consequences. If I were a good politician, I would vote for the Patman bill. I do not know whether any soldier can quite appreciate my feelings when I say that I cannot in good conscience vote for any measure which provides for or permits inflation and also undertakes to embark us upon an experimental scheme of price stabilization. It is my hope that a way can be found out of this predicament, and I am willing to cooperate in good faith toward that consummation. I am enclosing a letter which more fully describes my feelings and my attitude.

Believe me, with best wishes,

Very truly yours,

T. P. GORE.

WASHINGTON, D. C., May 18, 1935.

Commander C. C. HARBESON,

The American Legion, Oklahoma City, Okla.

MY DEAR SIR: I am pleased to acknowledge your very considerate letter of late date. I appreciate the spirit in which it was written and assure you of my desire to find some common ground of action. Of course, I am as anxious as anyone both to serve and to please the ex-service men. I need hardly say I am not blind to consequences—no more than was the veteran who faced the fire of German guns at St. Mihiel and the Argonne Forest. In the face of danger and even of death he felt bound to place his duty above his safety. He set an example which must serve as a beacon to those of us in public life who are obliged at times to choose between duty and safety.

I think that bonus legislation at this session was a practical possibility. I join you in regretting the legislative dilemma in which the measure has been trapped and defeated. It has taken the one course, perhaps the only course, that would have insured defeat. I do not say that this has been engineered.

I have always thought that when practical men agree as to the end they should be able to agree as to the means. I submitted two or three amendments, both in the committee and on the floor, the adoption of any one of which would have made it possible for me to vote for the immediate payment of the adjusted-service certificates. I still stand ready to vote for such a measure which safeguards and does not jeopardize the general welfare, and I would vote to pass such a measure over the President's veto.

I appreciate your statement that the Legion did not and does not favor inflation *per se* and did not ask their friends to favor inflation. I endorsed the declaration of the Legion in support of a "sound American dollar." If that principle had been adhered to, we would have escaped this dilemma. As you know, the Patman bill involves two of the most controversial questions in the highly controversial field of monetary science and theory. In the opinion of some it involves inflation or expansion, if you please, fiat money, paper money. It also involves an experiment in respect to price stabilization. Both the proponents and opponents of these theories and experiments are, let us say, sincere, but they are also dogged and dogmatic, if you please. This excludes compromise or reasonable adjustment.

The friends of inflation or expansion say, Give us inflation and we will give you the bonus, but no inflation, no bonus. On the other hand, many sincere friends of the bonus say, Take the bonus but do not make us take inflation, do not make us take price experimentation. Between these extremes the veterans are enflamed on both flanks—I will not say ambushed. There are men who are willing to vote for the immediate payment of the adjusted-service certificates but who could not in good conscience vote for inflation or fiat money under any circumstances. They would violate their convictions and stultify themselves to do so, and, as they believe, jeopardize the best interests of the country, including the soldiers, and defeat or delay recovery itself. They think that there are only two kinds of inflationary schemes, the kind that has failed and the kind that will fail. They think that all human history and all human experience teaches one lesson and holds out one warning. I have recently been checking and rechecking the history of paper money as far back as the year 809 in the Chinese Empire. It took China 600 years to learn the tragic truth about fiat money. Even China had not dallied with that danger for several centuries until the recent revolution.

It has often been embarked upon as in the present instance with the pledge that it will be managed and kept within a safety zone. The French have a saying that "it is the first step that counts." The pressure that starts this dangerous adventure will not stop it. I had a letter only yesterday from a friend stating that he bought and deposited 1,000,000 marks in a German bank, and the bank finally wrote him that the million marks were not worth enough to pay for the postage stamp required to advise him that the account had been charged off as worthless. These different experiments and disasters stare at us like a death's head.

At the risk of boring you, I will cite a few authorities: Daniel Webster said that paper money was the most effective of all

inventions to fertilize the rich man's field with the sweat of the poor man's brow. David A. Wells, one of the foremost economists of the last century, said: "There is one great, plain practical fact in respect to irredeemable paper money which in itself is a sufficient answer to all the arguments that may be advanced in its favor. And that is, that there cannot be one single instance referred to in the history of any state, nation, or people in which its adoption and use has not been wholly disastrous." Simon Newcomb, in the book *A B C of Finance*, said: "There is no case recorded in history of a government issuing paper money not redeemable in gold or silver and in quantities sufficient for commerce without that paper money depreciating." "The history of mankind for the last two centuries is full of examples showing that a depreciating currency is the greatest source of injury to the business of a nation, being nothing less than a national calamity." Professor Perry, in his *Elements of Political Economy*, said: "There has never been a government yet (of the many which have issued irredeemable paper) which had the wisdom and firmness to resist for any great length of time the strong temptation to overissues."

Those who urged inflation ought to contradict those authorities and cite at least one instance where success was achieved and failure escaped, or else they ought not to ask those in responsible positions to repeat these experiments. It is my hope that a solution may yet be found for their thorny problem that will prove acceptable to all concerned. I am disposed to cooperate with those who in a spirit of conciliation and cooperation seek to obtain such an end. The passage of the big \$5,000,000,000 work-relief bill has saved the bank in with most of the objections to the immediate payment of the adjusted-service certificates. I was paired with Senator Nye on the passage of the Patman bill. The vote was known to be close and there was just a chance that I might find myself in a situation where my vote would be controlling, in which event I should have sought to bring about a compromise of this disturbing problem. I feel reasonably certain that such a settlement is not far in the future.

Yours very truly,

T. P. GORE.

[Copy of telegram to President Franklin D. Roosevelt from Walter E. Spahr]

HON. FRANKLIN D. ROOSEVELT,

*President of the United States, the White House,
Washington, D. C.*

May I, as secretary-treasurer of the Economists National Committee on Monetary Policy, congratulate you upon the stand you took in your veto message in opposition to the inflationist features of the bonus bill. I also wish you to know this committee, composed of 95 of the Nation's leading monetary and banking experts, most of whom are on the faculties of colleges and universities, has consistently opposed all inflationary proposals, although lack of time has made it impossible for this office to gather together the individual votes of the members in approval of your admirable veto message of the Patman bill I can assure you that this committee has consistently opposed the issue of fiat money. On October 1, 1934, it issued a public warning against paper-money inflation in every form, and at its Chicago meeting of December 27, 1934, the committee again registered a vigorous protest against currency inflation. Your position on this subject is entirely in harmony with the repeated recommendations and warnings of our committee with respect to the dangers involved in the issue of printing-press money, namely, that it invites an ultimate reckoning in uncontrollable prices and in the destruction of the value of savings with disastrous result, not only for those who expect to benefit from the bonus bill but for millions of others who have savings accounts, investments, and life-insurance policies.

WALTER E. SPAHR.

[From Chinese Currency, by W. Vissering]

But for the very reason that the Chinese people at one time had the start of all other peoples in civilization, we find such ideas and institutions as are only the fruits of a rather high stage of intellectual development, with the Chinese generally earlier than elsewhere.

So also with the history of the rise, the progress, and decline of paper money; for the Chinese had already suffered all the misery arising from an overissued and depreciated paper currency when it was hailed in Europe as the invention of the philosopher's stone for which had been sought so long (p. 161).

Not until the reign of the Sung dynasty we see this system fully developed, but what originally was a blessing bestowed on China became a "bane of bliss and source of woe" by the stupidity and cupidity of the Government (p. 162).

From the fragments in Ma-twan-lin's Examination, which inform us about the southern branch of the Sung dynasty, it appears that especially under the Emperor Kao-tsung, 1127-63, the issue of paper money was expanded in the most reckless manner, and that in this way the foundation was laid of the wretched condition to which the state finances were reduced at the close of the Sung dynasty, a condition only to be compared with that of France when the blow had fallen and the full light shone upon the ruins caused by the splendid but destructive fireworks of John Law (p. 177).

Ma-twan-lin has brought his Examination down only to this time, but from Wang-ki's continuation of Ma-twan-lin's work we learn how one issue succeeded the other, how every time new names were invented to delude the people solemn promises were made that henceforth the Government should fulfill what it had

charged itself with, and how the result was that again and again old debts were paid by incurring new in order to defer the impending bankruptcy of the state (p. 217).

The assertion that paper money has been one of the leading causes of the fall of the Sung dynasty is a thesis which will hardly be gainsaid by those who have read the history of this institution from its glorious beginning to its wretched end.

It is indeed not to be wondered at that after those fatal results which China was to experience twice more in aftertimes the Government superseded the paper money by a metallic currency and forever abolished paper money issued by the state. Had that history been known earlier, it might have taught a great lesson to Europe and America and preserved them from those evils which were to work incalculable misery and irreparable loss; evils which in many countries of the world reveal themselves, alas, too strongly in the social condition of the present time, and which are so well expressed by Webster, who, speaking of paper money, says: "We have suffered more from this cause than from every other cause of calamity. It has killed more men, pervaded and corrupted the choicest interests of our country more, and done more injustice than even the arrows and artifices of our enemy" (pp. 218-219).

[Daniel Webster quoted in F. A. Walker: Money]

A depreciated currency, sudden changes of prices, paper money falling between morning and noon, and falling still lower between noon and night, these things constitute the very harvest time of speculators and of the whole race of those who are at once idle and crafty. * * * This is the most effectual of inventions to fertilize the rich man's fields by the sweat of the poor man's brow. "Ordinary tyranny, oppression, excessive taxation, these bear lightly on the happiness of the mass of the community, compared with fraudulent currencies and the robberies committed by a depreciated paper" (p. 385).

[From Money and the Mechanism of Exchange, by W. S. Jevons]

It is hardly requisite to tell again the well-worn tale of the overissue of paper money which has almost always followed the removal of the legal necessity of convertibility. Hardly any civilized nation exists, excepting some of the newer British colonies, which has not suffered from the scourge of paper money at one time or other. * * * Time after time in the earlier history of the New England and some of the other States now forming parts of the American Union, paper money had been issued and had wrought ruin (p. 235).

[From Currency and Credit, R. G. Hawtrey]

Inflation is a deadly blight; once it has gained a hold it will poison the whole economic system, and can only be eliminated, if at all, at the cost of exhausting efforts (p. 250).

[From F. A. Walker: Money]

The prudence and self-restraint of years count for nothing, or count for but little, against any new onset of popular passion, or in the face of a sudden exigency of the government (p. 379).

SPEAKING OF 1875

[From A History of Currency in the United States, by A. B. Hepburn]

The history of this decade (1870-80) is but a repetition of the experience of every nation with fiat money. The first step taken, the rest follows easily—inflation, delusion of the people, breach of faith, disaster (p. 223).

[From Thomas Babington Macaulay: Money and Banking, by Moulton]

It may well be doubted whether all the misery which had been inflicted on the English nation in a quarter of a century by bad kings, bad ministers, bad Parliaments, and bad judges was equal to the misery caused by bad crowns and bad shillings (p. 87).

[From F. A. Walker: Money]

"Real money", said Edmund Burke, "can hardly ever multiply too much in any country, because it will always, as it increases, be a certain sign of the increase of trade, of which it is the measure, and, consequently, of the soundness and vigor of the whole body. But this paper money may and does increase without any increase of trade; nay, often, when trade greatly declines, for it is not the measure of the trade of the nation, but of the necessity of its government, and it is absurd and must be ruinous that the same course which naturally exhausts the wealth of a nation should likewise be the only productive cause of money" (pp. 381-382).

The emitting of paper money by the authority of the Constitution, said Mr. Hamilton in his Report on the Bank, is wisely prohibited to the individual States by the National Constitution; and the spirit of that prohibition ought not to be disregarded by the Government of the United States. Though paper emissions under general authority might have some advantages not applicable and be free from some of the disadvantages which are applicable to the like emissions by the States separately, yet they are of a nature so liable to abuse, and, it may even be affirmed, so certain of being abused that the wisdom of the Government will be shown in never trusting itself with the use of so seducing and dangerous an expedient. * * * In great and trying emer-

gencies there is almost a moral certainty of it becoming mischievous. The stamping of paper is an operation so much easier than the levying of taxes that a government, in the practice of paper emissions, would rarely fail in any such emergency to indulge itself too far in the employment of this resource (p. 379).

[From D. A. Wells: Practical Economics]

There is one great, plain, practical fact in respect to irredeemable paper money which in itself is a sufficient answer to all the arguments that may be advanced in its favor. And that is, that there cannot be one single instance referred to in the history of any state, nation, or people in which its adoption and use has not been wholly disastrous (p. 1).

[From Simon Newcomb: A B C of Finance]

There is no case recorded in history of a government issuing paper money not redeemable in gold or silver, and in quantities sufficient for commerce, without that paper money depreciating. * * * The history of mankind for the last 2 centuries is full of examples showing that a depreciating currency is the greatest source of injury to the business of a nation, being nothing less than a national calamity.

[From F. A. Walker: Money]

"There has never been a government yet", says Professor Perry, in his Elements of Political Economy, "of the many which have issued irredeemable paper, which had the wisdom and firmness to resist for any great length of time the strong temptation to over-issues. * * * When once the press is set at work, it must work on with livelier speed, because just in the ratio of the depreciation is the greater amount required" (p. 382).

When, however, an inconvertible paper money is issued in marked excess, and hence becomes depreciated and fluctuating, the most disastrous consequence, industrially and socially, must ensue. (Copernicus, Monete Cudende Ratio, p. 384.)

[From John Stuart Mill: The Inexpediency of an Irredeemable Paper Currency]

There is no way in which a general and permanent rise of prices, or, in other words, depreciation of money, can benefit anybody, except at the expense of somebody else. The substitution of paper for metallic currency is a national gain; any further increase of paper beyond this is but a form of robbery (p. 50).

[From F. A. Walker: Money]

Paper money has long been the curse of Austria, but the present epoch of inconvertible paper began in 1848 through the revolutionary movements of that year (p. 363).

[From George Bancroft's Plea for the Constitution]

The people of South Carolina, having the best opportunity to grow rich by the great returns made to them for the products of their soil, have recorded their sense of their mistake in the statute of the 11th of December 1717, in which they said: "It is found by experience that the multiplicity of the bills of credit hath been the cause of the ruin of our trade and commerce and hath been the great evil of this Province, and that it ought with all expedition to be remedied" (p. 19).

[From Currency or Monetary Science, by H. B. Willson]

In view of these great fundamental truths, how senseless is the clamor for "more money." With nearly free mintage there will always be an adequate supply of money. The cry for more capital, or trading power, after some long-continuing depression in the industries of a country, in times of crises, brought on by overtrading and speculation, or by the whole people "making haste to get rich", would be more logical, because such crises stop production and thus diminish the supply of capital.

When the cry is for more of an inconvertible paper currency instead of for more capital, which is only created by the production of goods and the slow processes of industry, it is simply idiotic, for the reason that the greater the volume of such currency put in circulation, the less becomes its trading power or market value. It adds nothing to the actual capital of a country but only creates "a fool's paradise" for those who fancy they are growing rich because their houses, lands, and goods are measured by a yardstick of only half the standard length (p. 45).

THE FALLACY THAT MORE ACTUAL MONEY IN CIRCULATION IS NEEDED

By B. M. Anderson, Jr.

The doctrine lying behind the demand for more greenbacks is the doctrine that an increase of money in circulation will raise commodity prices. The doctrine is that the general average of commodity prices is governed by, and varies directly with, the volume of money in the pockets of the people. This doctrine, originating in theoretical speculations at a time when checks were little used and business was largely done by actual cash, will have few defenders among students of money and banking today. The facts are too obviously against it.

The theory that there is need for an increase in money in circulation inverts cause and effect. Whatever may be true of an increase in the total of money and bank credit, the concentration

of attention upon money in circulation alone is an utter and absolute fallacy.

The issue of additional greenbacks, even if put into circulation by being paid out by the Government directly to the people, assuming that it worked mechanically, would not appreciably increase the total of money in circulation. The excess currency would simply flow back to the banks and they would turn it over to the Federal Reserve banks, increasing the reserve balances on deposit with the Federal Reserve banks. The effect, therefore, insofar as it worked mechanically, would be virtually identical with the effect of an increase of Government-bond buying by the Federal Reserve banks.

Of course, there is very grave danger that a substantial issue of greenbacks by the Federal Government, particularly if used in paying off interest-bearing public debt, would not be mechanical in its operation, but would lead to a very startling and dangerous psychological reaction. It would be the dreaded printing press used as a substitute for taxing or for public borrowing—the language of the law limits the rise of the greenbacks to paying off public debt, but in a period when public expenditure exceeds taxation, this would be a bookkeeping distinction only.

Whatever else the Government tries to do under these new powers, it must not be misled by the demand for a crude direct increase in the volume of money in circulation.

[From Dictionary of Political Economy, by H. D. Macleod, p. 667 et seq.]

It is to the Chinese that belongs the unquestionable merit of inventing circulating credit. They also first experienced the miseries caused by the abuses of paper money. * * * It is sufficient to say that the Chinese Emperors ran through the same course of depreciating their coinage, and with the same results as took place in European countries many centuries afterward. * * * The year 807 A. D. is memorable as that in which that wonderful agent, paper currency, was invented. Great troubles had agitated the Empire, attended with their usual effect of disorganizing the coinage. The Emperor Hian-tsung ordered the merchants to deposit their specie in the imperial treasury, and gave them bills of exchange, called "fey-tsien", or "flying money," payable at the principal towns of the Provinces. The convenience of these bills was so great and so soon appreciated that all of the great officers of the state and rich men hastened to deposit their specie in the Treasury and receive fey-tsien in exchange. For some reason this system was abolished in 3 years. * * * About this time the abuses of paper money, which have been so frequently practiced in modern times, began. The Tartars were now invading the country, and the Chinese Emperors had no resource except to create immense issues of kiao-tseu. * * * In 1131, after the Tartars had conquered the northern Provinces, the money was in the greatest disorder. To pay the troops new bills, called "kouan-tseu", were created, which were payable in the interior. But when the time for payment came the Government could only pay one-third part of their value, and so they fell to a heavy discount. In 1133 new issues were made. In 1158, under the same Emperor, the copper vessels of private persons and of the religious sects were confiscated. In 1160 the officers of state were not allowed to have more than 20,000 min, or 150,000 francs (\$30,000), in money, and private persons half as much. All gold and silver was ordered to be brought to the treasury, and in exchange bills for tea, salt, and other things were given. * * * The Chinese historian says: "Paper should not be made money; it should only be used as a representative sign of metallic values, or necessities, which should be immediately exchanged for specie, and economize its transport. Such was the original use of paper among merchants. The Government, adopting this invention from private persons, made it into money, and then abused its original intention." * * * In 1235 a minister speaks of two species of hoel-tseu, at 16 and 17 terms, and complains of their daily increasing depreciation, and the rise of necessities. In 1256, in order to diminish their number, it was ordered that the wine duties should be received in them, and then they were to be burnt. * * * Many of the officers of the Mongolian King, Ogodal (1227-48) had urged him to issue kiao-tchao, in imitation of the Kin Kings. His minister, however, Ye-liu-tchou-tsai, had warned him of the danger of paper money; and told him that the paper was refused in payment of taxes, and in consequence was soon depreciated that a cake of rice cost 11,000 min, or \$15,000.

In 1288 new issues were made, in which 1 new note was given for 5 of the same nominal value of the old. Thus the Government defrauded its creditors of 80 percent of their debts. * * * It had been a forced currency, and no one dare refuse it on pain of death. * * * In 1309 the Emperor Won-tsung, seeing the paper much depreciated, issued a third species, called "tchi-tayn-tchao", which, in fact, replaced the old at a depreciation of 80 percent. * * * But no one would take them. During this period insurrections broke out in every quarter, which the author of the work Tsao-mou, which is a continuation of Mato-nan-lin, attributes to the general discontent caused by the abuses of paper money by the Mongols. * * * In 1403 the tchao of the Mings had fallen to a heavy discount. * * * Then from 1160 to the end of the sixteenth century inconvertible paper money had a forced currency in China, and displayed exactly the same phenomena as have been so often seen in modern times in Europe and America. In 1644 the Manchous, or Tartars, conquered all China, and seeing that the paper money was quite discredited, and had been one of the great causes of the overthrow of the Ming dynasty, they totally suppressed it. * * * We have given this account of Chinese paper money because we are not aware

that any account of it has ever been published in English, and it may probably be new to our readers to learn that all the phenomena which have been displayed in Europe and America by the issue of paper money, were exhibited in China many centuries ago. * * * We need not load our pages with circumstantial accounts of the paper money of other countries, such as Russia, Austria, etc., as the story is the same in all. The history of the assignats, Law's Mississippi scheme, and the paper money of the American Colonies, furnish ample materials to study the pathology of the subject without repeating the wearisome details.

EXCERPTS FROM EDITORIALS ON THE PRESIDENT'S VETO MESSAGE OF THE
PATMAN BONUS BILL

[From the New York Times]

The President's veto message was a masterly performance. Both in conception and delivery it was magnificent. Certainly they were persuasive to all who had not put themselves, in one way or another, beyond the reach of persuasion. Under the circumstances, it was as fine an exhibition of courage and a profound sense of duty as any President has ever given to Congress and the American people. It cannot fail to heighten Mr. Roosevelt's reputation and to give him a standing and prestige such as he has not had before.

In taking up the defects and dangers of the bonus bill, one by one, Mr. Roosevelt laid due and sufficient emphasis upon its financial recklessness. Congress had voted a vast expenditure without providing the money to meet it. Paying Government obligations by printing Treasury notes is to enter upon a path certain to lead to disaster. The President dwelt upon this with gravity and energy. He also showed how an uncontrolled inflation would injure the veterans themselves, along with all people who depend upon a fixed income or have savings. Mr. Roosevelt also pointed out that this special bounty to ex-soldiers would break into the whole scheme of work relief for which Congress had recently voted \$4,000,000,000. But this part of his message was properly subordinated to the larger scope and sweep of his appeal.

To his mind, as President of the entire people, it is necessary to frame a national policy which will treat all alike. Mr. Roosevelt would have Congress and all our citizens see the country as a whole. As he said, it requires no prophet to tell us that if one group succeeds in forcing upon Congress claims for itself alone others will quickly follow. The result will be to break up the frame and purpose of our Government, substituting for a mature public sentiment the violence of organized minorities and what the President called "political coercion." This setting for his message was loftily worked out in the tone and temper of true statesmanship.

Today the Senate will be the observed of all observers. It is hard to imagine its doubtful Members indifferent to the high-minded and splendid message of the President. It was published and heard all over the country yesterday in a way, one must believe, to bring many urgent telegrams of protest to Senators. They must be well aware of the heavy responsibility resting upon them. We do not say that the fate of the Nation is in their hands, but we do say that not only Americans but all the world will watch their voting on the bonus eagerly, in order to discover whether the Senate of the United States will hold up the hands of the President when he speaks in behalf of sound finance, honest government, and equal justice to all.

[From the New York Herald Tribune]

THE BONUS VETO

Not since his inaugural address and his first fireside chat by radio has Franklin D. Roosevelt spoken with such force, clarity, and sanity as in his bonus veto message. With irrefutable logic he has demolished the arguments of those who forced this bill through Congress. In plain, vigorous speech he has shown the mistaken premises of the bill and the evil consequences of its enactment. Unequivocally he has served notice that it would lead to currency inflation, and that currency inflation would lead to disaster. There is no pussyfooting, no straddling, no camouflage.

The President deserves all honor for his stand. We sincerely hope that the Republicans in the Senate will have the vision to support his veto. Their duty is clear since the House has already voted to override him. This is no occasion for a display of partisanship. The President spoke not as a politician but as the head of the Nation. Now, as in March of 1933, he deserves whole-hearted support.

[From the Hartford Courant]

SOUNDNESS OF PRINCIPLES PRAISED

Men with open minds could not have failed to be impressed with the message. The courtesy and sympathy that ran through it were proof of its sincerity. Every aspect of the matter was thoroughly and fairly discussed. Of the soundness of the fundamental principles that he enunciated no honest dispute is possible.

[From the Baltimore Sun]

MAY HAVE GAGED CONSEQUENCES

Although the message still will not be startling to those who are not astounded by common sense, it does make the President's position clear enough to demand support in the Senate. Mr. Roosevelt has taken whatever risk there may be in defending the reasonable and honest course in a generation devoted to romantic exceptions to hitherto accepted standards. The Senators, despite the pressure upon them from a powerful minority, may well con-

clude, even if they do not feel up to an act of self-sacrifice, that Mr. Roosevelt may have gaged the political consequences of being right more shrewdly than other diagnosticians imagine.

[From the Cleveland Plain Dealer]

MEETS THE ISSUE HEAD-ON

The President meets the issue head-on. In the long message appears no hint of compromise. Supposed administration spokesmen in Congress have sought to soften the impact of a message they knew was inevitable by suggesting either that Mr. Roosevelt would not mean what he said or that he would be friendly to the thought of some kind of compromise on the bonus issue. One does not see how any careful reader of this veto message can get an idea that some other bonus proposal would at this time receive favorable consideration at the White House.

[From the Atlanta Constitution]

A COURAGEOUS DOCUMENT

There is no reasonable answer to President Roosevelt's justification of his veto of the bonus bill. It is a courageous document.

[From the Washington Post]

THE VETO MESSAGE

Courage and intelligence were blended in a Presidential message which for its clarity of thought, its precision of reasoning, its cogency of analysis deserves high and enduring place among the great state papers of the Nation. Not alone the manner, but even more the matter, of this veto speech sets it apart as one in which Americans of every party and in any circumstance may properly take pride.

Step by step, with admirable restraint and perfect logic, Mr. Roosevelt showed how flimsy are the arguments and how shallow the reasoning which support this proposed legislation.

[From the Des Moines Register]

CHANCES OF BILL HAVE SHRUNK

The President made a good declaration on the bonus, and his way of making it—in a personally delivered veto message before Congress—was sound. The chances of the Patman bill being passed over his veto most certainly have shrunk. As to the inflationary phase of the bill, the President was on firm ground when he pointed to the historic effects of meeting recurring demands by the issuance of paper money. There can be little question but that printing two billions of paper to meet this demand would sharpen appetites and lead to the printing of more.

[From the St. Paul Pioneer Press]

INTELLECTUAL HONESTY HAILED

President Roosevelt's veto message on the Patman bill was, as expected, strong and uncompromising. He made clear that his disagreement ran further than merely the coin in which Congress had proposed to pay the veterans. It was a courageous message, for it requires a high type of intellectual honesty for any political figure to tell 3,500,000 veterans, most of whom have a sincere and deep conviction of the rightness of their claim, that they cannot have what they want, that they have been misled.

[From the Kansas City Star]

COURAGEOUS AND CONVINCING

It was a powerful message, courageous and convincing. It was the long-awaited assurance from the administration on mere spending for recovery and on fiat money. It left the veterans without an argument for full payment now save the plea arising from the administration's liberal outlays, which the President sought to defend as sound, necessary, and aimed at the welfare of all. It did not close the door to a bonus compromise on the basis of approximate amounts now due, but it clearly clarified and fortified the administration's entire position.

[From the Portland (Oreg.) Oregonian]

POSITIVE, COMFORTING DECLARATION

The veto message is the most eloquent, logical, and convincing of the Roosevelt state papers, and one of the most meaningful. Silent inaction concerning permissive issue of greenbacks hitherto authorized has now given place to positive and comforting declaration. He has rejected the delusion ascribed to the administration that the Nation is spending its way out of the depression and priming the prosperity pump with its vast borrowings. And he has devastated every argument made in behalf of full, immediate payment of the bonus.

[From the Los Angeles Times]

A LARGE AND COURAGEOUS SERVICE

Every major development in this year's bonus agitation has pointed unmistakably to fiat money inflation rather than veteran relief as the major objective of the drive. In all, however, the Chief Executive has done the country a large and courageous service not merely in rejecting an unjustifiable and discriminatory claim and in putting himself on record against direct inflation, but in his implied rebuke to the type of coercive legislation which this effort represented.

Mr. BLACK. Mr. President, at the suggestion of several Senators I desire to ask unanimous consent to have printed in the RECORD a letter addressed to me on April 26, 1935, signed by Mr. Harold W. Breining, Assistant Administrator of the Veterans' Bureau, together with the computations attached to the letter.

I wish to make a brief explanation to aid in making these computations easily understood.

In the first column the Veterans' Bureau took an average \$400 allowance for soldiers and computed the interest on that at 4 percent, 5 percent, and 6 percent compounded.

In the next column they took \$100, which was added to the first sum, according to the testimony of General Hines, not to take care of past interest, but as an addition for delay.

They then computed the interest on that sum at 4 percent, 5 percent, and 6 percent, compounded.

They then computed the interest on \$500 at 4 percent, 5 percent, and 6 percent.

They then added \$60. The \$60 was added by reason of the fact that in the original computation, in 1924, \$60 was deducted from the sum allowed the soldier. This \$60 was deducted because the soldier had been given \$60 to buy a suit of clothes when he was discharged from the Army. The computation in the last line of figures is for the total of \$560 and interest compounded annually at 4 percent, 5 percent, and 6 percent.

It is shown when the indebtedness to the veteran became due and payable in each column of figures. In other words, in each column of figures when the sum reaches \$1,000 it shows that the payment was due that year.

I have made this explanation in order that the figures, when printed in the RECORD, may be understood.

The VICE PRESIDENT. Without objection, the matter will be printed in the RECORD.

The matter referred to is as follows:

APRIL 26, 1935.

Hon. HUGO L. BLACK,

United States Senate, Washington, D. C.

MY DEAR SENATOR BLACK: In compliance with your verbal request there is transmitted herewith a copy of the statement which I handed to you yesterday at the meeting of the Senate Committee on Finance.

In accordance with your expressed desire an explanation of each column of figures has been made a part of the statement.

Respectfully,

HAROLD W. BREINING,
Assistant Administrator.

Values of amounts indicated on Nov. 11, 1918, with interest at 4 percent per annum compounded annually thereafter

Date	Approximate average adjusted-service credit on average \$1,000 adjusted-service certificate	Additional 25-percent credit	Total adjusted-service credit (column 1) plus additional 25-percent credit (column 2)	Approximate amount not creditable as adjusted-service credit because of 60 days' service being deducted	Grand total adjusted-service credit (column 1) plus additional 25-percent credit (column 2) plus amount not creditable (column 4)
	(1)	(2)	(3)	(4)	(5)
Nov. 11, 1918.....	\$400.00	\$100.00	\$500.00	\$60.00	\$560.00
Nov. 11, 1919.....	416.00	104.00	520.00	62.40	582.40
Nov. 11, 1920.....	432.64	108.16	540.80	64.90	605.70
Nov. 11, 1921.....	449.95	112.49	562.44	67.50	629.94
Nov. 11, 1922.....	467.95	116.99	584.94	70.20	655.14
Nov. 11, 1923.....	486.67	121.67	608.34	73.01	681.35
Nov. 11, 1924.....	506.14	126.54	632.68	75.93	708.61
Nov. 11, 1925.....	526.39	131.60	657.99	78.97	736.96
Nov. 11, 1926.....	547.45	136.85	684.31	82.13	766.44
Nov. 11, 1927.....	569.35	142.33	711.68	85.42	797.10
Nov. 11, 1928.....	592.12	148.02	740.14	88.84	828.98
Nov. 11, 1929.....	615.80	153.94	769.74	92.39	862.13
Nov. 11, 1930.....	640.43	160.10	800.53	96.09	896.62
Nov. 11, 1931.....	666.05	166.50	832.55	99.93	932.48
Nov. 11, 1932.....	692.69	173.16	865.85	103.93	969.78
Nov. 11, 1933.....	720.40	180.09	900.49	108.09	1,008.58
Nov. 11, 1934.....	749.22	187.29	936.51	112.41	1,048.92
May 11, 1935.....	764.20	191.04	955.24	114.66	1,069.90
Nov. 11, 1935.....	779.19	194.78	973.97	116.91	1,090.88
Nov. 11, 1936.....	810.36	202.57	1,012.93	121.59	1,134.52
Nov. 11, 1937.....	842.77	210.67	1,053.44	126.45	1,179.89
Nov. 11, 1938.....	876.48	219.10	1,095.58	131.51	1,227.09

Values of amounts indicated on Nov. 11, 1918, with interest at 5 percent per annum compounded annually thereafter

Date	Approximate average adjusted-service credit on average \$1,000 adjusted-service certificate	Additional 25-percent credit	Total adjusted-service credit (column 1) plus additional 25-percent credit (column 2)	Approximate amount not creditable as adjusted-service credit because of 60 days' service being deducted	Grand total adjusted-service credit (column 1) plus additional 25-percent credit (column 2) plus amount not creditable (column 4)
	(1)	(2)	(3)	(4)	(5)
Nov. 11, 1918	\$400.00	\$100.00	\$500.00	\$60.00	\$560.00
Nov. 11, 1919	420.00	105.00	525.00	63.00	588.00
Nov. 11, 1920	441.00	110.25	551.25	65.15	617.40
Nov. 11, 1921	463.05	115.76	578.81	69.46	648.27
Nov. 11, 1922	486.20	121.55	607.75	72.93	680.68
Nov. 11, 1923	510.51	127.63	638.14	76.58	714.72
Nov. 11, 1924	536.04	134.01	670.05	80.41	750.46
Nov. 11, 1925	562.84	140.71	703.55	84.43	787.98
Nov. 11, 1926	590.98	147.75	738.73	88.65	827.38
Nov. 11, 1927	620.53	155.14	775.67	93.08	868.75
Nov. 11, 1928	651.56	162.90	814.46	97.73	912.19
Nov. 11, 1929	684.14	171.05	855.19	102.62	957.81
Nov. 11, 1930	718.35	179.60	897.95	107.75	1,005.70
Nov. 11, 1931	754.27	188.58	942.85	113.14	1,055.99
Nov. 11, 1932	791.98	198.01	989.99	118.80	1,108.79
Nov. 11, 1933	831.58	207.91	1,039.49	124.74	1,164.23
Nov. 11, 1934	873.15	218.31	1,091.47	130.98	1,222.45
May 11, 1935	894.99	223.77	1,118.76	134.25	1,253.01
Nov. 11, 1935	916.82	229.23	1,146.05	137.53	1,283.58
Nov. 11, 1936	962.66	240.69	1,203.35	144.41	1,347.76
Nov. 11, 1937	1,010.79	252.72	1,263.51	151.63	1,415.14
Nov. 11, 1938	1,061.33	265.36	1,326.69	159.21	1,485.90

Values of amounts indicated on Nov. 11, 1918, with interest at 6 percent per annum compounded annually thereafter

Date	Approximate average adjusted- service credit on average \$1,000 adjusted- service certificate	Additional 25-percent credit	Total adjusted- service credit (column 1) plus additional 25- percent credit (column 2)	Approximate amount not creditable as adjusted- service credit because of 60 days' service being deducted	Grand total adjusted- service credit (column 1), plus additional 25- percent credit (column 2) plus amount not creditable (column 4)
	(1)	(2)	(3)	(4)	(5)
Nov. 11, 1918.....	\$400.00	\$100.00	\$500.00	\$60.00	\$560.00
Nov. 11, 1919.....	424.00	106.00	530.00	63.60	593.60
Nov. 11, 1920.....	449.44	112.36	561.80	67.42	629.22
Nov. 11, 1921.....	476.41	119.10	595.51	71.47	666.98
Nov. 11, 1922.....	504.99	126.25	631.24	75.76	707.00
Nov. 11, 1923.....	535.29	133.83	669.12	80.31	749.43
Nov. 11, 1924.....	567.41	141.86	709.27	85.13	794.40
Nov. 11, 1925.....	601.45	150.37	751.82	90.24	842.06
Nov. 11, 1926.....	637.54	159.39	796.93	95.65	892.58
Nov. 11, 1927.....	675.79	168.95	844.74	101.39	946.13
Nov. 11, 1928.....	716.34	179.09	895.43	107.47	1,002.90
Nov. 11, 1929.....	759.32	189.84	949.16	113.92	1,063.08
Nov. 11, 1930.....	804.88	201.23	1,006.11	120.76	1,126.87
Nov. 11, 1931.....	853.17	213.30	1,066.47	128.01	1,194.48
Nov. 11, 1932.....	904.36	226.10	1,130.46	135.69	1,266.15
Nov. 11, 1933.....	958.62	239.67	1,198.29	143.83	1,342.12
Nov. 11, 1934.....	1,016.14	254.05	1,270.19	152.46	1,422.65
May 11, 1935.....	1,046.62	261.67	1,308.29	157.03	1,465.32
Nov. 11, 1935.....	1,077.11	269.29	1,346.40	161.61	1,508.01
Nov. 11, 1936.....	1,141.74	285.45	1,427.19	171.31	1,598.50
Nov. 11, 1937.....	1,210.24	302.58	1,512.82	181.59	1,694.41
Nov. 11, 1938.....	1,282.85	320.73	1,603.58	192.49	1,796.07

The VICE PRESIDENT. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding? The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LA FOLLETTE (when Mr. NORBECK's name was called). I am requested to announce the unavoidable absence of the senior Senator from South Dakota [Mr. NORBECK]. If present, he would vote "yea."

The roll call was concluded.

The result was—yeas 54, nays 40, as follows:

YEAS—54

Adams	Bankhead	Black	Borah
Bachman	Billbo	Bone	Bulow

Byrnes	George	Minton	Sheppard
Capper	Gibson	Moore	Shipstead
Caraway	Hatch	Murphy	Smith
Carey	La Follette	Murray	Stelwer
Clark	Lewis	Neely	Thomas, Okla.
Copeland	Logan	Norris	Thomas, Utah
Costigan	Long	Nye	Trammell
Davis	McAdoo	Overton	Truman
Dickinson	McCarran	Reynolds	Van Nuys
Donahey	McGill	Russell	Wheeler
Duffy	McKellar	Schall	
Frazier	Maloney	Schwellenbach	

NAYS—40

Ashurst	Connally	Harrison	Pittman
Austin	Coolidge	Hastings	Pope
Bailey	Couzens	Hayden	Radcliffe
Barbour	Dieterich	Johnson	Robinson
Barkley	Fletcher	Keyes	Townsend
Brown	Gerry	King	Tydings
Bulkeley	Glass	Lonegan	Vandenberg
Burke	Gore	McNary	Wagner
Byrd	Guffey	Metcalf	Walsh
Chavez	Hale	O'Mahoney	White

NOT VOTING—1

Norbeck

The VICE PRESIDENT. On the question, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding, the yeas are 54 and the nays are 40. Two-thirds of the Senators not having voted in the affirmative, the bill is not passed.

PAYMENT OF ADJUSTED CERTIFICATES—NOTICE OF MOTION TO SUSPEND THE RULES

Mr. CLARK. Mr. President, I send to the desk a notice of intention to suspend the rules, which I ask to have read.

The VICE PRESIDENT. The notice will be read.

The Chief Clerk read as follows:

Pursuant to the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraphs 1 and 4 of rule XVI, for the purpose of proposing to the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes, the following amendments:

On page 1, between lines 2 and 3, insert the center heading "Title I".

On page 61, after line 7, insert the following:

TITLE II

SECTION 1. Title V of the World War Adjusted Compensation Act, as amended, is amended by adding at the end thereof three new sections, to read as follows:

"PAYMENT OF CERTIFICATES BEFORE MATURITY"

"SEC. 509. (a) The Administrator of Veterans' Affairs is authorized and directed to pay to any veteran to whom an adjusted-service certificate has been issued, upon application by him and surrender of the certificate and all rights thereunder (with or without the consent of the beneficiary thereof), the amount of the face value of the certificate as computed in accordance with section 501.

"(b) No payment shall be made under this section until the certificate is in the possession of the Veterans' Administration, nor until all obligations for which the certificate was held as security have been paid or otherwise discharged.

"(c) If at the time of application to the Administrator of Veterans' Affairs for payment under this section the principal and interest on or in respect of any loan upon the certificate have not been paid in full by the veterans (whether or not the loan has matured), then, on request of the veteran, the Administrator shall (1) pay or otherwise discharge such unpaid principal and so much of such unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section, and (2) deduct from the amount of the face value of the certificate the amount of such principal and so much of such interest, if any, as accrued prior to October 1, 1931.

"(d) Upon payment under this section the certificate and all rights thereunder shall be canceled.

"(e) A veteran may receive the benefits of this section by application therefor, filed with the Administrator of Veterans' Affairs. Such application may be made and filed at any time before the maturity of the certificate (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations, or not filed on or before the maturity of the certificate, shall be held void.

"(f) If the veteran dies after the application is made and before it is filed, it may be filed by any person. If the veteran dies after the application is made, it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefit of this section on behalf of the veteran, and is filed before the maturity of the certificate, whether or not the veteran is alive

at the time it is filed. If the death occurs after the application is made or filed but before the receipt of the payment under this act, payment shall be made to the beneficiary designated.

"(g) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this section, has been filed before the maturity of the certificate, and the application cannot be found, such application shall be presumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

"SEC. 510. If, at the time this section takes effect, a veteran entitled to receive an adjusted-service certificate has not made application therefor, he shall be entitled, upon application made under section 302, to receive at his option either the certificate under section 501 or payment of the amount of the face value thereof under section 509.

"SEC. 511. The Administrator of Veterans' Affairs, in the exercise of his powers to make regulations for payment under section 509, shall to the fullest extent practicable provide a method by which veterans may present their applications and receive payment in close proximity to the places of their residence."

SEC. 2. Subdivisions (b) and (c) of section 302, section 311, subdivision (b) of section 312, section 602, and subdivision (b) of section 604 of the World War Adjusted Compensation Act, as amended (U. S. C., Supp. VII, title 38, secs. 612, 621, 622, 662, and 664), are hereby amended, to take effect as of December 31, 1934, by striking out "January 2, 1935" wherever it appears in such subdivisions and sections and inserting in lieu thereof "January 2, 1940."

SEC. 3. (a) Payment of the face value of adjusted-service certificates under section 509 or section 510 of the World War Adjusted Compensation Act, as amended, shall be made in United States notes not bearing interest. The Secretary of the Treasury is hereby authorized and directed to issue such notes in such amount as may be required to make such payment, and of the same wording, form, size, and denominations as United States notes issued under existing law, except that the wording thereon shall conform to the provisions of this title. The Administrator of Veterans' Affairs and the Secretary of the Treasury are hereby authorized and directed jointly to prescribe rules and regulations for the delivery of such notes in payment under section 509 or section 510 of the World War Adjusted Compensation Act, as amended, and there is hereby appropriated out of the Treasury such amount of such notes as may be necessary to make such payment.

(b) United States notes issued pursuant to the provisions of this title shall be lawful money of the United States and shall be maintained at a parity of value with the standard unit of value fixed by law. Such notes shall be legal tender in payment of all debts and dues, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received shall be reissued. Such notes, when held by any national-banking association or Federal Reserve bank, may be counted as a part of its lawful reserve. The provisions of sections 1 and 2 of the act of March 14, 1900, as amended (U. S. C., title 31, secs. 314 and 408), and section 26 of the Federal Reserve Act, as amended (U. S. C., title 31, sec. 409), are hereby made applicable to such notes in the same manner and to the same extent as such provisions shall apply at the time of the enactment of this title or in the future to United States notes.

(c) Notwithstanding the foregoing provisions of this section, payments authorized by this title shall be made (1) by the issuance of United States notes as provided in this section; or, in the discretion of the President, (2) from the proceeds of the sale of bonds, notes, certificates of indebtedness, or Treasury bills of the United States issued under the Second Liberty Bond Act, as amended; or, in the discretion of the President (3) in part by the issuance of such notes and in part from the proceeds of the sale of such bonds, notes, certificates of indebtedness, or Treasury bills. The President is further authorized, in his discretion, to allocate funds appropriated by the Emergency Relief Act of 1935 for the purpose of making any payments authorized by this title; but any such funds so utilized may be replaced out of the proceeds of such bonds, notes, certificates of indebtedness, or Treasury bills, or with notes issued under the provisions of this section. There is hereby appropriated an amount sufficient to make payments under this title by any method authorized under this subsection.

SEC. 4. (a) Whenever the index number of the wholesale all-commodity prices rise above the index number of such prices for the years 1921 to 1929, as computed by the Bureau of Labor Statistics of the Department of Labor, notwithstanding any provisions of law to the contrary, the following methods for contracting the issues of currency in the United States may be in force and effect, in the manner and to the extent prescribed in subsection (b) of this section:

(1) Termination of the issuance and reissuance of Federal Reserve notes secured by direct obligations of the United States.

(2) Termination of the issuance and reissuance of national-bank circulating notes, and the retirement of such notes from circulation as rapidly as practicable.

(3) Termination of the issuance and reissuance of Federal Reserve notes secured only by gold or gold certificates.

(4) Termination of the issuance and reissuance of Federal Reserve notes secured by notes, drafts, bills of exchange, acceptances, or bankers' acceptances which are not issued in direct benefit of commerce, industry, or agriculture.

(b) Any such method of contracting currency issues may be applicable when the Secretary of the Treasury finds that its application is necessary in order to maintain the index number of

wholesale all-commodity prices at the approximate level of the index number of such prices for the years 1921 to 1929, or to prevent undue expansion of the currency, and issues an order setting forth such finding. Each such order shall prescribe such rules and regulations as are necessary and appropriate to carry out the provisions of this section with respect to the method of contraction made applicable in the order. The Secretary may make such methods applicable in the order in which they are set forth in subsection (a) of this section or in any order he chooses. When any such order is issued with respect to Federal Reserve notes, the Federal Reserve Board shall take such action as may be necessary to facilitate the enforcement of the order.

Sec. 5. Section 505 (authorizing annual appropriations ending with the year 1946 for the payment of adjusted-service certificates) of the World War Adjusted Compensation Act, as amended, except the first sentence thereof, is hereby repealed. Amounts in the adjusted-service certificate fund are hereby made available for the expenses of printing and engraving United States notes issued under this title, for paying fractional parts of a dollar which cannot be paid in United States notes issued under the provisions of this title, and for paying the principal and interest on or in respect of loans pursuant to the provisions of subsection (c) of section 509 of the World War Adjusted Compensation Act, as amended.

Sec. 6. This title may be cited as the "Adjusted Compensation Act, 1935."

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

NOTICE OF ADDRESS BY SENATOR HASTINGS

Mr. HASTINGS. Mr. President, I wish to give notice that as soon as I may be recognized tomorrow I intend to make a few remarks in reply to the Senator from Texas [Mr. CONNALLY] with respect to the selection of the group of farmers who came here a few days ago. I merely want to give notice, particularly to the Senator from Texas, in order that he may be present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 6630. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex.;

H. R. 6834. An act to revive and reenact the act entitled "An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn.";

H. R. 6914. An act to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests, and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes;

H. R. 7291. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Boca Chica, Tex.;

H. R. 7873. An act to give the consent and approval of Congress to the extension of the terms and provisions of the present Rio Grande compact signed at Santa Fe, N. Mex., on February 12, 1929, and heretofore approved by act of Congress dated June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767);

H. J. Res. 107. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1935, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; and

H. J. Res. 285. Joint resolution to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree to be held in the United States in 1935.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 378. An act for the relief of Gerald Mackey;

H. R. 2045. An act to set aside certain lands for the Chipewewa Indians in the State of Minnesota;

H. R. 6954. An act to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to Acadia National Park; and

H. R. 7131. An act to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated below:

H. R. 6630. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex.;

H. R. 6834. An act to revive and reenact the act entitled "An act authorizing Vernon W. O'Connor, of St. Paul, Minn., his heirs, legal representatives, and assigns to construct, maintain, and operate a bridge across the Rainy River at or near Baudette, Minn."; and

H. R. 7291. An act to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Boca Chica, Tex.; to the Committee on Commerce.

H. R. 6914. An act to authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes; to the Committee on Agriculture and Forestry.

H. R. 7873. An act to give the consent and approval of Congress to the extension of the terms and provisions of the present Rio Grande compact signed at Santa Fe, N. Mex., on February 12, 1929, and heretofore approved by act of Congress dated June 17, 1930 (Public, No. 370, 71st Cong., 46 Stat. 767); to the Committee on Irrigation and Reclamation.

H. J. Res. 107. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1935, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

H. J. Res. 285. Joint resolution to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree to be held in the United States in 1935; to the Committee on Immigration.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a petition from the Peace Action Committee of Evanston, Ill., praying that the Senate uphold the President's veto of the so-called "Patman bonus bill", which was ordered to lie on the table.

He also laid before the Senate numerous telegrams in the nature of petitions from sundry citizens and veterans' organizations of the United States, praying for the enactment of the so-called "Patman bonus bill", notwithstanding the veto thereof by the President of the United States, which were ordered to lie on the table.

He also laid before the Senate the petition of Joe Sullvain, of Greggton, Tex., praying for the enactment of old-age-pension legislation, which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a memorial from Miss Katie Carnegie, of Painesville, Ohio, remonstrating against the enactment of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating or marketing securities in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. WHITE, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 373. A bill for the relief of the American Surety Co. of New York (Rept. No. 650);

H. R. 805. A bill for the relief of Luther M. Turpin and Amanda Turpin (Rept. No. 651); and

H. R. 1291. A bill for the relief of the Muncy Valley Private Hospital (Rept. No. 652).

Mr. BURKE, from the Committee on Claims, to which was referred the bill (H. R. 2708) for the relief of James M. Pace, reported it without amendment and submitted a report (No. 653) thereon.

Mr. COOLIDGE, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1690. A bill for the relief of R. G. Andis (Rept. No. 654);

H. R. 1315. A bill for the relief of Thomas J. Gould (Rept. No. 655); and

H. R. 4817. A bill for the relief of Matthew E. Hanna (Rept. No. 656).

Mr. GIBSON, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 1703. A bill for the relief of Cletus F. Hoban (Rept. No. 657); and

H. R. 2689. A bill for the relief of Mary Ford Conrad (Rept. No. 658).

Mr. SCHWELLENBACH, from the Committee on Claims, to which was referred the bill (H. R. 760) for the relief of John L. Hoffman, reported it without amendment and submitted a report (No. 659) thereon.

He also, from the same committee, to which were referred the following bills, reported them severally with amendments and submitted reports thereon:

S. 490. A bill for the relief of F. T. Wade, M. L. Dearing, E. D. Wagner, and G. M. Judd (Rept. No. 660);

S. 1070. A bill for the relief of William A. Thompson (Rept. No. 661); and

S. 1935. A bill for the relief of Marion Shober Phillips (Rept. No. 662).

Mr. LOGAN, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 1448. A bill for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918 (Rept. No. 663); and

H. R. 1492. A bill for the relief of Harbor Springs, Mich. (Rept. No. 664).

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 280. A bill for the relief of Hazel B. Lowe, Tess H. Johnston, and Esther L. Teckmeyer (Rept. No. 665);

S. 1656. A bill for the relief of Ward J. Lawton (Rept. No. 666); and

H. R. 285. A bill for the relief of Elizabeth M. Halpin (Rept. No. 667).

Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 658. A bill for the relief of K. W. Boring (Rept. No. 668);

S. 1040. A bill for the relief of George W. Miller (Rept. No. 669);

S. 1046. A bill for the relief of E. Jeanmonod (Rept. No. 670);

S. 1052. A bill for the relief of The Washington Post Co. (Rept. No. 671);

S. 2076. A bill for the relief of Domenico Politano. (Rept. No. 672);

S. 2393. A bill for the relief of the widow of Ray Sutton (Rept. No. 673);

H. R. 2987. A bill for the relief of E. W. Tarrence (Rept. No. 674); and

H. R. 4630. A bill for the relief of William A. Ray (Rept. No. 675).

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (H. R. 6372) to

authorize the coinage of 50-cent pieces in connection with the Cabeza de Vaca Expedition and the opening of the Old Spanish Trail, reported it without amendment and submitted a report (No. 676) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 4528. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River between New Orleans and Gretna, La. (Rept. No. 677);

H. R. 5547. A bill to extend the times for commencing and completing the construction of a bridge across the Des Moines River at or near St. Francisville, Mo. (Rept. No. 678);

H. R. 6859. A bill granting the consent of Congress to the State Highway Commission of North Carolina to construct, maintain, and operate a free highway bridge across Waccamaw River, at or near Old Pireway Ferry Crossing, N. C. (Rept. No. 679);

H. R. 6630. A bill to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Rio Grande City, Tex. (Rept. No. 680);

H. R. 6997. A bill authorizing the State of Illinois and the State of Missouri to construct, maintain, and operate a free highway bridge across the Mississippi River between Kaskaskia Island, Ill., and St. Marys, Mo. (Rept. No. 681); and

H. R. 7291. A bill to extend the times for commencing and completing the construction of a bridge across the Rio Grande at or near Boca Chica, Tex. (Rept. No. 682).

Mr. O'MAHONEY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 578) authorizing the Secretary of the Interior to permit citizens of Bear Lake County, Idaho, to obtain timber from Lincoln County, Wyo., for domestic purposes, reported it with an amendment and submitted a report (No. 683) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 2635) authorizing the appropriation of funds for the payment of the award in claim of Sudden & Christenson, Inc., and others, reported it without amendment and submitted a report (No. 684) thereon.

PUBLIC-UTILITY HOLDING COMPANIES—MINORITY VIEWS

Mr. HASTINGS, from the Committee on Interstate Commerce, submitted the views of the minority to accompany the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which were ordered to be printed as part 2 of Report No. 621.

AMENDMENT OF AIR MAIL LAWS—REPORT OF COMMITTEE ON POST OFFICES AND POST ROADS

Mr. McKELLAR. From the Committee on Post Offices and Post Roads I report back, with an amendment in the nature of a substitute, the bill (H. R. 6511) to amend the air mail laws and to authorize the extension of the Air Mail Service, and I submit a report (No. 685) thereon. I ask unanimous consent that the bill as reported, together with the report thereon, may be printed in full in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The bill, as reported, is as follows:

[Omit the part enclosed in brackets and insert the part printed in *italic*]

An act to amend the air mail laws and to authorize the extension of the Air Mail Service

Be it enacted, etc., [That subsection (c) of section 3 of the act entitled "An act to revise air mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy", approved June 12, 1934, as amended, is amended to read as follows:

"(c) If, in the opinion of the Postmaster General, the public interest requires it, he may grant an extension of any route, for a distance not in excess of 150 miles, but only one such extension

shall be granted to any one person, and the rate of pay for such extension shall not be in excess of the rate per mile fixed for the service thus extended."

Sec. 2. The first sentence of subsection (d) of such section is amended to read as follows: "The Postmaster General may designate certain routes as primary or secondary routes. He shall designate as primary routes at least three transcontinental routes and, in addition thereto, such other routes as he deems advisable, but no route less than 500 miles in length shall be designated as a primary route."

Sec. 3. Subsection (f) of such section is amended to read as follows:

"(f) The Postmaster General shall not award contracts for air mail routes or extend such routes in excess of an aggregate of 32,000 miles, and shall not establish schedules for air mail transportation on such routes and extensions in excess of an annual aggregate for 45,000,000 airplane-miles. Subject to the foregoing limitation, the Postmaster General shall prescribe the number and time of departure of all air mail schedules, and he may utilize therefor any scheduled passenger or express flight of the contractor between the terminals or over a portion of any route."

Sec. 4. Subsection (a) of section 6 of such act of June 12, 1934, as amended, is amended to read as follows:

"Sec. 6. (a) The Interstate Commerce Commission is hereby empowered and directed, after notice and hearing, to fix and determine by order, as soon as practicable and from time to time, the fair and reasonable rates of compensation for the transportation of air mail by airplane and the service connected therewith over each air mail route, and over each section thereof covered by a separate contract, prescribing the method or methods by weight or space, or both, or otherwise, for ascertaining such rates of compensation, and to publish the same, which shall continue in force until changed by the said Commission after due notice and hearing. In fixing and determining such rates, if it shall be contended or alleged by the holder of an air mail contract that the rate of compensation in force for the service involved is insufficient, the burden of establishing such insufficiency and the extent thereof shall be assumed by him. In no case shall the rates fixed and determined by the said Commission hereunder exceed by more than 20 percent the limits prescribed in section 3 (a) of this act."

Sec. 5. The first sentence of subsection (c) of section 6 of such act is amended to read as follows: "Any contract (1) let, extended, or assigned pursuant to the provisions of this act, and in full force and effect on March 1, 1935, or (2) which may be let subsequent to such date pursuant to the provisions of this act and shall have been satisfactorily performed by the contractor during its full initial period, shall, from and after such date, or from and after the termination of its initial period, as the case may be, be continued in effect for an indefinite period, and compensation therefor, during such period of indefinite continuance shall be paid at the rate fixed by order of the Commission under this section, subject to such additional conditions and terms as the Commission may prescribe, which shall be consistent with the requirements of this act; but any contract so continued in effect may be terminated by the Commission upon 60 days' notice, upon such hearing and notice thereof to interested parties as the Commission may determine to be reasonable; and may also be terminated by the contractor at its option upon 60 days' notice."

Sec. 6. Subsection (e) of section 6 of such act is amended by adding at the end thereof a new sentence to read as follows: "In arriving at such determination the Commission shall disregard losses resulting, in the opinion of the Commission, from the unprofitable maintenance of nonmail schedules, in cases where the Commission may find that the gross receipts from such schedules fail to meet the additional operating expense occasioned thereby."

Sec. 7. Section 10 of such act is amended to read as follows:

"Sec. 10. All persons holding air mail contracts shall be required to keep their books, records, and accounts under such regulations as may be promulgated by the Postmaster General, and he is hereby authorized, if and when he deems it advisable to do so, to examine and audit the books, records, and accounts of such contractors, and to require such contractors to submit full financial reports in such form and under such regulations as he may prescribe."

Sec. 8. Section 13 of such act is amended to read as follows:

"Sec. 13. It shall be a condition upon the holding of any air mail contract that the rate of compensation and the working conditions and relations for all pilots and other employees of the holder of such contract shall conform to decisions of the National Labor Board, or its successor in authority, notwithstanding any limitation as to the period of its effectiveness included in any such decision heretofore rendered. This section shall not be construed as restricting the right of any such employees by collective bargaining to obtain higher rates of compensation or more favorable working conditions and relations."

Sec. 9. Section 15, as amended, of such act is amended to read as follows:

"Sec. 15. After June 30, 1935, no person holding a contract or contracts for carrying air mail on a primary route shall be awarded or hold any contract for carrying air mail on any other primary route, nor on more than three additional routes other than primary routes. In case that one person holds several contracts covering different sections of one air mail route as designated by the Postmaster General, several contracts shall be counted as one contract for the purpose of the preceding sentence. It shall be unlawful for air mail contractors competing in parallel routes to merge or to enter into any agreement, express or implied, which

may result in common control or ownership. After June 30, 1935, no air mail contractor shall be allowed to maintain passenger or express service off the line of his air mail route which in any way competes with passenger or express service available upon another air mail route, except that off-line competitive service which has been regularly maintained for at least 4 months next preceding July 1, 1935, and such seasonal schedules as may have been regularly maintained during the year prior to July 1, 1935, may be continued if restricted to the number of schedules and to the stops scheduled and in effect during such period or season.

"Upon application of the Postmaster General or of any interested air-mail contractor, setting forth that the general transport business or earnings upon an air mail route are being adversely affected by any alleged unfair practice of another air transport operator, or by any competitive air transport service other than that supplied by an air mail contractor on the line of his prescribed air mail route, or by any service inaugurated after March 1, 1935, through the scheduling of competitive nonmail flights over an air mail route, the Interstate Commerce Commission shall, after giving reasonable notice to the person complained of, inquire fully into the subject matter of the allegations; and if the Commission shall find such practice or competition or any part thereof to be unfair, or that such competitive service in whole or in part is not reasonably required in the interest of public convenience and necessity, and if the Commission shall further find that in either case the receipts or expenses of an air mail contractor are so affected thereby as to tend to increase the cost of air mail transportation, then it shall order such practice or competitive service, or both, as the case may be, discontinued or restricted in accordance with such findings, and the respondent named in the order shall comply therewith within a reasonable time to be fixed in such order."

That the following amendments are made to the act of June 12, 1934, as amended by the act of June 26, 1934 (48 Stat. 933, 1243; 39 U. S. C. 469, Supp. VIII): Section 3 (a) is amended to read as follows:

"The Postmaster General is authorized to award contracts for the transportation of air mail by airplane between such points as he may designate, and for initial periods of not exceeding 3 years, to the lowest responsible bidders tendering sufficient guaranty for faithful performance in accordance with the terms of the advertisement at fixed rates per airplane-mile: Provided, That where the Postmaster General holds that a low bidder is not responsible or qualified under this act, such bidder shall have the right to appeal to the Comptroller General, who shall speedily determine the issue, and his decision shall be final: Provided further, That the base rate of pay which may be bid and accepted in awarding such contracts shall in no case exceed 33½ cents per airplane-mile for transporting a mail load not exceeding 300 pounds. Payment for transportation shall be at the base rate fixed in the contract for the first 300 pounds of mail or fraction thereof plus one-tenth of such base rate for each additional 100 pounds of mail or fraction thereof, computed at the end of each calendar month on the basis of the average mail load carried per mile over the route during such month, except that in no case shall payment exceed 40 cents per airplane-mile."

Sec. 2. Section 3 (c) is amended to read as follows:

"If, in the opinion of the Postmaster General, the public interest requires it, he may grant extensions of any route, provided that the aggregate mileage of all such extensions on any route in effect at one time shall not exceed 200 miles, and that the rate of pay for such extensions shall not be in excess of the rate fixed for the service thus extended."

Sec. 3. Section 3 (d) is amended to read as follows:

"The Postmaster General may designate certain routes as primary and as secondary routes. He shall designate as primary routes at least three transcontinental routes, with such termini as he may deem advisable, and, in addition thereto, such other routes as he may consider in the public interest, but no route less than 1,000 miles in length shall be designated as a primary route: Provided, That the present route from Seattle to San Diego may be held and regarded as other than a primary route: Provided further, That the eastern coastal route from Newark (or New York City, as the case may be) to Miami, Fla., and the southern transcontinental route from Boston via New York (or Newark, as the case may be) and Washington to Los Angeles, shall be designated as primary routes."

Sec. 4. Section 3 (f) is amended to read as follows:

"The Postmaster General shall not award contracts for air mail routes or extend such routes in excess of an aggregate of 32,000 miles, and shall not pay for air mail transportation on such routes and extensions in excess of an annual aggregate of 45,000,000 airplane-miles. Subject to the foregoing, the Postmaster General shall prescribe the number and frequency of schedules, intermediate regular stops, and time of departure of all planes carrying air mail, with due regard for the volume of mail carried over each route and for connecting schedules, and he may under such regulations as he may prescribe authorize and notwithstanding any other provisions of this act compensate for a special schedule or an extra or emergency trip in addition to any regular schedule over air mail routes or portions thereof at the same mileage rate paid for regular schedules on the contract route or routes, or at a lesser rate if agreed to by the contractor and the Postmaster General, and he may utilize therefor any scheduled passenger or express flight of the contractor between the terminal points or over a portion of any route whenever the needs of the service may so require: Provided, That the Postmaster General may, upon application by an air mail contractor,

authorize said contractor for his own convenience to transport air mail on any nonmail schedule or plane, with the understanding that the weights of mail so transported will be credited to regular mail schedules and no mileage compensation will be claimed therefor and the miles flown in such cases will not be computed in the annual aggregate of flown mileage authorized under this section."

Sec. 5. Subsection (a) of section 6 of such act of June 12, 1934, as amended, is amended to read as follows:

"Sec. 6. (a) The Interstate Commerce Commission is hereby empowered and directed, after notice and hearing, to fix and determine by order, as soon as practicable and from time to time, the fair and reasonable rates of compensation within the limitations of this act for the transportation of air mail by airplane and the service connected therewith over each air mail route, and over each section thereof covered by a separate contract, prescribing the method or methods by weight or space, or both, or otherwise, for ascertaining such rates of compensation, and to publish the same, which shall continue in force until changed by the said Commission after due notice and hearing, and so much of subsection (g) of section 3 of said act as is in conflict with this section is hereby repealed."

Sec. 6. Section 6 (e) of such act is amended by adding at the end thereof a new sentence to read as follows:

"In arriving at such determination the Commission shall disregard losses resulting, in the opinion of the Commission, from the unprofitable maintenance of nonmail schedules, in cases where the Commission may find that the gross receipts from such schedules fail to meet the additional operating expense occasioned thereby."

"In fixing and determining such rates, if it shall be contended or alleged by the holder of an air mail contract that the rate of compensation in force for the service involved is insufficient, the burden of establishing such insufficiency and the extent thereof shall be assumed by him. In no case shall the rates fixed and determined by the said Commission hereunder exceed the limits prescribed in section 3 (a) of this act."

Sec. 7. Section 6 (b) is amended to read as follows:

"The Interstate Commerce Commission is hereby directed at least once in each calendar year from the date of the award of any contract to examine the books, accounts, contracts, and entire business records of the contracting company, to review the rates of compensation to be paid to the holder of such contract in order to be assured that no unreasonable profit is being derived or accruing therefrom and in order to fix just rates. In determining what may constitute an unreasonable profit the said Commission shall take into consideration the income derived from the operation of airplanes over the routes affected, and in addition to the requirements of section 4 hereof, shall take into consideration all forms of expenditures of said companies in order to ascertain whether or not the expenditures have been upon a fair and reasonable basis on the part of said company and whether or not the said company has paid more than a fair and reasonable market value for the purchase or rent of planes, engines, or any other types or kind, or class, or goods, or services, including spare parts of all kinds, and whether or not the air mail contracting company has purchased or rented any kind of goods, commodities, or services from any individuals who own stock in or are connected with the said contracting companies or has purchased such goods and services from any company or corporations in which any of the individuals employed by or owning stock in the air mail contracting company have any interest or from which such purchase or rents any of the employees or stockholders of air mail contracting company would be directly or indirectly benefited."

"Within 30 days after a decision has been reached by the Interstate Commerce Commission touching such profit a report of its results shall be made to the Postmaster General, to the Secretary of the United States Senate, and to the Clerk of the House of Representatives."

Sec. 8. The first sentence of subsection (c) of section 6 is amended to read as follows:

"Any contract (1) let, extended, or assigned pursuant to the provisions of this act, and in full force and effect on March 1, 1935, or (2) which may be let subsequent to such date pursuant to the provisions of this act and shall have been satisfactorily performed by the contractor during its full initial period, shall, from and after such date, or from and after the termination of its initial period, as the case may be, be continued in effect for an indefinite period, and compensation therefor, on or after March 1, 1935, during such period of indefinite continuance, shall be paid at the rate fixed by order of the Commission under this act, subject to such additional conditions and terms as the Commission may prescribe, upon recommendation of the Postmaster General, which shall be consistent with the requirements and limitations contained in section 1 of this act; but any contract so continued in effect may be terminated for cause by the Commission upon 60 days' notice, upon such hearing and notice thereof to interested parties as the Commission may determine to be reasonable; and may also be terminated, in whole or in part, by mutual agreement of the Postmaster General and the contractor, or by the contractor at its option at 60 days' notice, or by the Postmaster General at his option at 60 days' notice."

Sec. 9. Section 7 (d) is amended to read as follows:

"No person shall be qualified to enter upon the performance of, or thereafter to hold an air mail contract, (1) if, at or after the time specified for the commencement of mail transportation under such contract, such person is (or, if a partnership, association, or corporation, has) a member, officer, or director, or an employee performing general managerial duties; that is, an individual who has

theretofore entered into any unlawful combination to prevent the making of any bids for carrying the mails: Provided, That whenever required by the Postmaster General or Interstate Commerce Commission the bidder shall submit an affidavit executed by the bidder, or by such of its officers, directors, or general managerial employees as the Postmaster General or Interstate Commerce Commission may designate, sworn to before an officer authorized and empowered to administer oaths, stating in such affidavit that the affiant has not entered nor proposed to enter into any combination to prevent the making of any bid for carrying the mails, nor made any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person to bid or not to bid for any mail contract, or (2) if it pays any officer, director, or regular employee compensation in any form, whether as salary, bonus, commission, or otherwise, at a rate exceeding \$17,500 per year for full time: Provided further, That it shall be unlawful for any such officer, director, or regular employee to draw a salary of more than \$17,500 per year from any air mail contractor, or a salary from any other company if such salary from any company makes his total compensation more than \$17,500 per year."

Sec. 10. Section 13 of such act is amended to read as follows:

"Sec. 13. It shall be a condition upon the holding of any air mail contract that the rate of compensation and the working conditions and relations for all pilots and other employees of the holder of such contract shall conform to decisions heretofore or hereafter made by the National Labor Board, or its successor in authority, notwithstanding any limitation as to the period of its effectiveness included in any such decision heretofore rendered. This section shall not be construed as restricting the right of any such employees by collective bargaining to obtain higher rates of compensation or more favorable working conditions and relations."

Sec. 11. Section 15, as amended, is amended to read as follows:

"Sec. 15. After June 30, 1935, no person holding a contract or contracts for carrying air mail on a primary route shall be awarded or hold any contract for carrying air mail on any other primary route, nor on more than three additional routes other than primary routes. In case one person holds several contracts covering different sections of one air mail route as designated by the Postmaster General, such several contracts shall be counted as one contract for the purpose of the preceding sentence. It shall be unlawful for air mail contractors, competing in parallel routes, to merge or to enter into any agreement, express or implied, which may result in common control or ownership. After June 30, 1935, no air mail contractor shall be allowed to maintain passenger or express service off the line of his air mail route which in any way competes with passenger or express service available upon another air mail route, except that off-line competitive service which has been regularly maintained for at least four months next preceding July 1, 1935, and such seasonal schedules as may have been regularly maintained during the year prior to July 1, 1935, may be continued if restricted to the number of schedules and to the stops scheduled and in effect during such period or season: Provided, however, that if the Interstate Commerce Commission, after due notice to the Postmaster General and all parties in interest and a hearing thereon, shall be of the opinion that the public interest so requires, it may by order require the suspension or the decrease or may permit an increase in the frequency of such schedules."

"The Interstate Commerce Commission is hereby authorized to hear any complaint filed by the Postmaster General or any interested air mail contractor setting forth that the general transport business or earnings upon an air mail route are being adversely affected by any off-line flights, or extra schedules not provided for in the original contract, nor authorized by the Postmaster General, of another air mail contractor or for any alleged unfair practice by another air mail contractor. Upon filing of such complaint the Commission shall give personal notice to the person complained of, inquire fully into the subject matter of the allegations; and if the Commission shall find such competition or practice, or any part thereof, to be unfair, or that such competitive service, in whole or in part, is not reasonably required in the interest of public convenience and necessity, then the Commission may enter an order requiring such air mail contractor to discontinue or restrict such competition or practice in accordance with the findings and order of the Commission, and the compensation of such air mail contractor shall be withheld while it continues to violate such order."

The report of the Committee on Post Offices and Post Roads is as follows:

[S. Rept. No. 685, 74th Cong., 1st sess.]

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, submitted the following report (to accompany H. R. 6511):

The Committee on Post Offices and Post Roads of the Senate, having had before it H. R. 6511, S. 2454, and S. 2420, beg leave to report H. R. 6511 to the Senate with the following amendment:

Strike out all after the enacting clause and insert S. 2454, with various amendments proposed by the committee, said Senate bill as proposed to be amended, being as follows, without the enacting clause:

"That the following amendments are made to the act of June 12, 1934, as amended by the act of June 26, 1934 (48 Stat. 933, 1243; 39 U. S. C. 469, Supp. VIII): Section 3 (a) is amended to read as follows:

"The Postmaster General is authorized to award contracts for the transportation of air mail by airplane between such points

as he may designate, and for initial periods of not exceeding 3 years, to the lowest responsible bidders tendering sufficient guaranty for faithful performance in accordance with the terms of the advertisement at fixed rates per airplane-mile: *Provided*, That where the Postmaster General holds that a low bidder is not responsible or qualified under this act, such bidder shall have the right to appeal to the Comptroller General, who shall speedily determine the issue, and his decision shall be final: *Provided further*, That the base rate of pay which may be bid and accepted in awarding such contracts shall in no case exceed 33½ cents per airplane-mile for transporting a mail load not exceeding 300 pounds. Payment for transportation shall be at the base rate fixed in the contract for the first 300 pounds of mail or fraction thereof plus one-tenth of such base rate for each additional 100 pounds of mail or fraction thereof, computed at the end of each calendar month on the basis of the average mail load carried per mile over the route during such month, except that in no case shall payment exceed 40 cents per airplane-mile.

"Sec. 2. Section 3 (c) is amended to read as follows:

"If, in the opinion of the Postmaster General, the public interest requires it, he may grant extensions of any route, provided that the aggregate mileage of all such extensions on any route in effect at one time shall not exceed 200 miles, and that the rate of pay for such extensions shall not be in excess of the rate fixed for the service thus extended."

"Sec. 3. Section 3 (d) is amended to read as follows:

"The Postmaster General may designate certain routes as primary and as secondary routes. He shall designate as primary routes at least three transcontinental routes, with such termini as he may deem advisable, and, in addition thereto, such other routes as he may consider in the public interest, but no route less than 1,000 miles in length shall be designated as a primary route: *Provided*, That the present route from Seattle to San Diego may be held and regarded as other than a primary route: *Provided further*, That the eastern coastal route from Newark (or New York City, as the case may be) to Miami, Fla., and the southern transcontinental route from Boston via New York (or Newark, as the case may be) and Washington to Los Angeles, shall be designated as primary routes."

"Sec. 4. Section 3 (f) is amended to read as follows:

"The Postmaster General shall not award contracts for air mail routes or extend such routes in excess of an aggregate of 32,000 miles, and shall not pay for air mail transportation on such routes and extensions in excess of an annual aggregate of 45,000,000 airplane miles. Subject to the foregoing, the Postmaster General shall prescribe the number and frequency of schedules, intermediate regular stops, and time of departure of all planes carrying air mail, with due regard for the volume of mail carried over each route and for connecting schedules, and he may under such regulations as he may prescribe authorize and notwithstanding any other provisions of this act compensate for a special schedule or an extra or emergency trip in addition to any regular schedule over air mail routes or portions thereof at the same mileage rate paid for regular schedules on the contract route or routes, or at a lesser rate if agreed to by the contractor and the Postmaster General, and he may utilize therefor any scheduled passenger or express flight of the contractor between the terminal points or over a portion of any route whenever the needs of the service may so require: *Provided*, That the Postmaster General may, upon application by an air mail contractor, authorize said contractor for his own convenience to transport air mail on any nonmail schedule or plane, with the understanding that the weights of mail so transported will be credited to regular mail schedules and no mileage compensation will be claimed therefor and the miles flown in such cases will not be computed in the annual aggregate of flown mileage authorized under this section."

"Sec. 5. Subsection (a) of section 6 of such act of June 12, 1934, as amended, is amended to read as follows:

"Sec. 6. (a) The Interstate Commerce Commission is hereby empowered and directed, after notice and hearing, to fix and determine by order, as soon as practicable and from time to time, the fair and reasonable rates of compensation within the limitations of this act for the transportation of air mail by airplane and the service connected therewith over each air mail route, and over each section thereof covered by a separate contract, prescribing the method or methods by weight or space, or both, or otherwise, for ascertaining such rates of compensation, and to publish the same, which shall continue in force until changed by the said Commission after due notice and hearing, and so much of subsection (g) of section 3 of said act as is in conflict with this section is hereby repealed."

"Sec. 6. Section 6 (e) of such act is amended by adding at the end thereof a new sentence to read as follows:

"In arriving at such determination the Commission shall disregard losses resulting, in the opinion of the Commission, from the unprofitable maintenance of nonmail schedules, in cases where the Commission may find that the gross receipts from such schedules fail to meet the additional operating expense occasioned thereby."

"In fixing and determining such rates, if it shall be contended or alleged by the holder of an air mail contract that the rate of compensation in force for the service involved is insufficient, the burden of establishing such insufficiency and the extent thereof shall be assumed by him. In no case shall the rates fixed and determined by the said Commission hereunder exceed the limits prescribed in section 3 (a) of this act."

"Sec. 7. Section 6 (b) is amended to read as follows:

"The Interstate Commerce Commission is hereby directed at least once in each calendar year from the date of the award of any contract to examine the books, accounts, contracts, and entire business records of the contracting company, to review the rates of compensation to be paid to the holder of such contract in order to be assured that no unreasonable profit is being derived or accruing therefrom and in order to fix just rates. In determining what may constitute an unreasonable profit the said Commission shall take into consideration the income derived from the operation of airplanes over the routes affected, and in addition to the requirements of section 4 hereof, shall take into consideration all forms of expenditures of said companies in order to ascertain whether or not the expenditures have been upon a fair and reasonable basis on the part of said company and whether or not the said company has paid more than a fair and reasonable market value for the purchase or rent of planes, engines, or any other types or kind, or class, or goods, or services, including spare parts of all kinds, and whether or not the air mail contracting company has purchased or rented any kind of goods, commodities, or services from any individuals who own stock in or are connected with the said contracting companies or has purchased such goods and services from any company or corporations in which any of the individuals employed by or owning stock in the air mail contracting company have any interest or from which such purchase or rents any of the employees or stockholders of air mail contracting company would be directly or indirectly benefited."

"Within 30 days after a decision has been reached by the Interstate Commerce Commission touching such profit, a report of its results shall be made to the Postmaster General, to the Secretary of the United States Senate, and to the Clerk of the House of Representatives."

"Sec. 8. The first sentence of subsection (c) of section 6 is amended to read as follows:

"Any contract (1) let, extended, or assigned pursuant to the provisions of this act, and in full force and effect on March 1, 1935, or (2) which may be let subsequent to such date pursuant to the provisions of this act and shall have been satisfactorily performed by the contractor during its full initial period, shall, from and after such date, or from and after the termination of its initial period, as the case may be, be continued in effect for an indefinite period, and compensation therefor, on or after March 1, 1935, during such period of indefinite continuance, shall be paid at the rate fixed by order of the Commission under this act, subject to such additional conditions and terms as the Commission may prescribe, upon recommendation of the Postmaster General, which shall be consistent with the requirements and limitations contained in section 1 of this act; but any contract so continued in effect may be terminated for cause by the Commission upon 60 days' notice, upon such hearing and notice thereof to interested parties as the Commission may determine to be reasonable; and may also be terminated, in whole or in part, by mutual agreement of the Postmaster General and the contractor, or by the contractor at its option at 60 days' notice, or by the Postmaster General at his option at 60 days' notice."

"Sec. 9. Section 7 (d) is amended to read as follows:

"No person shall be qualified to enter upon the performance of, or thereafter to hold an air mail contract, (1) if, at or after the time specified for the commencement of mail transportation under such contract, such person is (or, if a partnership, association, or corporation, has) a member, officer, or director, or an employee performing general managerial duties, that is, an individual who has theretofore entered into any unlawful combination to prevent the making of any bids for carrying the mails: *Provided*, That whenever required by the Postmaster General or Interstate Commerce Commission the bidder shall submit an affidavit executed by the bidder, or by such of its officers, directors, or general managerial employees as the Postmaster General or Interstate Commerce Commission may designate, sworn to before an officer authorized and empowered to administer oaths, stating in such affidavit that the affiant has not entered nor proposed to enter into any combination to prevent the making of any bid for carrying the mails, nor made any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person to bid or not to bid for any mail contract, or (2) if it pays any officer, director, or regular employee compensation in any form, whether as salary, bonus, commission, or otherwise, at a rate exceeding \$17,500 per year for full time: *Provided further*, That it shall be unlawful for any such officer, director, or regular employee to draw a salary of more than \$17,500 per year from any air mail contractor, or a salary from any other company if such salary from any company makes his total compensation more than \$17,500 per year."

"Sec. 10. Section 13 of such act is amended to read as follows:

"Sec. 13. It shall be a condition upon the holding of any air mail contract that the rate of compensation and the working conditions and relations for all pilots and other employees of the holder of such contract shall conform to decisions heretofore or hereafter made by the National Labor Board, or its successor in authority, notwithstanding any limitation as to the period of its effectiveness included in any such decision heretofore rendered. This section shall not be construed as restricting the right of any such employees by collective bargaining to obtain higher rates of compensation or more favorable working conditions and relations."

"Sec. 11. Section 15, as amended, is amended to read as follows:

"Sec. 15. After June 30, 1935, no person holding a contract or contracts for carrying air mail on a primary route shall be awarded or hold any contract for carrying air mail on any other primary route, nor on more than three additional routes other than primary routes. In case one person holds several contracts covering different sections of one air mail route as designated by the Postmaster General, such several contracts shall be counted as one contract for the purpose of the preceding sentence. It shall be unlawful for air mail contractors, competing in parallel routes, to merge or to enter into any agreement, express or implied, which may result in common control or ownership. After June 30, 1935, no air mail contractor shall be allowed to maintain passenger or express service off the line of his air mail route which in any way compares with passenger or express service available upon another air mail route, except that off-line competitive service which has been regularly maintained for at least 4 months next preceding July 1, 1935, and such seasonal schedules as may have been regularly maintained during the year prior to July 1, 1935, may be continued if restricted to the number of schedules and to the stops scheduled and in effect during such period or season: *Provided, however,* That if the Interstate Commerce Commission, after due notice to the Postmaster General and all parties in interest and a hearing thereon, shall be of the opinion that the public interest so requires, it may by order require the suspension or the decrease or may permit an increase in the frequency of such schedules.

"The Interstate Commerce Commission is hereby authorized to hear any complaint filed by the Postmaster General or any interested air mail contractor setting forth that the general transport business or earnings upon an air mail route are being adversely affected by any off-line flights, or extra schedules not provided for in the original contract, nor authorized by the Postmaster General, of another air mail contractor or for any alleged unfair practice by another air mail contractor. Upon the filing of such complaint the Commission shall give personal notice to the person complained of, inquire fully into the subject matter of the allegations; and if the Commission shall find such competition or practice, or any part thereof, to be unfair, or that such competitive service, in whole or in part, is not reasonably required in the interest of public convenience and necessity, then the Commission may enter an order requiring such air mail contractor to discontinue or restrict such competition or practice in accordance with the findings and order of the Commission, and the compensation of such air mail contractor shall be withheld while it continues to violate such order."

The amendments proposed in the present bill to the Air Mail Act of June 12, 1934, are as follows:

The first change is in section 3 (a), and the only change in that is the provision for 3 years instead of 1 year.

It should be further stated in connection with this first section of the present bill that the House bill proposed a further change by fixing the limit of pay 20 percent higher than the present law. Your committee does not approve of such a change, because in the Air Mail Act of June 12, 1934, both the Postmaster General and the Interstate Commerce Commission were authorized to examine and audit the books, records, and accounts of air mail contractors, but neither the Postmaster General nor the Interstate Commerce Commission have examined as yet the books, accounts, and records of the air mail contractors, and your committee is of the opinion that until these are examined and reports made thereon that the limitations of 33½ cents and 40 cents, as provided in said section, should not be increased.

In addition to that your committee heard proof on that subject, and we herewith submit the proof of C. Bedell Munro, president of the Pennsylvania Airlines & Transport Co., who testified as follows:

"The CHAIRMAN. For your own company, you would be satisfied with anything within 33 cents?

"Mr. MUNRO. And considerably lower than that for this particular route; yes, sir." (Hearings, p. 94.)

Again, Mr. Carlton Putnam, representative of the Chicago & Southern Airlines, testified as follows:

"The CHAIRMAN. The first thing I want to ask you is: Don't you believe that 33½ cents is enough for carrying the mail?

"Mr. PUTNAM. I anticipated that question. At the moment, for us, my answer is 'Yes.'" (Hearings, p. 101.)

Again, Mr. S. J. Solomon, National Airways, Inc., testified as follows:

"The CHAIRMAN. You get the highest limit from the Interstate Commerce Commission?

"Mr. SOLOMON. That is true. I think I can quote you exactly the statement.

"The CHAIRMAN. What did you bid on yours?

"Mr. SOLOMON. 29.5. May I quote you exactly the statement I made in the brief we filed with the Interstate Commerce Commission?

"The CHAIRMAN. Sure.

"Mr. SOLOMON. I think it runs like this:

"National Airways, Inc., bid what we thought was a fair and just rate for carrying the mail, air mail route 27. It therefore makes no request for any additional compensation."

"The CHAIRMAN. You still think so?

"Mr. SOLOMON. I still think so; yes, sir. However, we are not refusing the 33½ cents if we get it. We think that we are entirely satisfied with the—

"The CHAIRMAN. You bid 27—

"Mr. SOLOMON. 29.5.

"The CHAIRMAN. And they raised you to 33, but you are still willing to take 29?

"Mr. SOLOMON. We are still willing to take it, and I told the Second Assistant Postmaster General that within the last 2 weeks.

"The CHAIRMAN. You certainly are a candid man." (Hearings, p. 117.)

Again, the testimony of P. A. Wright, United Airlines Transport Corporation, was as follows:

"The CHAIRMAN. I am talking about 1, though. On that route what is your present rate?

"Mr. WRIGHT. 33½ cents on route 1.

"The CHAIRMAN. And the Interstate Commerce Commission reduced that to 31 cents?

"Mr. WRIGHT. That is right.

"The CHAIRMAN. Now, what rate did you have on 11?

"Mr. WRIGHT. On route 11 we originally bid 39.5 cents. The present rate is 33½ cents, and the allowable rate under the I. C. C. is 27.

"The CHAIRMAN. They reduced that rate?

"Mr. WRIGHT. Yes, sir.

"The CHAIRMAN. Now 12.

"Mr. WRIGHT. On route 12, we bid 39.5 cents.

"The CHAIRMAN. And your rate is now 33, and they are allowing you 33?

"Mr. WRIGHT. Yes, sir." (Hearings, p. 129.)

And, again:

"The CHAIRMAN. You want the limit taken off and yet on two of your routes, the two most important, the transcontinental and the Pacific route, they were both reduced by the Commission?

"Mr. WRIGHT. That is correct, they were reduced on route 1. On route 1 our original bid was 38 cents. The present rate of 33 has been reduced to 31. On route 11, 39.5; 33 cents reduced to 27." (Hearings, p. 130.)

And, again:

J. B. Condon, of the Central Air Lines, testified: His rate was definitely increased by the Interstate Commerce Commission from 14 cents to 23.8 cents, and he stated that he was entirely in accord with the provisions of the bill. (Hearings, p. 137.)

Again: Representatives of practically all of the contractors were present when the testimony was taken before our committee.

In the examination of Carlton Putnam:

"The CHAIRMAN. I only think you are asking something unreasonable. That is just my idea about it, and I think you are standing in your own light in making that request to the Congress at this time. I think that applies to others who feel the same way.

"I would like to know if there are any contractors here who believe that they cannot carry the mail for 33 cents. If there are any here I would like for them to hold up their hands and let us see.

"(In response to the request of the chairman there were no hands raised.)

"The CHAIRMAN. I do not see any hands held up.

"(Discussion off the record.)

"Mr. PUTNAM. I was under the impression that there were some contractors who felt that a fair rate would lie above 33 cents. If there are no contractors here today who agree with me on that point, I withdraw all the testimony I have inserted on that subject." (Hearings, pp. 109-110.)

It is true that Mr. Harlee Branch, Second Assistant Postmaster General in charge of Air Service, testified that he thought the limitation should be raised or eliminated altogether, as shown by the following:

"Mr. BRANCH. We have found in our experience in administering the air mail under the 1934 Air Mail Act that a number of the companies have, in conforming to the act, incurred considerable extra expense. We have found that out to our satisfaction.

"The CHAIRMAN. What expense is that?

"Mr. BRANCH. Senator, particularly because of the provision about the salaries of the pilots and new safety conditions laid down by the Bureau of Air Commerce.

"The CHAIRMAN. Have you got the dollars-and-cents increase of that because of those provisions?

"Mr. BRANCH. No" (p. 11).

It is true that Mr. Branch also, as shown in the letters filed with his evidence, as shown on pages 12 to 25, inclusive, produced letters from certain companies, claiming greater compensation to pilots and mechanics.

However, Mr. Edward G. Hamilton, representing the pilots, testified that this contention of Mr. Branch was incorrect. Mr. Hamilton thus testified:

"Mr. HAMILTON. There is one remark that Mr. Branch made that I think probably is in error, and I would like to correct it at this time. He said that some of the companies had come to him with a statement that the operating costs would be increased by the payment of the Labor Board's scale. As a matter of fact, it has not so resulted.

"The CHAIRMAN. Have you got any figures on that?

"Mr. HAMILTON. I can give you the figures from memory. Before the air mail cancellations the pilot cost was about 7 cents per airplane mile. With the adoption of the Labor Board's scale it stays at 7 cents at a speed of 100 miles per hour, but is reduced progressively with an increased speed, so that when you get up around 200 miles an hour, the pilot cost has been reduced to around 5 cents.

"The CHAIRMAN. In other words, you differ with Mr. Branch in his estimate of increased cost for pilots; you think it has been decreased from 7 to 5, instead of being increased to a higher sum?

"Mr. HAMILTON. That is so. The higher speed airplane results in a decreased cost per pilot" (p. 64).

And again it was given in evidence that the machinists' cost had been decreased instead of increased as shown by the evidence of Mr. David Kaplan on page 65 and following of the record.

It is true also that Mr. McManamy appeared before the chairman of the committee and urged that the rate limitation be taken off. But Mr. McManamy admitted that the only proof he had considered was the proof of some of the air mail contractors (p. 8).

However, as both the Postmaster General and the Interstate Commerce Commission had been authorized to examine the air mail contractors' books and had not done so, your committee does not feel that their requests for striking out the limitation should outweigh the proof of many witnesses, as quoted above, who were air mail contractors themselves, and the testimony heretofore given before committees of the Senate making an investigation of that subject.

Should an injustice be done to any company in the way of rates, the only fair way to determine it would be after a report is had from the Interstate Commerce Commission after a full examination of the particular books of that company is made by the Commission.

Your committee believes that the limitation of rates as fixed in the bill of June 12, 1934, is just and fair, and in no event should it be changed until an examination has been made and a report taken from the company's books.

Section 2 simply provides that extensions may be made by the Postmaster General of 200 miles instead of 100, as now provided by law.

Section 3 provides the line from Seattle to San Diego may be regarded as a secondary line instead of a primary line. The reason for this is that at present the United Air Lines, which has a transcontinental primary line, now owns the line from Seattle to San Diego, and many witnesses came from the Pacific coast to testify that they wanted the ownership of that line to remain as it is. All of the senatorial and some of the House Representatives of the Pacific coast desired the same thing. And upon testimony that the Post Office Department directed the routing of mail and that the United Air Lines would not have any advantages over the other two transcontinental lines, the first proviso is recommended by your committee.

In like manner and for like reasons the second proviso in this section was allowed in order to let the Department straighten out a difference for the eastern lines.

Section 4 provides that contracts may be awarded for 32,000 miles instead of 29,000, as now provided by law.

In addition, the Postmaster General is directed to compensate for special or emergency trips on the same terms as the regular trip, and under certain circumstances to transport air mail on any nonmail schedule or plane, and repeals so much of subsection (g) as is in conflict with that section.

Sections 6 and 7 merely add to what the Interstate Commerce Commission is allowed to consider in making rates, and specifically directs the Commission to examine the books of the several companies at least once a year.

Section 8 was redrawn so as to make the rates of the Commission effective.

Section 9 is simply an amendment to make section 7 (d) more specific as to the amount of salary which may be drawn by the officials of air mail companies.

Section 10 provides that the rate of compensation and working conditions for all pilots and other employees shall conform to the decision heretofore or hereafter made by the National Labor Board.

Section 11 changes the wording of section 15 by providing that if the Interstate Commerce Commission, after due notice to the Postmaster General and all parties in interest and a hearing thereon, shall be of the opinion that the public interest so requires, it may by order require the suspension or the decrease or may permit an increase in the frequency of such schedules.

This section is also amended by providing that if an air mail company disobeys the findings of the Commission, then the compensation of the air mail company shall be withheld while it continues to violate such findings.

Your committee reports the substituted bill favorably and recommends that it do pass.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 22d instant that committee presented to the President of the United States the following enrolled bills:

S. 82. An act to authorize the disposal of surplus personal property, including buildings, of the Emergency Conservation Work;

S. 1222. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

S. 1342. An act to revive and reenact the act entitled "An act granting the consent of Congress to Board of County Commissioners of Itasca County, Minn., to construct, maintain, and operate a free highway bridge across the Mississippi River at or near the road between the villages of Cohasset and Deer River, Minn.";

S. 1680. An act to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof; and

S. 1987. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Farnam Street, Omaha, Nebr.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. SCHALL, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters in the State of Minnesota.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of Norman Armour, of New Jersey, now Envoy Extraordinary and Minister Plenipotentiary to Haiti, to be Envoy Extraordinary and Minister Plenipotentiary to Canada.

He also, from the same committee, reported favorably Executive F, Seventy-fourth Congress, first session, being an international convention for the protection of industrial property signed at London on June 2, 1934, and submitted a report (Exec. Rept. No. 9) thereon.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. MINTON:

A bill (S. 2887) authorizing the Perry County Bridge Commission of Perry County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River at or near Cannellton, Ind.; to the Committee on Commerce.

By Mr. CLARK:

A bill (S. 2888) to provide for the disposition, control, and use of surplus real property acquired by Federal agencies, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. SHEPPARD:

A bill (S. 2889) to authorize settlement, allowance, and payment of certain claims (with accompanying papers); to the Committee on Claims.

By Mr. O'MAHONEY:

A bill (S. 2890) for the relief of Ralph H. Lasher, whose name appears in the Army records as Ralph C. Lasher; to the Committee on Military Affairs.

By Mr. PITTMAN:

A bill (S. 2891) to provide for the adjustment and settlement of personal injury and death cases arising in certain foreign countries; to the Committee on Foreign Relations.

By Mr. GORE (by request):

A joint resolution (S. J. Res. 135) authorizing the President to make payment or settlement of the adjusted-service certificates issued to veterans of the World War, and for other purposes; to the Committee on Finance.

By Mr. LONERGAN:

A joint resolution (S. J. Res. 136) authorizing the President of the United States of America to proclaim October 11, 1935, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PEACE

Mr. FLETCHER. Mr. President, on Sunday, May 19, 1935, the senior Senator from Colorado [Mr. COSTIGAN], Hon. Norman Hapgood, of New York, and Mr. Sherman Mittell, of Washington, D. C., engaged in a national broadcast on the subject of Peace, in the last of a series of American fireside discussions for the winter season 1934-35.

I ask unanimous consent that this discussion may be printed in the CONGRESSIONAL RECORD.

There being no objection, the discussion was ordered to be printed in the RECORD, as follows:

Opening announcement: An American fireside. Tonight our fireside host, Mr. Norman Hapgood, has invited as his guest the Honorable EDWARD P. COSTIGAN, United States Senator from Colorado.

Mr. Hapgood has just greeted Senator COSTIGAN and they are seated at the fireside with Sherman Mittell, of the National Home Library Foundation.

Mr. Mittell is speaking:

Mr. MITTELL. I am glad you could come down, Mr. Hapgood, even at the last moment. You know, Senator COSTIGAN, I rather forced Mr. Hapgood to come down.

Mr. COSTIGAN. Mr. Hapgood and I are old friends and I am very glad we are together again.

Mr. HAPGOOD. So am I, Senator, but I am so sorry not to have been here earlier so we could talk of many things before sitting down to have the whole country listen to us. I am sure you, at any rate, know what you want to say.

Mr. COSTIGAN. I certainly have something about which I feel very strongly. How did it happen your arrival was so sudden?

Mr. HAPGOOD. I had reluctantly dropped out of these fireside conversations for lack of time, but Mittell got on the telephone and told me I was really needed tonight in order to give a review of our series from October to May, in which time we have been endeavoring to work out something different from other radio features.

Mr. COSTIGAN. I like your plan for its informality and because it deals with fundamentals. How do you yourself express its purpose?

Mr. HAPGOOD. I will try to put it in words a little later. Just now please let me turn the tables on you. I know you have it in mind to say something about world peace. It is a subject on which I have been concentrating since 1914. Where do you stand on so large a subject?

Mr. COSTIGAN. Well, let us say this: So recently as 1917 America, in the name of "a war to end war", threw itself into a world conflict which, originating abroad, killed 10,000,000 human beings; made war wrecks of 20,000,000 others; destroyed property worth hundreds of billions of dollars; and eventually threatened all nations, including ours, guilty and innocent alike. That participation was, of course, consistent with supposed self-preservation, as public opinion in that hour interpreted events abroad. Since then, from 1919 to 1935, America has withheld full fellowship in the League of Nations and adherence to the World Court, concerning which the pros and cons have been repeatedly discussed, with particular reference to whether that association and Court can be used to bring and assure peace or are calculated to involve us in other foreign struggles.

Mr. HAPGOOD. What, in your opinion, Senator, has been the difficulty in the way of making more progress toward a system that would at least give good promise of keeping the peace?

Senator COSTIGAN. The age-old, fatal defect in international relations rests in the legal doctrine of lawless national sovereignty. The rule reserves to nations authority to refuse to settle disputes which any nation claims affects adversely its safety or domestic interests, as determined by itself. In other words, nations still insist on the privilege of being as anarchistic as they choose in the undefined no man's land between countries, in which each considers itself absolutely supreme. Nations do what no man any longer may, namely, legally murder, unrestrained. As human beings have become more civilized they have been forced to part with such claims of unhampered license to kill. But what citizens have surrendered nations still practice against each other under reserved war powers. Accordingly we sign pious assertions about war, such as those of the Kellogg-Briand Peace Pact, and at the same time discredit ourselves by voting huge Army and Navy appropriations. It follows that until we recognize and prove in a real—not theoretical—sense that we belong to an international community permitting peacefully adjusted controversies, there can be no individual, national, or world security. By giving to a central national government such powers, the Thirteen Original Colonies and the Territories which later became States built the American Union.

Mr. HAPGOOD. The first sharply defined statement that the future of civilization was in danger from the growth of nationalism was, as far as I know, made by Lord Bryce after a trip around the world several years before the World War. He visited many countries that he had visited a few years before and found in all of them a rapid increase of nationalism. This increase filled him with such alarm that he tried to wake up the governments of the leading countries to the need of taking steps to combat it. We need leaders like Bryce, who not only have the right feeling but who also know the world. The mere pacifism that does not deal with conditions in each one of the leading countries is certainly not adequate. To check the disease of nationalism requires an education in modes of thinking, in grasp of fundamental facts, and also, of course, in the right kind of feeling.

Mr. COSTIGAN. Yes; we need arguments of the heart as well as of the mind. Writing under the spur and agony of a veteran's life in the filth and wretchedness of war trenches, Henri Barbusse, that brilliant French soldier of the World War, summed up his conclusions in these burning words:

"The peoples of the world ought to come to an understanding.

"After all, why do we make war? We don't know at all why. . . . We shall be forced to see that if every nation every day brings the fresh bodies of young men to the god of war to be lacerated, it's for the pleasure of a few. . . .

"How many are the crimes of which they have made virtues merely by dowering them with the word 'national'? . . .

For the truth which is eternally the same they substitute each their national truth. So many nations, so many truths; thus they falsify the truth.

"All those who for one reason or another cling to the ancient state of things and find or invent excuses for it—they are your enemies.

"They are your enemies as much as those German soldiers are today, who are prostrate here between you in the mud, who are only poor dupes hatefully deceived and brutalized. . . . They are your enemies, wherever they were born, however they pronounce their names, whatever the language in which they lie."

Mr. HAPGOOD. Certainly if everybody felt and thought like Henri Barbusse there would be no war. His book, which was translated into English under the name, if I remember, of *Fire* (or we might translate the title, the *Conflagration*) gives us war as it actually is, not in its poisonous melodramatic glory. But Barbusse is more a citizen of a civilized world than merely of one fragment of that world. He sees not only his own France but mankind. His own mode of thinking makes it more possible for him to contribute to progress than it is for anybody who has been filled up with a motto of "my country—right or wrong."

Mr. COSTIGAN. Whether right or wrong, the action of our country on World Court and League of Nations, consistently taken and maintained, on final analysis is recognized as an expression of the majority view of self-preserving policies in a self-governing democracy. But so much being conceded, we having so decided, if we are to sustain our reputation for sanity, America will, soon or late—and the sooner the better—find it impossible to limit itself to negative action. Our country must offer intelligent citizens an alternative and affirmative program. America has committed itself to the Kellogg-Briand declaration that war shall no longer be an instrument of national policy and the settlement of international controversies shall only be sought by pacific means. Yet we and other countries that have taken this splendid pledge have failed to give reality to the declaration other than by armaments and more armaments, until at last the World War poet, who threw himself into the consuming fires of war with the song on his lips, "I have a rendezvous with death", appears now at times to be but a tragic symbol of a perishing civilization.

Mr. HAPGOOD. I am an optimist, and I believe that our civilization will not be destroyed like the civilization of Greece and Rome. We may suffer terrible set-backs, but I think we shall learn our lessons before we are completely overthrown.

Mr. COSTIGAN. H. G. Wells, the noted English author, who, through his *Outline of History*, has equipped himself to speak with a rare sense of proportion on human affairs, treats history as "a race between education and catastrophe." When in Washington a few weeks ago, he told some of us at the Capitol that to his intense regret his present judgment is that education is losing and catastrophe is winning that race.

More recently he stated the basis of that view in these words:

"Mankind has still to achieve any world-wide mental unity. . . . Power—gigantic power—has come to us, and we can use it only in mutual injury according to the methods of the warring past. Plenty overwhelms us, and we do not know how to distribute or use the wealth we can now produce. . . . Invention and scientific knowledge have taken our hearts and imaginations by surprise. Our social and political ideas, our morals, our ambitions, our courage have had as yet no corresponding expansion. Man discovers he is Nature's misfit; he reveals himself now an evasive little creature. . . . Man is today a challenged animal. He has to respond successfully to the challenge or he will be overwhelmed like any other insufficiently adaptable animal."

Mr. HAPGOOD. Wells is a fertile thinker, a useful challenger, and he likes to shock people. He likes to make them sit up and take notice. Thus he brings into the foreground one side of the truth. But I am not among those who believe nothing has come of the attempts to improve international intercourse since 1914.

Mr. COSTIGAN. Let nothing I am saying be interpreted as wanting in respect for efforts, in previous Congresses and the present, to curb activities of citizens, which, in the last war, in spite of our determined declarations and practices of neutrality, helped to draw us into bloody conflicts we long sought to avoid as alien and outlawed. Yet what lesson do they teach? In 1916 Woodrow Wilson was reelected President of the United States by voters who endorsed him for keeping us out of the very war into which, within 5 months thereafter, we entered, notwithstanding that solemn dedication of ourselves and America to peace. Remembering that experience, to which far-scattered World War cemeteries with their 10,000,000 dead, the continuing burdens of war debts, and ever-present obligations to our own veterans daily testify, how may we content ourselves with insufficient barriers, however sensible in themselves, against oncoming wars which today menace all life and property?

Mr. HAPGOOD. We need indignation like yours, Senator; we need pity like that of Barbusse, with his bitter knowledge of what war is and his knowledge of a so-called "patriotism" that leads to war. We need warnings like those of Wells. In spite of the truth in these warnings, however, and in spite of all obstacles, Wilson's great dream, it seems to me, has been and will be a valuable heritage. I think it was never better put than by the British publisher Brailsford, who, although in many ways opposed to Wilson, warned readers to remember that when Wilson is criticized he is criticized for not sufficiently reaching ideals which were created in the public mind by him.

Senator COSTIGAN. What are some of the more immediate proposals to check or limit another war? The refusal of passports to

citizens seeking, in case of another war, to enter danger zones; embargoes on financial contributions and trade with citizens of other nations when at war and on shipments of arms and munitions; restricted profits during war; conscription of men and money; and, more recently, a renewed effort to cooperate with the League of Nations, with the complete reservation of independent rights acting under our Constitution of final decision with respect to the enforcement of any League decisions.

However dictated by common sense, however guided by vision and national unity these devices, does anyone believe that any or all of them sufficiently safeguard peace, with clear history recalling the provocations, month by month and year by year, which finally sucked us into all-engulfing war whirlpools between 1914 and 1918? On the contrary, are not the well-intended proposals of Senators Nye, Clark, Pope, and others mere palliatives in the initial stages of what may prove to be universal disaster?

Mr. HAPGOOD. Of course, no plan is worth anything unless governments and populations are willing to use it. No plan is fool-proof or proof against national ignorance and suspicion. Before we finish I hope to see a little on the cheerful side, but I admit, Senator, the discouraging amount of narrow nationalist feeling in Europe and in the United States.

Mr. COSTIGAN. We are, indeed, forced back on the decision whether peoples and nations, fearing and hating war, can practice to some reasonable extent before it is too late the ancient preaching: All for each and each for all. To that objective all intelligent men and women in every civilized nation in the world may well bend their full energies of mind, heart, and spirit, summoning to their support all forces of education, religion, science, psychology, and economic interest, until, if our consecration is intense enough, the goal shall be won and mankind may enter the scientific and humane era of peace on earth, good will to men, to which the noblest prophets have pointed from the beginning. Only by summoning to our assistance our full powers and by concentrating on the objective of universal well-being till we achieve it can we break and escape the vicious circle of murderous slaughter, illimitable debt, national and international bankruptcy, and a world finally robbed of its resources, until the survivors, if any, of the human race toil hopelessly on the face of a planet once richly equipped for the comfort and happiness of human beings, but finally reduced to an impoverished prison of unending toil. Let us learn and declare, once and for all, that we are through with idle pronouncements for peace, and will waste no further time in discussions with those for whom peace, like paradise, has become an unreal and remote abstraction, toward which meaningless and sentimental tears and prayers are directed, in place and satisfaction of life's more immediate, neglected obligations. Thus to adore peace is to betray it. True peace will never be captured until a new world sees and determines to achieve it for what it really is—a life-saving, creative, and amazingly beautiful reality. It cannot be won by anything less than adventurous, generous, and measureless courage; matchless imagination; and absolute dedication to those manifestations of democratic equality and economic welfare, of which peace itself is, after all, a priceless byproduct.

In spite of every falsehood ever uttered about it, peace is ceaselessly and constructively active, not insipidly passive. It is positive, not negative. It perpetually challenges all worthwhile potentialities of mankind. It is the only unbreakable guarantee of material and human conservation. It is as superior to war as life to death.

Peace will never be permanently gained until men and women are organized for fraternity, not hostility; disinterestedness, not prejudice; science, not wanton waste. To banish war is the stupendous task set before a generation in some respects ill-prepared to meet it. Its tests are almost certain to be applied within a staggeringly limited time. Yet the contest must be waged and the issue grappled with, for the prize is all that the present and future hold of value to human beings. Like travelers caught in quicksands we sink even as we speak. Time is merciless. We must extricate ourselves at once by heroic means, or disappear, traceless and forever, from a whirling planet abandoned to the formless void from which it came.

Peace is a paradox. However unreal its outward features, it remains at heart miraculously true. Always rejected by place and power, the dream of peace guides our desperate and doomed world from bondage toward freedom and happiness. We know that unless men and women captain and cherish peace, the sun of our civilization is hastening to its setting. Yet, even while we speak, the nations marshal their armies, pile up death-dealing devices—machines, chemicals, explosives, and the rest—as fatal playthings for brave, blameless boys, in their dawn of manhood in all lands, to make inevitable the last Armageddon, for which none will confess their shamed but shared responsibility. Today, as thousands of years ago, the moralist sounds a warning: "From the greatest to the least, everyone is given to covetousness; and prophet, and priest deal falsely, saying, 'Peace, peace, when there is no peace.'"

Mr. HAPGOOD. Of that fervid spirit, Senator, we have every need. Have you no explanation of just why our governments and our peoples have been behaving so badly?

Mr. COSTIGAN. It is a bitterly hard question to answer. Why does leadership fail us, and why do we desert that leadership, as it seeks to conquer the evident and final disaster which lurks along our horizon, ready to overwhelm us and all we hold sacred? Is it because evil resolutely and forever invents new excuses for world chaos, even at the moment when constructive achievements destroy old war causes? One by one former incitements to war have largely disappeared—enslavement of labor; plundered treas-

uries and lands; and racial and religious rivalries. They have been successively banished by public opinion, formed and strengthened by modern education, rooted in science. Yet from their sowing of dragons' teeth newly armed warriors are ever springing; blind nationalism, economic misery, and inequality; mighty armies, navies, and armaments stimulating the very fear and competitive hostility they are presumably intended to allay; and, most modern and subtly dangerous of all, insidious propaganda, inspired by limitless greed, checked by no principle of truth, honor, or respect, individual, national, or international; sleeplessly active and boundlessly cruel; hurrying us, by falsehood, past truths we discover only too late, to deeds which curse us till we die, and rob us thereafter of mercy for our immortal souls. Whatever the causes of war and wherever hidden, a new and alert generation must check and eradicate them, root and seed, one and all. Here is a task of living conservation worthy of the mightiest sons and daughters the world has ever known. For this labor youth and genius are indispensable. We must conscript more than that virtue which masks exhausted vice, and other advocates of peace than those whose devotion has been wrung from war-worn repentance. For this supreme conquest we must enlist a new generation of pioneers who will not compromise or retreat whatever the cost, or however long and bitter the way, until their intelligence and valor shall have chained into service all machine monsters and mysteries of science which threaten our security. We who invented these murderous tools of our modern world, now that they turn to crush us, must control them in the name of public service, and thus liberate a golden world of science, research, free discussion, law, liberty, equality, and happiness, assuring and assured by peace.

Mr. MITTELL. Now, Mr. Hapgood, Senator COSTIGAN has made clear his conviction that a revolution in thinking and in feeling in the principal nations is required if the world is to be saved. You have hinted that you are a little more optimistic. How do you manage your cheerfulness?

Mr. HAPGOOD. As I have not been long off the train and have scarcely been able to pull my thoughts together, I am going to answer your question, Sherman, by reading you an editorial of mine, published less than a month ago, as this editorial may answer your question. It runs like this: "To declare that there will be another major war is an indication of inferior thinking, just as to declare that peace is certain would also be absurd."

"When the forces making for war and the forces making for peace are to some extent balanced, and when these forces are constantly changing we may express our feelings in the form of chances, but we cannot intelligently prophesy more definitely."

A few weeks ago, when the war scare in the newspaper headlines was at its most furious, I was asked the usual question, and replied, "the chances of war within a year are one against five and a half." I was joking, in pretending to be so exact, but imagine my surprise when the next day I learned that Lloyd's, in giving insurance against the consequences of war, was estimating the probabilities as one against six and one against five—varying, I suppose, from day to day.

A powerful factor in bringing on war is the belief that it is inevitable. If it is inevitable, each country wishes to be able to strike, and is often afraid to wait. The newspapers arouse more interest, and have larger sales, if they excite people about the situation than if they calm them. Therefore, the news that is alarming is presented with more enthusiasm than are the indications favorable to peace; and this psychological truth enables some newspapers to make peace decidedly more difficult.

Danger of war just now grows out, obviously, of the fact that the chief defeated nation in the war is not satisfied and is very strong. Understanding this, Woodrow Wilson wished there might not be victors and victims in the settlement, but he was overruled, and we are paying for the departure from his opinion. He wished also to make the world safe for democracy, and was laughed at for the wish, yet could he come back he would see Germany thrown from her experiment in modern democracy, back to a silly and savage despotism, because she has not been treated in his spirit, and her people became desperate, bitter, and unbalanced.

Few seem to realize how much better is our chance of peace because all the problems and conflicts are now discussed in the open. Few put sufficient emphasis on the constant meetings and discussions, whether they are conclusive or not. Great Britain, in the summer of 1914, endeavored in vain to secure a delay for discussion of only a few days, and could not. If she had succeeded in postponing mobilization for 3 or 4 days the war might have been avoided. The World War started in the shooting of an archduke. In 1934, 20 years later, the King of Yugoslavia and the Prime Minister of France were shot and killed and nothing happened. "Light", said Emerson, "is the best policeman." It is because of the new constant publicity that my hopes for continued avoidance of war are high.

Mr. MITTELL. Your view, Mr. Hapgood, and Senator COSTIGAN's seem to me alike both in feeling and in purpose. They differ, if at all, only in emphasis.

Mr. HAPGOOD. I agree, and I most earnestly thank the Senator for his brave emphasis on inflamed nationalism both abroad and at home. It takes no courage to scold other countries, but it does take courage to say that our own people must bear the blame equally with foreigners. What a difference between Senator COSTIGAN and those, many of them in positions of power, who are perfectly willing to seek an easy popularity by telling our people that they are 100 percent free of blame in the world situation and that the other great countries are moved by much lower motives than we are.

Mr. COSTIGAN. No one who knows Norman Hapgood questions his complete right to speak as he has done tonight—with compelling hope and balanced judgment. In peace and war, here and abroad, using his great influence for the general welfare, he has always been, if not master of his fate, at least captain of his soul. Before such human warmth the snows of pessimism must melt. He speaks from an immortally young heart with wisdom, and Mr. Mittell here voices for youth the same wisdom that is not limited to years. It is a privilege to share the fireside with these rare persons and to join in their hope that armed conflict is never again to ambush and destroy the youth of the world.

Mr. MITTELL. Senator, I wish to join my thanks with those of Mr. Hapgood. If we increase, however little, the understanding of what is the matter and what is needed, such conversations as this will not have been in vain.

FARM CREDIT ACT OF 1935—CONFERENCE REPORT

Mr. FLETCHER. Mr. President, I ask unanimous consent for the immediate consideration of the conference report on Senate bill 1384.

The VICE PRESIDENT. The Senator from Florida asks unanimous consent that the Senate proceed to the consideration of the conference report. Is there objection? The Chair hears none. The conference report will be read.

The Chief Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1384), to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, and to amend the Farm Credit Act of 1933, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the amendment of the House insert the following:

"That this act may be cited as the 'Farm Credit Act of 1935.'

"Sec. 2. (a) Section 32 of the Emergency Farm Mortgage Act of 1933, as amended (U. S. C., Supp. VII, title 12, sec. 1016), is further amended by striking out of the third sentence the following: 'and made for the purpose of reducing and refinancing an existing mortgage.'

"(b) Such section 32, as amended, is further amended by striking out the fifth sentence and inserting in lieu thereof the following: 'Loans may be made under this section for any of the purposes for which Federal land banks are authorized by law to make loans, and for the following additional purpose, and none other: Refinancing, either in connection with proceedings under chapter VIII of the Bankruptcy Act of July 1, 1898, as amended, or otherwise, any indebtedness, secured or unsecured, of the farmer, or which is secured by a lien on all or any part of the farm property accepted as security for the loan.'

"(c) Such section 32, as amended, is further amended by striking out the seventh sentence and inserting in lieu thereof the following: 'As used in this section, (1) the term "farmer" means any person who is at the time, or shortly to become, bona fide engaged in farming operations, either personally or through an agent or tenant, or the principal part of whose income is derived from farming operations or livestock raising, and includes a personal representative of a deceased farmer; (2) the term "person" includes an individual or a corporation engaged in the raising of livestock; and (3) the term "corporation" includes any incorporated association; but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the land to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 per centum in value and number of shares of the stock of the corporation is owned by the individuals personally actually so engaged, and (B) unless the owners of at least 75 per centum in value and number of shares of the stock of the corporation assume personal liability for the loan. No loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for.'

"(d) Such section 32, as amended, is further amended by striking out the eighth and ninth sentences and inserting in lieu thereof the following: 'Until February 1, 1940, the Land Bank Commissioner shall, in his name, make loans under this section on behalf of the Federal Farm Mortgage Corporation, and may make such loans in cash or in bonds of the corporation, or if acceptable to the borrower, in consolidated farm loan bonds; but no such loans shall be made by him after February 1, 1940, except for the purpose of refinancing loans previously made by him under this section. As much as may be necessary of the assets of the corporation, including the bonds (and proceeds thereof) issued under section 4 of the Federal Farm Mortgage Corporation Act, may be used for the purposes of this section.'

"(e) Such section 32, as amended, is further amended by inserting at the end thereof the following: 'Any Federal land bank, when duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation, shall have the power to

execute any instrument relating to any mortgage taken to secure a loan made or to be made under this section, or relating to any property included in any such mortgage, or relating to any property acquired by the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation. Any such instrument heretofore or hereafter executed on behalf of the Land Bank Commissioner and/or the Federal Farm Mortgage Corporation by a Federal land bank, through its duly authorized officers, shall be conclusively presumed to have been duly authorized by the Land Bank Commissioner and the Federal Farm Mortgage Corporation.'

"Sec. 3. (a) Effective July 1, 1935, the first sentence of paragraph 'Twelfth' of section 12 of the Federal Farm Loan Act, as amended, is amended by striking out the following: 'Within two years after such date, shall not exceed 4½ per centum per annum for all interest payable on installment dates occurring within a period of five years commencing sixty days after the date this paragraph takes effect; and no payment of the principal portion of any installment of any such loan shall be required during such five-year period if the borrower shall not be in default with respect to any other condition or covenant of his mortgage', and inserting in lieu thereof the following: 'after such date, shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring within a period of one year commencing July 1, 1935, and shall not exceed 4 per centum per annum for all interest payable on installment dates occurring within a period of two years commencing July 1, 1936; and no payment of the principal portion of any installment of any such loan outstanding on the date of the enactment of the Farm Credit Act of 1935 shall be required prior to July 11, 1938, if the borrower shall not be in default with respect to any other condition or covenant of his mortgage.'

"(b) Effective July 1, 1935, the second sentence of such paragraph 'Twelfth' is amended by striking out the following: 'the rate of interest on such loans for such five-year period shall be 5 per centum in lieu of 4½ per centum', and inserting in lieu thereof: 'the rates of interest paid for the respective periods above specified shall be one-half of 1 per centum per annum in excess of the rates of interest paid during the corresponding periods by borrowers on mortgage loans made through national farm loan associations'.

"Sec. 4. The fourth sentence of section 24 of the Federal Farm Loan Act, as amended (U. S. C., Supp. VII, title 12, sec. 913), is further amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: 'Provided, That the declaration and payment of any such dividend shall be subject to the approval of the Land Bank Commissioner.'

"Sec. 5. (a) Paragraph (1) of subsection (a) of section 202 of the Federal Farm Loan Act, as amended (U. S. C., Supp. VII, title 12, sec. 1031), is further amended by striking out that portion of the paragraph which follows the second semicolon and inserting in lieu thereof the following: 'and to discount for, or purchase from, any production credit association or bank for cooperatives organized under the Farm Credit Act of 1933, or any production credit association in which a Production Credit Corporation organized under such Act holds stock, with its indorsement, any note, draft, bill of exchange, debenture, or other such obligation presented by such association or bank, and to make loans and advances direct to any such association or bank secured by such collateral as may be approved by the Governor of the Farm Credit Administration;'

"(b) Paragraph (3) of subsection (a) of such section 202, as amended, is further amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: 'at such rates of commission as may be approved by the Governor of the Farm Credit Administration.'

"(c) Subsection (d) of such section 202, as amended (U. S. C., Supp. VII, title 12, sec. 1034), is hereby repealed.

"Sec. 6. (a) Subsection (a) of section 203 of the Federal Farm Loan Act (U. S. C., title 12, sec. 1041) is amended by striking out the proviso and inserting in lieu thereof the following: 'Provided, That the aggregate amount of the outstanding debentures and similar obligations issued individually by any Federal intermediate credit bank, together with the amount of outstanding consolidated debentures issued for its benefit and account, shall not exceed ten times the surplus and paid-in capital of such bank.'

"(b) Such section 203 (U. S. C., title 12, secs. 1041-1043) is further amended by adding at the end thereof the following new subsections:

"(d) Whenever it shall appear desirable to issue consolidated debentures of the twelve Federal intermediate credit banks and to sell them through a common selling agency, and the Federal intermediate credit banks shall, by resolutions, consent to the same, the banks may issue and sell said debentures subject to the provisions of this section and the provisions of section 21 of Title I of this Act, insofar as applicable. As used in this Act, the term "debentures" includes such consolidated debentures.

"(e) All debentures issued by Federal intermediate credit banks shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority or control of the United States or of any officer or officers thereof.'

"Sec. 7. Subsection (a) of section 204 of the Federal Farm Loan Act, as amended (U. S. C., Supp. VII, title 12, sec. 1051), is further amended to read as follows:

"(a) Any Federal intermediate credit bank may, with the approval of the Intermediate Credit Commissioner, from time to

time establish rates of discount and interest which, except with the approval of the Governor of the Farm Credit Administration, shall not exceed by more than 1 per centum per annum the rate borne by the last preceding issue of debentures which it issued or in which it participated. Any Federal intermediate credit bank may be required by the Governor of the Farm Credit Administration to acquire, upon such terms as he may approve, loans and/or discounts of any other Federal intermediate credit bank.

"Sec. 8. Section 208 of the Federal Farm Loan Act (U. S. C., title 12, secs. 1091-1094) is amended by adding at the end thereof the following new subsection:

"(e) The executive departments, boards, commissions, and independent establishments of the Government, the Reconstruction Finance Corporation, the Federal Deposit Insurance Corporation, the Federal Reserve Board, and the Federal Reserve banks are severally authorized, under such conditions as they may prescribe, to make available to any Federal intermediate credit bank, in confidence, upon the request of the Governor of the Farm Credit Administration, such reports, records, or other information as they may have available relating to the condition of any institution to which a Federal intermediate credit bank has made, or contemplates making, loans, or which it is using, or contemplates using, as a custodian of securities or other credit instruments, or as a depository."

"Sec. 9. Paragraph (2) of subsection (a) of section 7 of the Agricultural Marketing Act, as amended (U. S. C., Supp. VII, title 12, sec. 1141e), is further amended to read as follows:

"(2) the construction or acquisition by purchase or lease, or refinancing the cost of such construction or acquisition, of physical facilities."

"Sec. 10. Paragraph (1) of subsection (c) of section 7 of the Agricultural Marketing Act, as amended (U. S. C., Supp. VII, title 12, sec. 1141e), is further amended to read as follows:

"(1) No loan shall be made in an amount in excess of 60 per centum of the appraised value of the security therefor."

"Sec. 11. Subsection (a) of section 8 of the Agricultural Marketing Act, as amended (U. S. C., Supp. VII, title 12, sec. 1141f), is further amended to read as follows:

"(a) Loans to any cooperative association shall bear such rates of interest as the Governor of the Farm Credit Administration shall from time to time determine to be necessary for the needs of the lending agencies and shall by regulation prescribe (but in no case shall the rate of interest exceed 6 per centum per annum on the unpaid principal): *Provided, however,* That the rate of interest on any loan made under the provisions of section 7 (a) (1) hereof, other than upon the security of commodities, shall conform as nearly as may be practicable to a rate 1 per centum in excess of the prevailing interest rate paid by production credit associations to the Federal intermediate credit bank of the land bank district in which the principal business office of the borrower is located; the rate of interest on any loan made upon the security of commodities shall conform, as nearly as may be practicable, to the prevailing interest rate on commodity loans charged borrowers from the Federal intermediate credit bank of the land bank district in which the principal business office of the borrower is located; and that the rate of interest on any loan made under the provisions of section 7 (a) (2) hereof shall conform as nearly as may be practicable to the prevailing rate on mortgage loans made to members of national farm loan associations."

"Sec. 12. Subsection (a) of section 15 of the Agricultural Marketing Act, as amended (U. S. C., Supp. VII, title 12, sec. 1141j), is further amended to read as follows:

"(a) As used in this act, the term "cooperative association" means any association in which farmers act together in processing, preparing for market, handling, and/or marketing the farm products of persons so engaged, and also means any association in which farmers act together in purchasing, testing, grading, processing, distributing, and/or furnishing farm supplies and/or farm business services: *Provided, however,* That such associations are operated for the mutual benefit of the members thereof as such producers or purchasers and conform to one or both of the following requirements:

"First. That no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein; and

"Second. That the association does not pay dividends on stock or membership capital in excess of 8 per centum per annum.

"And in any case to the following:

"Third. That the association shall not deal in farm products, farm supplies, and farm business services with or for nonmembers in an amount greater in value than the total amount of such business transacted by it with or for members. All business transacted by any cooperative association for or on behalf of the United States or any agency or instrumentality thereof shall be disregarded in determining the volume of member and nonmember business transacted by such association."

"Sec. 13. Section 34 of the Farm Credit Act of 1933 is amended to read as follows:

"Sec. 34. Subject to such terms and conditions as may be prescribed by the Chairman of its Board of Directors, the Central Bank is authorized: (a) to make loans to cooperative associations, as defined in the Agricultural Marketing Act, as amended, for any of the purposes and subject to the conditions and limitations set forth in such act, as amended; (b) to make loans (by way of discount or otherwise) to banks for cooperatives organized under section 2 of this act; (c) to buy from, and sell to, any such bank or any Federal intermediate credit bank any note, draft, bill of ex-

change, debenture, or other obligation; and (d) to borrow from, and discount or rediscount paper with, any and all such banks."

"Sec. 14. Section 41 of the Farm Credit Act of 1933 (U. S. C., Supp. VII, title 12, sec. 1134c) is amended to read as follows:

"Sec. 41. Subject to such terms and conditions as may be prescribed by the Governor, the banks for cooperatives are authorized: (a) to make loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for any of the purposes and subject to the conditions and limitations set forth in such act, as amended; (b) to make loans (by way of discount or otherwise) to any bank organized under this act; (c) to buy from, and sell to, any such bank or any Federal intermediate credit bank any note, draft, bill of exchange, debenture, or other obligation; and (d) to borrow from, and discount or rediscount paper with, any and all such banks."

"Sec. 15. (a) The first sentence of subsection (a) of section 35 of the Farm Credit Act of 1933 (U. S. C., Supp. VII, title 12, sec. 1134k) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "except that, in connection with any loan made on the security of commodities, the borrower shall be required to own, at the time the loan is made, only such amount of stock as may be prescribed by rules and regulations of the Governor."

"(b) Subsection (a) of such section 35 is further amended by striking out the second sentence and inserting in lieu thereof the following: "Upon discharge of the loan, stock held by the borrowing association may be, and upon the concurrent or subsequent request of the borrowing association shall be, retired and canceled, and the association shall be paid therefor an amount equal to the amount paid for such stock or loaned to subscribe therefor, as the case may be, minus the pro rata impairment, if any, of capital and guaranty fund of the Central Bank, as determined by the Chairman of the Board of the Central Bank."

"(c) Such section 35 is further amended by adding at the end thereof the following new subsection:

"(c) In any case where the debt of a borrower to the Central Bank is in default, the bank may, in accordance with rules and regulations prescribed by the Governor, retire and cancel all or a part of the stock of the defaulting borrower at the fair book value thereof (not exceeding par), in total or partial liquidation of the debt, as the case may be."

"Sec. 16. (a) The first sentence of subsection (a) of section 30 of the Emergency Farm Mortgage Act of 1933 is amended by striking out the words "two years" and inserting in lieu thereof the words "four years".

"(b) The fourth sentence of subsection (b) of such section 30 is amended:

"(1) By striking out the words "occurring more than sixty days after the date of enactment of this act", and

"(2) By striking out the words "a period of two years from the date of enactment of this act" and inserting in lieu thereof the following: "a period of two years from the date of the enactment of the Farm Credit Act of 1935".

"Sec. 17. (a) The first sentence of subsection (a) of section 31 of the Emergency Farm Mortgage Act of 1933 is amended by striking out the words "for two years from the date of the enactment of this act" and inserting in lieu thereof a comma and the following: "until May 13, 1937".

"(b) Subsection (b) of such section 31 is amended by striking out the words "such two-year period" and inserting in lieu thereof the following: "the period of postponement".

"(c) The first sentence of the act entitled "An Act to authorize production credit associations to make loans to oyster planters", approved June 18, 1934 (U. S. C., title 12, sec. 1131j), is amended by striking out the following: "who are carrying on their operations under leases of oyster beds granted by any State or political subdivision thereof".

"Sec. 18. Paragraph "Sixth" of section 12 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 771), is further amended by adding at the end thereof the following new sentence: "As used in this paragraph (1) the term "person" includes an individual or a corporation engaged in the raising of livestock; and (2) the term "corporation" includes any incorporated association; but no such loan shall be made to a corporation (A) unless all the stock of the corporation is owned by individuals themselves personally actually engaged in the raising of livestock on the farm to be mortgaged as security for the loan, except in a case where the Land Bank Commissioner permits the loan if at least 75 per centum in value and number of shares of the stock of the corporation is owned by the individuals personally actually so engaged, and (B) unless the owners of at least 75 per centum in value and number of shares of the stock of the corporation assume personal liability for the loan. No loan shall be made to any corporation which is a subsidiary of, or affiliated (either directly or through substantial identity of stock ownership) with, a corporation ineligible to procure a loan in the amount applied for."

"Sec. 19. (a) The first sentence of the sixth paragraph of section 7 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 716), is amended to read as follows: "Ten or more persons who are the owners, or about to become the owners, of farm lands qualified as security for a mortgage loan under section 12 of this act, may unite to form a national farm-loan association."

"(b) The sixth paragraph of such section 7 is further amended by adding at the end thereof the following new sentence: "As used in this section, the term "person" includes an individual, an incorporated association, and a corporation which is eligible for a loan under section 12 of this act."

"Sec. 20. (a) The first sentence of the fifth paragraph of section 9 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 745), is amended by striking out the words 'any natural person' and inserting in lieu thereof 'any person.'

"(b) The fifth paragraph of such section 9 is further amended by adding at the end thereof the following new sentence: 'As used in this section, the term "person" includes an individual, an incorporated association, and a corporation which is eligible for a loan under section 12 of this act.'

"Sec. 21. The first sentence of the first paragraph of section 31 of the Federal Farm Loan Act, as amended (U. S. C., title 12, sec. 981), is amended to read as follows: 'Any applicant for a loan under this act, or officer or representative of any such applicant, who shall knowingly make any false statement in the application for such loan, and any member of a loan committee or any appraiser provided for in this act who shall willfully overvalue any land offered as security for loans under this act, shall be punished by a fine of not exceeding \$5,000, or by imprisonment not exceeding one year, or both.'

"Sec. 22. Paragraph 'Fifth' of section 12 of the Federal Farm Loan Act, as amended (U. S. C., Supp. VII, title 12, sec. 771), is further amended by inserting after the third sentence thereof the following: 'In determining the earning power of land used for the raising of livestock, due consideration shall be given to the extent to which the earning power of the fee-owned land is augmented by a lease or permit, granted by lawful authority of the United States or of any State, for the use of a portion of the public lands of the United States or of such State, where such permit or lease is in the nature of a right adjunctive to such fee-owned land, and its availability for use as such during the terms of the loan is reasonably assured.'

"Sec. 23. On and after the date of enactment of this act no person shall be eligible for appointment or election as an administrative or executive official or as a member of the board of directors of a Federal land bank, or shall continue to hold office as such member or as an ex-officio director of a Federal intermediate credit bank or of any corporation or bank organized pursuant to the Farm Credit Act of 1933, if such person has been finally adjudged guilty of a felony, or finally adjudged liable in damages in any civil proceeding for fraud, in any State or Federal court.

"Sec. 24. (a) If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

"(b) The right to alter, amend, or repeal this act is hereby expressly reserved."

And the House agree to the same.

DUNCAN U. FLETCHER,
ROBERT F. WAGNER,
ALBEN W. BARKLEY,
JAMES F. BYRNES,
ROBERT D. CAREY,

Managers on the part of the Senate.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,

Managers on the part of the House.

Mr. McNARY. Mr. President, I think an explanation should be made of the conference report, particularly with reference to the Wheeler amendment.

Mr. FLETCHER. Mr. President, this is a bill to amend the Emergency Farm Mortgage Act of 1933, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, to amend the Farm Credit Act of 1933, and for other purposes.

The bill has been in conference, and the Senate conferees acceded to certain amendments made in the House which are not substantial or important. Finally, the conferees agreed on the bill almost as it passed the Senate. The House adopted the conference report.

Some suggestion was made about the Wheeler amendment, section 26 of the bill. That was modified, and the Senate accepted the House provision. It is now in the bill as section 3, and it provides as follows:

SEC. 3. (a) Effective July 1, 1935, the first sentence of paragraph "Twelfth" of section 12 of the Federal Farm Loan Act, as amended, is amended by striking out the following: "within 2 years after such date, shall not exceed 4½ percent per annum for all interest payable on installment dates occurring within a period of 5 years commencing 60 days after the date this paragraph takes effect; and no payment of the principal portion of any installment of any such loan shall be required during such 5-year period if the borrower shall not be in default with respect to any other condition or covenant of his mortgage", and inserting in lieu thereof the following: "after such date, shall not exceed 3½ percent per annum for all interest payable on installment dates occurring within a period of 1 year commencing July 1, 1935, and shall not exceed 4 per centum per annum for all interest

payable on installment dates occurring within a period of 2 years commencing July 1, 1936; and no payment of the principal portion of any installment of any such loan outstanding on the date of the enactment of the Farm Credit Act of 1935 shall be required prior to July 11, 1938, if the borrower shall not be in default with respect to any other condition or covenant of his mortgage."

In other words, the amendment provides that payment for 1 year shall not exceed 3½ percent, ending July 1, 1936—

And shall not exceed 4 per centum per annum for all interest payable on installment dates occurring within a period of 2 years commencing July 1, 1936.

Mr. McNARY. A point of order. May I suggest that the Senator suspend until order is obtained in the Senate and in the galleries? It is impossible to hear the Senator.

The VICE PRESIDENT. The Chair will ask the Sergeant at Arms, if necessary, to restore order in the Chamber as well as in the galleries. The Chair begs to call the attention of the occupants of the galleries to the fact that a little conversation in the galleries of any kind disturbs the Senate very much, more than the occupants of the galleries can appreciate. The Chair will ask the occupants of the galleries to refrain from any kind of conversation while the Senate is transacting its business.

The Senator from Florida will proceed.

Mr. FLETCHER. It will be recalled, Mr. President, that the Senate adopted section 26 of the bill, reducing the interest to 3½ percent for 5 years, or approximately that. That provision has been modified by the House by making the interest rate 3½ percent for 1 year; then 4 percent for 2 years, the interest then to become 4½ percent. The Senate conferees accepted that. I think that is a full explanation of the report.

Mr. McNARY. Mr. President, let me ask the Senator a question. I understand the modification provides that the lower interest rate shall apply for but 1 year?

Mr. FLETCHER. It is to be 3½ percent for 1 year, 4 percent for 2 years, and after that time 4½ percent.

Mr. McNARY. What is the amount of money an applicant may borrow under the lower rate of interest?

Mr. FLETCHER. It has nothing to do with the amount of money an applicant may borrow.

Mr. McNARY. The Wheeler amendment, as I recall, prescribed the rate of interest to be paid by the farmers on farm mortgages.

Mr. FLETCHER. Yes; but they have already borrowed.

Mr. McNARY. Then, the bill applies to loans heretofore made but does not apply to future loans?

Mr. FLETCHER. I do not understand that it does.

Mr. McNARY. I should like to know. I had an impression—I am not a member of the committee—that it applied to future loans. If so, it seems to me the provision referred to is utterly impracticable.

Mr. FLETCHER. The language is to insert in lieu thereof the following:

After such date, shall not exceed 3½ percent per annum for all interest payable on installment dates occurring within the period of 1 year—

And after that 4 percent.

Mr. BORAH. Mr. President, as I understand, the change which was made in conference in the Wheeler amendment was that the time is limited to 1 year instead of 3 years, as was provided by the amendment?

Mr. FLETCHER. It limits the 3½-percent rate to 1 year; and then the rate is to be 4 percent.

Mr. BORAH. The Wheeler amendment provided for a rate of 3½ percent for 3 years. Now the report of the conferees limits it to 3½ percent for 1 year?

Mr. FLETCHER. It limits it to 1 year, and then that is followed by a 2-year period with 4-percent interest. The 3½ percent will apply for 1 year, for 2 years 4 percent, and then the rate will be 4½ percent.

Mr. SMITH. Mr. President, does the 3½-percent rate apply to all loans that have been made up to this date? To what is it applicable? Does the 3½-percent rate apply for only 1 year?

Mr. FLETCHER. It applies on all loans that have been made.

Mr. SMITH. On all loans heretofore made?

Mr. FLETCHER. Yes. I understand that it will probably cost something like \$12,000,000 to the Treasury for the first year, and after that the cost will diminish until the difference is absorbed.

Mr. SMITH. The rate will be 3½ percent for 1 year and 4 percent for 2 years; then the rate will revert to the original?

Mr. FLETCHER. Yes; to 4½ percent.

Mr. MURPHY. Mr. President, when is the lower rate, the 3½-percent rate, to become effective?

Mr. FLETCHER. It is to become effective immediately.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed the bill (S. 2105) to provide for an additional number of cadets at the United States Military Academy with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 6085. An act to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers, and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding \$35,000; and

H. R. 6723. An act to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding \$30,000; and to authorize said town to accept grants of money to aid it in financing any public works.

NAVY DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 7672) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1936, and for other purposes.

The VICE PRESIDENT. The bill is before the Senate and is open to amendment.

Mr. VANDENBERG. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 52, after line 5, it is proposed to insert the following:

No part of any appropriation made by this act or by later acts shall be available for payment to any contractor of the Navy Department who sells, or in any way imparts, to any person not in the employ of such contractor or a subcontractor thereof, any design, plan, patent, machinery, or other equipment used by the Navy Department at any time prior to 5 years after the first use thereof by the Navy Department.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Michigan.

Mr. VANDENBERG. Mr. President, the amendment which I have offered speaks for itself. It is the first amendment which grows out of the investigation and disclosures of the inquiry of the special Munitions Committee. The able Senator from North Dakota [Mr. Nye] yesterday laid the full foundation for this amendment, and there is very little that I need to add except to call the attention of the Senate specifically to what we are seeking to do.

Mr. President, we found in the course of our investigations that there is a general, world-wide trafficking in the designs and improvements which are made in our own naval equipment. This grows out of the fact that the Navy Department, in the first instance, must depend upon a private manufacturer to produce a given device or mechanism or equipment, and thereupon the contractor proceeds into the world market with the same device or mechanism or equipment and thus robs us of any monopoly of value in respect to the article in which the traffic occurs.

Let me illustrate. I think it is particularly interesting to note that in the case of the Electric Boat Co., which is the largest if not the exclusive manufacturer of submarines for the American Navy, the design for submarines used by the American Navy became the property of a firm of manufacturers in Austria, and from Austria it passed into Germany; so that, in all human probability, the submarine whence came the torpedo which sank the *Lusitania* was built according to designs which were originated in the United States primarily for the benefit of the American Navy.

Supporting that contention is the post-war fact that the Electric Boat Co. was apparently so convinced that its designs, namely, the American designs, were the ones which had been used by Germany in the fashion I have indicated, that after the war they undertook to sue the German Government for \$17,000,000 for infringement upon their patent. That is one interesting exhibit.

I content myself with one other of the more recent exhibits. According to the testimony in the printed hearings—and I call the attention of the Senate to part I of those hearings, held on September 4, 5, and 6, 1934, with the Electric Boat Co. officials as witnesses—the designs and patents of the Electric Boat Co., which I remind the Senate are in essence the American Navy's designs and patents, are available to Vickers, the great munitions-producing plant in England, and from Vickers, in turn, they are available in Japan to Vickers' manufacturing agents in Japan. I do not identify those particular countries with any invidious purpose nor with any intention to single them out. I am merely illustrating the fact that under the existing arrangement or relationship there is practically nothing of primary value to the American Navy which is manufactured by private contractors which does not within a very short time become available to the whole wide world.

It does not stop at that point, Mr. President. Not only are these designs available, not only are these improvements available, for world-wide merchandising, but we confront the contemplation that there is an organized salesmanship campaign, often approved, often encouraged by the Navy Department itself, in the world-wide sale of equipment and designs.

The Senator from North Dakota presented several examples of that rather amazing practice, as it seems to me, and described in some detail the circumstances of an American cruiser being sent into the port of Constantinople for the purpose of demonstrating a new improvement in respect to gun mechanism for the purpose of impressing the Turkish Government with its value, so that the Turkish Government could become a customer of the American producer of that particular equipment.

The hearings are full of examples of similar efforts at salesmanship, particularly in South America. It seemed to the Munitions Committee, and I am speaking the emphatic mind of the entire committee without division, that the most elementary prudence calls for some degree of insistent protection against this type of operation, against this sort of world-wide merchandising in the values which are presumed to be inherent in the American Navy.

To me it is a strange sort of logic that we should spend vast sums of money upon the development of a superior Navy, which we like to believe has advantages superior to those of the navy of any other nation in the world; and at the same time proceed to make it possible for all the rest of the world to enjoy many of the same advantages to obtain which we are paying vast sums in behalf our own Navy. It seems to me such a system helps to destroy the utility and the effectiveness of that which we do for ourselves. In other words, it reduces our naval defenses from a defense status to a commercial merchandising status. I do not believe any Member of the Senate wants to do that.

I have not risen in fundamental opposition to the pending bill. I substantially concur in many of the statements which were made yesterday by the able Senator from North Dakota [Mr. Nye]. But until we are able by international agreement to procure a reasonable reduction in armaments by all the nations of the world, I shall not be a party to

undertaking disarmament by mere American example, because I am profoundly convinced that unshared idealism is very much of a menace.

While we are continuing to confront the necessity of building a competitive Navy, I submit that some of the amendments which will be offered in connection with the pending bill, of which this is the first and which is typical of the others, should be written into the bill by way of limitation upon the expenditure of the funds appropriated. The language of the amendment is clearly and distinctly in the form of a limitation upon the appropriation. It is a limitation and nothing else. I submit that the limitation is justified and supported and sustained, not only by logic of the disclosures before the special munitions committee but by elementary prudence and common sense.

Mr. BYRNES. Mr. President, many Members of the Senate may be in accord with the object sought to be accomplished by the amendment of the Senator from Michigan, but it is certain that it cannot be accomplished by his amendment. It seeks to prohibit a contractor, who now has a contract for the construction of a ship, from selling, at any time within 5 years from now, any design, plan, patent, or machinery. It seeks to do that by providing that no part of the funds available this year shall be used to pay on such a contract. Manifestly that could not be done, because the contract provides for the payment of the money. Under the contract, when the payments are due, the payments must be made. This prohibition would run for 5 years. It could be accomplished only by legislation which would make criminal the doing of the thing which the amendment seeks to prohibit, or by providing in general legislation that hereafter no contract shall be entered into which does not contain certain provisions. Under the amendment it could not possibly be accomplished.

I make the point of order that the amendment is general legislation on an appropriation bill, particularly because of the language that—

No part of any appropriation made by this act or by later act shall be available for payment on a contract of the Navy Department.

Mr. BONE rose.

The VICE PRESIDENT. Does the Senator from Washington desire to discuss the amendment?

Mr. BONE. That was my intention.

The VICE PRESIDENT. The Chair will be glad to hear the Senator, although he has examined the amendment and has examined paragraph 4 of rule XVI, which relates to such amendments.

Mr. BONE. I do not care to discuss the rule or its application to the amendment. I wish to discuss the amendment tendered by the Senator from Michigan; but if the Chair desires to rule, I am willing he shall do so.

The VICE PRESIDENT. The Chair is ready to rule.

Mr. BYRNES. Mr. President, if the Senator desires me to withdraw the point of order temporarily to enable him to discuss the amendment, I am willing to do so.

Mr. BONE. No, Mr. President. Let me frankly say to the Chair that there would be no logic in discussing the amendment if it is entirely out of order. I would be wasting the time of the Chair, of the Senate, and of myself as well.

The VICE PRESIDENT. The Chair has examined the amendment of the Senator from Michigan and calls the attention of the Senator from Michigan to paragraph 4 of rule 16, which provides that "no amendment which proposes general legislation shall be received to any general appropriation bill." The Chair thinks this is undoubtedly general legislation on an appropriation bill, and the point of order is sustained.

Mr. VANDENBERG. Mr. President, I offer a further amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 52, in line 4, it is proposed to strike out the period and insert in lieu thereof a colon and the following:

Provided further, That no contract for the construction of a vessel shall be entered into by the Navy Department, and no

contract for the construction of a vessel once entered into by the Navy Department shall be modified, without the approval of the Comptroller General.

Mr. VANDENBERG. Mr. President, it seems to me this amendment is clearly a limitation within the rule. It deals with the creation of protection in respect to the expenditure of funds which are appropriated.

At the present time, if I understand the situation, the Navy Department is one of few departments, if not the only department, which is free of the supervision of the Comptroller General in respect to these contractual obligations and the integrity of obligations involved.

The Munitions Committee has been unable to find where the Navy Department ever enforced any of the penalty clauses against a shipbuilder. It makes no difference what the situation may be in respect to delays in construction or in failure to meet the essential speed test or any other contractual obligation; so far as we are able to determine, the Navy Department has never yet enforced the monetary penalty which is involved in respect to these obligations.

It is our feeling, after a very searching scrutiny of the record—and again I think I speak for the entire Munitions Committee—that it is highly desirable from the standpoint of the public welfare that these contracts should be within the jurisdiction of the Comptroller General, and that his authority, as it extends to practically every other contractual obligation of the Government, should be extended to the contractual obligations of the Navy Department.

Therefore the amendment simply provides in the form of a limitation, I repeat, that no contract for the construction of a vessel shall be entered into by the Navy Department, and no contract for the construction of a vessel once entered into by the Navy Department shall be modified, without the approval of the Comptroller General.

The Chair has ruled that the previous amendment submitted was not in order because it was general legislation upon an appropriation bill. If a point of order is to be made against this amendment based upon the same theory, I urge that there is a sharp distinction between this amendment and the other one. While I felt that the other amendment could justify itself within the rules, I feel very profoundly that this amendment obviously lies within the rules.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Minnesota?

Mr. VANDENBERG. I yield.

Mr. SHIPSTEAD. Does the Senator say that all the money spent for naval vessels is not checked by the Comptroller General?

Mr. VANDENBERG. I mean that the Comptroller General has no authority whatever over naval contracts, and that they are the only Government contracts, so far as my information goes, which leave within the Department itself the determination of breaches, the assessment of penalties, and the defense of the integrity of the contracts.

Mr. CLARK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. VANDENBERG. I do.

Mr. CLARK. The Senator may have gone over this portion of the matter while I was temporarily out of the Chamber; but I do not think it can be too often repeated, as showing the very great necessity for having the Comptroller General pass on naval contracts, that it was shown in evidence before the Munitions Committee that in the case of a certain contract for the construction of naval vessels during the World War, and immediately thereafter, the contract was so loosely drawn by the Navy Department—and the testimony was that the contract had been drawn by the Navy Department itself, not negotiated between the Navy Department and the shipbuilder—the contract was so loosely drawn that the Navy Department had obligated itself to pay for the construction of these vessels on a cost-plus basis, and that the contention was seriously made by the shipbuilding company, and, in my judgment, justly made under the terms of the contract, that the cost-plus arrangement included not only the ordinary elements entering into

the cost but also taxes as well; so that if the Government itself assessed a tax of a million dollars, let us say, against the shipbuilder during that period, the Government not only did not get the money but it had to pay the shipbuilder an extra premium of 10 percent, or \$100,000, for having assessed the tax.

It seems to me such a contract as that is abundant reason why the Comptroller General should have jurisdiction over this subject.

Mr. VANDENBERG. I thank the Senator for his exhibit. I distinctly recall the amazement with which we confronted this particular contract—a contract in which the Navy Department actually invited the New York Shipbuilding Co., in connection with a cost-plus contract, to include its income taxes within the costs and then to be paid a 10-percent profit upon the reimbursement of its own taxation. The Senator from Missouri is quite right. That is an excellent demonstration of the need for some sort of collateral supervision in respect to these contracts.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. VANDENBERG. I yield to the Senator from Missouri.

Mr. CLARK. The Senator will also recall another instance which was developed in evidence before our committee, in which it appeared that the Government was not only required to pay several thousand dollars for wines, liquors, and cigars, as the itemization was, used on the trial trips of various naval vessels, but, under the terms of the same contract, it was also required to pay a premium of 10 percent on the wines, liquors, and cigars consumed by the guests of the shipbuilding company.

Mr. VANDENBERG. Yes; and I may add, although I have not the immediate reference before me, that upon one occasion the Comptroller General warned the Navy Department to discontinue certain practices in respect to purchases, and, so far as we could discover, the correction never yet has been made.

Mr. SHIPSTEAD. Mr. President, if the Senator will yield, if this amendment should be held out of order, it seems to me the present arrangement is such an outrageous one that if the point of order should be overruled by a vote of the Senate we ought to be able to get the amendment into the bill. I cannot find words to express my amazement that all these contracts in the Navy Department, running into the hundreds of millions of dollars, are not checked by the Comptroller General.

Mr. VANDENBERG. There is no check in respect to the assessment of penalties and the integrity of the fulfillment of the contracts. I thank the Senator from Minnesota for suggesting that the Senate might be willing to override the Chair in the event the Chair should find the amendment out of order; but I know what great respect the Senate has for the judgment of the Chair, and I should hesitate to hazard the integrity of the amendment itself upon an effort to obtain the Senate's consent to disagree with the Chair.

Mr. SHIPSTEAD. Mr. President, will the Senator further yield?

Mr. VANDENBERG. Yes.

Mr. SHIPSTEAD. I cast no reflection on the Vice President.

Mr. VANDENBERG. Of course the Senator did not.

Mr. SHIPSTEAD. I made the suggestion to show that I should go to almost any length to have this amendment adopted in the bill.

Mr. VANDENBERG. I thank the Senator for his cordial support.

Mr. SHIPSTEAD. And I do not see how I could go any further, or show any more extreme desire to have the amendment adopted, than the suggestion that we override whatever ruling the Chair may make.

Mr. VANDENBERG. I think the Senator is correct. Any dissent from the Vice President is the last demonstration of anxiety to pass the proposed legislation.

Mr. BYRNES. Mr. President, I make the point of order against the amendment on the ground that it is general legislation upon a general appropriation bill.

As the Senator from Michigan [Mr. VANDENBERG] has stated, under the present law the Secretary of the Navy has authority to enter into contracts. The law also provides that there can be an appeal from the decision of the Secretary of the Navy. What the amendment seeks to do, however, is to place upon another official of the Government the duty, which is not now devolved upon him, of passing upon the contracts before they are entered into. That is the object of the amendment.

Upon the merits much may be said upon both sides. For that reason the amendment ought to be presented for consideration to the Naval Affairs Committee, where it can be considered, and, if action is to be had, it can be had in a way that will accomplish the results which the members of the Munitions Inquiry Committee have in mind. Certainly, however, there can be no doubt that, where an amendment offered as a limitation devolves upon an official of the Government duties not now devolved upon him, it is legislation, and therefore is out of order on an appropriation bill. That has been the universal construction of the limitation in the House of Representatives and in this body.

The VICE PRESIDENT. Let the Chair say for the benefit of the Members of the Senate, as well as the RECORD, that while he was a Member of another body, and had occasion a number of times to preside over the Committee of the Whole, and later on over the House itself, he was called upon to rule upon many amendments which appealed very much to the Chair. He would have liked to see them become part of the pending legislation; but as it was then the duty of the presiding officer to interpret the rules of the House of Representatives, as it is now his duty to interpret the rules of the Senate, he sometimes found himself in a position where he was compelled to sustain points of order against amendments for which otherwise he himself would have voted.

The Chair desires to have the clerk read a ruling rendered in the House of Representatives by an able parliamentarian, Mr. LEHLBACH, confirming an earlier ruling by Mr. Crisp, of Georgia. The Chair will ask the clerk to read the ruling, which also applies to this particular amendment.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES,

January 7, 1929.

The House had under consideration the Treasury and Post Office appropriation bill, when Mr. BYRNES, of Tennessee, offered an amendment inserting in a section the following:

"Provided, That no part of the appropriation herein made shall be available for paying any tax refund in excess of \$75,000 which has not been approved by the Joint Committee on Internal Revenue Taxation."

Mr. Anthony made a point of order that the amendment would require the approval of the joint committee and was contrary to existing law.

After debate, the Chairman, Mr. LEHLBACH, sustained the point of order, saying:

"It is a well-known rule of the House that amendments which limit expenditures of money appropriated for a general purpose by excluding some specific purpose embraced in the general purpose are in order, but the rule is clear that such limitation to be in order must simply forbid the use of the money for a certain given purpose. It is the rule that anything carrying an affirmative, substantive change in existing law, that limits the functions or jurisdiction of an executive officer so drastically as to constitute a change of policy, or that imposes upon a governmental agency new duties not imposed upon it by law, is beyond the definition of a limitation and is, therefore, not in order."

"The amendment under consideration provides that no tax refunds shall be paid by the Treasury Department in excess of \$75,000 which have not been approved by the Joint Committee on Internal Revenue Taxation. In the first place, ever since the existing income-tax law has been in force the Treasury Department has had full discretion in making refunds where it was found that taxes had been improperly paid. To subject that function to the review of another body which has not at present that function is new legislation, involving an important change of policy, and is such a limitation on existing rights and powers of the Secretary of the Treasury as to constitute new legislation."

"The point that remains, which is governing, in the mind of the Chair, is that it imposes upon the Joint Committee on Internal Revenue Taxation a function that is not now imposed upon

it by law, and this incumbent of the chair has repeatedly held that such imposition of new duties, in the guise of a limitation, is not in order. The Chair will cite but one precedent and that precedent, the Chair thinks, will be given weight by every Member of this House because of the person who handed down the decision, a person who is still a Member of this House and one whose knowledge of parliamentary law and whose clarity in expounding it is unquestioned. I read from a decision rendered by the gentleman from Georgia [Mr. Crisp] in the Sixty-fourth Congress, on March 11, 1916:

"But such limitations must not give affirmative directions and must not impose new duties upon an executive officer of the Government."

"Now, whether it is an executive officer or a legislative body, an agency of the Government must not, in the form of a limitation, have imposed new duties. Therefore, the amendment is held out of order." (CONGRESSIONAL RECORD, Jan. 7, 1929, pp. 1315, 1316.)

The VICE PRESIDENT. The Chair may say, for the benefit of the RECORD, that he was very much in favor of the amendment which was offered in the House of Representatives at that time. He was a member of the joint committee, and wanted an opportunity to function; but he could not get it.

The Chair sustains the point of order.

Mr. VANDENBERG. Mr. President, I realize the entire good faith in which the Chair rules, of course. The Chair is ruling on the technical necessities which he confronts. I do not understand that the Chair is ruling that it is against the rules of the Senate to try to prevent collusion among shipbuilders.

The VICE PRESIDENT. The Senator is correct about that.

Mr. VANDENBERG. Or that it is against the rules of the Senate to try in some simple degree to protect the integrity of these amazingly large expenditures in behalf of the Navy.

The VICE PRESIDENT. The Senator is again correct.

Mr. VANDENBERG. I thank the Chair. I was sure we were in substantial agreement. The Chair's excellent judgment, as indicated by his response to the last two observations, leads me to believe that he may have been right when he ruled on the point of order.

I wish to say, however, before leaving the matter, that I cannot believe that the Senate will reject independent legislation when it shall be offered in respect not only to the two propositions which I have submitted this afternoon but in respect to several other propositions which have been prepared for submission as amendments to the pending bill, but which I apprehend will meet the same fate, under the rules, which the other two amendments have met.

Mr. BYRNES. Mr. President—

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Michigan yield to the Senator from South Carolina?

Mr. VANDENBERG. I yield.

Mr. BYRNES. I may say to the Senator from Michigan that there are a number of matters which have been discussed by the Senator from Michigan, and by other members of his committee, which I am sure the committee will present in legislative form for consideration by a legislative committee, and I think consideration ought to be given to them at this session. The subjects can then be investigated, and whatever legislation is deemed wise can be enacted.

But I think the Senator from Michigan will agree that, so far as it is possible, we should observe the rule prohibiting general legislation on appropriation bills. That is why I have made the points of order as to the two amendments.

Mr. CLARK. Mr. President, will the Senator from Michigan yield?

Mr. VANDENBERG. I yield.

Mr. CLARK. I agree fully with what the Senator from South Carolina has said about the desirability of preserving the rule. On the other hand, Mr. President, we have a very unusual situation presented by the pending bill. As I see it, it is proposed that we squander an unprecedentedly large sum of money in peace time through this astounding naval-building program. It seems to me that when it is proposed

that money shall be squandered in that fashion, every safeguard should be thrown around the making of the contracts, not next month, not next year, not next week, but when we are appropriating the money.

Mr. BYRNES. Mr. President, will the Senator from Michigan yield to me again?

Mr. VANDENBERG. I yield.

Mr. BYRNES. I think the Senator from Missouri will agree with me that no one has been urging more than has he that the Appropriations Committee should not report appropriation bills containing general legislation, his contention being that that is an unwise policy.

Mr. CLARK. If the Senator from Michigan will permit just one more interruption, I thoroughly agree with the reason for the rule, and I think it is well-nigh universally respected, but I do say that in this particular situation, with a stupendous appropriation such as is proposed in this bill, with the conditions lending themselves to collusion, as has been abundantly proven before the Munitions Committee, it seems to me it is a proper situation in which the Senate should suspend the very salutary rule which we ordinarily apply.

Mr. VANDENBERG. Mr. President, I heartily concur in the last observation submitted by the Senator from Missouri. I am not clear that I agree that we are justified in saying that the pending bill is squandering money, considering the condition in which the United States finds itself in respect to the situation in the world at the present time.

I desire again to make it clear that I am not rising in fundamental opposition to the bill, but it seems to me that, as the Senator from Missouri indicates, we ought to provide ourselves with every possible rational safeguard when once we have been put upon notice as to what is happening in respect to these expenditures.

The Senator from North Dakota [Mr. Nye] will necessarily be absent from the Chamber for perhaps another hour. He has an amendment which he desires to submit to the Senate bearing directly upon the question of collusion, and I think I can best illustrate what I am trying to say in respect to the necessity for protection by a word or two in anticipation of his proposal against collusion.

We find, when we examine into the mechanics of bidding upon naval vessels—and I hope I may have the attention of the Senator from South Carolina at this point, because I know he will find himself challenged by this contemplation—when we examine into the bidding on the building of cruisers under the naval building program, we find that the bids are amazingly similar in amount, and that awards at greatly increased prices are made to precisely those contractors who have been prophesied in advance as the probable beneficiaries of the bidding. When we examine into the mechanics of the bidding, we find that when a contractor bids in good faith, for the purpose of submitting a bid upon which he is willing and anxious to procure contracts, a pile of papers a foot high is necessary to accommodate the information absolutely necessary as a prerequisite to a legitimate and intelligent bid. On the other hand, we find in the same competitions bids submitted by other shipbuilders with not over 4, 5, or 6 papers, and the frank admission is made by the estimators themselves that a bid made upon one of those inadequate and incomplete estimates is not a good-faith bid, but is what they call a "protective bid."

Mr. President, before the 1934 cruiser contracts were let, when the bids had been submitted, they were so amazingly high compared with the bids upon precisely the same type of ships the year before that the able Senator from Florida [Mr. TRAMMELL], the Chairman of the Senate Committee on Naval Affairs, addressed a letter to the Secretary of the Navy calling his attention to the great increase in the bids for the 1934 cruisers over the bids of the year previous. I am happy that the Senator from Florida is doing me the honor to listen to me; he can correct me if I am wrong. He urged that obviously, in the face of the size and the nature and the type of the bidding, there probably was something rotten in Denmark. He asked that the bids be held up until an inquiry

could satisfy the Navy Department as to the integrity of the situation.

The Senator from Florida did not have the information at that time which the Munitions Committee subsequently obtained. The Senator from Florida did not have the benefit of the exhibits which we subsequently secured, showing how part of this bidding was done upon legitimate estimates and the other part was just protective bidding, done upon no estimates at all; exhibits which absolutely justified, in a post-mortem way, the challenge which the Senator from Florida laid at the door of the Secretary of the Navy.

What happened? Within about 6 days the Navy Department replied by letter to the Chairman of the Senate Committee on Naval Affairs that they had run down the stories about alleged collusion, and had found that they were just gossip emanating from one particular source, and that they were perfectly satisfied that the bidding was all right.

Mr. President, the point at issue was not whether some Washington gossipers were loose-tongued about what was being done in respect to these naval bids; the point at issue was whether or not the Government was about to be required to pay for cruisers several million dollars more than it ought to pay in the face of the bids of the previous year, plus the legitimate increase in the cost of production during the subsequent 12 months.

The contracts were let in spite of the protest of the Senator from Florida [Mr. TRAMMELL]; and it was not until a year later, until this spring, that we were able to see what had gone on preceding the filing of those bids.

I am quite conservative in my judgment, Mr. President; I am exceedingly charitable in ever questioning the motives or good faith of others; I have great respect for some of the gentlemen who are engaged in shipbuilding, and I have a great deal less respect for others; but I am driven to the irresistible conclusion that the naval letting to which the Senator from Florida objected a year and a half ago was a letting based upon collusion, was a letting based upon a meeting of minds between the bidders in which specific allocations were made to the contractors who were to get the particular jobs.

Mr. President, I hate to think it may be held to be contrary to the rules of the Senate for us to offer an amendment by way of limitation which shall at least require that upon every bid hereafter submitted in respect to the expenditures under the pending naval appropriation bill every bidder shall be required to furnish the full estimates upon which his bid is based. That simple fact by itself will go far toward protecting the situation I am discussing, because the physical presence of the estimates will demonstrate whether the bids are in good faith; for it happens to be the unanswerable fact that a good-faith bid upon a naval vessel is based upon estimates a foot high, whereas the so-called "protective bids", which in the final analysis are nothing more or less than collusive bids, are based upon a mere pretense of estimates. If the Navy Department can have before it prior to letting these contracts the estimates upon which the bids are made, it will at least have a superficial, *prima facie* basis for assessing the good faith of the bidders themselves.

Mr. TRAMMELL. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. TRAMMELL. I wish to assure the Senator that I am very much gratified that his committee went into the subject which was raised by me in my communication to the Navy Department about a year and a half ago.

I am not familiar with all the details of the evidence which was developed; but I still feel, just as I felt at the time, that if there was any semblance of manipulation, or any combination in bidding and in distributing the contracts among certain groups, it was contrary to the best interests of the Government and of the taxpayers of the United States.

Now that this evidence has been developed, I wish to assure the Senator that I desire heartily to cooperate with him and other members of the committee in an endeavor to secure legislation which will make such conduct less probable in the future. It certainly should be checked and stopped.

Mr. VANDENBERG. I thank the Senator from Florida for his observation and his assurance.

If the Chair shall rule upon all amendments which are submitted that they are legislative, as the Chair thus far has ruled upon two, we shall necessarily embrace the alternative of submitting a legislative bill covering all these various reforms and protections; and, in the natural course of events, that bill will come to the Naval Affairs Committee, headed by the Senator from Florida, who has just spoken. I am glad to contemplate the hospitality with which it obviously will be received.

Mr. BYRNES. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BYRNES. I desire to call the attention of the Senator to the fact that under the pending bill the appropriations will not be available until July 1, and therefore any legislation which may be adopted would control the expenditures provided for in the pending bill.

Mr. VANDENBERG. I realize that, Mr. President; but I also realize that the legislative program from now on is pretty much of a speculation so far as the remainder of the present session is concerned. I think our committee originally would have voluntarily embraced the alternative plan of submitting a piece of complete naval legislation if it had not been for the fact that we have felt that probably, as a matter of cold reality, there was no chance to complete independent legislation at this session; and we could not—and I think I speak for the entire committee—upon our consciences, after having confronted the evidence before our committee for the past 6 months, allow this largest of all naval appropriation bills to pass without at least attempting to procure from the Senate its consent for the immediate and sure protection of the integrity of the Government's welfare in some of the fashions I have been indicating.

Mr. President, I think there is nothing further that I desire to say upon this matter at the moment, but I should like to ask the Senator from South Carolina whether he would feel required to make a point of order against an amendment of this character: An amendment which should merely require, by way of limitation, that all bids hereafter taken upon naval construction under the appropriations in this act must be accompanied by all the estimates upon which those bids are based? Would the Senator feel compelled to raise a point of order against an amendment of that character?

Mr. BYRNES. Mr. President, the Senator from South Carolina, as the Member in charge of this bill, is acting under direction from the Appropriations Committee in making a point of order against any legislation on the bill. I believe an amendment can be offered, accomplishing what the Senator has suggested, which would not be legislation. As the Senator stated the amendment, with the word "hereafter", it would be legislation.

I submit to him that if he should offer an amendment saying—

No part of the funds herein appropriated shall be available to pay a contractor upon any contract entered into under authority of this act unless, at the time of filing his bid, he shall also file the estimates upon which such bid was based.

In my opinion, that would be a limitation; it would not be legislation, and I should not make a point of order against it.

Mr. VANDENBERG. Will the Senator permit me to offer the amendment which he has just read?

Mr. BYRNES. If the Senator from Michigan desires to do so.

Mr. VANDENBERG. I offer that amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to insert, at the proper place in the bill, the following amendment:

No part of the funds herein appropriated shall be available to pay a contractor upon any contract entered into under authority of this act unless, at the time of filing his bid, he shall also file the estimates upon which such bid was based.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, I desire to say just a final word expressing my gratitude to the Senator from South Carolina [Mr. BYRNES] for his cooperation. Nothing I have said this afternoon is intended in any way to reflect upon the Navy itself or the integrity of any officers of the Navy who are dealing with these shipbuilding contracts. I wish to make that very clear. Nothing that I have said is intended to reflect in any way upon the integrity of any naval officer. I think that in many of these instances they are the victims of an almost unescapable system on the outside. I think that so long as the Navy Department lacks a complete bureau or division of design and estimate of its own, it will continue to be pretty much at the mercy of the big Ship Trust, which is composed of the three major manufacturers of the country, and the little trust, which is composed of three or four of the lesser ones.

I thank the Senator from South Carolina for his aid.

Mr. POPE. Mr. President, I desire to offer an amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 52, after the first complete paragraph, it is proposed to insert the following:

That none of the appropriations provided by this act or by later acts shall be available for the expenses of any naval missions to foreign countries or of any person acting as a teacher or instructor in foreign countries.

Mr. POPE. Mr. President, it developed during the hearings before the Munitions Committee that a number of times in past years our Government sent naval commissions to South America and sent instructors to China and other foreign countries. The evidence also shows that as a result of this action these missions which were sent favored, or at least their efforts resulted in favoring, our own munitions makers. For instance, a mission was sent to Brazil, and it appeared that in the course of the instruction which was given by the mission and the various policies pursued there, they also interested themselves in behalf of the armament makers of this country in the sale of material.

It also appeared with reference to one of the missions that in Peru certain guns were recommended on behalf of one of the munitions makers of this country, and at the same time, or very shortly after, one of our own employees in the Navy, while he was a regular naval officer, acted as instructor in Colombia. This particular naval officer was drawing his regular pay from the United States Navy, was at the same time cooperating with a munitions maker who was selling the guns, and at the same time was receiving a salary from the State of Colombia. It brought about a source of friction between Colombia and Peru. We had a mission which recommended certain defenses in Peru and at the same time an official of our Government was recommending certain guns for Colombia. As a result of that situation it seems to me the mission was a failure, except as its members were acting as agents for munitions makers. It is a policy which can accomplish no good, so far as our Government is concerned.

Mr. BYRNES. Mr. President, I make the point of order against the amendment on the ground that it provides that none of the appropriation provided by this act or by later acts, and so forth. It would affect other appropriation bills and other legislation and is not a limitation upon the expenditure of funds appropriated under this bill. Therefore, it is legislation upon an appropriation bill.

Mr. POPE. Mr. President, would the Senator object if I should modify the amendment by striking out the reference to later acts?

Mr. BYRNES. I shall be very frank with the Senator. I do object to it, but I admit that, in my opinion, it would not then be subject to a point of order.

Mr. POPE. Very well. I modify the amendment by striking out the words referred to by the Senator from South Carolina, "or by later acts."

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The PRESIDING OFFICER. The Senator from Idaho modifies his amendment by striking out in line 2 the words "or by later acts." The question is on the amendment as modified.

Mr. BYRNES. Mr. President, under the law which was approved May 19, 1926, the President of the United States is authorized, upon application from foreign governments and whenever in his discretion the public interest renders such a course advisable, to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the republics of North, Central, and South America, Cuba, Haiti, and Santo Domingo. This policy has been followed, and even if in some instance some individual whom the Senator from Idaho evidently has in mind has committed some wrongful act, I do not believe we should depart from a policy which was deliberately adopted by the Government, and fail to provide funds to carry out the purposes of that law.

Other governments comply with requests coming from these friendly nations. It simply would be placing us in a position of not being able to do that which other governments are doing without any objection from any source. I do not believe the action of some one individual should induce us to change the policy of the Government and in this manner repeal the existing law.

I hope, therefore, the amendment will not be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho, as modified.

The amendment, as modified, was rejected.

Mr. BONE. Mr. President, yesterday I submitted two amendments which were ordered to be printed and lie on the table. I desire to offer them at this time. I presume the Senator from South Carolina is familiar with the amendments.

Mr. BYRNES. No; I am not familiar with them.

The PRESIDING OFFICER. The Senator from Washington offers an amendment, which will be read.

The LEGISLATIVE CLERK. On page 43, line 6, after "\$500", it is proposed to insert a colon and the following:

Provided further, That not less than 25 percent of each succeeding lot of aircraft, including the engines for such aircraft, the procurement of which is authorized by this act and hereafter undertaken, shall be constructed and/or manufactured in Government aircraft factories and/or other plants or factories owned and operated by the United States Government.

The foregoing proviso is subject to the further condition that if it shall be determined by the President that present plants, factories, and equipment owned and operated by the Government are not such as to permit the construction and/or manufacture of the said aircraft and/or engines in such Government plants and factories in the proportions therein specified and required, then and in that event the President may by proclamation suspend such requirement in whole or in part, to the extent that capacity in such plants, factories, and equipment is insufficient to meet such requirement.

Whenever any such proclamation is made, the President shall, at the opening of the next succeeding session of the Congress, submit to the Congress a detailed estimate of (1) the expansion of existing plants, factories, and facilities owned and operated by the Government, and (2) the increase in personnel required to operate the same, necessary for the meeting of the requirement specified in the foregoing proviso. The funds necessary for the enlargement and expansion of existing plants and facilities owned by the Government, for the construction and acquisition by condemnation or otherwise of plants, factories, facilities, and equipment, for the construction and manufacture of naval aircraft, and for the personnel required to operate the same, are hereby authorized to be appropriated.

Mr. BYRNES. Mr. President, I desire to make the point of order against the amendment; but I will reserve it if the Senator from Washington desires to address the Senate.

The PRESIDING OFFICER. The Senator from South Carolina indicates his purpose to make the point of order against the amendment, but he will reserve it if the Senator from Washington desires to speak upon his amendment.

Mr. BONE. Mr. President, I had hoped that at least I should not invite the parliamentary thunderbolts of the Senator from South Carolina, and that this amendment would not come under the ban of the Senate rule.

This amendment is similar in character to one which was adopted last year, when the so-called "Vinson naval bill"

went through the Senate. It will be recalled—and, if my memory serves me aright, I think the amendment was adopted on the floor of the Senate—that it provided for building 25 percent of naval airplanes in Government-owned factories, or factories to be subsequently acquired, or, if not through that process, by the expansion, as rapidly as possible, of the facilities then owned by the Government. As a result of the adoption of that amendment, the Government-owned airplane factory at Philadelphia has been expanded and is now producing some airplanes.

The bill went to conference, and there was modified in respect to the airplane provision by providing, in language somewhat similar to that of this amendment, that the Government should manufacture not to exceed 10 percent of its airplanes. This amendment, as I have indicated, is much less drastic than the one which was adopted from the floor last year.

I shall content myself by saying I am sorry all the Members of the Senate could not have been privileged to attend the hearings of the Munitions Committee of this body. It has been my good pleasure to serve with the able Members who were appointed by the Vice President to compose that committee; and upon a number of occasions the Senate has heard them discuss from this floor some of the evidence which was adduced at the hearings.

The Senator from Minnesota [Mr. SHIPSTEAD] said a moment ago that he was amazed beyond measure at a statement made by the Senator from Michigan [Mr. VANDENBERG]. If that statement, mild as it was, amazed him, the Senator from Minnesota would have suffered a total physical collapse had he been permitted to hear all the testimony produced before the Munitions Committee concerning the contracts which were under discussion by the Senator from Michigan. I am sorry all of the voters of the country could not have heard some of the evidence produced before the committee. I shall confine myself now to just one angle of the matter.

It is probable that the Chair will rule the amendment to be out of order. If so, I desire to have the opportunity later to tender it in the form of legislation, whether it be in an omnibus bill which will include all the amendments proposed by the Senator from Michigan [Mr. VANDENBERG], the Senator from North Dakota [Mr. NYE], and my good friend the Senator from Idaho [Mr. BORAH], or whether they will be tendered in separate bills. I desire the opportunity to offer to the Senate the provisions which are in this amendment if it shall be rejected under the ruling of the Chair; but I wish every voter in the country could have been privileged to sit at the hearings of the Munitions Committee, and to have heard four men who sat in front of the committee and gave testimony concerning the profits in the airplane industry.

I doubt very much if the voters, the people of this country, would feel safe in their homes if they knew that the Government had literally been financially raped in the fashion it was by these gentlemen; and yet, Mr. President, the peculiar thing is that there comes trippingly to the lips of these men, who are the entrepreneurs and the tycoons of big business in this country, denunciation of men in Congress whom they are pleased to call "demagogues" who lift their voices in protest against some of those things.

I quite agree that, perhaps, many intemperate things have been said on the floor of Congress; but those were mere utterances. Here, however, are acts which are so grossly intemperate as to threaten not only decent business practices but, were they widely known, to threaten the faith and confidence which millions of people have in their Government; because if the Government can be subjected to that sort of ruthless racketeering, the people are going to lose faith in organized government.

Sometimes I do not wonder why people have lost faith in democracy when these things can go on, these loose practices can be continued. These four men sat in front of the committee and testified that within a period of about 6 years this group, out of private profits realized, in a considerable part, out of the Treasury of the United States, had accumu-

lated and disbursed and paid out profits aggregating 1,142,000 percent.

Most of us have heard about "100-percent Americans", and we have heard about patrioteers and profiteers, and those terms are used rather glibly and interchangeably; but that was the first time in my life I ever saw a man, let alone heard of a man, who naively confessed that he had made over 1,000,000 percent profit. These men were interrogated as to how much of their business was had with the Government, and they testified that it was 30, 40, 50, 60, 80 percent. They were making airplanes that were used by the Navy. Those men by their very conduct, by their unconscionable greed, by their willingness to subordinate and destroy, if you please, all decent standards of business, are inviting every loose-tongued exponent of all sorts of crackpot ideas to find justification for his ideas and for his assaults on this administration and on orderly practices.

Those are things which we have to meet here; and we might as well be honest with ourselves, and try to meet them. It will not do to walk away from them and close our eyes, because if we do we are merely inviting more and more of that sort of business.

I have no objection to a man making a reasonable profit; but I say to this body, to my brethren here, that when it is possible for an outfit under the American flag to make 1,142,000 percent profit out of transactions which are largely involved in their relations with the United States Government in the field of public and governmental activity which we call national defense, the highest and holiest thing under the flag, the time has come for us to make a searching examination into the relations of these men with their Government.

I said yesterday on the floor that if a boy—the boy of any Senator in this body—joined the Army, and in time of war that boy surrendered so much as a dollars' worth of Federal property to the enemy a drumhead court martial might take out that boy and blast his life out of his body; but, strange as it may seem, we permit—and we do it without thinking about it—men to remain at home and take an unconscionable advantage of the Government, pile up monstrous fortunes, compared to which the fortunes of Lydia's ancient kings were but a beggar's patrimony, and we think it is all right; and if a man in this body lifts his voice against it, he is characterized by a certain bob-tailed type of journalist as a demagogue and an enemy of the country.

I say again that I do not wonder that men whose ideas are not sound, are not well-grounded, find an increasing number of people willing to listen to them when men in this body who ought to know better, who ought to have had backbones of iron instead of wishbones, sit here year in and year out and allow this sort of thing to go on.

National defense, in my judgment, ought to be a public function; and the military and naval establishments that produce the munitions of war ought to be publicly owned. They ought to have been years ago. That great function of government ought not to have been committed to the care of private individuals.

There is one pleasant fiction indulged in which I wish to mention before I sit down. I wish to tender one more amendment; and if the Senator from South Carolina cares to object to it, then perhaps it can be considered with the one which I am now discussing.

I wish to refer to one of the polite fictions with which young America is fed. My little fellow at home reads the novels which are sold so freely around and comes to me and says, "Why, daddy, if there is a spy giving away Government secrets, they will put him in jail won't they?"

One of the pleasant bits of fiction that is indulged in by gentlemen who profess to talk about our Government's activities is that if Government secrets are disclosed to a foreign power something direful is going to happen to the man who gives them away. We have been privileged to hear the able Senator from Michigan [Mr. VANDENBERG], the Senator from North Dakota [Mr. NYE], and other Senators who served on the Munitions Committee tell us from the floor of the Senate that the private enterprises which are building munitions

of war for this Government and making vast profits out of them have freely exchanged Government military and naval secrets with foreign powers; and from this very floor I have heard references, untoward and unhappy references, to possible complications with a country in the Orient and with European countries. Yet the revelations before the Munitions Committee of the Senate have indicated that these secrets which we think belong to this Government—your Government and my Government, Mr. President—the military secrets which my little fellow and all the millions of little boys in this country are reading about as high and holy secrets of the Government, secrets preserved to protect the Government in its hour of peril—those very military secrets have been freely exchanged by these private corporations with other private corporations of a similar character in other countries. They have gone through Vickers in England, and then from Vickers through their affiliated and allied companies into the files of Mitsubishi in Japan; they have gone to Schneider-Creusot and to Krupps and Skoda and down into Turkey. These military secrets, about which we hear so much, the betrayal of which will put a man in jail, are given away by the gentlemen who have military contracts and naval contracts with the United States Government.

The Senator from Michigan said this morning that it was quite conceivable that the submarine which fired the torpedo which destroyed the *Lusitania* and sent people to a watery grave, and, what was infinitely more horrible, was one of the motivating and activating causes of the war, led us into the war, and indirectly caused all the debate this morning over the bonus—that that submarine was built probably under an American patent. That is why I am so sorry that the rule was invoked against the amendment tendered by the able Senator from Michigan. American patents were being used to implement the military and naval machinery of a country that was fighting us, a country which we denounced, which everybody denounced, for 2 long years. American patents, supplied by private American munitions factories, went into those countries, and are going into them now.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. CLARK. The Senator will recall that testimony before the Munitions Committee disclosed that a claim on behalf of the Electric Boat Co., which controls all the submarine patents, practically, in this country, was filed before the Mixed Claims Commission, to the effect that every one of the submarines the use of which in the war was alleged by the United States as the action which led up to its entering the war was an infringement of their patents, for which they had granted licenses, however, both in Austria and Germany before the war. It was the testimony before the committee that their contention before the Mixed Claims Commission failed only because the Germans had carefully destroyed the plans of the vessels, so that it was impossible to establish the identity of the vessels. It was their contention that the whole submarine warfare was bottomed on the sale of American inventions and munitions abroad.

Mr. BONE. Mr. President, my good friend the Senator from Missouri is absolutely correct. One of the startling things is the ability of my friends who have served on this committee to restrain themselves in their utterances, because the tales that were unfolded before the committee were so startling, so bizarre, so weird, they presented such a picture of abysmal disregard of the rules of common decency which are supposed to apply to international relationship, or certainly to guide men in their individual conduct, as to leave an imprint on the minds of those who heard them which probably never will be eradicated. These munition makers, these private operators, were not citizens of the United States, or of England, or of Germany, or of France. They were supercitizens. They were above any country. They sold their wares hither and yon, and made contracts which tied them together all over the world in one gigantic network. What was America to them? Precisely nothing.

I shall tender another amendment. I think the Senator from South Carolina has the previous amendment. I should

like to have the clerk report the amendment, but I should like to say a word before he reads it.

The second amendment is one I tendered last year as a proposed amendment to the Vinson naval bill. It is a declaration of policy. It has to do with the settlement which I think should be accomplished now of the question of the policy of this Government in the future—whether this Government is to continue to allow itself to be milked by men whose conduct is a reproach to private ownership, who, if they continue to put over this ragged sort of practice in which they have indulged, are going to discredit the whole theory of private ownership.

Sometimes I find myself thinking that the very best friends of those in this country who believe in public ownership, the most ardent exponents of that doctrine, although they do not know it, are those men who cling so rigorously to their loyalty to private ownership and yet at the same time do what some of these men have done in connection with the war contracts.

They furnish more cogent arguments than one could think of in a million years. They damn and indict their own system by their gross indifference to the rules of common decency. There perhaps would not be any demand for public ownership in any of these fields were it not for the gross disregard of the rules of common decency indulged in by these people. They see a chance to make dollars, dollars, dollars, and finally they get to the point where they do not care what they do. Out the window go codes of ethics. What do they care, so long as they can pile up fortunes?

In the course of events, under God's own providence, it is a good thing. All things that are wrong tend to destroy themselves, and there are no arguments I could make in favor of the Government making its own munitions of war that would be half so effective as the ones these shipbuilders have made, as those the powder companies have made.

I thank God they have made this record, a record they will never be able to wipe away. Nothing any of us might say on the floor of the Senate urging Uncle Sam to become self-sufficient in war could be half so effective as the argument that is made by these people, the argument which now appears in cold type. One little handful of those men made 1,142,000 percent profit out of this Government and out of its citizens in 5 or 6 years. That argument cannot be answered. There is no man on this floor who can find words in the English language which will enable him to answer it. Let that sort of argument be made to people who are hungry, and to people who are losing their homes in this country, by this little handful of fellows who sold airplane engines to this Government and piled up that sort of a fortune in a few years.

The provision which I have offered is merely a statement of public policy. It reads, as a supplement to the language of the act:

It being the intent and purpose of such acts—

That is, referring to the acts which are referred to in the bill itself—

that the Government shall, insofar as practicable, develop its navy yards, arsenals, and other plants and facilities to the end that it may—“(a) at all times hereafter be able to construct, maintain, and repair its authorized vessels and naval equipment; (b) as speedily as possible become self-sufficient in time of war; and (c) insofar as may be possible, eliminate private profit in war and in the preparation thereof.”

I say this applies only to the implements of war and those articles which are used for actual combat purposes. It does not have anything to do with thread, food, or anything else, but merely with the instrumentalities of active combat.

Mr. BYRNES. Mr. President, I raise the point of order that the amendment would be legislation upon an appropriation bill.

The act of March 27, 1934, provided:

That not less than 10 percent of the aircraft, including the engines therefor, the procurement of which is authorized by this act and hereafter undertaken, shall be constructed and/or manufactured in Government aircraft factories—

And so forth.

The amendment of the Senator from Washington, as he explained it, has for its purpose the repeal of the existing law, and the substitution in lieu thereof of a provision that not less than 25 percent of each succeeding lot of aircraft shall be constructed and manufactured in Government aircraft factories.

Mr. BONE. Mr. President, will the Senator yield?

Mr. BYRNES. I yield.

Mr. BONE. I do not so understand. My amendment is proposed, not to repeal the other law, but merely to provide that 25 percent of the airplanes shall be built in Government aircraft factories. It does not attempt to repeal the other provision of law. It simply attaches a provision that 25 percent of the airplanes built under this act shall be built in Government factories.

The PRESIDING OFFICER. It is clearly the opinion of the present occupant of the chair that the amendment constitutes legislation upon an appropriation bill, and is therefore subject to the point of order made by the Senator from South Carolina. The Chair sustains the point of order.

Mr. BYRNES. Mr. President, as to the other amendment which was offered by the Senator from Washington [Mr. BONE], and which is now upon the desk, the Trammell Act, approved March 27, 1934, provides:

That the first and each succeeding alternate vessel of each category, except the 15,000-ton aircraft carrier, upon which work is undertaken, * * * shall be constructed or manufactured in the Government navy yards. * * *

The amendment offered by the Senator from Washington provides a construction of that act, and declares that the purpose of the Trammell Act, and all other acts, is, insofar as possible, to eliminate private profit, not only in war but in preparation therefor. Consequently, it would be a repeal of a provision of the Trammell Act, approved in 1934. Other language contained in the amendment also would be legislation upon an appropriation bill.

The PRESIDING OFFICER. The Chair sustains the point of order, finding that the amendment contemplates legislation upon an appropriation bill.

Mr. CLARK. Mr. President, I offer the amendment which I send to the desk and ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 52, after the first complete paragraph, it is proposed to insert the following:

No part of the appropriations made in this act shall be used for the expenses of any naval maneuvers or war game held outside the territorial waters of the United States, unless the same shall have been first approved by the Secretary of State.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Missouri [Mr. CLARK].

Mr. BYRNES. Mr. President, I make a point of order against the amendment; but shall withhold the point of order if the Senator desires to discuss the amendment.

Mr. CLARK. I concede that the amendment is subject to a point of order if it shall be made. I offer the amendment, not with the hope of having it adopted on this bill but for the purpose of briefly calling attention to what I regard as an extremely dangerous practice which is being indulged in by the naval officers of the Nation.

This is by no means a new practice either by the officers of the American Navy or by the naval officers of any other nation. They habitually, and by preference, undertake to practice their maneuvers and play their war games in waters which might possibly lead to a collision with some other nation.

We had a classical illustration of that a few years ago, when the naval mission to Peru, composed of American naval officers loaned to Peru among other things for the purpose of running their war college, proceeded to go over and put on a war game in the very territory and neighborhood of a place called Leticia, and on the very terrain which was in dispute at that time between Colombia and Peru; and by the mere fact of that war game in that territory they not only almost pre-

cipitated a war between Colombia and Peru but very seriously involved the United States in the troubles of Colombia and Peru.

I undertake to say, Mr. President, that the present naval maneuvers, by which the American Fleet is operating within a few hundred miles of the Japanese coast, is an absolutely unjustifiable gesture which might lead to very serious international complications. We all know that if the situation were reversed, and if the Japanese naval forces were operating close to the territorial boundaries of the United States, it probably would mean a very serious international complication. Certainly the jingo press of this country would herald it from every masthead as an unfriendly act.

As I have said, I freely concede that the amendment is subject to a point of order if the Senator in charge of the bill makes it. I offer the amendment simply for the purpose of calling attention to the fact that under the present practice the Navy Department is, in effect, running the international affairs of our country by being permitted to endanger the peace of the United States.

Mr. BYRNES. Mr. President, I make the point of order that under the existing law the Secretary of the Navy can determine where the maneuvers shall be held. The amendment would place upon the Secretary of State a duty which is not now placed upon him by law.

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. CLARK. Mr. President, I offer another amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 52, it is proposed to insert the following:

No part of the appropriations made in this act shall be used for the salary or pay of any naval officer or of any official or employee of the Navy Department who shall make any public statement as to the policy of the United States in international affairs or its relation with foreign countries unless such statement is first approved by the Secretary of State.

Mr. BYRNES. Mr. President, I should make the point of order against that amendment; but I understand the Senator wishes to discuss it, so I withhold making the point of order until he shall have discussed the amendment.

Mr. CLARK. Mr. President, I freely concede that this amendment, like the previous amendment, is subject to a point of order. I offer this amendment, as I offered the preceding one, for the purpose of briefly calling attention to other dangerous practices which for some time have been indulged in by officers of the naval and military services.

I do not think anything more outrageous has taken place in international relations during the past 15 years than the statements of two military officers who appeared before the House Committee on Military Affairs in which they advocated preparations to seize the possessions of friendly powers at the outbreak of war.

If such a thing as that were indulged in by foreigners, it would cause an uprising in this country. Certainly a wave of indignation would sweep the country if the chief of the Japanese air service were to rise in the Japanese Parliament, or appear before a governmental committee in Japan, and advocate preparations to seize air bases in the Philippine Islands or Alaska on the outbreak of any sort of a war, whether or not we should be a party to the war. If he should make such a suggestion, the wave of indignation which would sweep over this country would be something to marvel at. Similarly, if the chief of the French air service or the chief of the British air service had appeared before committees and advocated seizing the property of the United States for the establishment of air bases in the event of the outbreak of any sort of a war, this country would have seethed with indignation, and very properly so.

It is highly to the credit of the President of the United States that he promptly and specifically repudiated the statements of those two high-ranking military officers. However, so far as my information goes, there has been no court martial of those officers; there has been nothing

in the way of new law to prohibit a repetition of such statements; nor is there anything in the statutes or the naval regulations, so far as I am informed, to prevent the recurrence of such a disgraceful incident as took place during the World War, before our entry into it, when Admiral Sims, then a rear admiral of the United States Navy, made a speech at a banquet in London which was properly taken in Germany and countries allied with Germany at that time, when we were supposed to be a neutral, as a violation of our neutrality and a direct declaration of sympathy on the part of the United States with one set of belligerents.

I repeat that while the amendment is subject to the point of order, as I well recognize, the time will come, and I hope the time will come speedily, when the Navy Department and the War Department will not be permitted to conduct the international affairs of the United States and deliberately precipitate conditions which might lead to war.

The PRESIDING OFFICER. The Chair understands the Senator from South Carolina to make a point of order against the amendment?

Mr. BYRNES. Yes; I make the point of order.

The PRESIDING OFFICER. The Chair sustains the point of order.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committee.

(For nominations this day received, see the end of Senate proceedings.)

RECESS

Mr. BYRNES. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 24, 1935, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 23 (legislative day of May 13), 1935

FEDERAL COMMUNICATIONS COMMISSION

Anning S. Prall, of New York, to be a member of the Federal Communications Commission for the term of 7 years from July 1, 1935. (Reappointment.)

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Second Lt. Christian Frederick Dreyer, Coast Artillery Corps (detailed in Quartermaster Corps), with rank from June 10, 1932.

PROMOTIONS IN THE REGULAR ARMY

To be captain

First Lt. Don Gilmore Shingler, Corps of Engineers, from May 17, 1935.

To be first lieutenant

Second Lt. Thomas Lawson Thurlow, Air Corps, from May 17, 1935.

MEDICAL CORPS

To be lieutenant colonels

Maj. Harry Dumont Offutt, Medical Corps, from May 17, 1935.

Maj. George Davies Chunn, Medical Corps, from May 18, 1935.

Maj. Charles Mallon O'Connor, Medical Corps, from May 19, 1935.

Maj. Augustus Benjamin Jones, Medical Corps, from May 20, 1935.

DENTAL CORPS

To be colonels

Lt. Col. Robert Hilliard Mills, Dental Corps, from May 17, 1935.

Lt. Col. Frank Leonard Kemner Laflamme, Dental Corps, from May 19, 1935.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 23, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thou who art the light for morning, the light for noonday, and the light for eventide, breathe upon us every fragment of divine influence. Send us forth with visions of truth, with meditations of duty, and with musings of principles that have rights of authority. We pray Thee to enable us to keep alive the plants in our souls' garden, by prayer and supplication, striving eagerly to bring forward the lagging virtues of our spiritual natures. Come, Holy Spirit, lest we faintly hear the call of responsibility and dimly see the way of wisdom. Be Thou the guest of our souls and their sweetest refreshment. Cleanse that which is sordid, heal that which is wounded, blend that which is stubborn, guide that which is wandering, and grant us final salvation and everlasting joy. In the name of the world's Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On May 14, 1935:

H. R. 4442. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes.

On May 15, 1935:

H. R. 6084. An act to authorize the city of Ketchikan, Alaska, to issue bonds in any sum not to exceed \$1,000,000 for the purpose of acquiring the electric-light and power, water, and telephone properties of the Citizens' Light, Power & Water Co. and to finance and operate the same, and validating the preliminary proceedings with respect thereto, and for other purposes.

On May 17, 1935:

H. R. 6718. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1936, and for other purposes.

On May 20, 1935:

H. R. 3808. An act concerning the incorporated town of Seward, Territory of Alaska.

ORDER OF BUSINESS

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that on tomorrow it may be in order to call bills on the Private Calendar under the rules of the House.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. TRUAX. Mr. Speaker, I object.

Mr. BLANTON. Will the gentleman reserve his objection for a moment?

Mr. O'CONNOR. Regular order, Mr. Speaker.

Mr. BLANTON. Mr. Speaker, that calls for an objection, then. If the gentleman would wait a minute we might get the objection out of the way.

The SPEAKER. The regular order is demanded. Is there objection?

Mr. BLANTON. I object, if the gentleman is going to call for the regular order.

Mr. O'CONNOR. I ask for the regular order.

Mr. BLANTON. Well, I object, then, Mr. Speaker. However we might have had an understanding with the majority leader [Mr. TAYLOR] had the regular order not been called for whereby we might have been able to take up the Private Calendar.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that it may be in order on tomorrow to call up bills on the Consent Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. VINSON of Georgia. Reserving the right to object, I desire to ascertain from the gentleman from Colorado if it is the intention to commence calling bills on the Consent Calendar where we left off on last Monday. Does not the gentleman think that is right and proper, in view of the fact that there are a great many bills that have not yet been called? I hope the gentleman will amend his request to ask permission to start where we stopped on last Monday afternoon.

Mr. TAYLOR of Colorado. Well, whatever the rules of the House provide.

Mr. VINSON of Georgia. That can be done by unanimous consent. Of course, the rules of the House provide that we start at the beginning of the calendar, but I am asking the gentleman to amend his unanimous-consent request by asking that we start where we finished last Monday. That is nothing but right and proper. It gives Members who have bills on the calendar which have not yet been called an opportunity to have them called and considered.

Mr. TRUAX. Mr. Speaker, I reserve the right to object.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, I would like to have it made clear just what effect the suggestion made by the gentleman from Georgia would have on the request made by the majority leader.

Mr. TAYLOR of Colorado. If the gentleman will yield, as far as I am concerned, I have no objection to starting where we left off.

Mr. GREENWOOD. The gentleman's request would be reasonable were it not for the fact that certain objections were made which were captious. Certain objections were made to certain bills to which there really was no serious objection. I had one case where the Member who objected came to me and said he was willing to withdraw the objection.

Mr. VINSON of Georgia. I am not going to take the position that any Member makes objection for some captious reason. I presume he has some substantial and valid reason to object to a bill. It is not fair to other Members who have bills on the calendar further down to start at the beginning again.

Mr. GREENWOOD. The gentleman will admit that the rules of the House so provide, and the gentleman is asking that the rule be set aside in his favor.

Mr. VINSON of Georgia. Not in my favor. I have no bill on the calendar at all that I personally am interested in.

Mr. GREENWOOD. I am willing to withhold objection if the gentleman is willing to start calling the bills under the rules of the House.

Mr. VINSON of Georgia. That means that we will start where we started last Monday. I think it is only fair to start with Calendar No. 142, where we left off last, and run through the calendar.

Mr. TAYLOR of Colorado. I understand there are only three or four bills ahead of where we stopped, so it does not really make much difference where we start.

Mr. VINSON of Georgia. Will the gentleman let it go through, then?

Mr. GREENWOOD. With the explanation that has been made, with the understanding that I am going to ask unanimous consent to take up a bill to which there was no serious objection, but the objector came to me and said he had no objection to the bill but simply made a captious objection, I will agree to the unanimous-consent request, but I am going to make a unanimous-consent request to return to that bill.

Mr. VINSON of Georgia. And I hope the gentleman will be able to obtain it.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. I shall not object to the gentleman's request, but I would like to ask if it will be in order, provided this consent is granted and the Speaker is willing, for a Member to be recognized to move to suspend the rules and pass bills on the calendar without getting unanimous consent?

Mr. SNELL. That was not contained in the gentleman's request.

Mr. RANKIN. I wonder if the gentleman will add that to his request?

Mr. McFARLANE. I am against that.

Mr. RANKIN. Why?

Mr. McFARLANE. I think we ought to take up the Private Calendar tomorrow.

Mr. RANKIN. I am going to object to that.

Mr. TREADWAY. Mr. Speaker, I demand the regular order.

The SPEAKER. In response to the inquiry of the gentleman from Mississippi, the Chair states that the Chair would not be disposed to recognize anybody to move to suspend the rules if the request of the gentleman from Colorado that the Consent Calendar be considered is granted, even if the question of suspension were included in the request.

Mr. RANKIN. The information I desired, Mr. Speaker, is whether or not, if the request is granted, we also will have suspensions tomorrow.

Mr. TREADWAY. Mr. Speaker, I ask for the regular order.

The SPEAKER. Will the gentleman from Colorado again state his request?

Mr. TAYLOR of Colorado. Mr. Speaker, I amend my request by asking also that the Speaker may have the same right on tomorrow to recognize Members to move to suspend the rules that he would have on any regular suspension day.

Mr. O'CONNOR. Mr. Speaker, I will object to that. Suspension day is an institution in this House.

Mr. TAYLOR of Colorado. Mr. Speaker, permit me to say to the House that we have been disappointed in several committees not having ready for consideration a number of important bills, and unless we can take up one of these calendars tomorrow the House will have nothing before it. I feel that, with hundreds of bills pending on the two calendars, we ought not to adjourn over tomorrow and do nothing.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Colorado. I yield.

Mr. BLANTON. If the gentleman from Colorado will so modify his request that the Private Calendar also may be taken up under the rules with the understanding that no omnibus bills will be considered tomorrow I do not think there will be objection. It was the omnibus bills which Members did not want taken up tomorrow.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Colorado. I yield.

Mr. TRUAX. May I say, Mr. Speaker, that certain Members of this House have been studying and analyzing the bills on both the Private Calendar and the Consent Calendar. Last Monday we considered something like 100 bills, and they were acted on by the House.

The Members who have been designated to study these measures have not had time to go into the bills that will be considered tomorrow if these requests are granted. I think it is manifestly unfair to ask for the consideration of these bills tomorrow when no preparation or study of the bills has been made.

Mr. TREADWAY. Mr. Speaker, several times I have asked for the regular order.

The SPEAKER. Will the gentleman from Colorado again state his request?

Mr. TAYLOR of Colorado. Mr. Speaker, my last request was that on tomorrow it may be in order to consider bills on the Consent Calendar.

Mr. SNELL. Mr. Speaker, reserving the right to object, I am willing that bills on the Consent Calendar be considered, but I am not willing for bills to be considered under suspension of the rules.

The SPEAKER. Suspensions were not included, as the Chair understood the gentleman's request.

Mr. SNELL. Then, Mr. Speaker, I have no objection to the request of the gentleman from Colorado.

The SPEAKER. The gentleman from Colorado asks unanimous consent that on tomorrow it may be in order to consider bills on the Consent Calendar under the rules of the House. Is there objection?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that in the consideration of bills on the Consent

Calendar the call shall commence where we finished on the last Consent Calendar day.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. MOTT. Mr. Speaker, I object.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on tomorrow, immediately after the reading of the Journal and the disposition of business on the Speaker's table I may be permitted to address the House for 15 minutes.

Mr. FISH. Reserving the right to object, Mr. Speaker, upon what subject is the gentleman from Mississippi going to speak?

Mr. RANKIN. Primarily, on the subject of power.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent that on tomorrow after the reading of the Journal, the disposition of matters on the Speaker's desk and following the gentleman from Mississippi, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE ON RULES

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file a report on one or two rules from that committee.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TEXTILE INDUSTRY

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. There is a special order pending. Does the gentleman from Minnesota [Mr. KNUTSON] yield to the gentleman from Massachusetts [Mr. GIFFORD]?

Mr. KNUTSON. I yield to the gentleman from Massachusetts [Mr. GIFFORD].

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. McFARLANE. Mr. Speaker, reserving the right to object, what is the gentleman's text going to be?

Mr. GIFFORD. I want to explain a request to insert in the RECORD certain material.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GIFFORD. Mr. Speaker, I hold in my hand a very important and interesting brief from the chamber of commerce of my city with the request that it be placed in the CONGRESSIONAL RECORD. In order to save the House the cruelty of listening to me making another textile speech, which I would have to do if this request is not granted, I ask unanimous consent that I may extend my remarks in the RECORD and include therein as a part of my speech the brief presented by the chamber of commerce of the city of New Bedford.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. YOUNG. Mr. Speaker, I object.

UNITED STATES MILITARY ACADEMY

Mr. McSWAIN. Mr. Speaker, I have a unanimous-consent request to make, and I may say that I make this request only after conference with the gentleman from Minnesota [Mr. KNUTSON] and with the understanding that he will not lose the opportunity to make his speech today, and believing it will only take a few minutes to dispose of the bill I have in mind.

Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2105) to provide for an additional number of cadets at the United States Military Acad-

emy. There are three amendments to this bill which have been recommended by the Committee on Military Affairs.

The SPEAKER. Is there objection to the immediate consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

S. 2105 (Rept. No. 982)

An act to provide for an additional number of cadets at the United States Military Academy

Be it enacted, etc., That hereafter there shall be allowed at the United States Military Academy 3 cadets for each Senator, Representative, Delegate in Congress, and Resident Commissioner from Puerto Rico, 5 for the District of Columbia, and 132 from the United States at large, in addition to the number now authorized to be appointed from the enlisted men of the Regular Army and National Guard and the sons of deceased officers, soldiers, sailors, and marines.

Amend the title so as to read: "An act to provide for an additional number of cadets at the United States Military Academy, and for other purposes."

With the following committee amendments:

On page 1, line 6, after the word "Rico", insert "one to be selected by the Governor of the Panama Canal Zone, from among the sons of civilians of the Panama Canal Zone and the Panama Railroad, resident on the Zone."

On page 2, line 3, after the word "large", insert "40 of whom shall be appointed on the recommendation of the academic authorities of the honor schools as designated by the War Department"; and on page 2, after line 9, insert the following new section:

"SEC. 2. The President is hereby authorized to call to active service annually, with their consent upon application to and selection by the War Department, for a period of not more than 1 year for any one officer, not to exceed at any time 1,200 Reserve officers of the combatant arms, Ordnance, and the Chemical Warfare Service for active duty with the Regular Army: *Provided*, That members of the Officers' Reserve Corps so called to active service shall be distributed as nearly as may be practicable among the said combatant arms, Ordnance, and Chemical Warfare Service in proportion to the commissioned strength of such arms and service and shall be apportioned in grades therein so far as possible as follows: Not to exceed 5 percent in the field grade, 15 percent in the grade of captain, 30 percent in the grade of first lieutenant, and 50 percent in the grade of second lieutenant: *And provided further*, That nothing herein contained shall affect the number of Reserve officers that may be called to active duty under existing laws, nor the conditions under and purposes for which they may be called.

"The President is hereby and further authorized to commission annually in the Regular Army of the United States in the grade of second lieutenant, upon application to and selection by the War Department, from among those in all grades who have served 1 year with the Regular Army under the prior provisions of this act, not to exceed 75 officers annually who shall take rank from the date of their permanent commissions in the Regular Army."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "An act to provide for an additional number of cadets at the United States Military Academy, and for other purposes."

COMMITTEE ON MILITARY AFFAIRS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may sit today during the session of the House in order to conclude the T. V. A. hearings now being held by that committee.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

SENATE BILL 938 AND HOUSE BILL 7777, WHICH PROVIDE FOR THE ERECTION IN WASHINGTON OF A MEMORIAL TO THE SOLDIERS, SAILORS, AND MARINES OF THE UNITED STATES WHO LOST THEIR LIVE IN THE WORLD WAR

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in reference to the bills S. 938 and H. R. 7777.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BEITER. Mr. Speaker, each year we gather on Memorial Day to review the memories and to honor the fallen heroes of four American wars. About the middle of the last century we engaged in a war with Mexico, and 12 years later

marked the beginning of our long and bloody Civil War. In 1898 we were drawn into an armed conflict with Spain, and in 1917 the cry of the endangered representative governments of Europe brought us face to face with the serried ranks of autocracy.

To pay a loving tribute to all of these gallant men who offered their lives in defense of country and of principles vital to liberty, we, in common with millions of our fellow citizens throughout the length and breadth of the land, join on Memorial Day to testify with speech and song, with silent tears and fragrant flowers, our appreciation of what they did.

With senior Senator of New York, Senator COPELAND, I have sponsored a plan to build in your Nation's Capital a memorial which will forever immortalize the glorious heroism of those who made the supreme sacrifice for freedom during the late World War.

Some of them sleep in marble cities of the dead, guarded by a Nation's faithful vigil; some in old fields beside quiet streams; some in Flanders' fields, where the poppies grow red as the blood that was shed upon the hard-fought fields of France; and some lie in unknown graves. Wherever they sleep, a Nation's love is with them, and their memory will ever be cherished.

Mr. Speaker, the heroism of the sacrifices of 1863-65 can never be forgotten, but to most of us who are living today they have not the poignant vividness of personal experience. But the year 1918 brought the significance of Memorial Day and memorial shrines when and where thousands of Americans gather each year. After that memorable year there were few Americans who had not suffered personal loss or bereavement. The real meaning of "dying for one's country" was impressed on the consciousness of the people.

As you are probably aware, World War memorials have been erected in many other countries as a symbol and a tribute to the sterling qualities and patriotism of their soldier dead. They gave their all and we gave our very little. Life was as precious to them as it is to us; nothing that we can give can be more than a weak beginning of their stupendous gift. Nor do they demand great recompense; gratitude and homage, and for those of us who remain in the world of opportunity the message of their young lives, sacrificed to duty, is too plain to be disregarded—they went forth to battle for the cause of human justice and freedom.

Mr. Speaker, the legislation sponsored by Senator COPELAND and myself provides for the creation of a World War memorial commission, the members of same to serve without compensation, and the erection in Washington of a memorial to the soldiers, sailors, and marines of the United States who lost their lives in the World War. The location and design of such memorial is left to the discretion of the National Capital Park and Planning Commission and the National Commission of Fine Arts. A sum of \$2,000,000, or so much thereof as may be necessary to carry out the provisions of the act, is authorized and appropriated.

I can think of no better way to use part of the \$4,000,000 public-works appropriation which Congress has placed at the President's disposal than in the realization of such a memorial.

VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—
PLUMBING AND SANITARY SYSTEMS IN FEDERAL GOVERNMENT BUILDINGS (H. DOC. NO. 198)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith without my approval House Joint Resolution 254, entitled "Joint resolution providing for an investigation by the United States Public Health Service of the plumbing and sanitary systems in Federal Government buildings."

The joint resolution authorizes and directs the United States Public Health Service to make a complete survey of all Government properties for the purpose of eliminating alleged defective plumbing and sanitary conditions in Government buildings and report to the Congress on or before

January 3, 1936, the cost involved in making desired eliminations and improvements. The Service is likewise directed to study and report to the Congress on or before January 3, 1937, on the relation of amebic dysentery to plumbing.

The cost of making even a superficial survey of the 2,000 Federal buildings, such as post offices, courthouses, and office buildings, and the thousands of other structures, such as warehouses, depots, hospitals, and establishments of every description, having plumbing and sanitary systems has been estimated to amount to at least \$776,000, and to perform the project with thoroughness would amount to between \$5,000,000 and \$6,000,000. No provision was made for such a survey in the Public Health Service estimates as submitted in the 1936 Budget, and no appropriation has been made therefor. The Public Health Service reports that as at present organized it would be unable to complete more than 25 percent of the work required in the six cities where it now has sanitary engineer headquarters within the 7 months' period specified in the proposed joint resolution, and then only if all other sanitary engineering activities were dropped during such period.

It is believed that the end sought by Congress can be effectually attained by having the Public Health Service issue the requisite instructions through the various departments and independent establishments to the engineer personnel in charge of Federal buildings throughout the country to survey conditions under their supervision, so that any unhealthful conditions that may be disclosed can be corrected.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, May 22, 1935.

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Mr. LANHAM. Mr. Speaker, the joint resolution to which this message refers was introduced in the House and acted upon by the House a day or two thereafter and before consideration could be given to it by the Committee on Public Buildings and Grounds. I therefore move that the message and joint resolution be referred to the Committee on Public Buildings and Grounds and ordered printed.

The motion was agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent that on Friday next, after the reading of the Journal and the disposition of business on the Speaker's table and the special orders heretofore made, I may be permitted to address the House for 15 minutes on the textile situation in New England.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PETERSBURG, ALASKA

Mr. GREEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6085) to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers, and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding \$40,000, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 2, line 3, strike out "\$40,000" and insert "\$35,000."

Amend the title so as to read:

"An act to authorize the incorporated town of Petersburg, Alaska, to undertake certain municipal public works, including the filling, grading, and paving of streets and sidewalks, the construction and improvement of sewers, and construction of necessary bridges and viaducts in connection with the same, and for such purposes to issue bonds in any sum not exceeding \$35,000."

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PUBLIC-SCHOOL BUILDING IN VALDEZ, ALASKA

Mr. GREEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6723) to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding \$50,000; and to authorize said town to accept grants of money to aid it in financing any public works, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, strike out "\$50,000" and insert "\$30,000."

Amend the title so as to read: "An act to authorize the incorporated town of Valdez, Alaska, to construct a public-school building and for such purpose to issue bonds in any sum not exceeding \$30,000; and to authorize said town to accept grants of money to aid it in financing any public works."

The Senate amendment were concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting a lecture delivered at Harvard University by George Henry Payne, of the Federal Communications Commission, on the subject of the Federal Communications Act of 1934.

Mr. SNELL. Mr. Speaker, reserving the right to object, I wish the gentleman would withhold his request for the present so that I may look it over.

Mr. BOYLAN. The lecture is on the Federal Communication Act of 1934 and was delivered at Harvard University by Commissioner Payne.

Mr. SNELL. All right.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the gentleman if this college professor is on the public pay roll?

Mr. BOYLAN. As I explained to my distinguished friend, this lecture is by George Henry Payne, who is one of our Federal Communication Commissioners.

Mr. RICH. If he is a good professor, we will let it go in.

Mr. DUFFEY of Ohio. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from New York?

There was no objection.

RATIFICATION OF TRADE TREATIES WITH THE UNITED STATES

The SPEAKER. Under the special order of the House, the gentleman from Minnesota [Mr. KNUTSON] is recognized for 10 minutes.

Mr. KNUTSON. Mr. Speaker, in its issue of May 15 the Washington Herald carried an item respecting the administration's trade-agreement program which should be of interest to the whole House. It reads as follows:

Secretary of State Hull's pet "unconditional most-favored-nation" program yesterday was tottering, with foreign nations declining to give this country return concessions for tariff favors they are already receiving.

Brazil and Colombia, with whom new treaties are awaiting final formalities, are refusing ratifications because the coffee concessions in which they are most interested already are guaranteed them by Hull's policy.

This development was predicted for months by Hull's critics—notably Trade Adviser George Peek—who protested against the policy of extending all tariff favors granted to any one country to all other countries alike.

Coffee was included in the recent treaty with Haiti, already signed, ratified, and promulgated. Under Mr. Hull's policy of "unconditional most-favored-nation" treatment, the coffee favors to Haiti automatically go to other nations. They must, under all conditions, go to Brazil and Colombia, as these two nations already have most-favored-nation agreements with the United States.

The attitude of both governments is that, inasmuch as they already receive the benefits, there is no reason for them to accord this country any further concessions such as are embodied in the pending new treaties.

Colombia's Legislature recently adjourned without ratifying the new treaty, despite considerable pressure from this country for

action. Brazil's Legislature, after an identical procedure, has reconvened, but to study other matters.

Mr. Speaker, this is a very serious matter, and I think that the House is entitled to know more about it. Accordingly, I have prepared a resolution which I shall offer, calling upon the Secretary of State to transmit to the House of Representatives any information in his possession touching upon the failure of these countries to ratify the trade agreements negotiated with them.

There is no question whatever as to the facts upon which this press story was based. The trade agreement with Haiti was signed on March 28 of this year, and was ratified by the Haitian National Assembly on April 26. Among the concessions granted to that country by the United States was the "freezing" of coffee on the free list, and under the policy of the administration, as authorized in the Reciprocal Tariff Act, the concessions granted to one country are extended to all countries without requiring them to extend reciprocal concessions.

The agreement with Brazil was signed February 2 of this year, but it was not to become effective until ratified by the Brazilian Congress. Among the concessions proposed to be granted to Brazil was the "freezing" of coffee on the free list. In fact, this was the principal concession granted, and in return Brazil proposed to grant reciprocal concessions on a large number of our products. However, in view of the generalization of the Haitian concessions, Brazil now finds it unnecessary to ratify the treaty in order to obtain the concession which she sought from this country. The same situation exists with respect to Colombia.

Nothing so clearly illustrates the hopelessness of the administration's trade agreements program, so far as any net benefits to this country are concerned, as the situation I have described. The purpose of the program is to expand our foreign trade, but if we are to throw our domestic market open to all countries in order to gain a concession from one, we stand to be the loser by a very wide margin.

Even under our exclusive agreement with Cuba, in which our concessions to that country are not generalized, we have had to buy an additional \$16,000,000 worth of goods over a 6-month period in order to sell that country an additional \$4,000,000 worth.

If the present bargaining program is going to result in frittering away the entire domestic market for a mess of pottage, it is the duty of the House to find out about it. The first step is to adopt my resolution calling upon the Secretary of State for a statement as to the status of the Brazilian and Colombian agreements.

Mr. Speaker, I ask unanimous consent for the present consideration of a resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Minnesota asks unanimous consent for the immediate consideration of a resolution which the Clerk will report.

The Clerk read as follows:

House Resolution

Whereas it has been reported in the press that the Republic of Brazil and the Republic of Colombia, with whom the President of the United States has negotiated trade treaties, are refusing ratification of said treaties because the coffee concessions, in which they are most interested, are already guaranteed them by the generalization of the concessions granted to the Republic of Haiti under the trade agreement between the United States and that country: Be it

Resolved, That the Secretary of State be, and he is hereby, directed to transmit to the House of Representatives any information in his possession—

Mr. BLANTON (interrupting the reading of the resolution). Mr. Speaker, this resolution ought to go to the Ways and Means Committee.

Mr. KNUTSON. This is a very serious matter.

Mr. BLANTON. It ought to go to the committee.

Mr. O'CONNOR. Mr. Speaker, I object.

Mr. KNUTSON. Then I will have it read in my own time.

Mr. O'CONNOR. The gentleman will have to get unanimous consent.

The SPEAKER. Is there objection to the resolution being read in the time of the gentleman from Minnesota?

Mr. O'CONNOR. Mr. Speaker, I object to the reading of the resolution.

Mr. KNUTSON. Then I shall read it myself.

Mr. O'CONNOR. The gentleman cannot do that except by unanimous consent.

Mr. KNUTSON. I can certainly read it myself, I submit to the Speaker.

The SPEAKER. The gentleman cannot read the resolution without the consent of the House.

Mr. KNUTSON. I am going to read it as a part of my remarks. It would be an extraordinary ruling—

Mr. FISH. Mr. Speaker, this is the gentleman's own writing.

The SPEAKER. The gentleman cannot even read his own speech if anyone objects, according to the precedents.

Mr. MARTIN of Massachusetts. Is that going to be the ruling of the Chair?

The SPEAKER. The Chair will not seek to enforce the rule unless the demand is made. When demand is made, the Chair must enforce the rules of the House.

Mr. BLANTON. The resolution ought to go to the committee.

Mr. MARTIN of Massachusetts. What is the harm in letting the gentleman read his own resolution?

Mr. BLANTON. I have no objection to the gentleman reading it, but it ought to go to the committee.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, is this resolution the handiwork of the gentleman himself?

Mr. KNUTSON. Yes; and he is rather proud of it.

Mr. O'CONNOR. Then I have no objection, Mr. Speaker.

The SPEAKER. Without objection, the gentleman from Minnesota will be permitted to read the resolution.

There was no objection.

Mr. KNUTSON. I will take up the reading of the resolution where the Clerk left off:

Resolved, That the Secretary of State be, and he is hereby, directed to transmit to the House of Representatives any information in his possession touching upon the failure of said countries to ratify the trade agreements respectively negotiated with them and the reasons therefor.

Mr. Speaker, I yield back the balance of my time.

PUBLIC GRAZING LANDS

Mr. LEWIS of Colorado. Mr. Speaker, I call up the resolution (H. Res. 215).

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 3019, a bill to amend sections 1, 3, and 15 of the act entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, and so forth", approved June 28, 1934. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. RICH. Mr. Speaker, I make the point of order that the report does not comply with the Ramseyer rule.

The SPEAKER. The Chair will hear the gentleman.

Mr. RICH. Mr. Speaker, I make the point of order that the report does not comply with the Ramseyer rule because it does not show the changes in the law by the proposed bill. I will read the rule which will be found in the Manual on page 338, 2a:

Whenever a committee reports a bill or joint resolution repealing or amending any statute or part thereof it shall include in its report or in an accompanying document—

- (1) The text of the statute or part thereof which is proposed to be repealed; and
- (2) A comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof

proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions proposed to be made.

The SPEAKER. The Chair is ready to rule. The Chair will state that the point of order raised by the gentleman may be good as to reports by a legislative committee. But this is a special rule from the Committee on Rules which merely makes in order the consideration of a bill. The Chair does not think the point is well taken when made against the report of the Committee on Rules and therefore overrules the point of order.

Mr. RICH. Very well, I will make the point of order when the bill is taken up.

Mr. O'CONNOR. If the gentleman is going to do that, why take the time on the rule?

Mr. LEWIS of Colorado. Mr. Speaker, I yield one-half of my time to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. O'CONNOR. Mr. Speaker, will the gentleman from Colorado yield to me to offer an amendment that it may be under consideration?

Mr. LEWIS of Colorado. I will.

Mr. O'CONNOR. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. O'CONNOR: On page 1, line 8, after the figures "34", insert the words "and all points of order against the bill or report are hereby waived."

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, before I begin my remarks I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed, the Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 82]

Bankhead	Dirksen	Kopplemann	Sabath
Beam	Disney	Lamneck	Sauthoff
Binderup	Ellenbogen	Lewis, Md.	Shannon
Brennan	Flannagan	McGroarty	Short
Brewster	Ford, Calif.	McLeod	Somers, N. Y.
Brooks	Frey	McSwain	South
Brown, Mich.	Gambrill	Maverick	Sweeney
Buck	Gasque	Meeks	Taylor, Tenn.
Buckley, N. Y.	Goldsborough	Murdock	Thomas
Bulwinkle	Granfield	Oliver	Treadway
Cannon, Wis.	Griswold	O'Malley	Umstead
Carden	Guyer	Palmisano	Underwood
Clark, Idaho	Haines	Perkins	Utterback
Cochran	Hartley	Pettengill	Wadsworth
Connelly	Healey	Peyser	Walter
Corning	Hennings	Rayburn	White
Culkin	Igoe	Reilly	Withrow
Daly	Johnson, Okla.	Richardson	Wolfenden
Darden	Keller	Robertson	Woodrum
Delaney			

The SPEAKER pro tempore (Mr. PEARSON in the chair). Three hundred and fifty-three Members have answered to their names; a quorum is present.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

Mr. RANSLEY. Mr. Speaker, I yield 12 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, we are taking up at this time H. R. 3019 under a special rule.

I want to call the attention of the Membership of the House to section 17 of the bill which we are going to consider, which reads as follows:

Sec. 17. The Secretary of the Interior shall have power to select a director of grazing and such assistant directors of grazing as shall be necessary to administer this act.

In selecting graziers for the administration of this act, the Civil Service Commission shall be governed by the practical range experience in public-domain States which such persons have had, and educational requirements shall be determined by test and not by any fixed rule.

I object to this bill because of the fact that we are doing the very thing that the Republican Party platform and

the Democratic Party platform stated they would prohibit at their last national conventions—when they stated they would cut down Government expenses, consolidate offices and departments, and do other things that were for the best interest of the people of this country by trying to make some arrangements for the balancing of the National Budget.

I quote from the Democratic platform of 1932:

We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe. We hereby declare this to be the platform of the Democratic Party:

The Democratic Party solemnly promises by appropriate action to put into effect the principles, policies, and reforms herein advocated, and to eradicate the policies, methods, and practices herein condemned. We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government, and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

I wish to call the attention of Members of Congress to the fact that at the last session of Congress when we were considering the Taylor grazing bill, whereby 173,000,000 acres of land belonging to the public domain which were unappropriated and unreserved were placed in the custody of the Secretary of the Interior and such lands as were fit were to be allocated to cattlemen and rangers for the purpose of grazing.

During the discussion of the Taylor bill it was admitted by practically every member of the Public Lands Committee that the grazing lands should be under the jurisdiction of one department. The Secretary of the Interior, Mr. Ickes, agreed that that was the proper thing to do. Secretary Wallace in his discussion agreed that the grazing lands of the country should be under one department. Mr. TAYLOR, the author of the bill, was very much in favor of this procedure. Mr. DEROUEN, Chairman of the Public Lands Committee, stated that that was his idea of the way the grazing lands should be administered. He furthermore stated to me personally that the Secretary of the Interior, Mr. Ickes, the Secretary of Agriculture, Mr. Wallace, with the aid of the President of the United States, would accomplish that within a year; that they did not want to subdivide the authority for grazing lands on public domain, whether it be that which was under the Forest Service or any lands that would be taken over by the Department of the Interior.

I respectfully call attention of the Members of the House in the hearings before the Committee on the Public Lands in the House of Representatives, Seventy-third Congress, first session, of H. R. 2835 and Seventy-third Congress, second session, H. R. 6462. Referring to page 21 of the hearings in 1934, Mr. WHITE made to Secretary Wallace, who was before the committee, the following statement:

You have under your Department an organization in nearly all the districts of the forest reserve that have control of grazing and other uses of public lands.

Now, that being true, do you think it advisable to put this work under their supervision instead of setting up a new bureau for it?

Secretary WALLACE. It will be under the supervision of the Secretary of the Interior, Secretary Ickes. It would not be a separate set-up or a new bureau.

Mr. WHITE. You think it could be administered by the same organization?

Secretary ICKES. Yes; without additional expenditure.

Now, since the Taylor Grazing Act was to be administered by the same organization and without any additional expenditure, as stated by Secretary Ickes, I want to call the attention of the Members of the House of Representatives to the fact that the spokesman for the Secretary of the Interior before our committee in discussing the merits of this bill (H. R. 3019) stated that the Department of the Interior expected to set up 10 grazing districts in the United States for the perfection of an organization for the opera-

tion and control of these grazing lands. Secretary Ickes before the Public Lands Committee on March 6 stated that he was setting up in his Department a Bureau of Grazing Control and would have a man in charge in his Department with 20 assistants and that in the field to begin with in the 10 grazing districts they would place 14 men in each district, which would make a total of 140 men in the field.

I want to call to the attention of the House of Representatives that once a bureau, always a bureau. The beginning today with a set-up of 161 men to start this organization will mean inside of 5 years 1,000 men. When we called this to the attention of Secretary Ickes in the Public Lands Committee meeting the fact that he was doing today what he said a year ago he would not do and asked him why the organization was being set up under his Department rather than the consolidation of grazing lands in the Department of Agriculture with that in the Department of the Interior he stated it could not be done without additional legislation. I call it "passing the buck." After the meeting had adjourned I asked him if he had any objection to the segregation of the grazing lands of the public domain. He said he was perfectly willing. It was my intent and purpose to offer an amendment to H. R. 3019 asking that the grazing lands in the Department of the Interior and those in the Department of Agriculture be placed under the supervision of one head. The chairman of the committee, Mr. DEROUEN, notified me he would give me that opportunity.

We had been meeting on this bill quite regularly during the past month. I had attended practically every meeting of the committee. A meeting was scheduled at 10 a. m. Tuesday, March 19. I reported at that meeting and the secretary to Mr. DEROUEN told me the meeting had been postponed until Thursday, March 21, at 10 a. m.

I want to say to the membership of the House, both Republicans and Democrats, that if we permit the formation of this new organization under the Department of the Interior, as per the set-up proposed by Secretary Ickes—and he deliberately stated he would not form a new organization—that the membership of this House, both Democrats and Republicans, are administering the grazing lands of this country in a very unethical, unbusinesslike manner, building up a new organization which will add to the burden of the taxpayers of this country in future years still greater burdens.

Instead of reducing the number of bureaus, we are increasing them. Why, then, and now, does not the Membership of this House place under the jurisdiction of some organization all the grazing lands that are now being administered by the Department of Agriculture and this new set-up in the Department of the Interior under one department, whether it be the Department of the Interior or the Department of Agriculture? That should not be a question of great moment to Members of Congress, if we want to do the thing that will lighten the burden of the taxpayers of this country. Why permit a new-formed organization that will make conditions more difficult for the stockmen who graze on public lands in the summertime under the jurisdiction of the Forest Service and when they return their stock from the higher ground to the valley in the wintertime must place them under the jurisdiction of other rangers in the Interior Department? It is ridiculous; it is absurd! It will only lead to trouble vexation; and I can in no way support this bill until the members of the Public Lands Committee have backbones where they seem to only display wishbones, because of the fear in their own minds that they might interfere with either the Secretary of Agriculture or the Secretary of the Interior. To me such an excuse is absurd, and I believe the membership of the House of Representatives should segregate the grazing lands of this country in order that the public lands can be administered in a sound, sensible, businesslike way to the best advantage of those who graze on these lands in the public-land States.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania [Mr. RICH] has expired.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I take this 5 minutes to call attention to the form of this bill, and I hope these remarks will be considered generally by the committees of the House.

I am a little surprised that the astute Rules Committee permitted a bill, drafted as this bill is drafted, to come onto the floor. Section 1, for instance, provides:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 1 of said act is amended by striking out the following.

That is the procedure to amend statutes. That is not the language which the statute should carry. In other words, when you go to compile your law you will find a section providing that you must hunt up some other section and strike out something and insert something and put in some periods, and after you have done that, if you are a good lawyer and a good grammarian and a good reasoner, you may know what the law is. Otherwise you would not even know what the law is.

Mr. O'CONNOR. Will the gentleman yield?

Mr. MICHENER. I yield.

Mr. O'CONNOR. That is a very interesting subject, and I ask these questions in good faith. First, how would the gentleman meet that situation?

Mr. MICHENER. The situation is met in some provisions of the bill. Section 3, for instance, reads:

That section 15 of said act is amended to read as follows—

and then you restate the entire section as amended. I will say this frankly—I do not know who drafted this bill—it looks to me like one of these bills coming from a department and drafted by a new man in the department. I do say that no experienced man in the Department of the Interior ever drafted this bill and sent it up to the committee, because they do it differently when they know how.

Mr. O'CONNOR. Will the gentleman yield further?

Mr. MICHENER. I yield.

Mr. O'CONNOR. I am in sympathy with the gentleman's remarks. I believe the terrible mess—and that is the only word to use—in which Federal statutes are today is due to the fact that we do not have a real, comprehensive legislative bill-drafting bureau. I do not say that in respect to the employees there now. They are all competent, but there is no State in the Union that has gone into the mechanics of legislative bill drafting that would have such an insufficient organization as has the Congress of the United States. We do not have any organization at all. I think we appropriate a pittance of \$40,000 a year, when States like Wisconsin, which started the legislative bill-drafting bureau, and other States that have followed, have real legislative bill-drafting bureaus. Because Members have claimed that they can draft any bill and that a Congressman should be able to draft legislation, we have never developed in this Congress a real legislative bill-drafting bureau. The States laugh at what we have in the Congress of the United States. Until we can get Congress to really appreciate that no Member of Congress can draft his own legislation, and until we establish a real legislative bill-drafting bureau, we will have legislative statutes that no lawyer in America can determine what the law is. That is the situation today.

Mr. MICHENER. May I suggest to the gentleman right along this line that within the last few months we seem to be in an era of new bureaus and new commissions.

The SPEAKER pro tempore. The time of the gentleman from Michigan [Mr. MICHENER] has expired.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. MICHENER. The gentleman has suggested another bureau which, in my judgment, would be a useful bureau and which would not entail a great deal of expense, in which bureau we might consolidate the splendid drafting service in the House today. We have a splendid drafting service today, but it is too limited.

Mr. O'CONNOR. Will the gentleman yield there?

Mr. MICHENER. I yield.

Mr. O'CONNOR. I did not suggest a new bureau, but we might as well not have any bureau compared with what we have now, because we do not afford enough facilities and enough help to really draft legislation.

Mr. MICHENER. I agree with the gentleman in that particular. But, coming back to this bill, what does it do? This bill is the story of what the man who drafted it wanted to accomplish; that is all there is to it. It is simply a statement of the way the man wanted to make certain amendments in the existing law. I am making this suggestion during the consideration of the rule, not of the bill; I hope the committee will not ask this House to pass this bill in its present form, for it would be lamentable to present to the country a conglomeration of this kind. Section 1 is of one type. Section 3, outside of the first line or two, is properly drafted. Section 4 is something else. The bill should be redrafted. I think if it were submitted to the present drafting service of the House, it could be returned to us in 20 minutes written in such a way as to be understood by those who have to deal with it and operate under it. As it is the bill in effect says, "Strike so and so out of some other law and insert something else somewhere else in some other law." How are you going to know the effect of the bill by reading this bill? It is perfectly ridiculous; it is not only ridiculous, it is assinine, and I hope the committee will seriously consider redrafting the bill. I am sure that there are lawyers on the committee qualified to prepare a suitable bill.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. RICH. The gentleman states that the bill is an assinine bill. I will say to the gentleman that the contents of the bill are worse than that.

Mr. MICHENER. I do not know just what that would mean.

Mr. LEWIS of Colorado. Mr. Speaker, I think the full discussion of this bill will take place after the rule is adopted. We have received no more requests for time under the rule.

Mr. Speaker, I move the previous question on the rule and the amendment thereto.

The previous question was ordered.

The amendment was agreed to.

The SPEAKER. The question recurs upon the resolution.

The question was taken; and on a division (demanded by Mr. RICH) there were—ayes 34, noes 11.

So the resolution was agreed to.

Mr. DE ROUEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3019) to amend sections 1, 3, and 15 of "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269).

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3019, with Mr. TERRY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TABER. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN. The Chair will count. [After a pause.] One hundred and five Members are present—a quorum.

Mr. DE ROUEN. Mr. Chairman, the three amendments offered to the House in the pending bill are suggestions made by people living in the 11 States where there are grazing lands. Mass meetings were held in many of these States and the bill incorporates the suggestions made at these meetings.

The committee carefully considered the situation from all aspects and there is no doubt whatever that the three amendments are necessary if we are to accomplish the purposes intended to be accomplished by the Taylor grazing bill of 1934.

Mr. BURDICK. Mr. Chairman, will the gentleman yield?

Mr. DE ROUEN. I yield.

Mr. BURDICK. Can the gentleman tell us anything about the composition of these mass meetings?

Mr. DE ROUEN. The committee has a brief brought to it from the meeting held in Colorado. At this meeting every State interested sent representatives. In the volume in the files of the committee are contained the statements made at that meeting.

Mr. BURDICK. Were those meetings composed only of the interests who wanted to lease the lands, or were they composed of everybody concerned?

Mr. DE ROUEN. Notice of the meetings was published in newspapers and was posted in various places. I assume that the various interests affected were represented at the meetings.

Mr. Chairman, as I am just out of the hospital following an attack of heart trouble, I shall ask my friend, the ranking member of the committee on the Democratic side, the gentleman from Utah [Mr. ROBINSON], to explain the bill.

Mr. ROBINSON of Utah. The pending bill amends the Taylor Grazing Act in four particulars. It will be remembered that the Taylor Grazing Act passed by the House during the last session of Congress provided that all land in the public domain could be used for the formation of grazing districts. This bill applies only to 11 States. There are some 167,000,000 acres of land designated as public lands. By the terms of the Taylor Grazing Act as passed by the House this entire area was made available for the purpose of the formation of grazing districts, but the bill was amended by the Senate cutting down the area available for this purpose to 80,000,000 acres.

The Department of the Interior sent men into the field for the purpose of carrying out the provisions of the act as passed by Congress. They went to the various States. They found the States favorable to the formation of grazing districts, and in every State where there was public land public meetings were held. Everyone interested in the question was given notice and the people generally responded to those notices. The result was that after hearings in the various States the Department found that it had demand for 143,000,000 acres of land to be placed in grazing districts. In order, therefore, to carry out the purpose, intentions, and desires of the people in these various States it will be necessary for Congress to amend the Taylor Grazing Act so as to include at least an additional amount of land to that included in the original act.

Mr. CULKIN. Will the gentleman yield?

Mr. ROBINSON of Utah. I yield to the gentleman from New York.

Mr. CULKIN. Can the gentleman tell me how much of the 82,000,000 acres of land is now being used for grazing?

Mr. ROBINSON of Utah. I would say a large part of it is so used; practically all of it in some way or other.

Mr. CULKIN. It is not all being used. It is proposed now to turn over the entire 165,000,000 acres carte blanche to the Secretary of the Interior. This bill gives the Secretary of the Interior complete jurisdiction over this whole area?

Mr. ROBINSON of Utah. That is true.

Mr. CULKIN. Autocratic jurisdiction?

Mr. ROBINSON of Utah. I would not say autocratic jurisdiction, but it gives him jurisdiction over this area.

Mr. CULKIN. It withdraws this land from settlement.

Mr. ROBINSON of Utah. That has already been done.

Mr. CULKIN. It not only withdraws the 80,000,000 acres but the remaining amount.

Mr. ROBINSON of Utah. All of it is withdrawn from homesteading and from settlement now.

Mr. CULKIN. I understood that the land that was not included, in other words, the difference between 80,000,000

and 165,000,000 acres, was subject to settlement under the order of the Secretary of the Interior.

Mr. ROBINSON of Utah. No; the gentleman is in error. If he will read section 15 of the original act, he will find that all of the public land is turned over to the Secretary of the Interior for the purpose of leasing, if he desires to lease the land, but only 80,000,000 acres can be used for forming grazing districts.

Mr. CULKIN. When this bill was passed in the House, it will be remembered that the gentleman from Wyoming [Mr. CARTER] made a very sustained and very able speech against this procedure.

Mr. ROBINSON of Utah. It was a very able speech; I agree with the gentleman; but I do not think it was very well sustained by argument.

Mr. CULKIN. It did not result in favorable action by the House, but it seems to me now we are going too far.

Mr. ROBINSON of Utah. I do not yield for a speech from the gentleman, and I wish he would ask questions.

Mr. CULKIN. I thank the gentleman for yielding thus far.

Mr. ROBINSON of Utah. Mr. Chairman, getting back to where we were, I may say the first amendment we are asking here today is an amendment so that we may have the right in the various Western States to include in grazing districts all the land that the people of those States want included. There are various reasons for this, and I should like to point out some of the reasons. It was found when we went into the States and began to segregate certain areas for grazing purposes that in order to rehabilitate those areas and bring the grass back and put the ground in a condition so that it would be valuable it was necessary to limit the number of cattle or the number of sheep that could be grazed on those areas. The result was, of course, that the areas that were not in the grazing district would immediately be overcrowded, and it was seen at once if that kind of condition obtained all the land that was not within the grazing areas would be completely denuded and rendered absolutely worthless. We could see, therefore, that it was necessary to put all of the land within the grazing districts or, as stated, the land that was not therein would be entirely denuded and rendered valueless.

Mr. Chairman, we had another situation arise. Under the Taylor Grazing Act we have established some 40 or 50 civilian conservation camps. These camps are established on this land and the C. C. C. boys dig wells, make trails, build roads, plant various kinds of grass, and do things generally that will rehabilitate the soil and bring it back to its former condition, where it will be of value. These camps cannot be established on any land that is not within the district, because the Department has ruled—and I think rightly—that they will not go on land, rebuild it, reestablish it, and put it in the condition in which it should be placed unless they have some control over its future; therefore these camps cannot be established on any of these lands not within the grazing districts.

For these two very important reasons it is absolutely necessary that this act be amended, as originally passed by the House, to include all of the land under the public domain. I think this is a most important provision.

Mr. BURDICK. Will the gentleman yield?

Mr. ROBINSON of Utah. I yield to the gentleman from North Dakota.

Mr. BURDICK. Is the gentleman satisfied from his experience on the committee and having listened to the discussion that the bill as now presented to the House is fair to the homesteader and to the large operator equally?

Mr. ROBINSON of Utah. Yes. I may say that we had before our committee both classes. I have received hundreds of letters from my State and various other Members have received many letters from their States. Not only that, but, as I stated a few moments ago, the Department has gone into every State to determine the sentiment of the people and it has been found that the sentiment is almost unanimous for the passage of this bill in the various States.

Mr. RICH. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is it not a fact that the people in the gentleman's State who use these lands for grazing in the summertime must have their flocks under the supervision of the Department of Agriculture?

Mr. ROBINSON of Utah. Some do, yes; not all.

Mr. RICH. If this act is passed and in the summertime they graze these flocks under the jurisdiction of the Department of Agriculture, when they are brought off the high places, or their winter-grazing grounds, then they must be under the jurisdiction of the Department of the Interior?

Mr. ROBINSON of Utah. Of course, to a certain extent that is true.

Mr. RICH. Well, that is a fact. They must be placed under the supervision of the Department of the Interior if this bill is passed.

Mr. ROBINSON of Utah. That is true. These lands would be under the Department of the Interior.

Mr. RICH. Does not the gentleman believe—and he is a member of the committee and interested in the grazing situation in the State of Utah—that all of these grazing lands ought to be under the supervision of one department and not under the supervision of two departments of the Government?

Mr. ROBINSON of Utah. I am very glad to answer that question. I may say that as far as I am individually concerned, I would have no objection at all and should be very glad to have these lands under the Department of the Interior or the Department of Agriculture, but more especially under the Department of the Interior.

However, no harm can come from the dual operation of these lands. The operation that the Forest Service has is entirely separate and distinct from the operation of the lands under this bill. They are different lands, under different conditions, under different environment, different circumstances, and the dual operation of these lands will in no wise affect the purpose of this act. The matter can be carried out so far as this act is concerned just as well by both departments, as provided in this bill, as could be done by either one of the departments.

Mr. RICH. If the gentleman will permit an observation at this point, I disagree with the gentleman with respect to that statement.

Mr. ROBINSON of Utah. I am very sorry to disagree with the gentleman on anything, but we have disagreed before.

Mr. RICH. The same cattle that graze in the wintertime under the Department of Agriculture must be grazed in the summertime under the Department of the Interior, or vice versa, and when our committee tried to get information here in Washington with respect to grazing, we had to take it up with the Department of the Interior and the Department of Agriculture. Nothing can be dealt with so far as grazing lands are concerned unless we take it up with both departments. Would it not be simpler if there were only one Department rather than two? I do not see how the gentleman can claim that administration would be just as easy when we have two Departments to deal with.

Mr. DEROUEN. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield to the chairman of the committee.

Mr. DEROUEN. Will the gentleman explain that this grazing bill is a conservation measure and has as much to do with conservation as anything I can think of in the preservation of these grazing areas for the benefit of the public?

Mr. ROBINSON of Utah. I am very pleased to have that suggestion.

Mr. DITTER. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. DITTER. Can the gentleman give us any idea of the approximate cost of administration under section 17, where it is provided that the Secretary shall have power to select a director and assistant directors? Will the gentleman venture an opinion as to the probable cost?

Mr. ROBINSON of Utah. The bill provides for that, and the House has appropriated for the administration of this act the sum of \$250,000.

Mr. DITTER. Does this bill contemplate any further request for an appropriation?

Mr. ROBINSON of Utah. No further request at all.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. PIERCE. However, when the bill is in operation, fees will be collected sufficient to maintain it.

Mr. ROBINSON of Utah. I am pleased to have that suggestion.

Under the Taylor Act, as the gentleman from Oregon reminds me, of course, we collect fees. For every head of cattle and for every head of sheep grazing on this land fees will be collected. Fifty percent of this goes into the general Treasury, 25 percent goes to the county where the land is located, and 25 percent goes for the upbuilding of rehabilitation of the land itself. So that we expect when this gets under way fairly, instead of being an expense to the Government, it will, in fact, bring revenues to the Government.

So far as I am concerned, this is all I care to say about the first amendment; and if there is any question on the amendment, I will be pleased to entertain it now. If not, I want to go to the second amendment.

The second amendment simply provides for a certain kind of survey. In our Western States the Government has ceded to the various States certain land sections. In our State we have, for instance, school sections 16 and 36. These sections cannot be given to the State until there is a survey made. The State, of course, wants to have these lands so they can trade them for other lands and in order to accomplish this result we have provided that instead of going on to the land and actually surveying it in this rough and mountainous, and sometimes desert, country, we can survey it from field notes or from maps in the office and thereby be able to give the State the amount of land it is entitled to so it can exchange this land for land in other sections.

Mr. PIERCE. Those sections, 16 and 36, are school lands given to the States by reason of their admission.

Mr. ROBINSON of Utah. That is true.

The next amendment, which is amendment numbered 3, differs from the original bill in perhaps two particulars. Under the original bill the Secretary of the Interior was not permitted to lease any land that was contiguous to a homestead or to a settler unless it included at least 640 acres. He could only lease it to land that was contiguous to the settler. We have found this impracticable because in a number of instances there are smaller tracts than 640 acres and in numerous instances the adjacent owner does not have any cattle or sheep or any use for this land and therefore it cannot be used. This amendment is simply a clarifying amendment to permit the use of this land.

Section 4, which has been attacked by the gentleman from Pennsylvania [Mr. RICH], is simply for the purpose of carrying out the original act. It does not add anything to the original act except to designate how these people are to be chosen.

The original act provided that such amounts and such means as should be necessary to carry out the purposes of the act should be provided by Congress, and that was done. What we have sought to do is to make it definite, and we provide that the Secretary of the Interior shall have the right to select the director of grazing and such assistant directors of grazing as shall be necessary to administer the act.

That is no different from any other department of the Government. We think the Secretary of the Interior should choose such director and assistants as he may need to carry out the provisions of the act.

The reason is this. You sometimes have in the western States men who are very familiar with cattle, men who are very familiar with sheep, men who are really expert on the range, men who are expert executives so far as carrying out this range act is concerned. Yet if they had to pass a technical examination under the civil service they would be eliminated, and the result would be that we would have

college professors operating the range. In order to do away with that we have provided that the Secretary shall select the director and his assistants.

The Secretary was of the opinion that he would need five assistants.

Mr. RICH. Will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. RICH. I think that is a wise provision. I am firmly convinced and believe that men who are practical are better than college professors to administer the provisions of this bill. I want to say to the gentleman that I am in hearty sympathy with that.

Mr. ROBINSON of Utah. If I have done the gentleman an injustice, I want to apologize.

Mr. RICH. The great point I am making is, and what I object to, is the dual control; that is my whole objection to the bill.

Mr. KNUTSON. Will the gentleman yield?

Mr. ROBINSON of Utah. I will.

Mr. KNUTSON. I have not had time to study the bill, but I will ask the gentleman if the purpose of the bill is to liberalize grazing on the public domain?

Mr. ROBINSON of Utah. That is the purpose, to a certain extent.

Mr. PIERCE. Not to liberalize, but to regulate.

Mr. ROBINSON of Utah. It is an effort to liberalize and regulate it.

Mr. KNUTSON. It is my understanding that most of the land on the public domain has been overgrazed, and that is partially due to the dust storms.

Mr. ROBINSON of Utah. That is true. This bill is to correct that and to rehabilitate the land.

Now, I want to say in reference to this amendment that there was a subcommittee appointed on this particular amendment. We met with the Civil Service Commission and others, and after careful deliberation we agreed on practically every word of this amendment. Here is what we tried to get at:

We felt that it would be unfair to have college men just because they were college men have these positions. We thought that the positions should be filled largely by men who had a wide experience on the range. The Civil Service Commission took the view that unless we put in this amendment that education should be required by test and not by any fixed rule they could say we will require everyone who has a position to be a college graduate or a high-school graduate or have a 2 years' college course, and so forth. Under the amendment they could not put in a rule like that.

Mr. DITTER. Will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. DITTER. Is that not rather a serious reflection on the Democratic Party's present appreciation of college professors?

Mr. ROBINSON of Utah. I will leave that to the gentleman. I do not think so. [Laughter.]

Mr. BURDICK. Will the gentleman yield?

Mr. ROBINSON of Utah. I yield.

Mr. BURDICK. Is the gentleman sure that in answering these test questions it would not require technical knowledge in order to pass the examination?

Mr. ROBINSON of Utah. No. I think it will not. I think we have liberalized it just as much as we can.

Mr. DITTER. Will the gentleman yield for one other question?

Mr. ROBINSON of Utah. I yield.

Mr. DITTER. In all seriousness, will the gentleman justify that change which he spoke of under section 3, by which discretion is vested in the Secretary of the Interior to determine the matter of the leases? I think the gentleman did say something about it earlier.

Mr. ROBINSON of Utah. That is already in the original act.

Mr. DITTER. Is the discretion in the original act, that is vested here, with regard to the privilege of the Secretary to determine?

Mr. ROBINSON of Utah. Yes. That is in the original act. This is just a reenacting of that law.

Mr. DITTER. Even as to the matter of preference?

Mr. ROBINSON of Utah. Yes.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. MOTT].

Mr. MOTT. Mr. Chairman, it will be recalled that when the original Taylor grazing bill was being considered at the last session of the Congress I opposed it, and opposed it as vigorously as I could. At that time I took occasion to state the reasons for my opposition. If the original bill were before the Congress again for passage, I should oppose it now just as vigorously as I opposed it then; because I still believe the principle of the original Taylor grazing bill is wrong.

However, the Taylor grazing bill is not before the House at this time for consideration. The Taylor bill is now existing law, in process of administration. What we are considering here now are certain proposed amendments to that law, and the question to be decided is whether those amendments ought to be adopted. It is my opinion that the amendments should be adopted. Improper as I believe the Taylor Grazing Act is, I certainly have no objection to having it improved, if that is possible; and I believe the proposed amendments are calculated to do that.

Mr. PIERCE. Will the gentleman yield?

Mr. MOTT. I gladly yield to my colleague from Oregon.

Mr. PIERCE. The gentleman stated that he considered the Taylor Grazing Act improper, illegal, and wrong?

Mr. MOTT. I did state that.

Mr. PIERCE. Will the gentleman state why?

Mr. MOTT. I stated my reasons at length when the original bill was under debate last session, but I shall be glad to review them briefly for the benefit of my colleague. My objection to it is very fundamental. The Taylor grazing bill takes away from the Congress of the United States all legislative authority over the public domain of the United States and vests that authority in the Secretary of the Interior. It effectively repeals all of the homestead laws which have heretofore been upon the statute books of the United States. In lieu of that legislation so repealed, the act grants to the Secretary of the Interior absolute discretionary authority, including lawmaking jurisdiction, so far as the use of land is concerned, over the entire public domain of the United States. It permits him, in his discretion, to repeal the homestead laws by departmental order or decree whenever he pleases. It permits him to say to one citizen of the United States, "You may take up a homestead here", and at the same time permits him to say to another citizen of the United States, "You may not take up a homestead there." It substitutes government by decree for government by law within the public domain.

There are about 179,000,000 acres of public domain in the United States, all of which, under the law as it existed prior to the enactment of the Taylor grazing bill, belonged to all of the people of the United States, and all of the people had a right to use it in common. The Taylor bill repealed this common right of the people to the use of this land.

Mr. PIERCE. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. PIERCE. Is the gentleman not aware of the fact that there was practically no homesteading going on; that the lands in the public domain were simply valueless as homesteads?

Mr. MOTT. I do not understand that at all. That is not the testimony before our committee. That matter was very thoroughly gone into in committee, and we have had witnesses from all over the United States. Some of them, I may say, were very emphatic in contradicting that statement. I understand the gentleman's argument on this point perfectly, but I do not agree with him.

Mr. ROBINSON of Utah. Will the gentleman yield for a question?

Mr. MOTT. I yield.

Mr. ROBINSON of Utah. I do not know whether I understood the gentleman correctly or not. Of course, the gentleman understands that that privilege he is now talking about has already been taken away under the Taylor Grazing Act, and these amendments have nothing to do with that.

Mr. MOTT. I admit that, certainly. I have been stating my objections, not to the amendments, but to the original Taylor Grazing Act, for the benefit of my colleague from Oregon. All of the land now is withdrawn from public entry by proclamation of the President of the United States, and this was solely on account of the passage of the Taylor Grazing Act. This act is in existence. It is the law of the country. We do not have any more homestead laws in the United States. Nobody can take up a homestead any place in the United States unless he asks permission of the Secretary of the Interior. That is what the Taylor grazing law did. That was the main object and purpose of the Taylor Act, and that was, and is, one of my principal objections to it.

Of course it is claimed, and it may be true—I am not quite satisfied on that point—that this is a conservation act as well. It may be true that it will help to preserve some of the grazing lands. I hope that is true. The fact remains, however, that there is not a word, not a syllable in the entire act which compels any conservation. If any conservation is to be effected upon the public domain of the United States under the Taylor Act it will be entirely in the discretion of the Secretary of the Interior. I have no doubt, of course, that the Secretary will exercise his discretion in this regard to the best of his ability, because he is a conservationist. The point I am making is that conservation is, at best, an incidental factor in the act and not the fundamental object of it.

Mr. CULKIN. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. CULKIN. Is it not a fact that in addition to eliminating those lands from future homesteading it gives the Secretary of the Interior a bloody clutch on the cattle industry? It makes him czar of the cattle industry in a large portion of the United States?

Mr. MOTT. The gentleman's forceful language is, of course, his own, but I doubt if anyone would seriously contend that the Taylor Act places very much of a limit on any of the powers it undertakes to grant to the Secretary. That is one of the purposes of the bill, to place authority in the use of public land in the hands of one man. I am quite aware that regulation of some sort is necessary, and I do not object to purely administrative regulation under definite law. My fundamental objection to the Taylor grazing bill is that through it the Congress gives up its power to legislate in regard to the public domain. My fundamental objection to the act is that it takes the lawmaking power over the use of the public domain of the United States out of the Congress of the United States and vests it in the discretionary authority of an executive department, and that it repeals the homestead laws of the country.

Mrs. GREENWAY. Mr. Chairman, will the gentleman yield?

Mr. MOTT. Certainly, I yield to the lady from Arizona.

Mrs. GREENWAY. While there is not in this bill any section authorizing the Secretary of the Interior to rehabilitate the earth's surface, the original act specifically authorizes and directs him to do any necessary work to prevent soil erosion and protect the public domain.

Mr. MOTT. I think that is true. Under the act the Secretary of the Interior can do anything he pleases in that regard, in his own discretion.

Mrs. GREENWAY. I thought the gentleman said it did not really direct him to take care of the public domain.

Mr. MOTT. I do not think the original bill really directs the Secretary of the Interior to do anything. It gives him authority to do it if he wants to. That is my interpretation of the original bill.

Now, so much for the original Taylor bill, which is the law of the land and which its opponents, through lack of

numbers, could not repeal if they wanted to. I have spent too much time on the original bill, which I opposed, and not enough upon the amendments, which I intend to support.

What are these amendments? When the bill passed the House at the last session there was no limitation as to the grazing area over which the Secretary of the Interior should have jurisdiction to make rules, regulations, and restrictions. When the bill reached the Senate an amendment was adopted limiting the grazing area to 80,000,000 acres. The first amendment removes that limitation. It was found upon an attempt to administer the law that it could not be administered equitably with that limitation for the reason that some areas would be included while others would have to be excluded. In the eastern part of the State of Oregon, the district represented by my distinguished colleague the gentleman from Oregon [Mr. PIERCE], there are very large areas used for public grazing. Cattle raising is one of the principal industries of that part of the State. With a limitation of 80,000,000 acres, all of the public grazing land in eastern Oregon could not be included, and that created the impossible and unfair situation of having grazing on one area regulated and restricted but unrestricted on an adjoining area.

A typical example of that was in Crook and Deschutes Counties. On account of the limitation, these counties were left out of the regulated grazing area. Now, in the territory adjoining those counties, where grazing is to be regulated and restricted under rules and regulations made by the Secretary of the Interior, the transient cattle raisers are prohibited from coming in and using that land. Transient cattle raisers cannot use the range in any part of the country where these regulations apply.

[Here the gavel fell.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Oregon.

Mr. MOTT. Unless all of the grazing land is included, therefore, transient cattle raisers will go into that part of the territory which does not come within the operation of the act and will obviously injure and probably put entirely out of business the resident cattle raisers.

No matter what I think of the original law, therefore, I would certainly be obliged, in order to protect those people, to support these amendments. There are other amendments, I may say also, with which I am heartily in accord because they do tend to make possible the equitable operation of this law which in its original form was impossible; and although I am opposed to the original law, although I would like to see it off the statute books, as long as we have that law I certainly want all of my people treated fairly under it. The adoption of the amendments, therefore, becomes a necessity.

I wish to take occasion now in the remaining minute at my disposal to thank the chairman and members of the Public Lands Committee, of which I am a member, for the eminently fair and courteous and generous treatment they have accorded me and the people of my district in the consideration of the original Taylor Act. The people in western Oregon, whom I represent, did not want that bill. We have a great deal of public land in my part of the State of Oregon. It is not grazing land. It is revested public land; it is a part of the public domain; but there was a very serious question whether that land would not be embraced in the far-sweeping provisions of the original Taylor bill. I wanted that revested land excluded from the bill, and the Public Lands Committee was kind enough to accept my amendment to eliminate it and to exempt my portion of the State from the operation of this bill.

I have told you now why I opposed the original act; I opposed it on principle; and I still believe it wrong in principle. I have told you also why I am supporting these amendments; I am supporting them because without the amendments the bill would be admittedly inequitable and unfair to a large portion of the very people whom the original bill is supposed to benefit. [Applause.]

[Here the gavel fell.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, I suppose my taking advantage of the rule at this time will be regarded somewhat as an imposition upon the patience of the House in that I do not expect to speak upon the bill actually before us but wish to make a few brief observations concerning another measure which, while it does not come from the Committee on Public Lands, of which I happen to be a member, but from the Committee on Agriculture, nevertheless affects not only the livestock industry, both on and off public lands, but also the whole industry of farming. It may not surprise you, Mr. Chairman, to know that I intend to say a few words about the proposed amendments to the triple A, so called.

The gentleman from Oregon, who has just spoken so clearly with respect to the Taylor grazing bill, called our attention to the fact that we are from time to time delegating power to make law to executive officers and administrative officials, a power supposed to reside in the Congress of the United States; and when he made that statement my thought immediately went to this other proposal which has been reported favorably by the Committee on Agriculture and which has to do with amendments to the present law known as the "Agricultural Adjustment Act." If I read the language of the amendments correctly, the Congress is asked to make another very sweeping delegation of the lawmaking power to an agency or agencies far removed from the control of the Congress.

I have only a few moments; I want merely to strike at the fundamentals of this suggestion, if I may, for there is not time to discuss the details of the business of farming, the oldest of occupations, and one engaged in by millions of the American people. I may be pretty old-fashioned; I have been charged with that crime a good many times; but no man who is engaged in the business of farming will misunderstand me when I say that the most precious thing about it is independence.

There are hundreds and hundreds of thousands of farmers in the United States who are content to struggle through hard times and to carry on their business in normal good times at a very, very low return, largely because they enjoy the independence of the life. They are their own masters. Their love of the soil and the cultivation of the soil really springs from that human desire to be free. As I read these proposed amendments that condition is to come to an end.

Mr. Chairman, we examine this bill and we notice that there is provided the establishment of a series of marketing agreements to be negotiated amongst the producers of a certain crop, presumably with the assistance of the Secretary of Agriculture and in cooperation with the processors and dealers engaged in handling such crops; and when the marketing agreement is decided and agreed upon by a number of processors equal to at least 50 percent of the total number in a prescribed area or by a number of producers who together produce more than 50 percent of the crop in the prescribed area, that marketing agreement, as I read this bill, immediately attains the force of law. It becomes for that area and with respect to that crop the law of the land to be backed by the force of the Federal Government, a sweeping delegation of the lawmaking power.

Further than that the Secretary of Agriculture is authorized under this bill to impose a licensing system on all dealers and processors of a given crop if in his judgment the refusal of 50 percent of the processors or of the producers to sign on the dotted line obstructs the policy of the act.

Mr. Chairman, thus there is vested an extraordinary power in the hands of one man to make law. These marketing agreements, whether they are voluntary or imposed, may include the regulation of the price of the product. They may regulate the area in which the processors or dealers may operate, buying and selling from or for the farmer. They may regulate the quantity that may be produced in a given area and how it shall be marketed. And those regulations, as I read this bill, immediately assume

the force of law. Any dealer or processor who purchases or sells a product raised upon a farm in violation of the agreement may be prosecuted and fined for each violation or for each day of continued violation. There is not a Member of this House who can at this hour visualize what a marketing agreement will contain. The country may be divided into a number of areas and differing regulations imposed in each area in accordance with the marketing agreement to cover that area. We have no idea what kind of law will govern the production of food in the United States as we pass this bill, and I am wondering if it would interest anybody in these curious times, so fraught with hysteria, to regard the fundamentals involved in this situation. I am not speaking of the constitutional fundamentals, I am not competent to discuss that matter, but some of the things that affect human beings.

It is a Fascist idea that the majority of persons engaged in a business may employ the force of government to compel the minority to do as the majority wishes. Fifty-one percent, according to this philosophy, of the persons engaged in a business, be it farming or anything else, under this Fascist idea, may with the support of the Government or its bureaucracies, enact and effect a law governing the conduct of the business and compel the 49 percent to live a life decreed by the 51 percent. There, in my judgment, is the fundamental thing that should attract and hold our attention as we bring ourselves to a consideration of a bill such as the A. A. A. amendment bill.

[Here the gavel fell.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. KENNEY. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from New Jersey.

Mr. KENNEY. Have the farm organizations of the gentleman's district expressed themselves on this proposition?

Mr. WADSWORTH. I have not received communications from any farmers in my district, and I may say that my district is almost entirely farms. I think it fair also to say that most of the farmers in my district know that I am in the same business.

Mr. CRAWFORD. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Referring to those fundamentals, and forgetting the question of constitutionality, does the gentleman believe the establishment and creation of these trade areas through the issuance of these regulations would tend to destroy, impede, or interfere with the exchange of goods and commodities, both manufactured and raw, as between the States and the people residing in those States?

Mr. WADSWORTH. Why, of course. Conditions vary tremendously over this immense country. What may be wise for an area on the Pacific coast with respect to the raising of vegetables, for example, might be utterly unwise for a similar area in Florida or western New York. These areas will be contiguous one to the other. In an industrial and economic sense they overlap in hopeless confusion and complication. From the purely administrative standpoint, I do not see how the Secretary of Agriculture can divide this country into appropriate areas and make them all work in harmony.

Mr. ANDRESEN. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Minnesota.

Mr. ANDRESEN. The gentleman is a dairy farmer?

Mr. WADSWORTH. Yes.

Mr. ANDRESEN. The dairy cow and the dairy farmer are selected for a particular operation and experiment in this bill.

Mr. WADSWORTH. Yes.

Mr. ANDRESEN. Will the gentleman explain how he markets his dairy products from his farm, and is he satisfied?

Mr. WADSWORTH. I am not sure that would interest the members of the committee. I happen to be in the business,

and my only hope is that the Government will let me alone. That is all I care about. [Applause.]

But, Mr. Chairman, to the fundamental, again; I am thinking of the rights of the minority. Is the 49 percent to be subject completely to the domination of the 51 percent? Have we reached that point in our development here in America? If that is true, then for the future scarcely ever can the under dog rise up and fight his way to the top. Legislation of this kind involves a philosophy which, in the end, means that once an under dog always an under dog. What is the under dog in business? It is the poor fellow who starts handicapped. Granted that he has thrift and character and energy, but he starts handicapped. How can he rise and fight the battle of life?

[Here the gavel fell.]

Mr. ENGLEBRIGHT. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. WADSWORTH. Only by competing with his more favored neighbor. How can he compete? Let us be practical. Only by working harder and underselling in a competitive market. Today, in accordance with the new philosophy, that man is called a chiseler and subjected to contumely—the little man who has his life before him and must get ahead. Yet these bills, which come before us—and there is a similar provision in the Wagner Labor Disputes Act which gives to a majority the absolute control of the method by which the minority in a plant shall earn their living—yet these bills come along and say that the little man who can succeed only by fighting for his rights must subject himself to a law not made by the Congress but by his powerful neighbors backed up by the force of government. [Applause.]

Mr. DEROUEN. Mr. Chairman, I yield 1 minute to the gentleman from Wyoming [Mr. GREEVER].

Mr. GREEVER. Mr. Chairman, I have had considerable correspondence with the stockmen of my State relative to their views with respect to the inclusion of all of the public domain within the provisions of the Taylor Grazing Act. This, as we all know, simply means the end of an institution which has been known in the West as free range.

Generally speaking, there has been a wide difference of opinion among the stockmen of the State of Wyoming relative to the desirability of the act. I have opposed the adoption of the first of the amendments which are now before this Committee mainly for two reasons.

In the first place, I have felt that the grazing districts provided by the Taylor Grazing Act under the law as it now exists should have been set up and should have been given a fair trial before applying the provisions of the act to all of the lands in the public-lands States. In other words, I am more apprehensive of the practical difficulties which will be encountered in the administration of the act than I am of the act itself. I think it would have been wise, before including all of the public grazing lands in the provisions of the Taylor Act, that a fair trial should have been given in the administration of the act by the creation of actual working of the grazing districts.

My second reason for feeling that the first amendment to the act is not wise at this time is due to the fact that it must of necessity, in order to properly operate, create a herd law, something which has never yet been effected within the State of Wyoming, in that the provisions of the act and the regulations of the grazing districts must, in order to be workable, necessarily contain provisions against trespassing in these districts by animals which have no allocation for range use.

I realize, of course, that the Taylor Grazing Act in itself, in case it can be effectively administered, contains many good provisions, in that it will prevent overgrazing and that it will prevent soil erosion that has been caused by overgrazing. I am mindful of the fact that the act, properly administered, will do away in many cases, as the Secretary of the Interior points out, with the trespassing upon privately owned lands and the overgrazing of the public lands by persons who have no commensurability adjacent to the range lands which they occupy. I am also mindful that my fellow Members from practically all of the public-lands States feel that the amend-

ment is advantageous in their particular localities. I do not feel that Wyoming has the same problem with respect to erosion and overgrazing that many of the other States have had.

I think, Mr. Chairman, that we would adopt a far better policy if we were to take the act as it now stands and administer it before putting all of the lands under its provisions. However, during the hearings we have been assured by representatives of the Department of the Interior that the grazing districts would be largely self-governing and their establishment would depend upon the wishes of those people who are owners of stock within the areas proposed to be enclosed within the districts. This administrative policy will, of course, remove much objection because it will be subject to majority designation and rule and will give those within the district the right to say to a large extent, first, whether they shall be included, and second, if they are included, under what conditions, rules, and regulations they will operate.

I must confess that these assurances and the further assurances that the provisions of section 15 of the act will be carried out wherever possible, remove a great deal of the apprehension from my mind, but I still believe that it would be prudent, in this great change of policy affecting the largest industry of the West, to proceed carefully and to feel our way as we go, and with that feeling existing so strongly in my mind as it does I feel constrained to say that I reluctantly and possibly somewhat sectionally disagree with the first amendment, yet I also feel constrained to say that had grazing districts been put into operation under the provisions of the original act and had the success of the administration of this act been demonstrated, I would probably not feel inclined to disagree with the provisions of the first amendment to this act.

I am in full agreement with all amendments except the first. [Applause.]

Mr. ENGLEBRIGHT. Mr. Chairman, I believe I have 4 minutes left, and I yield that time to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Chairman, we have pending before the Public Lands Committee a bill to create a monument to the first homestead or the first tract of land taken up under the homestead law, which land is located in the State of Nebraska.

This policy of giving a homestead to the people who wanted to settle the unappropriated lands of this country was one of the greatest policies for the development of a nation that was ever written into law in any country.

In my boyhood I obtained an old geography used by my grandmother, and the country west of the Mississippi River was indicated in this geography as the Great American Desert, but through the operations of the Homestead Act and the settlement of the unappropriated public lands of this country, we have built up wonderful communities extending throughout the Western States to the Pacific Ocean. The acquirement of this land and the building up of communities, followed by the railroads and the schools, constituted one of the greatest areas in the upbuilding of a country in the world's history.

It is now intended through the operation of the Grazing Act to abrogate this law. We are to do away with the homestead law and close the door of opportunity to the man who wants to make a new start. By legislative enactment we are to finish up America.

We have left in this country 172,000,000 acres of public land. Under the provisions of the act passed in this House at the last session and amended in the Senate, we are taking 80,000,000 acres of this land and putting it under the administration of a department here in Washington. It is now proposed to amend that act and take the last remaining part of the public lands and bring them within the provisions of the Taylor Grazing Act, which will entirely abrogate the Homestead Act and put the entire matter of settling on any piece of this land within the discretion of a few representatives of the Secretary of the Interior and permitting them to say whether that land shall be classified for home-

steads or not. In other words, we put it in the control of some one person to say whether this land shall be acquired under the rules and regulations of the homestead law.

For this reason I am opposed to this amendment. I want to give you a little picture. In my State, in a beautiful mountain valley, with broad, sweeping meadows, supplied with mountain streams, we have one of the prettiest places for settlement or for the establishment of communities and homes anywhere in the country. It happens to be, unfortunately, in a national forest, and the forest officers prevent anybody from going in there and homesteading. I had occasion to travel some 30 miles through these mountains and along this beautiful valley on a truck trail built by the Forest Service, and what did we find there? We find here and there a few standard sheep wagons and a few flocks and once in a while a shepherd. This was in a country where we might have had churches and schools and civilization. As it is, the region is dominated entirely by the Forest Service, and anyone who makes application for a homestead is denied this right and told to keep out. Who is enjoying this land? Who is reaping all the benefits? When you trace the ownership of these flocks you find they are owned by such people as Swift & Co.

[Here the gavel fell.]

Mr. DEROUEN. Mr. Chairman, I yield the remainder of my time to the gentleman from California [Mr. STUBBS].

Mr. STUBBS. Mr. Chairman, ladies and gentleman of the House, I might say that we entered into this long-range program of our public-domain planning with a great deal of uneasiness, but in my judgment the diplomatic manner in which the Department of the Interior has acted in the performance of the service has won the confidence of the stockmen of the West where the public lands are located.

It was my pleasure to participate in the organization of one of these grazing districts under the provisions of the Taylor Land Grazing Act. It was a new era in the administration of this country. Instead of the Department of the Interior here in Washington attempting to administer the Taylor Land Grazing Act out there in the far West, Department officials simply delegated the authority to the men who were actually engaged in raising cattle and sheep.

These men came down from the mountains and plains, organized their committees, elected their officers, and were given the power to make rules under which this was to be administered.

As I sat there and watched the organization, it occurred to me such was one of the most democratic performances this administration, or any administration, has given to this country of ours.

I believe that these amendments are necessary. I believe the people of the West will appreciate them, and I call upon all Members of the House to support these amendments, believing that it will be for the best interests of the people of this country. These amendments to the basic Taylor Land Grazing Act clarify its purposes and enlarge its usefulness. They are the usual changes required after a major piece of legislation has been enacted and has been in operation for a period of time sufficient to disclose its weaknesses. These amendments strengthen the Taylor Land Grazing Act and protect the interests of both the Government and the stockmen and sheepmen. They plug loopholes and add or remove restrictions which have proved necessary in the light of administration of this almost year-old law.

Others have described the technical features of these amendments, and since you have been informed on these points I shall confine my remarks to only two major features of this law.

These two are the decentralization of activities and the efficient administration which have proved salient features of this law since its inception approximately 11 months ago.

It was my duty and pleasure during the last session of Congress to take the floor when the bill was under consideration. I had been informed that this particular type of legislation had been before Congress for a period of 30 years,

more or less, but had always been stopped by those who feared bureaucratic control of the public-domain grazing areas. I have never known any type of individual more independent than the average stockman, and no one more willing to battle for his rights; and this legislation appeared to them as an effort to force them into regimentation and under a departmental thumb.

I had faith, however, in the legislation which appeared before me in committee, and although I was confident that it would become understood and appreciated sooner or later by the stockman himself, I did not realize that it would operate so successfully in such a brief period of time.

Probably the most important factor which has brought about the success of this law has been the home-rule feature. Instead of being subject to dictation from a department in Washington in the matter of grazing district boundaries, in the selection of local officials, and in the making of local rules and regulations, the stockmen in the various parts of the country were given complete authority to create their own administrative organizations, elect their own officials, recommend grazing district boundaries, and otherwise operate almost independently of Washington. Only a few general rules and regulations were imposed upon them and these were so thoughtfully framed that it gave the stockmen every opportunity to organize districts and to continue his operations in harmony with local conditions. This system of decentralizing activities and authority, which has been perfected under the Taylor Land Grazing Act, is a happy one and typifies the true spirit of our form of democratic government. To those who have feared bureaucratic control, I point to it with pride as an example of what can be accomplished in decentralization, and the delegation of authority and responsibility to the governed. It has always been my contention that they are governed best who govern themselves.

I might add that while the administration of the Taylor Land Grazing Act in the field has proved more than successful, because of its home-rule features, the administration set-up in Washington should be accorded high words of praise because of its evident desire to cooperate with stockmen in every possible fashion in keeping with the letter of the law. This is appreciated by those of us from the far West who generally have been forced to travel to this side of the country to present our views. Officials of the division of grazing, however, go among the affected ones in the far West, and bring them news of developments, suggestions, and information. I ascribe much of this success in the field and at the headquarters in Washington to the sympathetic understanding of public-domain problems possessed by our Secretary of the Interior, and to the able management of Director of Grazing F. R. Carpenter and the other officials of the Department of the Interior in whose hands has been placed the responsibility of making a success of this new and long-range public-domain rehabilitation program. As a Member of Congress, from one of the largest and most important grazing districts created under this new law, I feel that I would be remiss in the proper sense of appreciation if I did not relate the success of this agenda, and compliment the Secretary of the Interior for his foresight and good judgment in selecting an administrative executive with academic training and real practical experience, and thus bring definite assurance to those most affected that our grazing problems will be solved by a capable and understanding director of grazing.

The CHAIRMAN. All time has expired, and the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the first sentence of section 1 of said act is amended by striking out the following: "not exceeding in the aggregate an area of 80,000,000 acres of vacant, unappropriated, and unreserved lands."

SEC. 2. That the second sentence of section 3 of said act is amended by striking out the following: "except that no permittee complying with the rules and regulations laid down by the Secretary of the Interior shall be denied the renewal of such permit, if such denial will impair the value of the grazing unit of the permittee, when such unit is pledged as security for any bona fide loan."

With the following committee amendment: Page 2, strike out lines 1 to 7, inclusive, and insert:

Sec. 2. Amend section 8 by adding immediately thereafter: "Areas and values of unsurveyed school lands within or without grazing districts may be approximated by protraction or otherwise for the purpose of effecting exchanges of State lands."

The committee amendment was agreed to.

Mr. MOTT. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 2, line 12, after the word "land", insert "that the second sentence of section 3 of said act is amended by striking out the following: 'except that no permittee complying with the rules and regulations laid down by the Secretary of the Interior shall be denied the renewal of such permit if such denial will impair the value of the grazing unit of the permittee when such unit is pledged as security for any bona fide loan.'"

Mr. MOTT. Mr. Chairman and gentlemen of the Committee, if you will turn to page 2 of the printed bill you will find the text of what was section 2 of that bill stricken out.

I believe that that section should remain in the bill, and for this reason: If it is not left in the bill, and if the amendment I have suggested is not adopted; the result will be that a vested right in many instances will be given to private people in the public domain. The manner in which they will acquire the vested right is this:

Under the language of the original Taylor grazing bill, the text of this proposed section 2 of the pending bill is included. It reads:

That no permittee complying with the rules and regulations laid down by the Secretary of the Interior shall be denied the renewal of such permit, if such denial will impair the value of the grazing unit of the permittee, when such unit is pledged as security for any bona fide loan.

It will be apparent, I think, to everyone, under that language, it would be perfectly possible for a permittee, by keeping his grazing unit continuously mortgaged, to have an absolute vested right in the public domain; a vested right which never could be taken away from him. If we are going to regulate the grazing area so as to give all the people of the United States who want to engage in the business of grazing as equal an opportunity as possible, then we should provide that no one may ever be given a vested right in any part of that public domain. The right to deny a renewal of permit to any permittee should always be retained in the Government. Otherwise you are giving to a private person a special right and a privilege which other private persons do not have.

Now, it was first suggested in the committee that the amendment I have offered be included in this bill when it was reported out of committee. Before it was reported out of committee, however, that suggested amendment was stricken out. I think it is proper and absolutely necessary for the protection of the property of the United States and for the protection of the people of the United States that we have this amendment reinserted in the bill.

Mr. PIERCE. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. PIERCE. Is it the gentleman's idea that there should be no vested right in that range?

Mr. MOTT. I think there should be no vested right by private persons in any publicly owned property, and that range is still publicly owned property, notwithstanding the Taylor Act.

Mr. PIERCE. Did I understand the gentleman to say that the permittee might mortgage that permit?

Mr. MOTT. Yes. I understand it is a rather common practice to pledge them as security for loans. The act provides that if the grazing unit is mortgaged, then the Secretary of the Interior shall not deny the permittee a renewal of the permit if denial of the renewal would impair the value of the grazing unit. That, obviously, would enable the permittee to acquire a vested right and to keep it. Everyone should have equal opportunity to receive these permits, and nobody should be given an absolute right, under any conditions, to have that permit renewed indefinitely.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. Mott] has expired.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent that the gentleman be granted 2 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MURDOCK. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. MURDOCK. As I understand the committee amendment, it is to strike out all of section 2 as printed in the bill?

Mr. MOTT. That was the original intention of the committee. This was the proposed amendment of the committee. Now, the amendment comes in here stricken out, so that there is no amendment, and the language which appears stricken in the bill is no part of this bill at the present time. Therefore, this language, which is stricken in the pending bill, still remains in the original act. My amendment is to strike out from the original Taylor Act the language that occurs on the second page of the pending bill. It is that language which makes it possible for a permittee to acquire a vested right in a part of the public domain.

Mr. MURDOCK. Then, as I understand the gentleman, this language is in the original bill, this language which the bill attempts to strike out?

Mr. MOTT. That is correct.

Mr. MURDOCK. And if the gentleman's amendment is agreed to, it will remain in the bill?

Mr. MOTT. It will, and consequently it will be stricken out of the original act.

Mr. MURDOCK. I think the gentleman is right.

The CHAIRMAN. The time of the gentleman from Oregon has again expired.

Mr. MICHENER. Mr. Chairman, I move to strike out the last word.

I do this for the purpose of again calling the attention of the committee to the language of this bill. I address my remarks especially to the chairman of the committee. I understand the committee does not want to take the time now to try to correct the bill, and I shall not insist upon that if there is an understanding that when the bill goes to the Senate an effort will be made to have the bill drafted as it should be drafted, so that we may understand just what it is. If the chairman will take that up, very well. Otherwise I think we should have a quorum.

Mr. DEBOUEN. The gentleman understands that we can not vouch that, but we are in perfect agreement with the gentleman.

Mr. MICHENER. If the chairman will ask the Senate to do it, they will do it.

Mr. TAYLOR. I will say to the gentleman that I will personally look after that and see if it needs amending; and if so, I will try to secure the appropriate changes. I am anxious to have it right.

Mr. MICHENER. Then it will be done. I thank the gentleman.

Mr. PIERCE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I have had much to do with Government lands, representing a district about 300 miles square, two-thirds of which is either in the public domain or in the forest reserves. I have been very ardently for the Taylor bill from the very beginning. I did everything I could for it a year ago. I think it is one of the real bills that passed last session. I am delighted to know that it is receiving these amendments at this time. It was a great error that it was cut down in acreage by the Senate and we were not able to put it into full operation.

I am opposed to any changes at this time suggested by my colleague from western Oregon [Mr. Mott]. I do believe that a man should have a right, the same as he has in the forest reserves, to a renewal of his permits. I think there is such a thing as a vested right for a man who uses these ranges. The great opposition to the original Taylor Act and

the opposition that has been expressed here comes from those who have water rights on springs and rivers, and for that reason command great sections of the public domain.

The statement has been made that the public domain is homestead land. As a matter of fact, there has been practically no homestead land for 30 years anywhere in the West. Sometime ago we extended the limit that might be taken up by one individual to 640 acres, but even then hardly any was taken up. So that argument is simple buncombe; it does not mean anything.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I yield.

Mr. WHITE. Is the gentleman familiar with the records of the General Land Office and the number of homesteads that are now being initiated?

Mr. PIERCE. I am; and I have taken notice of the gentleman's description of that very beautiful mountain valley, but I would like to have the gentleman tell us some more facts about the elevation of that valley. Not even in summer does a period of 30 days go by without a killing frost. Is not this true?

Mr. WHITE. But that does not prevent the raising of hay and the supporting of cattle.

Mr. PIERCE. That is all right, but if the gentleman is going to establish families and civilizations way up on top of that mountain, I do not know why it could not have been homesteaded under regulations of the Forest Service.

Mr. WHITE. When it was withdrawn from the Forest Service it was inaccessible because there were no roads.

Mr. PIERCE. And it is inaccessible now because it is way up on top of the mountain. It is a mere dream.

Before we had regulation the public lands were being grazed so hard that the grass was being killed out. A few people came in with herds of cattle and sheep. Their animals took the grass off, but the people did not own an acre of the land. When this law is in full operation it will double the value of the grazing area on the public domain and instead of this area being an expense to the Government it will be a source of revenue.

I want to say to the distinguished gentleman from Pennsylvania [Mr. RICH] that if he would come out West and look at the public domain he would understand what we are trying to do. If this bill is passed the land will be put in very excellent shape and so maintained. I would have changed some provisions of it had I been drawing the bill; I would have put all the public lands under one head; however, there will be no difficulty in the dual operation of the law governing the forest reserves and the public domain.

Mr. RICH. I am very glad the gentleman admits that he would put the public lands all under the one head, because that is what I am trying to do.

[Here the gavel fell.]

Mr. MURDOCK. Mr. Chairman, I move to strike out the last two words.

I merely want these 5 minutes to get the question submitted by the gentleman from Oregon straightened out. As I understand it the Taylor Grazing Act, in its present form, contains this language in section 3 thereof:

Except that no permittee complying with the rules and regulations laid down by the Secretary of the Interior shall be denied the renewal of such permit, if such denial will impair the value of the grazing unit of the permittee, when such unit is pledged as security for any bona fide loan.

Mr. DE ROUEN. That is correct.

Mr. MURDOCK. As I understand the pending bill, Mr. Chairman, section 2 is stricken out leaving the bill as I have read it just now. Is that true?

Mr. DE ROUEN. That is correct. I may say to the gentleman from Utah that the language to which he refers was not in the bill as it passed the House but is what is known as the "McCarran amendment", and was put in the bill by the Senate.

Mr. MURDOCK. But it is a part of the original bill.

Mr. DE ROUEN. It is in the bill at the present time.

Mr. MURDOCK. I want to say to my colleagues here today that if there was any reason whatever for the adoption

of the Taylor Grazing Act it was that of regulating the public domain. Is that true?

Mr. DE ROUEN. That is correct.

Mr. MURDOCK. What is the effect of leaving this language in the bill? It thwarts that very purpose by allowing the permittee to perpetuate a pledge or a mortgage against his permit, and as long as he does that you preclude the Secretary of the Interior, the head of the grazing department, and all other officials connected with the administration of this act from efficient regulation.

Why? Because leaving the bill as it originally became law, including the objectionable language specified by me, in my opinion, tends to place the permittee in a position where he may willfully and unscrupulously continue and perpetuate a mortgage against his permit and thereby preclude proper and efficient administration and regulation. Such actions, of course, would be rare, and it may be argued that the possibility of such actions is too remote to warrant caution on our part at this time, but it is to protect the people in whose behalf this bill is enacted and the officials who will administer it against these unscrupulous persons that this language should be stricken from the bill. This language would permit collusion on the part of banks and their debtors, who may be permittees, and I am sure that it would be only a short time, were we to let this bill go unremedied, before the officials administering the bill would be calling upon us to protect them from the vice the inclusion of this language permits. If we have confidence in the Secretary of the Interior, and the officials whom he will place in direct charge of the administration of this bill, then we can have no doubt but that they will administer it insofar as it is possible and practicable for the benefit of all persons, associations, and corporations coming within its terms; this includes not only permittees, but their creditors, who may be holding permits under this act as collateral security. We need have no fear that the Secretary of the Interior, or his successors in office, will willfully interfere with such collateral security, except for the general welfare of the people in whose behalf this bill is enacted. While, on the other hand, striking this language from the bill places the administering officials in a position to administer the law without being hampered and coerced by some banker or unscrupulous permittee, who is selfish enough to protect his own interests at the expense of the general public using the grazing lands under this bill.

I urgently request the committee to consider this amendment and accept it as a part of this bill. I do not think we should wait until it goes to the Senate in the hope that body will do what we leave undone. Why not perfect it in this body and be through with it when it goes over there? Why not send it to the Senate in proper form?

Mr. LUNDEEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed out of order for 2 minutes to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXECUTIVE VETO OF ADJUSTED-SERVICE CERTIFICATES BILL SUSTAINED BY THE SENATE

Mr. LUNDEEN. Mr. Chairman and colleagues of the House, the adjusted-service certificates compensation bill, known as the "Patman bill", was before the Senate today in debate. I have just returned from the Senate, and listened to their debate and heard many able speeches for and against the so-called "bonus bill." I have just been informed that the final vote was 54 to override the veto and 40 to sustain the President, or seven more than necessary to sustain the veto.

WHAT THE PATMAN BILL MEANS TO THE THIRD DISTRICT AND MINNESOTA

Under the Patman bill, the following counties in Minnesota, which I have the honor to represent in Congress, would receive:

Anoka	\$381,374.65
Chicago	273,144.19

Isanti.....	\$250, 197. 51
Washington.....	512, 634. 63
Hennepin.....	10, 723, 327. 35

A total of \$12,140,678.33.

These counties are all in my district.

The State of Minnesota would receive \$53,099,466.63.

When I voted for the bonus bill in the House of Representatives yesterday, I was thinking of the soldiers back home in Minnesota, back home in Minneapolis, Hennepin County, Anoka, Chisago, Isanti, and Washington Counties, and all of our great North Star State. I was thinking of the tens of thousands of these veterans out of work, in the relief lines, hungry, and many of them poverty stricken in the extreme, well on the way to the poorhouse, after their brave and courageous service in the Army of the United States under the American flag in France, fighting "to save the world for democracy", at least so they were told.

VOTING AGAINST ENTERING THE WORLD WAR

I tried to save them from that terrific and awful experience of battle ordeal in France. I voted "no" on America's entry into that war, and to my dying day I will be proud of my vote, and I know I was right. After we were in the war I voted to sustain the Army in the field until victory was ours, and from that day to this I have never ceased to vote for justice to the soldiers of America, the men of the World War who so courageously carried our banners across the ocean.

The first obligation which a nation owes to any of its citizens or any class of its citizenry is to the soldiery of the country—the men who forged the Nation upon the fields of battle; the men who drenched the very soil of the country with their own blood so that their Nation might live. These men who entered upon the field of battle suffered in fever camps and from insanitary conditions thousands of miles from home deserve the best the Nation can give; and I have stated on innumerable occasions that there is wealth in this country; that there are billions in this country for the soldiers if we will only go and get that money and see that the service men get the money that was promised to them.

BIG BUSINESS AGAINST THE VETERANS

The battle today is not a battle in France. It is a struggle in America between big business and the veterans. Big business refuses to pay the bill that is owing to the veterans. They say, "No; we must not print any money and give it to the veterans." And the veterans vainly reply that all they will get will be immediately spent for necessities. It will go into the channels of trade to aid and benefit the country at large. But that does not seem to satisfy the aristocracy of wealth in America. That is not satisfactory to the money kings and the financial powers of these United States.

This hereditary aristocracy of wealth is ruthless and merciless in its attitude toward the soldiers. Now, that the war has been fought and won they are not concerned with the soldiers any more. They are willing to let them drift into poverty, destitution, and even to the doors of the poorhouse. That does not concern the money changers in the temple, for have they not their enormous war profits in their coffers safe and secure? They have their mansions, their millions, their yachts. They have their limousines, and all that goes with wealth and luxury in this world, and they are callous and hard and unyielding, and even contemptuous toward the men in uniform.

I pledge the soldiers of the country, of the Third District, and Minnesota and America that I will fight this aristocracy of wealth, these money changers in the temple, until they are driven out of these precincts of government where they have intruded themselves, and established themselves as the great invisible government in control of all American affairs.

VETERANS FORWARD INTO A NATIONAL LABOR PARTY

There is only one thing that can accomplish this, and that is the establishment of a great national labor party. I call attention to the fact that all Farmer-Laborite Representatives in the House are voting solidly for the service men. There is not a break in our ranks. Our senior Senator from Minnesota—Farmer-Laborite—voted to override the President's veto today. A labor party is the soldiers' party. It is

the farmers' party. It is the party of labor and the working-man of America. It is the party of the rank and file of the people, whom God must love for He made so many of them.

THE FIGHT WILL GO ON FOR THE ADJUSTED-SERVICE CERTIFICATES

The fight will go on for the adjusted-service certificates; and I have only one fault to find with this bill: It is not enough. No one can measure the sacrifice of the soldier for his country. It cannot be measured in money or denominated in gold, or in any of the precious stones of this earth. It is beyond the measure of money and wealth. The adjusted-service-certificates compensation is only an infinitesimal part of that which they earned; but once they are promised, they are entitled to it, and those who say it is not due until 1945 should remember that every other class of citizens has been benefited in this crisis, and that time is not an element now that the crisis is on.

There is no merit in the claim that inflation will destroy the currency. The Chief Executive himself stated in his message that the payment of the bonus would not impair the Treasury, so why argue along that line any longer? And, so far as inflation is concerned, there is no difference between inflation of the currency of the country or inflation of the bonds of the country, except that inflation by bonds is worse than inflation through currency, because inflation with bonds means a terrific load of interest payments in addition to the bonds.

I want the country to know also that there are some of us here who will continue to fight for the payment of the adjusted-service certificates and the Patman method of payment until the fight has been won. [Applause.]

Mr. MARCANTONIO. Will the gentleman yield?

Mr. LUNDEEN. I yield to the gentleman from New York.

Mr. MARCANTONIO. And in the meantime the unemployed soldier has to live on a standard wage of \$19 to \$94 a month?

Mr. LUNDEEN. The gentleman is absolutely right. Think of it! Nineteen dollars per month for life, liberty, and the pursuit of happiness.

WE ACCEPT THE CHALLENGE

These things are well known to all men, and it is time now today to reform our lines; to fill the gaps; to march ahead forward to build a great labor party and send Congressmen and Senators who will vote to stand by the soldiers of America; stand by the men who wore the uniform in time of war. That time is here. There is not a moment to lose. Forward to final victory!

Mrs. GREENWAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened attentively to all that has been said, and I am very anxious to emphasize one or two reasons why I think these amendments should be passed. Maybe it is appropriate that I speak, because I opposed this bill last year rather vigorously until almost the end. I opposed it for very human reasons. I opposed it because I think we all hate to see more bureaus, more Federal control, and more red tape. However, Mr. Chairman, there is a reason why this bill was considered, and one portion of my State illustrates that perhaps more clearly than almost any other place in the United States.

In Graham County, Ariz., we have had in recent years 19,000 of our fertile acres washed away. Some of the people who homesteaded there in the last generation have a bridge spanning their homesteads today; and that, I think, is the reason this bill is being considered. It is a matter of erosion control.

Mr. Chairman, may I say something about my experience in the committee in dealing with the Interior Department. It has been a wonderful experience to find that the Interior Department met us with an open mind, acceded in, at times, to our wishes, and apparently without prejudice, to some very important suggestions that apply not only to this bill but have to do with the future of the American people. The last five lines of the bill have to do with its administration—the choosing of graziers and are an important instance of what we should be trying to get into every bill of this sort that comes on the floor. They state that in

selecting graziers for the administration of this act that practical range experience in public domain States and educational requirements shall be determined by test and not by fixed rule.

The lines were a serious issue in the committee, and the fact the Interior Department accepted graciously and apparently gratefully our suggestions that the administration of this bill be given to our local people who understood the business and not be administered by college graduates from other States should be applauded. [Applause.] This indicates that we intend to trust our local people. It indicates that the Secretary of the Interior not only believes but is demonstrating his belief in a certain amount of decentralization of Government and authority, and, third and peculiarly important, it concedes that maturity, common sense, and experience have a place parallel to what is known as "higher education." [Applause.]

Mr. DEROUEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I request the members of the Committee to defeat the amendment offered by the gentleman from Oregon. The committee has gone over this matter very thoroughly. The gentleman from Oregon [Mr. MOTT] is a member of the committee, and knows that this amendment was added to the original bill by Senator McCARRAN, of Nevada. At this late minute to try to add new language to the amendments reported and agreed to by the committee I feel would disturb the entire bill, and I am therefore asking the Members to stand by the committee and defeat the proposed amendment.

Mr. MOTT. Will the gentleman yield?

Mr. DEROUEN. I yield to the gentleman from Oregon.

Mr. MOTT. May I ask the gentleman if it is not a fact that the language which was first proposed in the House Public Lands Committee striking out section 2 on page 2 of the bill was not at the suggestion of the Senate, and not at the suggestion of anybody in the House?

Mr. DEROUEN. I am not able to answer the gentleman's question because I have not been in conference with the Senators. I do not know.

Mr. MOTT. It was not stricken out by our committee.

Mr. DEROUEN. Absolutely; it was.

Mr. MOTT. If it was stricken out by our committee, I do not recall the circumstance of its being stricken out.

Mr. MURDOCK. Will the gentleman yield?

Mr. DEROUEN. I yield to the gentleman from Utah.

Mr. MURDOCK. Is the gentleman favorable to the regulation of our public domain by the Interior Department, or does he want to restrict and limit it?

Mr. DEROUEN. Indeed not.

Mr. MURDOCK. Is that not exactly what the gentleman is doing by leaving that language in there? The gentleman makes it possible for the great big sheepmen and the great big cattlemen to perpetuate a permit already obtained by merely having the land pledged to some bank. If the gentleman agrees that the Secretary of the Interior should have power to regulate and control our public domain, then why in the name of common sense limit and restrict him by the inclusion of language such as has just been read?

Mr. DEROUEN. The language in the original bill is not the language of the Public Lands Committee of the House.

Mr. MURDOCK. Then why not strike it out right now?

Mr. DEROUEN. Let me explain. This language was put in there by Senator McCARRAN to protect loans that were outstanding and held by the banks. Of course, it could happen, as the gentleman stated, and I agree with him, that some dishonest person could come in there and perpetuate his permit by letting his loan stand.

Mr. MURDOCK. Does the gentleman believe in that type of legislation?

Mr. DEROUEN. I am sincere in my belief that I do not think that these public-land gentlemen who live over there will do such a thing. Of course, I do not know.

Mr. PIERCE. I really think the amendment ought to be accepted. I did not take that view at first, but after reconsideration I believe that it ought to be accepted.

Mr. DEROUEN. Very well. I will leave it to the Committee to vote, and will withdraw my objection, but I shall vote against the amendment.

Mr. WHITE. Mr. Chairman, I ask unanimous consent that the Clerk may again read the amendment offered by the gentleman from Oregon [Mr. MOTT].

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

The Clerk read the Mott amendment.

The amendment was agreed to.

The Clerk read as follows:

Sec. 3. That section 15 of said act is amended to read as follows: "The Secretary of the Interior is further authorized, in his discretion, where lands of the public domain are so situated as not to justify their inclusion in any grazing district to be established pursuant to this act, to lease any such lands for grazing purposes, upon such terms and conditions as the Secretary may prescribe.

With the following committee amendment:

After the word "prescribe", in line 19, insert a colon and the following: "Provided, That preference shall be given to owners, homesteaders, or other occupants and lessees of contiguous land to the extent necessary to permit proper use of such contiguous land."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

After line 23, insert a new section, to be known as "section 4" and to read as follows:

"Sec. 4. That said act is amended by the addition of the following section, to be known as 'section 17':

"Sec. 17. The Secretary of the Interior shall have power to select a director of grazing and such assistant directors of grazing as shall be necessary to administer this act.

"In selecting graziers for the administration of this act, the Civil Service Commission shall be governed by the practical range experience in public-domain States which such persons have had, and educational requirements shall be determined by test and not by any fixed rule."

Mr. MARTIN of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had not intended to say anything on this bill, but I have offered this pro forma amendment simply for the purpose of allaying any apprehension in the minds of any Members that by the provisions of this bill any desirable or any fit agricultural lands may be taken out of circulation.

I am quite familiar with the lands in these Rocky Mountain States that are principally involved in this legislation. I have been looking at this land and traveling over it and living on it for the last 50 years. I doubt if there is a quarter section of unappropriated public land in the State of Colorado that is worth the filing fee for farming purposes. I doubt if there is a section of it on which a man can make a living farming, and there is a whole lot of it on which it would hustle a jack rabbit to make a living. The good farming land, and much that was not good, was taken up long ago.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. PIERCE. The gentleman might say that is true of the entire 11 States, including this mountain valley of our friend from Idaho.

Mr. MARTIN of Colorado. I quite agree with my colleague from Oregon, that this is practically true of all the remaining public domain.

For the past 10 or 12 years when veterans have come to my office to consult me about veterans' preference laws for filing on lands I have never hesitated to discourage them. I have never hesitated to tell them that if the Government made them a present of a section of this land they could not make a living on it.

So, instead of being deprived of any valuable rights, it would really be a crime to allow people to settle and undertake to make a living by farming on this land. The tragedy of a lot of that country, when you drive through it and see the little deserted shacks where some poor devils have gone with their wives and grubbed away the best years

of their life, is that they have been allowed to take up millions of acres of this land, now abandoned, in the first place. Millions of acres should never have had a plow stuck in it.

The Government is now engaged in the activity of repurchasing and taking much of this land out of circulation and trying to rehabilitate it or at least to restore it to a state of nature. A lot of it, if it is fit for anything, is fit only for grazing and it would not hurt a lot of it if it could even get a rest on grazing, and this can only be cared for by Federal regulation.

I want to say to you that in my opinion the overgrazing of this type of land has been a far greater injury, has resulted in vastly more erosion than timber cutting in the Rocky Mountain States, because most of the timber is up in the gulches and on the mountain slopes where there is little or no farming anyhow. This land has been grazed over and trampled over until the skin of earth has been destroyed, with the consequent results of erosion, and the erosion I have seen on it in my lifetime is something horrible. I am 100 percent for this erosion service. If we do not take it up and stick to it and do something about it, there will be reproduced in this country the pictures you have seen in the Geographic Magazine, taken in Asia and China, where whole sections of country have been destroyed forever. I have seen in my time in the West an arroyo 30 feet wide, widened to 600 or 700 feet. In my home town we have a stream called the Fountain River. It is said to be one of the most unruly streams in the world. It is now about 1,000 feet wide in a sand stretch. An old pioneer told me that he recalled the time in the sixties when he could jump his horse across the channel of this stream and in grass up to the saddle girth. The widening of this stream or the washing of these terrible arroyos all through the mountain West is due almost solely to the denudation of overgrazing. There never was any timber on this land, so cutting timber did not destroy it. What did destroy it was the overgrazing of this country. The cattle and sheep ate the grass down to the roots and they ate the roots out of the ground and they trampled over it until they broke the surface of the soil and there was nothing to hold the water when it came and then erosion did the rest.

If there is any chance to conserve that country and bring it back or restore it to a state of nature, it will have to come through such legislation as this and water conservation. [Applause.]

Mr. WHITE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in listening to the speeches that have been made on this bill today I am reminded of the famous poem of John G. Saxe of the six blind men who went to see an elephant. When we are talking about 172,000,000 acres of the remaining unappropriated public land we are talking about quite a tract of land. I am wondering when I hear these trite old sayings about soil erosion and its prevention just what the grazing administration is going to do to protect these widening arroyos.

Reared in Mississippi, I come from one of the States in the Union which has a great amount of erosion. I can show you wagon roads there going over hills where there has never been a shovel of earth turned, and now there are cuts 30 feet deep eroded by dust and rain. I have seen red hills eroded for 40 or 50 miles. I do not hear anything about restoring grass down in Mississippi on eroded land. Out in the West there is some beautiful farming country along these pretty rivers, where the settler has a nice home and is sending his children to school, wintering his stock on 40 or 50 acres of irrigated alfalfa, and turning his steers and his dry cattle back into the hills to graze in summer. He brings his cattle back in the fall, culls out his steers, sends them to market, and gets a few dollars to support himself and his family. Such are the men we want to protect. These are the men from whom the big sheep and cattle owners and some of the big banking interests of the western cities want to take this land. When this is done the settlers and ranchmen will have to keep their cattle on their little 40 acres. What do we care

for some banker in Salt Lake City, or other banking center, who has an alimony suit with his wife over the dollars he has gleaned from these valleys by taking the range away from these farm owners? It is like the reservations. I have seen Indians come galloping down to a farmer and tell him his cattle were over on the reservation and had been impounded; he can come down there and get his cattle by paying the damages or they will sell the cattle. When this law goes into effect we will have a herd law. If a man's cattle stray off of his own premises on to these public lands, they will be impounded, and he will have to pay the damages to permittees or go out of business. This law is going to put a lot of people out of their homes.

Mr. PIERCE. Will the gentleman yield?

Mr. WHITE. I yield.

Mr. PIERCE. I would like to ask the gentleman if the Forest Service has put people out of business?

Mr. WHITE. It has. There is a case in my State where one outfit is ranging 80,000 head of sheep on public land, and we have a man up in a beautiful valley, about which I have been telling you, with 1,800 acres on which he is paying taxes, and he cannot get range for one head of sheep. The forest people say, "Why, he can range his sheep on his own land; forest range is not needed." The big outside sheepmen have come in and taken the range away from a bona fide settler who is paying taxes on 1,800 acres of land, and I cannot make a dent in the Forest Service. When this law is put into operation, when you put these people in the West out of business on the plea of soil erosion, who is going to raise the funds for soil protection?

The CHAIRMAN. The time of the gentleman from Idaho [Mr. WHITE] has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 3 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. PIERCE. I would like to ask the gentleman a few questions.

Mr. WHITE. I yield.

Mr. PIERCE. I want to know how Andy Little gets a range for 80,000 sheep in Idaho?

Mr. WHITE. Because he has a stand-in with the Forest Service. That is how he gets it. We cannot break that control. We are trying it now. The Forest Service permits for 10 years all expired last year and now they are going to renew them and perpetuate the same thing.

Mr. PIERCE. There are only three permits allowed to any one man by the Forest Service. How does he get by with ten?

Mr. WHITE. Oh, there are many ways of getting around the law by dummy permittees, relatives, and in other ways. These laws are evaded plenty.

Mr. PIERCE. Has the gentleman presented those facts to the Forestry Service?

Mr. WHITE. Yes. I would ask the gentleman from Oregon if he is not running a couple of bands of sheep right now on the forest reserves?

Mr. PIERCE. Indeed, we are—that is, my son and I—and we are getting along very nicely with the officials of the Forest Service.

Mr. WHITE. We can easily understand why the gentleman is so favorable to special privileges to special interests.

Mr. PIERCE. Will the gentleman yield further?

Mr. WHITE. I yield.

Mr. PIERCE. It is true that there was no more bitter opponent than I of the Forestry Service when it came into our State, but it saved the forests of Oregon. That is true.

Mr. WHITE. What are we saving them for? The gentleman will admit to me that this Congress is going into its pocket every session to appropriate money to save the forests for the big lumber interests when they are ready for them.

Mr. PIERCE. I deny that. I do not believe that is true. They are saving them for the people. The selective logging plan adopted by the Forest Service will be of inestimable value to future generations.

The CHAIRMAN. The time of the gentleman from Idaho [Mr. WHITE] has again expired.

Mr. RICH. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. RICH: On page 3, beginning in line 1, strike out all of section 17 and insert "The administration of all grazing on the public domain be placed under the supervision of the Department of Agriculture."

Mr. TAYLOR of Colorado. Mr. Chairman, I reserve a point of order against the amendment.

Mr. RICH. Mr. Chairman and members of the Committee, I was very much interested in the remarks of my colleague from Arizona [Mrs. GREENWAY] when she gave credit to the Department of the Interior for inserting the last paragraph in this bill. I think my colleague from Arizona is somewhat timid in trying to claim credit that is due to her and the members of the Committee from New Mexico [Mr. DEMPSEY], Wyoming [Mr. GREEVER], Idaho [Mr. WHITE], Arizona [Mrs. GREENWAY], and Oregon [Mr. MOTT], because of the fact that they realized that college professors were not qualified in their judgment to administer the Grazing Act in the Western States.

They realized that men with experience, men who have endured the hardships of the West, men who know something about grazing lands, raising cattle, were better qualified than college professors, who probably do not know what a cow, a steer, or a sheep is other than it is an animal with four legs and a tail.

I want to give the credit to the western members of our committee for having inserted in the bill this provision and not the Secretary of the Interior or his assistants, for if it had not been for those members of this committee the provision would not have been inserted in the bill of using men of practical experience to administer the act. It is because of their knowledge of grazing land, their ability to administer affairs in the western part of this country in reference to grazing that the Secretary of Agriculture was compelled to adopt this part of the bill, or they would not have reported it out of the committee and the Interior Department knew this and acquiesced to their demands.

Now, the point I want to bring out here is this: That every one of the members of this committee, all intelligent people, for whom I have great respect, sometimes become a little bit department timid; they seem afraid of Government departments, and the reason we do certain things is because we are very timid and are afraid to assert ourselves. You can see the results in this particular case when we stand up for our rights.

If the members of this Committee have backbone and try to do that which is for the best interest of the grazing States in this Nation, and I wish all members of the Committee would do the thing they think is right in every respect, buck the Department of the Interior and the Agriculture Department, and include in the bill the things that they know to be the right thing to do, and that is to consolidate the grazing authority of this country and place all grazing lands in one department. It is the proper thing for Congress to do.

I realize that my amendment can be ruled out on a point of order, and I thank the members of the Committee for giving me the permission to make this my last request to this bill to consolidate grazing authority. I see my genial colleague from Colorado [Mr. TAYLOR] standing in his place, and I think he should be included—he wants to do the right thing, but he is timid about it—saying anything to the departments. He says it should be done and ought to be done. [Laughter.]

If our committee would say to the Departments that they want to have the grazing administered in a sound and sensible way, we would add the amendment that I have proposed and let the Department of Agriculture administer this Grazing Act. Or, if the majority prefer, place all grazing in the Interior Department. If they would do that, we would be doing the job in fine shape; and I do hope and I do wish that the membership of the House would assume their responsibility and adopt the provisions of this amendment,

which will be for the best interests of the Western States and for the best interests of the grazing industry, and the best thing for the taxpayers of this Nation. [Applause.]

Mr. MARTIN of Colorado. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania may proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Chairman, I have asked for this minute so that I could take a bow on behalf of the western Members for the compliment paid us during the course of the remarks of the gentleman from Pennsylvania. Such encomiums falling from the lips of the gentleman from Pennsylvania are so rare that I do not think they should be passed unnoticed. [Laughter.]

Mr. RICH. Mr. Chairman, I will use the balance of my time.

Mr. Chairman, in making the observation I did about my western colleagues on the committee I felt I was right. Whenever I think the western Members, or any other Members, or even the President of the United States is right I will be for them. [Applause.]

The President's message yesterday on the bonus bill was one of the finest pieces of literature and arguments that ever has been expounded from this rostrum [applause], and I want to say that I was for him 100 percent yesterday. Whenever these same individuals are wrong, then I am against them. I figure right is right, and wrong is nobody.

Mr. MARTIN of Colorado. Now, Mr. Chairman, the gentleman from Pennsylvania has spoiled the whole thing. [Laughter.]

Mr. RICH. That is because yesterday you did not support the President, and I am glad to say that I did.

The CHAIRMAN. Does the gentleman from Colorado press his point of order?

Mr. TAYLOR of Colorado. Yes, Mr. Chairman; I insist upon my point of order.

The CHAIRMAN. In the opinion of the Chair the point of order is well taken and the Chair sustains the point of order.

The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. TERRY, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 3019) to amend sections 1, 3, and 15 of "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes", pursuant to House Resolution 215, he reported the same back to the House with sundry amendments adopted by the Committee.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded upon any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

Mr. DE ROUEN. Mr. Speaker, I ask unanimous consent that all Members who have spoken on this bill may have 5 legislative days within which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate, having proceeded to reconsider the bill (H. R. 3896) to provide for the immediate

payment to veterans of the face value of their adjusted-service certificates, for controlled expansion of the currency, and to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes, returned by the President of the United States to the House of Representatives, in which it originated, with his objections, and passed by the House, on a reconsideration of the same, it was

Resolved, That the said bill do not pass, two-thirds of the Senators present not having voted in the affirmative.

The message also announced that the Vice President had appointed Mr. WALSH and Mr. BORAH members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments", for the disposition of useless papers in the Department of Labor.

THE N. R. A. AND THE A. A. A.

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a brief letter written by me to the editors of certain papers in the State of Utah relative to the N. R. A. and the A. A. A.

Mr. MURDOCK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter relative to N. R. A. and A. A. A.:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 8, 1935.

Mr. E. R. RASMUSON,
Editor the Provo Herald, Provo, Utah.

DEAR MR. RASMUSON: I have read and carefully studied your letter of May 1, urging me to oppose continuance of the N. R. A. and the A. A. A. I agree with your letter to the extent that I believe in the principles of Americanism as those principles were proclaimed and defended by Thomas Jefferson and Abraham Lincoln; that I am opposed to any kind of undemocratic dictatorship, and especially any dictatorship that embodies Fascist measures or methods; and that I will defend American liberties with all my energy. However, it occurs to me that you have been grossly misinformed.

In the second paragraph of your letter you say, in part, "Before the passage of the N. R. A. bill business had started to recover and unemployment was decreasing. The N. R. A. did not help; it hindered progress." I am afraid, Mr. Rasmuson, that you have been reading the statements of the chairman of the Republican National Committee, rather than the official figures, or even the reliable data published by reputable newspapers. I believe that no one who is familiar with the actual facts can honestly say that N. R. A. has hindered recovery. The truth is that before the National Industrial Recovery Act was passed business was on the verge of collapse, and unemployment threatened us with the worst crisis in our history. That you may know, here are the figures:

The National Industrial Recovery Act was approved June 16, 1933. The following table shows index numbers, based on the averages for the years 1923-25, for industrial production, factory employment, factory pay rolls, freight-car loadings, and commodity prices:

Month and year	Production	Factory employment	Factory pay rolls	Freight-car loadings	Commodity prices
March 1933.....	59	59	37	50	60
June 1933.....	91	67	47	62	65
February 1935.....	89	82	69	65	80

The first fact that attracts your attention in this table is that under the new deal factory production has been increased from 59 percent of normal to approximately 90 percent of normal; certainly that speaks well for the effectiveness of the Roosevelt administration. Next, and more important, is the fact that, whereas in March 1933, only about 59 percent of the laborers of America were employed, immediately after the enactment of the N. I. R. A. the figure rose to 67 percent, and that in February of this year, after almost 2 years of N. R. A., 82 percent of the laborers of our country were gainfully employed. Certainly that constitutes a miracle of reemployment. Again you will perhaps remember that from the autumn of 1929 until the spring of 1933 wages were constantly decreased, and fewer and fewer workers were drawing wages; perhaps you will even remember that during the Hoover depression we constantly assured ourselves that conditions were as bad as they could possibly get, and that therefore "prosperity was just around the corner." And we did finally hit bottom just before Mr. Roosevelt became President. In March 1933 factory pay rolls; that is, the wages received by factory employees, fell to 37. Immediately after the enactment of N. I. R. A. the index number for factory pay rolls rose to 47, and in February of this year it

stood at 69. These and the other figures shown in the table speak eloquently for themselves and for the continuance of N. R. A.

This whole process of eliminating unemployment, putting more people back to work, increasing wages, increasing business, abolishing child labor and sweatshops, is what Mr. Roosevelt meant by the new deal. The keystone of the new deal, so far as industry is concerned, is the N. R. A. To oppose those governmental principles which have aided so much in eliminating unemployment, putting more people back to work, increasing wages, increasing business, abolishing child labor and sweatshops, and so forth, is to oppose the welfare of the American people, to work for the continuance of wage slavery, to precipitate industrial peonage, to foster exploitation, to boost for the Hoover depression. Mr. Fletcher calls the new deal "fascism." But then, Mr. Fletcher is paid to utter dangerous nonsense, paid by those who profited from child labor, sweatshops, and wage slavery.

It is also luminously clear, Mr. Rasmuson, that you have been grossly misinformed concerning the achievements of the Agricultural Adjustment Administration. Of course, the farmers and the country at large have suffered from the drought. But Mr. Roosevelt did not cause the drought, in spite of all the innuendoes issued by Mr. Fletcher. If you will consult the farm bureaus in your county, or the individual farmers (hundreds of whom have written me concerning this matter), you will find that they almost unanimously favor continuance of the A. A. A. The reason why the farmers support continuance of the A. A. A. is that the A. A. A. has halted the decline in the prices of farm products, and has instituted measures which are very rapidly boosting farm prices back to levels that make it possible for farmers to live according to American standards. That you may know, here are some figures:

The Agricultural Adjustment Act was approved May 12, 1933. The following table shows a few wholesale prices for farm products:

Month and year	Corn, per bushel	Wheat, per bushel	Steers, per 100 pounds	Hogs, per 100 pounds	Wool, per pound	Cotton, per pound
March 1933.....	\$0.25	\$0.49	\$5.44	\$3.92	\$0.20	\$0.07
June 1933.....	.43	.79	6.36	4.58	.33	.10
June 1934.....	.59	.92	8.60	4.34	.33	.12
March 1935.....	.80	.97	12.33	9.29	.25	.12

You say that you are opposed to continuance of the A. A. A. Well, Mr. Rasmuson, I leave to you the hopeless task of arguing with the facts and with the farmers. Meantime, I will vigorously support continuance of the A. A. A., because experience has proved that it is beneficial to American farmers, that it is the first successful effort the American people have made to protect the rights and promote the welfare of that class which has been most ruthlessly exploited by the money magnates in spite of the fact that it produces what we eat and what we wear.

I distinctly remember that Mr. Roosevelt promised to fight for a more equitable distribution of the national wealth. I also remember that he told us he was bound to lose that fight unless the people of the Nation, including the newspapers, cooperated with him. Mr. Roosevelt has commenced to bring about a fairer and more equitable distribution of national wealth. He has not completed the job, because he is fighting against the dishonesty, corruption, and inefficiency of long years of money rule. But he has fought and will continue to fight for redistribution of wealth and economic justice. The people of the Nation have, up to date, cooperated with him. I urge you, if you advocate a fair distribution of wealth, to fulfill your duty by cooperating with the President who was elected by the people and with the administration which is carrying on in spite of the propaganda of Morgan and his kind.

No administration in American history has so well fulfilled its promises as has the Roosevelt administration. No government in the world has so heroically set about the task of promoting the general welfare. The achievements of the Roosevelt administration up to date justify the confidence and faith of the American people. They also justify the support of those institutions who are charged with the duty of keeping the public correctly informed on current affairs.

Trusting that I have made my position clear, I am

Very truly yours,

ABE MURDOCK.

PANAMA CANAL ZONE

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6114) to amend section 128 of the Judicial Code with a Senate amendment and concur in the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 2, line 1, strike out all after "proceedings;" down to and including "Zone", in line 4, and insert "and in the District Court of the Canal Zone in the cases and modes prescribed in sections 61 and 62, title 7, Canal Zone Code (48 Stat. 1122)."

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the amendment?

Mr. DIMOND. Mr. Speaker, the amendment merely changes the reference to the appropriate provisions of the Canal Zone Code. As originally drawn—and I will say that the bill was drawn in the Attorney General's office—the enactment of the Canal Zone Code of 1933 was overlooked and instead of making reference to the code reference was made to the original laws. The amendment changes the references to refer to the provisions of the Canal Zone Code.

The SPEAKER. Is there objection to the request of the Delegate from Alaska?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ADJUSTED COMPENSATION

Mr. REED of New York. Mr. Speaker, I have introduced a bill the purpose of which is to pay the veterans in cash at this time the present value of their adjusted-service certificates. The bill provides that such payment be made from the \$4,880,000,000 which the President has already been authorized to spend for such purposes as he may desire. This method of payment will not create a new debt, but, on the contrary, it will discharge an existing obligation.

The President plans to spend \$4,880,000,000 of the taxpayers' money within the next 14 months, which means that spending must go on at the rate of \$350,000,000 every 30 days. The program for disbursing this vast sum has developed now to the point where it is apparent that much of the money will be used for projects of doubtful value and some of it will be squandered for purposes of political expediency, such as the Passamaquoddy project to harness the tides.

Payment of the veterans in the manner provided for in the bill which I have introduced will accomplish at least two good purposes: In the first place, it will settle the bonus question on a basis which is eminently fair both to the veterans and to the Government and take the issue out of politics. In the second place, as I have stated, it will permit a substantial portion of the \$4,880,000,000 to be spent in the cancelation of an existing indebtedness, which will not only bring financial assistance to thousands of veterans and their families but will prevent such funds from being diverted to otherwise questionable purposes.

The taxpayers know that the President has been authorized to spend the colossal sum of nearly \$5,000,000,000 within the next 14 months. As long as this money is going to be spent, anyway, I believe that the taxpayers would prefer to have a portion of it used to pay the veterans what the Government owes them rather than have this vast sum squandered for other purposes.

I wish further to emphasize that this method of payment does not require printing-press money; it does not necessitate the imposition of any new taxes; it does not increase the national debt beyond the expenditures to which the Government is already committed.

SUMMARY OF REED BILL FOR CASH PAYMENT OF ADJUSTED-SERVICE CERTIFICATES—GENERAL PURPOSE

The purpose of the bill is to permit veterans of the World War, at their option, to surrender their adjusted-service certificates and receive in cash, out of funds to be allocated from the \$4,880,000,000 Emergency Relief Act, an amount equal to their basic adjusted-service credit, with compound interest at the rate of 4 percent per annum from November 11, 1918, less any loans and unpaid interest.

According to estimates made by the Veterans' Administration, the amount of all adjusted-service credits, with interest at 4 percent from November 11, 1918, to July 1, 1935, would be \$2,659,686,958. The amount of the adjusted-service certificate trust fund as of July 1, 1935, is estimated at \$1,460,000,000. Therefore, the additional amount required to carry out the purposes of the bill would be approximately \$1,200,000,000.

ANALYSIS

Section 1 of the bill amends section 507 of the World War Adjusted Compensation Act by making the adjusted-service certificate fund available for payments on account of certificates surrendered in order to obtain the benefits of this act.

Section 2 adds two new sections to title V of the World War Adjusted Compensation Act, permitting veterans to surrender their certificates and in lieu thereof receive the amount of their adjusted-service credit, with interest at the rate of 4 percent per annum, compounded annually from November 11, 1918, to the date of filing their application for cash payment, but not beyond January 1, 1945, less any indebtedness against the certificate.

No payment is to be made until the certificate is in the possession of the Administrator of Veterans' Affairs and all obligations against such certificate discharged.

If a certificate is held by a bank, a method is provided whereby a loan thereon may be paid and the certificate redeemed from the bank by the Administrator of Veterans' Affairs.

The veteran may receive the benefits of this section by application filed during the lifetime of the veteran with the Administrator of Veterans' Affairs either by the veteran or his representative. If the veteran dies after the application has been filed, the settlement authorized under the provisions of this section shall be made to the estate of the veteran.

Upon receipt of a certificate from the Administrator of Veterans' Affairs showing the amount due, the Secretary of the Treasury is authorized and directed to pay the veteran by a check drawn on the Treasurer of the United States.

In acquiring title to notes held on account of the United States Government life-insurance fund, the Secretary of the Treasury is authorized and directed to make payment therefor by the issuance of bonds. All bonds issued for this purpose are to be issued under the Second Liberty Bond Act.

If at the date of maturity of the certificate the certificate has not been surrendered, and if at the time of filing application for payment under section 501 the amount of the adjusted-service credit and interest at 4 percent per annum, compounded annually from November 11, 1918, to the date of payment, or to January 1, 1945, whichever is the earlier date, exceeds the face value of the certificate, then such amount, in lieu of the face value, less the amount of any indebtedness required to be deducted under the act, shall be paid immediately by check drawn on the Treasurer of the United States.

Section 3 extends the time for filing applications for benefits under the World War Adjusted Compensation Act from January 2, 1935, to January 2, 1937.

Section 4 authorizes and directs the President to allocate funds appropriated by the Emergency Relief Appropriation Act of 1935 for the purpose of making any payments under this act for which funds are not available from the adjusted-service certificate fund. [Applause.]

DEFENSE OF SOUTHERN LABOR AGAINST UNWARRANTED ASPERSIONS

Mr. TAYLOR of South Carolina. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein short excerpts from the CONGRESSIONAL RECORD and a short newspaper clipping.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. TAYLOR of South Carolina. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

On the afternoon of April 23, the gentleman from Massachusetts [Mr. CONNERY], while discussing on the floor of the House the textile situation in the United States, saw fit to cast some unnecessary and highly baseless aspersions against the people who are engaged in the textile industry in the South, which statements are untrue and without foundation of fact. Under the circumstances I felt it my duty to the people whom I represent to ask the gentleman to be more specific in his charges and name the parties guilty of his alleged charges and subjected to his abuse. In insisting that Mr. CONNERY be more specific in this matter, I had nothing

in mind but getting as much information as possible on this particular subject, feeling that his indictment of virtually all the good people engaged in the great textile industry in that section should not go unchallenged.

In my efforts to get this information from Mr. CONNERY I apparently incurred the wrath of the weekly newspaper Labor, published here in Washington by the Association Recognized Standard Railroad Labor Organizations, which paper appears to have been just as maliciously misinformed as Mr. CONNERY himself with respect to conditions in the South. In the issue that followed the exchange of remarks between Mr. CONNERY and myself, instead of printing the facts as they actually occurred on the floor of the House, as could have easily been done, this paper preferred to distort and color a story which they displayed in front-page prominence, charging in the headline: "Exploitation of children is defended by South Carolina solon", followed by the charge that I had defended the textile "bosses" and that I favored the exploitation of child labor in southern cotton mills.

PAPER'S CHARGES FALSE

Nothing was said on the floor in defense of what this paper terms the textile "bosses." Neither did I then or have I ever advocated the exploitation of child labor. I arose on the floor of the House to defend the decent, respectable people engaged in the textile industry in the South against the charges that the food they have on their tables would be thrown in the trash can in New England; that they did not have clean sheets on their beds; that people in the South were forced to work and live in highly inhuman and insanitary conditions; and that they did not receive improvements and the comforts of life until organized labor came South and organized them and secured these benefits for them.

I registered my protest with the manager of this paper against these misrepresentations and distortions. And subsequently I prepared a statement which included the actual remarks as taken from the Record and submitted this to him with the request that it be published in order to give his readers the benefit of the whole truth. The manager of this paper refused to publish this statement.

STATEMENT SUBMITTED FOR PUBLICATION

In order that my colleagues, constituents back home, and the public in general may have the whole truth in this matter and may know to what extent this paper went in coloring and distorting their report of this incident, I am including herewith the statement which I submitted to the manager of this paper and which he declined to publish:

Mr. EDITOR: In your issue of April 30, 1935, you published in front-page prominence what purported to be a report of an incident that took place on the floor of the House on April 23 between the gentleman from Massachusetts, Mr. CONNERY, and myself. Since you, for reasons best known to yourself, did not give the full text of the affair, as could have reasonably been done (preferring to color and distort it to suit your own purpose), I am asking that you please allow me space in your publication to give a more amplifying account of the matter, which will include, among other things, the full text of the happening, as reported in the CONGRESSIONAL RECORD of April 23, in order that your readers might pass in judgment without the complexion given it by your biased press:

"Mr. CARY, Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CONNERY].

"Mr. CONNERY, Mr. Chairman, I listened today with great interest to the remarks of my distinguished friend the gentleman from North Carolina [Mr. WARREN]. There was merit in some of the things that he said, but, in general, I do not think his speech covered the situation insofar as the textile conditions exist today.

"In the first place, the gentleman from North Carolina, in referring to the Republican administration, did not give the reason but said that these mills in New England moved South during a Republican administration, which is true, but the main reason that these mills did go South, as I brought out once before here today, was because at that time you could work 60 or 70 hours a week in the textile mills of the South, and the wage was as low as \$6 or \$7 a week. These employers in the textile industry went South to get away from decent living conditions and from decent wages for labor in the New England States. The manufacturers who stayed in New England are the ones for whom we are fighting today. They are the ones who believe in a decent wage for labor. They are the ones who do not believe in working little children in their mills as was done in the South at that time, before the N. R. A. They are the ones who believed at that time in a 48-hour law, such as we had in Massachusetts. They are the ones who believed, in other words, in a break for labor and in decent living conditions and decent wages in industry.

"Mr. BOILEAU, Mr. Chairman, will be gentleman yield?

"Mr. CONNERY, I yield.

"Mr. BOILEAU, Is the gentleman of the opinion that the N. R. A. has helped to rehabilitate the textile industry of the North?

"Mr. CONNERY, Oh, yes. I will say to my friend that he knows my opinion of the N. R. A. I have always said that the N. R. A. gave the textile industry of New England the first break it ever got from the hands of the Government. We had a 48-hour law, while the South worked 60 or 70 hours a week, and when you put the South on a 40-hour law and put Massachusetts and New England on a 40-hour law in the textile industry, even with a wage differential in favor of the South, you gave them the first break they ever got in decent, fair competition.

"Mr. BOILEAU, I agree with the gentleman that the N. R. A. has helped out the industrial sections, and does not the gentleman believe that, in order to keep agriculture on a parity with industry, it is necessary to carry out an agricultural policy, with the processing tax, and so forth, to offset the harm done to agriculture and to give agriculture a chance to live also?

"Mr. CONNERY, I am going to touch on that in just a moment.

"Mr. MARTIN of Massachusetts, Mr. Chairman, will the gentleman yield?

"Mr. CONNERY, I yield.

"Mr. MARTIN of Massachusetts, When the costs of industry were increased through the N. R. A., was not that one reason why it was essential to have more tariff protection in order that we might have a chance to sell our goods?

"Mr. CONNERY, Of course, I have always believed in that and have a bill now before the Ways and Means Committee which I think would take care of this whole situation; in fact, I wrote that into the 30-hour-week law 3 years ago. I saw this whole thing coming at that time, and the labor men came to me and said, 'If you put the country on a 40-hour week, while Japan and Germany and Czechoslovakia and England are working 50 or 60 hours a week at low wages, how can our manufacturers in the United States survive?' I wrote this provision in the bill, and I have it in the bill now before the Ways and Means Committee:

"Wherever the landed costs of any article or commodity—not just the textile, but any article or commodity, including agricultural products—coming into the United States are less than the cost of production of a similar article or commodity in the United States, such article or commodity shall be barred from the country."

"This will take care of your Japanese situation and everything else.

"Mr. MARTIN of Massachusetts, If the gentleman will permit, I asked the question because I appreciate the splendid work the gentleman has done in the past in protecting industry, and I knew what his past opinion had been upon the question, and I wanted to know if he is still of the same opinion, namely, in view of our increased costs and in view of the keen competition that exists today, does he not think it is absolutely necessary that we have a greater amount of protection than we now enjoy?

"Mr. CONNERY, Yes; I know it, because my people are walking the streets today in Lawrence, Lynn, and Peabody. They are men who have been engaged in the leather, shoe, and textile industries.

"In reference to the statement of my friend from Wisconsin [Mr. BOILEAU], I want to touch on that point. I know I do not have to convince him, because he knows that the first meeting ever held by the Committee on Labor where the farmers and labor joined together was held while I have been Chairman of the Committee on Labor. I do not want the farmers to be broke, because if a farmer is broke, he cannot buy the textile, he cannot buy the shoes, he cannot buy the leather, he cannot buy the electrical products and the thousands of things that are made in our industrial New England. I want him to get a decent break for his farm products, but what I would like to call to the attention of the men who represent the farm sections in this body is that the State Department is saying to the Members of Congress and saying to the country, 'If you cut down on your demand that we buy only American products and go into reciprocal trade treaties, we will fix it a little later so that we can bring in your Argentine wheat and bring in your other products from South America and along the Atlantic seaboard, and we will sell them to you far cheaper than you can buy them from the American farmer.'

"I want your farmers to know about this and to look into the proposition.

"Mr. BOILEAU, Mr. Chairman, will the gentleman yield?

"Mr. CONNERY, I yield.

"Mr. BOILEAU, I want to commend my friend from Massachusetts on his broad viewpoint. I believe he is as anxious to protect the farmers as I am, but I may say to the gentleman that I do not believe we should try to help out industry by taking from agriculture what small benefits they have been able to get during the past few years. We should help industry in the way suggested by the gentleman through a higher tariff, and I am willing to go along with the gentleman on that.

"Mr. CONNERY, I voted for the A. A. A., I signed the petition for the consideration of the Lemke bill, and I voted for that proposition and would be pleased to do so again.

"Mr. BOILEAU, I know the gentleman has always been very fair in respect of all these matters.

"Mr. CONNERY, I do not believe you can have prosperity in the United States unless there is prosperity for the farmer and prosperity for the industrial worker, and I do not say that the processing tax is the sole reason or that it is the bête noir of the textile industry. That may not be it at all. I am informed by the evidence given to us by the textile men and by the labor unions and the workers in the textile mills that the processing tax is working greatly to our disadvantage in the mills, but I say that

the President has appointed this Cabinet committee to look into this matter thoroughly. They are going to start hearings Thursday, and we are going to bring down our millmen and our laboring men and everyone else concerned from New England, and we expect the gentleman from North Carolina [Mr. BULWINKLE] and the men from the Southern States to bring up their men and put the whole story before this committee; and then, I say, if the processing tax is doing all this harm, get some other way to help the farmer rather than by a processing tax. If it is not the thing that is doing the harm, all right; but we feel that that is the danger.

"We feel that the Japanese importations are a menace to our textile industry. It does not do the Wisconsin farmer any good if the man on Pine Hill next to me, working for the General Electric Co., cannot buy any of the farmer's products.

"Mr. BOILEAU. Will the gentleman yield?

"Mr. CONNERY. Yes.

"Mr. BOILEAU. The gentleman should not use Wisconsin for an example, because we get no benefit from the Agricultural Adjustment Act.

"Mr. CONNERY. It does no good to have a man who lives in Lawrence or Lynn to go broke. All I ask is for a committee appointed by the President to look into this matter impartially, not to look into it as a New England question but as a question for the United States of America.

"When I vote on the floor I do not expect to vote especially for New England. I resented today the statement that a lot of New England manufacturers had come down here to boost or push up the price, trying to blackmail the administration.

"There was a meeting downstairs in the luncheon room. They did not advocate price boosting. They predicated their demand on the fact that people are walking the streets of Lawrence and Lynn. I know what it is. I have seen it myself, and I do not like it. I do not like to see children go hungry.

"Mr. BOILEAU. May I suggest that in the consideration of this proposition that the processing tax is an injury to the textile industry, we should consider also that the N. R. A. is doing an injury to agriculture.

"[Here the gavel fell.]

"Mr. McLEOD. Mr. Chairman, I yield 5 minutes more to the gentleman from Massachusetts.

"Mr. CONNERY. I imagine you are not getting the whole picture. The gentleman speaks of the N. R. A.—no more child labor, no more "yellow dog" contracts, the right of labor to organize—and if it did nothing more than that it would be worth while.

I do not like the members of the N. R. A. in the textile industry, in the manufacture of automobiles, to write codes for labor. I said it is like a little lamb sitting down by a wolf and the wolf writing the contract between the lambs and the wolves.

"Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

"Mr. CONNERY. In just a moment. My committee reported out a bill for equal labor representation on the Code Authorities. I am for the N. R. A. I would like to see these difficulties done away with. I would like to see the Wagner-Connery labor-disputes bill and the 30-hour-a-week bill passed.

"Mr. BOILEAU. If I had my way, I would be very glad to substitute the 30-hour-a-week bill for the N. R. A.

"Mr. CONNERY. The N. R. A. came as a result of the Black-Connery 30-hour-a-week bill.

"Mr. BOILEAU. I was for the N. R. A., and I believe I have the distinction of being the only N. R. A. general on the floor.

"Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

"Mr. CONNERY. Yes.

"Mr. MARCANTONIO. On the question of writing the N. R. A., originally Congress wrote it, but since then Mr. Richberg has rewritten it.

"Mr. CONNERY. That is true. That decision in reference to the automobile case in Detroit caused all of the strikes and troubles in reference to 7 (a), and you will never have industrial peace in the United States until you pass the Wagner-Connery bill on labor disputes.

"Mr. TAYLOR of South Carolina. Mr. Chairman, will the gentleman yield?

"Mr. CONNERY. Yes.

"Mr. TAYLOR of South Carolina. Would the gentleman be kind enough to be more specific in his accusations of industries of the South and name those that worked their employees 70 hours a week prior to the installation of the N. R. A.?

"Mr. CONNERY. I could not tell the gentleman the names of the concerns. I mentioned them several times years ago—mills in the South that ran 60 and 70 hours, and that had child labor.

"Mr. TAYLOR of South Carolina. Would the gentleman be more specific and name those that have enslaved child labor?

"Mr. CONNERY. I could not give the gentleman the names.

"Mr. TAYLOR of South Carolina. The gentleman ought to be more charitable.

"Mr. CONNERY. If the gentleman wants the names, I shall get them for him and take the floor in a few days and give him the names, the dates, and everything else.

"Mr. TAYLOR of South Carolina. Will the gentleman be more specific and name those that forced their employees to live in inhuman and insanitary conditions?

"Mr. CONNERY. I will give the gentleman all of that information later. I have had men come in to me who went through the mills in the South. This was 4 or 5 years ago. They said that what those workers got on their table you would throw into your garbage can in New England. He said, 'You would not have it on your table.'

"Mr. TAYLOR of South Carolina. Perhaps that was some eccentric investigator.

"Mr. CONNERY. Oh no; it was not. He had no bias in any way whatever; he said, 'I was down through the mills of the South and saw these company homes they had them in and it shocked me; I never dreamed such conditions existed.'

"Mr. TAYLOR of South Carolina. Permit me to tell the gentleman that I went to work in a cotton mill before I was 9 years old, and I worked there for 21 years, and my people now live at a cotton mill, and I do not give a tinker's dam who told the gentleman that; his information is incorrect.

"Mr. CONNERY. I am sorry to disagree with the gentleman, but we have all of that. We have had investigations, and social workers, and everybody else going through the mills of the South. What wage did the gentleman get when he started?

"The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

"Mr. McLEOD. Mr. Chairman, I yield the gentleman 3 minutes more.

"Mr. CONNERY. What wages did the gentleman get when he went to work?

"Mr. TAYLOR of South Carolina. I got from 5 cents a day when I started until around some twenty-odd dollars a week when I quit.

"Mr. CONNERY. The gentleman got 5 cents a day when he started?

"Mr. TAYLOR of South Carolina. I was learning, and they were charitable to give me that.

"Mr. CONNERY. Why, nobody would ever pay so little as 5 cents a day to anyone in New England, a child or anybody else.

"Mr. TAYLOR of South Carolina. But that was a different day.

"Mr. CONNERY. I mean in those days.

"Mr. TAYLOR of South Carolina. I started 36 years ago. The trouble about the labor situation is that New England is trying to dictate to the rest of the country what labor conditions shall prevail throughout the whole country.

"Mr. CONNERY. That is right. New England says, 'We want decent living wages, we will not have slavery, we want people to have a place to live in and a place to sleep in that is decent; we want them to have clean sheets and refrigerators, all of the comforts that every laboring man should have in the United States, and not be ground down.' [Applause.]

"Mr. TAYLOR of South Carolina. I have not seen anything out of New England that indicates that they have any more comforts among the laboring class there than they have in the South. We have those things. They have electric lights, in most instances, running water, and everything else that they can have.

"Mr. CONNERY. But you have had them only since labor went down there and started to organize. Only since then have you had those things.

"Mr. TAYLOR of South Carolina. They have had it for a quarter of a century.

"Mr. MARCANTONIO. Will the gentleman yield?

"Mr. CONNERY. I yield.

"Mr. MARCANTONIO. If the gentleman from Massachusetts would refer the gentleman from South Carolina to the testimony of Mr. Gorman, president of the Textile Union, when he testified on the Connery equal-representation-for-labor bill before our Committee on Labor, he would be convinced.

"Mr. CONNERY. Yes; the gentleman should look that over.

"Mr. TAYLOR of South Carolina. I would not believe it after I had read it."

CHARGES WITHOUT FOUNDATION

As will appear from the reading of the foregoing, the whole matter arose out of the discussion of the textile situation, in which the gentleman from Massachusetts [Mr. CONNERY], gave the impression, inadvertently or otherwise, that all the textile employers of the South worked the employees before the N. R. A. 60 to 70 hours per week, forced them to live in insanitary and indecent conditions, and exploited child labor. With no pretense of knowing of all the conditions prevailing through the whole South, but knowing full well that such conditions did not exist generally in some parts of the South, I asked the gentleman to be more specific and name the mills in the South which operated 70 hours per week, forced their employees to live in indecent and insanitary conditions and exploited child labor, prior to the N. R. A., in the hope that the gentleman might draw some demarcation between the guilty and the innocent. That does not seem to be an unreasonable request, and neither does it bespeak any unsavory purposes, for surely there is some element of justice left to allow such segregation.

CHARGES SHOULD BE MADE SPECIFIC

Mr. CONNERY agreed to give the specific instances asked for, which means that he will name the mill, the house, and the occupant where such occurrences have taken place, thus affording an opportunity for all parties in interest to pass in judgment. But, now that you have so adroitly come into the picture with your distorted report of this occurrence, I shall gladly relieve Mr. CONNERY and in turn ask you to provide the name of the mill or mills, the house or houses in which people are forced to live in indecent and insanitary conditions, and also the children who have been exploited to their harm, injury, and damage, in violation of the laws of the respective States.

Understand, please, that nothing short of specific instances will suffice, for your ability as a distortionist has been too well demonstrated to permit the public to pass their judgment on any basis other than specific facts. I have no financial interest in any textile establishment of any sort, neither do I have any assurance that as

much as one mill president in my district voted for me for Congress, and certainly none contributed to my campaign. However that may be, I never have on any occasion, and do not now, offer any brief for them, other than to wish for them a most successful and lawful operation of their business, for upon their success depends the operation of the mills and the resultant employment of labor.

Of course, there is no thought on my part of claiming absolute perfection for the working and living conditions of people who work in the cotton mills in the South, neither do I admit as much for the New England States. I grant that there are improvements that can be made to the working and living conditions that would mean a great deal to the people. I have constantly been interested in such improvements and the people whom I represent know that I have been interested in this phase of their lives and well-being. There have been many improvements in the South in the last quarter of a century and they were in evidence long before the strange and unnatural love and compassion of the "wise men of the East" were aroused by the southward movement of New England's industries.

BASELESS AND UNNECESSARY INSINUATIONS

As I stated before, there is no justification for your insinuations that I arose in Congress to defend the textile "bosses." Instead of seeking to express the views of the management, I did arise in the House of Representatives for the purpose of refuting the aspersions cast upon the textile industry of the South and the hundreds of thousands of men and women employed therein. I arose to defend this major industry and those who compose it—textile owners, spinners, weavers, sweepers, or cleaners, all of whom I represent with a deep conviction of adherence to truth and impartiality—because the gentleman from Massachusetts gave utterance to such broad statements as to challenge every thinking man and woman who is interested in the cotton mills of the South.

CAN SPEAK FOR THESE PEOPLE

I feel that I am well prepared to speak for those who work in the cotton mills. My friends and my relatives are there; numbered among the industrious citizenship of South Carolina thus engaged, are the friends and relatives of many of the people of my State. Nowhere in the Union will one find a higher percentage of white, native-born American citizens engaged in any industry than are numbered among the textile workers of South Carolina. They are good citizens, law-abiding people, thrifty people, men and women tremendously interested in the religious as well as the commercial aspects of life.

Among these dependable citizens of our State are to be found the same sturdy characteristics of the men and women who, in 1876, were with Wade Hampton when he overthrew the misrule of reconstruction days and drove the carpetbaggers and scalawags from the borders of the Palmetto State. These people have a glorious heritage of which they may well be proud. They believe in the true principles of Americanism so dear to the heart of every good citizen, and they put the Bible and the flag above everything else. That they are religious, the fine community churches attest; that they are patriotic is shown by the wonderful records made by their sons in the World War. No finer soldiers followed the flag to France than those boys from the cotton mills who joined with their kinsmen from the farms of South Carolina in a common cause for the safety of democracy.

I am stating these facts to give you some idea of the background of the textile people of my State. Communism has never showed its ugly head there. They believe in the supremacy of God, in the sovereignty of States, and individual liberty; and any proposition contrary to these principles will neither be welcomed nor tolerated among my people.

These conditions I know, of my own knowledge, prevail in my immediate section, and from the information and observation at hand, I believe them to be true in a general way throughout the South. There are exceptions, for exceptions can be established to almost any condition, but we should measure the industry by the averages, and not attempt to misjudge it by a pitifully small minority of circumstances.

INDECENT LIVING CONDITIONS CHARGED

The suggestion that textile workers in the South live indecently and in insanitary surroundings is highly erroneous. The twisted and distorted reports which suggest that these people eat food unfit for human consumption, and which should be thrown in the garbage can, is an outright falsehood that apparently is circulated for the obvious purpose of damaging the South as a whole and to bolster up a case in exaggerations and misrepresentations. If those who pretend they are so interested in the welfare of these people would make an honest effort to obtain the facts, they can learn the truth about conditions among textile operatives in our section. Some of the exaggerations are akin to the misapprehension prevailing in some quarters of the North and East that the afternoon diversion of true southerners is tarring and feathering, or perhaps lynching, of Negroes who live in our section. Many misguided but fanatical souls seem unable to ascertain the truth about either.

INDEPENDENT THINKERS

There is another thing impressive about the attitude of the textile workers who live in my section of the South. They are independent thinkers. They do not take orders well from a so-called "leadership" that is pretending to be interested in their welfare in order to collect "so much a month" from them for the dictatorial privileges. A vast majority of the textile workers in our section of the country appreciate the fact that the State of South Carolina, many years ago, abolished child labor and

made it unlawful for children under 14 years of age to work in the mills. That has come about since my childhood days, for I started to work much younger than this and I am glad to state that it did not impair my health or wound my determination to obtain an honest living for myself; in fact, experience and training I obtained as a small boy, in one of the textile plants of the South, proved of great value to me in after years. It was there that I learned to value and appreciate the consistency of diligent application to every job that comes to hand. Another boy who worked in the same room with me and learned those same lessons today is Governor of South Carolina. Neither of us, as boys who worked in the cotton mill, was abused or in any way discouraged from our objectives in obtaining an education and making all advancement possible.

STATE ABOLISHED CHILD LABOR MANY YEARS AGO

As I have just stated, the State of South Carolina abolished child labor in the cotton mills long before the advent of the N. R. A. The State found the textile industry, as a whole, interested and cooperative in providing the maximum sanitation the plants could afford. This is not all; the mill owners have evidenced a sustained interest in schools and churches for the people employed in this industry.

The textile workers of my section do not fall in line readily and willingly, as so many sheep, to follow the orders handed down from alien fields. They are competent and trained workers; they like to work. Agitation and strife do not appeal to them. They have the ability to think for themselves, and the man or woman who says that these people did not have decent food on their tables, or clean sheets on their beds, or comforts and conveniences of life until eastern influences made them possible, is either grossly misinformed or has little regard for accuracy. These thrifty people of my State are not dependent upon the alleged intellect of these so-called "leaders in the East" for their initiative and enterprise necessary to procure food fit for human consumption. They have good food and comfortable living conditions, good schools, automobiles, radios, and recreation programs comparable with the people engaged in any industry elsewhere in this Nation. All these things they attained long before there was any evidence of selfish and unnatural affection for their welfare on the part of eastern agitators.

CAN ADJUST DIFFERENCES WITHOUT OUTSIDE INTERFERENCE

One of the most pronounced characteristics of the southern textile operators and operatives has been their willingness to adjust their differences through a spirit of friendly cooperation. When left alone to work out their problems, a fair and equitable program usually develops. I am firmly convinced that the major portion of labor disturbances in our section have been the outright product of meddlesome agitators, often men who knew or cared little about textile labor but chiefly concerned in furthering their own financial gain. The agitators have brought only trouble to our section—a section where men who have grown up in the industry together, to call each other by their first names, who were probably in school together and played on the same baseball team, are able to sit down and discuss and adjust honest differences of opinion—and none of the improvements of our industry there can be attributed to their efforts.

THESE ARE FACTS

I am asking you to publish these facts, because they are facts. It is only natural that my interest and sympathy should center around the men and women who work in the textile plants of my district in South Carolina. I was reared among them, and I cherish their friendship. From early youth until mature manhood I worked in the mill, and today my relatives are employed there. I do not speak as a casual observer. My observations are not based on distorted reports and glaring misrepresentations. I am familiar with working conditions and living conditions in scores of textile communities, and I know their problems, for I am one of them.

As a representative of all of the people of my district, and in defense of its major industry and the people employed therein, I cannot sit idly by without refuting the aspersions cast upon us by the gentleman from Massachusetts. His remarks insult the intelligence of my textile constituents and our people as a whole. When he says they did not live decently, or have for their tables anything but such sorry food that the high-toned New Englanders would have thrown it into their garbage cans, or no clean sheets for their beds or modern conveniences for their homes, "only since labor went down there and started to organize", he departs from the truth. I will treat it as charitably as possible and assume that he makes these statements through ignorance of the facts.

INVITE PERSONAL INVESTIGATION

If the gentleman from Massachusetts would make a personal investigation of textile conditions in the South, I am confident that he would withdraw the statements quoted above, for no man who knows the facts, and is imbued with a sense of fairness and honesty, would allow such gross misrepresentations to stand. I am likewise confident that if you, Mr. Editor, would glean some sound information from unbiased sources you would cease being a party to such rank injustice as you allowed your publication to deal me in connection with my defense of the textile industry in the South. I am naturally interested in the further improvement of these conditions. We have made good progress. I am confident that future years will bring further developments in social security and improved working conditions, as well as living conditions, that will bless generations as yet unborn. I will seek, in my small way, to contribute to these achievements and to all

worth-while objectives of the textile industry as a whole and every man and woman numbered among its employees. By this course of conduct will I have the satisfaction that comes of the fair and impartial treatment of all of the people. It is only through truth and honesty that lasting strides are made in any industry or any government.

Respectfully requested.

JNO. C. TAYLOR.

ARTICLE UNFAIR AND UNETHICAL

For a period of time after reading the article which so completely misrepresented the remarks I made on the floor of the House, I was at a loss to understand just how any man could be so unfair and unethical as to give the report which this paper carried. My friends and constituents know that I have always been fair to labor. The people who work in the cotton mills in South Carolina and who do other jobs that require labor know that I have their interests at heart. They also know that I do not intend to sit idly by while another man, who comes from an entirely different section and who is naturally less familiar with conditions in my own section, casts insults upon them.

HAVE BEEN AND AM NOW FRIEND OF LABOR

When I first became a Member of Congress and legislation that eventually resulted in the passage of the N. R. A. was being discussed, I went to General Johnson and to the President, carrying the cause of the people who work in the cotton mills in the South, the East, and other parts of this country, asking the President and General Johnson to include in the N. R. A. such regulations as would specifically eliminate the so-called "stretch-out" system in cotton mills and regulate the machine load any one man or woman would be required to perform in any one day. It was evident then that unless an effort was made to regulate the machine load the action of the N. R. A. in setting wage scales and hours of labor would be partially dissipated and full and effective results from the N. R. A. as applied to cotton mills would not be obtained. Without any desire to be egotistical, I can truthfully claim that I was one of the first, if not actually the first, to call to the attention of this administration this particular practice. A "stretch-out" investigation of wide-spread scope was conducted, and later the President formed the Textile Work Assignment Board, which was created to hear complaints arising from such practices. Even abuses that have resulted from the "stretch-out" practice, which, I understand, have been modified since 1933, do not warrant the abuse heaped on these people by Mr. CONNERY.

INTERESTED IN WELFARE OF THESE PEOPLE

These people who work in the mills in South Carolina know that I am interested in seeing them get the best possible wages for their work. They know also that I have been interested in their problems of health with respect to both living and working conditions. With this in mind it is difficult for me to understand how any paper that purports to represent the laboring man could so carelessly and maliciously handle the truth.

DENUNCIATION ANALYZED

At last, however, I have been able to learn where the trouble lies with respect to this false report and I feel that it is my duty to my colleagues here and to my friends and constituents back home to lay these facts before them. Here are the facts:

In the RECORD of April 23, 1935, page 6245, I had asked Mr. CONNERY to be more specific in his blanket charge against the people engaged in the textile industry in the South. At this juncture, the gentleman from New York [Mr. MARCAN-
TONIO], who perhaps knows less about conditions in the South than Mr. CONNERY does, advised, after gaining the floor:

If the gentleman from Massachusetts [Mr. CONNERY] would refer the gentleman from South Carolina [Mr. TAYLOR] to the testimony of Mr. Gorman, president of the textile union, when he testified on the Connery equal-representation-for-labor bill before our Committee on Labor, he would be convinced.

To this I was constrained to reply very frankly and said:
I would not believe it after I had read it.

This, I am firmly convinced, brought about the severe denunciation I received at the hands of this railroad paper, so aggravating its editor until he lost all sense of fairness and allowed this entirely unfair misrepresentation to appear in print.

FACTS ABOUT MR. GORMAN

The facts I have with reference to Mr. Francis J. Gorman, who is the first vice president of the United Textile Workers of America are quite clear and to the point. I quote herewith a letter which was written by Miss Carrie Nash, a textile worker and a union member of Greenwood, S. C., to the editor of the Greenwood Index-Journal. This letter was published in that paper and since has been given wide-spread publicity in the South. This letter explains fully without the necessity of any additional comment why I would not believe a statement made by Mr. Gorman after I had read it:

MISS NASH'S LETTER

To the INDEX-JOURNAL:

Please allow me space in your paper to relate my experience in the union.

When the union was first organized I was under the impression that such an organization had the financial backing of the U. T. W. A., in close cooperation with the A. F. of L., which I understood had a large treasury.

At the time the union was organized I was making a good living wage, and was aware of it, but at the same time I felt that if by joining the union, and helping to support the organization, it would at some future time be the means of increasing my own or other people's salaries, I was willing to do so.

After joining I was elected to fill the office of financial secretary. Therefore, I feel that I am in a position to know a few things that might be enlightening to others.

Before the strike was called I had sent to James Starr, secretary to Francis J. Gorman, approximately \$1,100.

During the strike we received weekly bulletins from headquarters issued by Gorman telling us to hold fast, stick together, etc.; that they were behind us and wide-awake, which led us to believe that when we reached a crisis we would receive help from headquarters.

After our local treasury was depleted our secretary was authorized by the president to send Mr. Gorman a special-delivery letter stating our circumstances. This being done, we waited a week, and receiving no reply, a telegram was then sent to Mr. Gorman telling him it would be impossible to carry on any longer without help. We received no reply from this.

At the convention in Gaffney a resolution was drawn up and telegraphed to Mr. Gorman asking for a commissary to be set up in Greenwood for the relief of the two locals here, and to my knowledge Gorman hasn't been heard from yet.

When Peele, Brookshire, and Rogers come down and cry "Stick together, you've got the backing"—well, that's a huge joke. They want the locals to stick together—sure—for that's where their salaries come from.

The only help we ever got was from other locals, and if one local in Carolina has to help another, why is it necessary to send Gorman the money?

Each month that I mailed Gorman's secretary a money order, usually around \$150, there wasn't a minute lost in the time it took for it to get there and a receipt to get back here thanking us and wishing us all kinds of success and hoping we would continue to grow. Of course that was natural, for as long as we continued to grow it meant more dollars in his pockets.

Before the union was organized I don't know of a single needy family in our community, and now I could name a dozen needy families.

What has the union profited any of us? It has bred enmity among a few and brought hardships to many. And now Mr. Gorman doesn't even recall that there was ever a Local No. 2171 in Greenwood, S. C., or if he does, there's no evidence of the fact.

I sincerely hope that if anyone reading this happens to be a 100 percent union member or is still inclined to belong to a union, that he or she will not be offended, for I have merely stated the true facts.

I do not care for any more union experience, and prefer to be dictated to from now on by someone I know personally and not by Gorman.

Thank you.

(Miss) CARRIE NASH.

NOT FIGHTING LABOR

I am not making any fight against Mr. Gorman, the United Textile Workers of America, or any other labor organization as the article in this paper attempts to intimate. My position with reference to all union labor is simple. I believe that any man who desires to become a member of a labor union has the right to do so, and likewise any man who does not desire to be a member is also within his right in staying out. Neither the union or the nonunion man has a right to coerce, tantalize, or threaten

the other, and in making either choice he should be allowed to base that choice on whatever appeals to his better judgment and reason. This principle is fair, democratic, and in accordance with the principles of right as set forth in the Constitution of the United States. Any other principle is unfair, undemocratic, and un-American. I fought this whole thing out in my campaign for reelection to Congress in 1934 before the people of the Third District of South Carolina, and despite sinister and ulterior influences that tried to undermine this fair and impartial attitude toward the laboring man as well as other constituents, I was reelected by a satisfactory majority. The people of the district I represent are fair, honest, hard-working people. They are not going to oppress, threaten, or coerce any organized minority or allow any organized minority to bully, threaten, or coerce them.

MR. O'CONNOR'S REMARKS

Perhaps conditions in the home State of Mr. CONNERY, of Massachusetts, are perfect. If they are not, I certainly do not intend to malign or indict the good people of New England as he has indicted and abused the fine southern textile people. I have too much respect for these people and the great work in which they are engaged to set myself up as a critic of the conditions they are facing.

However, since the remarks of April 23 in the House here, a Member of Congress from Mr. CONNERY's section, a man who worked in the cotton mills of New England in the early years, when he was paid "the munificent sum of \$1.50 a week", has arisen in this House and told us something about conditions there as well as in the South. The remarks of the gentleman from New York [Mr. O'CONNOR] are highly pertinent to this question at issue. With the permission of the gentleman from New York, I desire to include his remarks again in the RECORD, taken from page 7510 under date of May 15, 1935:

This campaign, which has gained momentum through their chambers of commerce and other parochial and selfish individuals, has raised a dastardly sectional issue between the North and South. I have listened as patiently as I could to the aspersions cast on the textile industry in our Southern States. There are the charges made that labor was underpaid, that child labor was employed, and that the living conditions of the worker were deplorable. It is not necessary for me to reiterate a denial of those charges. Everybody familiar with the situation knows they are not true. The distinguished gentleman from North Carolina [Mr. WARREN], in a magnificent address, recently disposed of this selfish sectional attack on the processing tax, but he omitted to mention what I can state of my own knowledge. The textile industry of New England should be the last to talk about wages or the living conditions of workers in that industry. I spent 23 years of my life in a Massachusetts mill town. I worked as a bobbin boy in a cotton mill, and, like the distinguished gentleman from South Carolina [Mr. TAYLOR], I received the munificent sum of \$1.50 a week, and this at a time when spinners and weavers, men and women, were getting only \$6 a week.

I have seen company houses, row on row. I have seen company stores; I have handled the company pay tokens. I have seen whole rows of workers living in those company houses thrown in the street with all of their belongings because of some labor dispute. It does not lie in the mouths of the mill operators of New England or the steel operators of Pennsylvania or the mine operators of Pennsylvania, the chief beneficiaries of a high protective tariff, supported for 50 years by a high protective tariff, to make such charges about conditions in the South. Nor could such a complaint come with good grace from the gentleman from New York, who spoke yesterday. It is not over 20 years ago that, under Democratic leadership in the Legislature of New York, the canners were forced to abolish in that country the same conditions that are now charged to the South, and which do not exist. In your canneries in upstate New York you were employing children and you were employing women in childbirth for 20 hours a day and paying them starvation wages.

It was due to the leadership of a great Democrat that this condition was abolished not so long ago. This great Democrat was Alfred E. Smith. [Applause.]

I often think of those mill towns in Massachusetts and New England, which I knew so well, Taunton, Fall River, and New Bedford, represented by the gentleman from Massachusetts [Mr. MARTIN]; Lowell, the home city of the beloved lady from Massachusetts [Mrs. ROGERS]; Lynn, the home city of our own "BILL" CONNERY; Nashua, Manchester, Woonsocket, and Pawtucket.

The gentleman from North Carolina [Mr. WARREN] omitted to say that in his State they at least employ their own people. They did not import the people and put them to work in their mills. Why, it was because of importations of foreign labor into this country that we passed the contract-labor provisions in our immigration

laws, and principally because of what was done by the textile workers of New England.

Now, let us have it out. Let the lady from Lowell and the gentlemen from these other cities, which we all know so well, tell us what was the predominating language spoken in these cities 25 years ago. It was not English. Those people were fine, decent, religious, law-abiding, ambitious people, a credit to their communities, many of them rising to high place and becoming mayors and governors of some of those States, but their forefathers had been brought into New England by the textile magnates because of the low wages they could offer them and the long hours they could work them. So enough of that sectional talk.

DETAILS OF RELIEF SCALE

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein the schedule of monthly wages by regions and types of work specified in the Executive order that President Roosevelt issued the other day.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following schedule of monthly wages by regions and types of work:

WORKS WAGES WILL VARY ACCORDING TO AREAS AND NATURE OF PROJECTS, UNDER PLAN OF ROOSEVELT

The schedule of monthly wages by regions and types of work specified in the executive order which President Roosevelt issued yesterday is as follows:

Counties in which the 1930 population of the largest municipality was—

UNSKILLED WORK

Region	Over 100,000	50,000 to 100,000	25,000 to 50,000	5,000 to 25,000	Under 5,000
I.....	\$55	\$52	\$48	\$44	\$40
II.....	45	42	40	35	32
III.....	35	33	29	24	21
IV.....	30	27	25	22	19

INTERMEDIATE WORK

I.....	\$65	\$60	\$55	\$50	\$45
II.....	58	54	50	44	38
III.....	52	48	43	36	30
IV.....	49	43	38	32	27

SKILLED WORK

I.....	\$85	\$75	\$70	\$63	\$55
II.....	72	66	60	52	44
III.....	68	62	56	48	38
IV.....	68	58	50	42	35

PROFESSIONAL AND TECHNICAL WORK

I.....	94	83	77	69	61
II.....	79	73	66	57	48
III.....	75	68	62	53	42
IV.....	75	64	55	46	39

Regions include the following States:

- I. Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.
- II. Iowa, Kansas, Missouri, Nebraska, North Dakota, South Dakota, Delaware, District of Columbia, Maryland, West Virginia.
- III. Arkansas, Kentucky, Louisiana, Oklahoma, Texas, Virginia.
- IV. Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BROWN of Michigan (at the request of Mr. Hook), for 10 days, on account of urgent business.

To Mr. OLIVER (at the request of Mr. HILL of Alabama), for the rest of the week, on account of illness.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 378. An act for the relief of Gerald Mackey;

H. R. 2045. An act to set aside certain lands for the Chipewewa Indians in the State of Minnesota;

H. R. 6954. An act to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to Acadia National Park; and

H. R. 7131. An act to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On May 22, 1935:

H. R. 157. An act to amend section 5296 of the Revised Statutes of the United States;

H. R. 972. An act for the relief of John Costigan;

H. R. 1846. An act for the relief of Daniel W. Seal;

H. R. 2192. An act for the relief of Harry B. Walmsley;

H. R. 2294. An act for the relief of Thaddeus C. Knight;

H. R. 3721. An act for the relief of Angelo J. Gillotti;

H. R. 3975. An act to provide for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach;

H. R. 4005. An act to amend section 21 of the Interstate Commerce Act, as amended, with respect to the time of making the annual report of the Interstate Commerce Commission;

H. R. 4239. An act authorizing the Secretary of Commerce to convey to the city of Grand Haven, Mich., certain portions of the Grand Haven Lighthouse Reservation, Mich.;

H. R. 5444. An act to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes;

H. R. 5707. An act to ratify and confirm the corporate existence of the city of Nome, Alaska, and to authorize it to undertake certain municipal public works, including the construction, reconstruction, enlargement, extension, and improvement of its sewers and drains, fire-fighting systems, streets and alleys, sidewalks, curbs and gutters, and a municipal building, and for such purposes to issue bonds in any sum not exceeding \$100,000;

H. R. 6021. An act to provide additional home-mortgage relief, to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and the National Housing Act, and for other purposes;

H. R. 6654. An act to increase the White House Police Force, and for other purposes; and

H. J. Res. 249. Joint resolution to provide for participation by the United States in the Eighth International Congress of Military Medicine and Pharmacy to be held at Brussels, Belgium, in June 1935.

On May 23, 1935:

H. R. 378. An act for the relief of Gerald Mackey;

H. R. 2045. An act to set aside certain lands for the Chipewewa Indians in the State of Minnesota;

H. R. 6954. An act to authorize the transfer of the Green Lake Fish Cultural Station in Hancock County, Maine, as an addition to Acadia National Park; and

H. R. 7131. An act to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 52 minutes p. m.) the House adjourned until tomorrow, Friday, May 24, 1935, at 12 o'clock noon.

COMMITTEE MEETINGS

COMMITTEE ON FLOOD CONTROL

(Saturday, May 25, 10:30 a. m.)

There will be a meeting of the Committee on Flood Control of the House of Representatives on Saturday, May 25,

1935, at 10:30 a. m., for the consideration of H. R. 7733 and H. R. 8057.

(Monday, May 27, 10:30 a. m.)

There will be an executive meeting of the Committee on Flood Control on Monday, May 27, 1935, at 10:30 a. m., for the consideration of H. R. 6833.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 6910. A bill to amend section 4 of the act of May 31, 1933, enacted to safeguard the interests and welfare of Indians of the Taos Pueblo, N. Mex., in certain lands within the Carson National Forest; without amendment (Rept. No. 983). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. H. R. 7202. A bill to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians; without amendment (Rept. No. 984). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 7349. A bill to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928, as amended; with amendment (Rept. No. 985). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREGORY: Committee on the Judiciary. S. 481. An act authorizing the filling of vacancies in certain judgeships; with amendment (Rept. No. 986). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Rules. House Resolution 230. A resolution for the consideration of H. R. 8052; without amendment (Rept. No. 987). Referred to the House Calendar.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 8155) granting an increase of pension to Mary M. Snyder, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FENERTY: A bill (H. R. 8178) to provide for the immediate payment of World War adjusted-service certificates, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes; to the Committee on Ways and Means.

By Mr. CELLER: A bill (H. R. 8179) to amend an act entitled, "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. HEALEY: A bill (H. R. 8180) to prohibit the use of the mails for the solicitation of the procurement of divorces in foreign countries; to the Committee on the Post Office and Post Roads.

By Mr. SMITH of Virginia: A bill (H. R. 8181) to raise revenue by taxing certain wood pulp and pulpwood; to the Committee on Ways and Means.

By Mr. DISNEY: A bill (H. R. 8182) authorizing an appropriation for payment to the Delaware Tribe of Indians in the State of Oklahoma; to the Committee on Indian Affairs.

By Mr. DRISCOLL: A bill (H. R. 8183) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at Emlenton, in the county of Venango, Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. REED of New York: A bill (H. R. 8184) to provide for the optional cash payment of adjusted-service certificates, to extend the time for filing applications for benefits under the World War Adjusted Compensation Act, and for other purposes; to the Committee on Ways and Means.

By Mr. LLOYD: A bill (H. R. 8185) to amend section 201 of the Merchant Marine Act, 1928; to the Committee on Merchant Marine and Fisheries.

By Mr. BLAND (by request): A bill (H. R. 8186) to increase the efficiency of the Coast Guard; to the Committee on Merchant Marine and Fisheries.

By Mr. DRISCOLL: A bill (H. R. 8187) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River, at Tionesta, in Tionesta Township, and in the county of Forest, and in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. DIMOND: A bill (H. R. 8188) to extend the provisions of certain laws relating to vocational education and civilian rehabilitation to the Territory of Alaska; to the Committee on Education.

By Mr. DRISCOLL: A bill (H. R. 8189) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at East Brady, in the counties of Clarion and Armstrong and in the Commonwealth of Pennsylvania; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCIALKOWSKI: Resolution (H. Res. 228) for the consideration of S. 2530; to the Committee on Rules.

By Mr. HOOK: Resolution (H. Res. 229) directing the Administrator of the Federal Emergency Relief Administration to transmit certain information to the House of Representatives; to the Committee on Ways and Means.

By Mr. FISH: Joint resolution (H. J. Res. 300) authorizing and directing the payment of the adjusted-service certificates of veterans out of the appropriation for public works; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 8190) granting a pension to Alice Cook; to the Committee on Invalid Pensions.

By Mr. BEITER: A bill (H. R. 8191) for the relief of Joseph P. Vesper; to the Committee on Military Affairs.

By Mr. CHURCH: A bill (H. R. 8192) for the relief of Walter Edward Nolde; to the Committee on Naval Affairs.

By Mr. DISNEY: A bill (H. R. 8193) for the relief of Noah Chambers; to the Committee on Claims.

By Mr. GAMBRILL: A bill (H. R. 8194) for the relief of H. Bluestone; to the Committee on Naval Affairs.

By Mr. GRAY of Pennsylvania: A bill (H. R. 8195) authorizing the President of the United States to present the Distinguished Service Cross to Samson Goldstein; to the Committee on Military Affairs.

By Mr. HOUSTON: A bill (H. R. 8196) granting a pension to Thomas J. Robinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8197) granting an increase of pension to Eliza Robinson; to the Committee on Invalid Pensions.

By Mr. McANDREWS: A bill (H. R. 8198) for the relief of Dr. M. H. Streicher; to the Committee on Claims.

By Mr. MARTIN of Colorado: A bill (H. R. 8199) to provide a preliminary examination of the Huerfano River in Huerfano and Pueblo Counties, and the Cuchara River in Huerfano County, Colo., with a view to the control of their floods and the conservation of their waters; to the Committee on Flood Control.

By Mr. PETERSON of Florida: A bill (H. R. 8200) for the relief of the seamen of the steamship *Santa Ana*; to the Committee on Claims.

By Mr. WADSWORTH: A bill (H. R. 8201) for the relief of the Freidell Winery Co.; to the Committee on Claims.

By Mr. WHELCHER: A bill (H. R. 8202) for the relief of Eddie B. Black; to the Committee on Claims.

Also, a bill (H. R. 8203) for the relief of Mrs. Clifford D. Barber; to the Committee on Claims.

Also, a bill (H. R. 8204) to correct the military record of Waldo E. Cape; to the Committee on Military Affairs.

Also, a bill (H. R. 8205) granting a pension to Viola E. Mann; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8590. By Mr. KING: Joint resolution of the Legislature of the Territory of Hawaii, memorializing the Congress of the United States to pass Senate bill 2066, known as the "Frazier bill"; to the Committee on Agriculture.

8591. Also, petition of the Legislature of the Territory of Hawaii, memorializing and requesting the Secretary of Labor to appoint and send to the Territory of Hawaii a United States Labor Commissioner with full authority to perform the usual duties of a labor commissioner and to prepare the statistics called for in section 76 of the Hawaiian organic act; to the Committee on Labor.

8592. Also, petition of the Legislature of the Territory of Hawaii, requesting the Congress of the United States to authorize the issuance of certain Territorial bonds; to the Committee on the Territories.

8593. Also, petition of the Legislature of the Territory of Hawaii, memorializing the Congress of the United States of America to provide for the issuance, by the Bureau of Immigration of the Department of Labor, of certificates of citizenship to all persons residing in the Territory of Hawaii who are citizens of the United States and who apply for such certificates and present due proof of such citizenship, and to provide for the appointment of a commission to present this resolution before the Congress of the United States, and to make available to the said commission an appropriation to defray its expenses; to the Committee on Immigration and Naturalization.

8594. By Mr. McLAUGHLIN: Petition concerning cooperation in the President's program; to the Committee on Ways and Means.

8595. By Mr. MEAD: Petition of members of the Second Interstate Assembly, urging that Congress support the proposed appropriation of \$40,000 to the Interstate Reference Bureau for the current year; to the Committee on Appropriations.

8596. By Mr. PFEIFER: Petition of the New York Federation of Music Clubs, Inc., Brooklyn, N. Y., concerning House bill 7201; to the Committee on Military Affairs.

8597. Also, petition of the American Federation of Labor, Washington, D. C., concerning the Wagner-Connery labor-disputes bill; to the Committee on Labor.

8598. Also, petition of the Allied Printing Trades Council of Greater New York, concerning the Wagner-Connery labor-disputes bill; to the Committee on Labor.

8599. Also, telegram from E. P. Simmons, president of the Warehousemen's Association of the Port of New York, favoring continuation of the National Recovery Act; to the Committee on Ways and Means.

8600. Also, petition of Joseph A. Wynn Post, No. 260, Department of the State of New York, Veterans of Foreign Wars, Brooklyn, N. Y., endorsing House bill 5541; to the Committee on the Judiciary.

8601. By Mr. TONRY: Petition of sundry citizens of the Eighth Congressional District of the State of New York, in disapproval of the Wagner labor-disputes bill; to the Committee on Labor.

8602. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, memorializing Congress for the enactment of Federal legislation to substitute another tax for the discriminatory tax on cigarettes selling at a low price; to the Committee on Ways and Means.

8603. By the SPEAKER: Petition of the Western Council of the Dress Manufacturing Industry, Cleveland, Ohio; to the Committee on Ways and Means.

8604. Also, petition of the United Bondholders' Association, Chicago, Ill.; to the Committee on Banking and Currency.